

## INFORMATION CIRCULAR

### ELEMENT NUTRITIONAL SCIENCES INC.

Suite 401 - 1100 Walkers Line  
Burlington, Ontario L7N 2G3

### PERSONS MAKING THE SOLICITATION

This Information Circular is furnished in connection with the solicitation of proxies being made by the management of Element Nutritional Sciences Inc. (the “Corporation”) for use at the Annual General Meeting of the Corporation’s shareholders (the “Meeting”) to be held virtually on Tuesday, December 21, 2021 at 11 a.m. (Eastern Time). While it is expected that the solicitation will be made primarily by mail, proxies may be solicited personally or by telephone by directors, officers and employees of the Corporation. All costs of this solicitation will be borne by the Corporation.

Due to the COVID-19 pandemic and given the restrictions on public gatherings and in the best interest of the health of all participants in the Corporation’s Meeting, the Corporation respectfully asks that all shareholders do not attend the Meeting in person. The Corporation requests that shareholders who wish to participate by listening to the Meeting, contact the Corporation by December 17, 2021 at [slowther@elementnutrition.com](mailto:slowther@elementnutrition.com) to be included in the teleconference for the Meeting. The Corporation will arrange for teleconference participation for all shareholders who have requested it by December 17, 2021. However, the Corporation strongly recommends that shareholders vote by Proxy or by a request for voting instructions in advance to ease the voting tabulation at the Meeting by December 17, 2021. If public health guidelines regarding physical distancing in British Columbia have changed by the Meeting date, the Corporation may issue a news release advising of permitted Meeting attendance in accordance with such updated guidelines.

### APPOINTMENT OF PROXIES

The individuals named in the accompanying form of proxy (the “Proxy”) are directors or officers of the Corporation. **A SHAREHOLDER WISHING TO APPOINT SOME OTHER PERSON OR CORPORATION (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR THE SHAREHOLDER AND ON THE SHAREHOLDER’S BEHALF AT THE MEETING HAS THE RIGHT TO DO SO, EITHER BY INSERTING SUCH PERSON’S NAME IN THE BLANK SPACE PROVIDED IN THE PROXY AND STRIKING OUT THE TWO PRINTED NAMES, OR BY COMPLETING ANOTHER PROXY.** A Proxy will not be valid unless it is completed, dated and signed and delivered to Endeavor Trust Corporation, Suite 702 – 777 Hornby Street, Vancouver, British Columbia, Canada, V6Z 1S4 Attention: Proxy Department not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting or any adjournment of it or to the chair of the Meeting on the day of the Meeting or any adjournment of it.

### NON-REGISTERED HOLDERS

Only shareholders whose names appear on our records or validly appointed proxy holders are permitted to vote at the Meeting. Most of our shareholders are “non-registered” shareholders because their shares are registered in the name of a nominee, such as a brokerage firm, bank, trust Corporation, trustee or administrator of a self-administered RRSP, RRIF, RESP or similar

plan or a clearing agency such as CDS Clearing and Depository Services Inc. (a “**Nominee**”). If you purchased your shares through a broker, you are likely a non-registered shareholder.

Non-registered holders who have not objected to their Nominee disclosing certain ownership information about themselves to the Corporation are referred to as “NOBOs”. Those non-registered shareholders who have objected to their Nominee disclosing ownership information about themselves to the Corporation are referred to as “OBOs”.

In accordance with National Instrument 54-101 – Communication with Beneficial Owners of Securities of a Reporting Issuer, we will have distributed copies of the Meeting Materials, being the Notice of Meeting, this Information Circular, and the form of proxy directly to NOBOs and to the Nominees for onward distribution to OBOs. **The Corporation does not intend to pay for a Nominee to deliver to OBOs, therefore an OBO will not receive the materials unless the OBO’s Nominee assumes the costs of delivery.**

Nominees are required to forward the Meeting materials to each OBO unless the OBO has waived the right to receive them. Shares held by Nominees can only be voted in accordance with the instructions of the non-registered shareholder. Meeting Materials sent to non-registered holders who have not waived the right to receive Meeting Materials are accompanied by a request for voting instructions (a “**VIF**”). The VIF is used instead of a proxy. By returning the VIF in accordance with the instructions noted on it, a non-registered holder is able to instruct the registered shareholder (or Nominee) how to vote on behalf of the non-registered shareholder. VIFs, whether provided by the Corporation or by a Nominee, should be completed and returned in accordance with the specific instructions noted on the VIF.

In either case, the purpose of this procedure is to permit non-registered holders to direct the voting of the shares which they beneficially own. **Should a non-registered holder who receives a VIF wish to attend the Meeting or have someone else attend on his/her behalf, the non-registered holder may request a legal proxy as set forth in the VIF, which will grant the non-registered holder or his/her nominee the right to attend and vote at the Meeting.** Non-registered holders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered.

### **REVOCATION OF PROXIES**

A shareholder who has given a Proxy may revoke it by an instrument in writing executed by the shareholder or by the shareholder’s attorney authorized in writing or, if the shareholder is a Corporation, by a duly authorized officer or attorney of the Corporation, and delivered to the proposed records office of the Corporation at 400 – 725 Granville Street, Vancouver, British Columbia V7Y 1G5 at any time up to and including the last business day preceding the day of the Meeting or any adjournment of it or to the chair of the Meeting on the day of the Meeting or any adjournment of it. **Only registered shareholders have the right to revoke a Proxy. Non-registered holders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective Nominees to revoke the Proxy on their behalf.**

A revocation of a Proxy does not affect any matter on which a vote has been taken prior to the revocation.

### **EXERCISE OF DISCRETION**

If the instructions in a Proxy are certain, the shares represented thereby will be voted on any poll by the persons named in the Proxy, and, where a choice with respect to any matter to be

acted upon has been specified in the Proxy, the shares represented thereby will, on a poll, be voted or withheld from voting in accordance with the specifications so made.

**Where no choice has been specified by the shareholder, such shares will, on a poll, be voted in accordance with the notes to Proxy.**

The enclosed Proxy, when properly completed and delivered and not revoked, confers discretionary authority upon the persons appointed proxyholders thereunder to vote with respect to any amendments or variations of matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the time of the printing of this Information Circular, the management of the Corporation knows of no such amendment, variation or other matter which may be presented to the Meeting.

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

As at the date hereof, the Corporation has issued and outstanding 95,834,276 fully paid and non-assessable common shares without par value, each share carrying the right to one vote. The Corporation has no other class of voting securities and does not have any class of restricted securities.

Any shareholder of record at the close of business on November 16, 2021 (the “**Record Date**”) who either personally attends the Meeting or who has completed and delivered a Proxy in the manner specified, subject to the provisions described above, shall be entitled to vote or to have such shareholder’s shares voted at the Meeting.

To the knowledge of the Corporation’s directors and executive officers, the only person or company who beneficially owns, or controls or directs, directly or indirectly, shares carrying 10% or more of the voting rights attached to the Corporation’s issued and outstanding common shares is the following:

Name	No. of Common Shares Owned	Percentage of Class <sup>(1)</sup>
Stuart Lowther	18,230,258	19.03%

Note:

(1) The percentage is determined based on the number of the Corporation’s outstanding common shares as of the Record Date.

### **NUMBER OF DIRECTORS**

Management of the Corporation is seeking shareholder approval of an ordinary resolution fixing the number of directors of the Corporation at six (6) for the ensuing year.

### **ELECTION OF DIRECTORS**

The term of office for each of the present directors expires at the Meeting. **The persons named below will be presented for election at the Meeting as management’s nominees.** Management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next annual general meeting of the Corporation or until his or her successor is elected or appointed, unless his or her office is earlier vacated in accordance with the Articles of the Corporation or the provisions of the *Business Corporations Act* (British Columbia).

The following table sets out the names of the nominees for election as directors, the province and country in which each is ordinarily resident, the period or periods during which each has served as a director, the position(s) held in the Corporation, their present principal occupations and the number of common shares of the Corporation or any of its subsidiaries beneficially owned by each, directly or indirectly, or over which control or direction is exercised, as at the date hereof.

<b>Name, Jurisdiction of Residence &amp; Position<sup>(1)</sup></b>	<b>Present Principal Occupation or employment, and if not a previously elected director, occupation during the past 5 years<sup>(2)</sup></b>	<b>Director Since</b>	<b>Shares Owned<sup>(2)</sup></b>
Stuart Lowther <sup>(3)</sup> <i>Halton, Ontario, Canada</i>	Chairman, Chief Executive Officer, President and Director	August 31, 2020	18,230,258
Shaun Power <i>Halton, Ontario, Canada</i>	Chief Financial Officer, Corporate Secretary and Director	August 31, 2020	100,000
Lino Fera <sup>(3)</sup> <i>Halton, Ontario, Canada</i>	Director	December 22, 2020	Nil
Sean Bromley <sup>(3)</sup> <i>Vancouver, British Columbia, Canada</i>	Director	August 31, 2020	Nil
Tracie Crook <i>Burlington, Ontario, Canada</i>	Director	August 19, 2021	Nil
Greg Cochrane <i>Toronto, Ontario, Canada</i>	Director	August 19, 2021	Nil

Notes:

- (1) For the purposes of disclosing positions held in the Corporation, "Corporation" includes the Corporation and any parent or subsidiary thereof.
- (2) The information as to province and country of residence, principal occupation and number of shares beneficially owned by the nominees (directly or indirectly or over which control or direction is exercised) is not within the knowledge of the management of the Corporation and has been furnished by the respective nominees.
- (3) Member of the Corporation's Audit Committee.

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

To the best of management's knowledge, no proposed director:

- a) is at the date of this Information Circular, or has been within the last 10 years, a director or CEO or chief financial officer ("CFO") of any Corporation (including the Corporation) that:
  - (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant Corporation access to any exemption under securities legislation, that was issued while the proposed director was acting in the capacity as director, CEO or CFO; or
  - (ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant Corporation access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, CEO or

CFO and which resulted from an event that occurred while the proposed director was acting in the capacity as director, CEO or CFO of such Corporation; or

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

#### **DIRECTOR AND EXECUTIVE COMPENSATION**

The Corporation is a venture issuer and is disclosing its executive compensation in accordance with Form 51-102F6V.

The following persons are considered the “Named Executive Officers” or “NEOs” for the purposes of the disclosure for the year ended December 31, 2020:

- a) the Corporation’s CEO, including an individual performing functions similar to a CEO;
- b) the Corporation’s CFO, including an individual performing functions similar to a CFO;
- c) the most highly compensated executive officer of the Corporation and its subsidiaries, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V Statement of Executive Compensation – Venture Issuers, for the December 31, 2020 year end; and
- d) each individual who would be a Named Executive Officer under paragraph (c) but for the fact the individual was not an executive officer of the Corporation and was not acting in a similar capacity as at December 31, 2020.

#### **Director and Named Executive Officer Compensation, excluding Compensation Securities**

The following table is a summary of compensation (excluding compensation securities) paid, awarded to or earned by the Named Executive Officers and any director who is not a Named Executive Officer for each of the Corporation’s two most recently completed years.

<b>Table of Compensation Excluding Compensation Securities</b>							
<b>Name and Position</b>	<b>Year</b> (1)	<b>Salary, consulting fee, retainer or commission</b> <b>(\$)</b>	<b>Bonus</b> <b>(\$)</b>	<b>Committee or Meeting Fees</b> <b>(\$)</b>	<b>Value of Perquisites</b> <b>(\$)</b>	<b>Value of all other compensation</b> <b>(\$)</b>	<b>Total compensation</b> <b>(\$)</b>
Stuart Lowther <sup>(2)</sup> <i>Halton, Ontario, Canada</i>	2020	\$150,000	Nil	Nil	\$13,200	Nil	\$163,200
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Shaun Power <sup>(3)</sup> <i>Halton, Ontario, Canada</i>	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Lino Fera <sup>(4)</sup> <i>Halton, Ontario, Canada</i>	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Sean Bromley <sup>(5)</sup> <i>Vancouver, British Columbia, Canada</i>	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Tracie Crook <sup>(6)</sup> <i>Burlington, Ontario, Canada</i>	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Greg Cochrane <sup>(7)</sup> <i>Toronto, Ontario, Canada</i>	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Financial year ended December 31.
- (2) Stuart Lowther has been acting as Director, Chairman, President and CEO since August 31, 2020.
- (3) Shaun Power has been acting as Director and CFO since August 31, 2020.
- (4) Lino Fera has been acting as Director since December 20, 2020.
- (5) Sean Bromley has been acting as Director since August 31, 2020.
- (6) Tracie Crook has been acting as Director since August 19, 2021.
- (7) Greg Cochrane has been acting as Director since August 19, 2021.

### **Stock Options and Other Compensation Securities**

The following table discloses all compensation securities granted or issued to Named Executive Officers and any director who is not a Named Executive Officer during the most recently completed financial year ended December 31, 2020 for services provided or to be provided, directly or indirectly, to the Corporation or any of its subsidiaries.

Compensation Securities							
Name and Position	Type of Compensation Security	Number of Compensation Securities, Number of Underlying Securities and Percentage of Class	Date of Issue or Grant	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
Shaun Power <sup>(1)</sup> <i>Chief Financial Officer</i>	Stock Options	150,000 Common Shares  (30%) <sup>(2)</sup>	December 22, 2020	\$0.25	N/A	N/A	December 22, 2025

Notes:

- (1) These Stock Options vested immediately. As at December 31, 2020, Mr. Power has not exercised any options.  
 (2) As at December 31, 2020.

During the financial years ended December 31, 2020, none of the Named Executive Officers or directors exercised any stock options.

For information about the material terms of the Corporation's stock option plan, please refer to the heading "Particulars of Matters to be Acted Upon – Shareholder Approval of Stock Option Plan".

**Employment, consulting and management agreements**

The Corporation paid compensation to Stuart Lowther, the Corporation's Chief Executive Officer, President, Chairman and a director, pursuant to an executive employment agreement (the "**Lowther Agreement**"). The Lowther Agreement initially provided that that the Corporation will pay Mr. Lowther a base salary of \$250,000 per annum. Effective July 1, 2021, Mr. Lowther's base salary was increased to \$300,000. In addition, pursuant to the terms of the Lowther Agreement, Mr. Lowther is entitled to (i) a discretionary performance bonus, as determined by the Board, (ii) participate in the Corporation's group benefit plan; (iii) participate in the Corporation's stock option plan; (iv) receive an aggregate of 2,800,000 Options to purchase 2,800,000 Common Shares at an exercise price of \$0.25 per share, which options shall expire five (5) years from the date of grant; and (v) a monthly car allowance of \$1,100.

**Oversight and description of Director and Named Executive Officer compensation**

*Director Compensation*

The Board determines director compensation from time to time. The Corporation may, from time to time, grant to its directors incentive stock options to purchase common shares in the capital of the Corporation pursuant to the terms of the Stock Option Plan and in accordance with the Exchange policies.

*Named Executive Officer Compensation*

The Board as a whole determines executive compensation from time to time. The Corporation does not have a formal compensation policy. The main objectives the Corporation hopes to achieve through its compensation are to attract and retain executives critical to the Corporation's success, who will be key in helping the Corporation achieve its corporate

objectives and increase shareholder value. The Corporation looks at industry standards when compensating its executive officers.

During the financial year ended December 31, 2020, Stuart Lowther, Chief Executive Officer, President, Chairman and a director of the Corporation, received cash compensation totalling \$150,000.

During the financial year ended December 31, 2020, Shaun Power, Chief Financial Officer of the Corporation, was granted 150,000 stock options exercisable at a price of \$0.25 for a period of five years.

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

The following table provides information as of the date of this Information Circular regarding the number of common shares to be issued pursuant to the Corporation's stock option plan. The Corporation does not have any equity compensation plans that have not been approved by its shareholders.

<b>Plan Category</b>	<b>Number of Common Shares to be issued upon exercise of outstanding options, warrants and rights</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>
<b>Equity compensation plans approved by security holders</b> Stock Option Plan	8,400,000	\$0.44	1,181,188
<b>Equity compensation plans not approved by security holders</b>	N/A	N/A	N/A
<b>Total</b>	8,400,000	\$0.44	1,181,188

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

As at the date of this Information Circular, no executive officer, director, employee or former executive officer, director or employee of the Corporation or any of its subsidiaries is indebted to the Corporation, or any of its subsidiaries, nor are any of these individuals indebted to another entity which indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation, or any of its subsidiaries.



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

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

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

Except as disclosed in this Information Circular, since the commencement of the Corporation's most recently completed financial year, no informed person of the Corporation, nominee for director or any associate or affiliate of an informed person or nominee, had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries. An "informed person" means: (a) a director or executive officer of the Corporation; (b) a director or executive officer of a person or Corporation that is itself an informed person or subsidiary of the Corporation; (c) any person or Corporation who beneficially owns, directly or indirectly, voting securities of the Corporation or who exercises control or direction over voting securities of the Corporation or a combination of both carrying more than 10% of the voting rights other than voting securities held by the person or Corporation as underwriter in the course of a distribution; and (d) the Corporation itself, if and for so long as it has purchased, redeemed or otherwise acquired any of its shares.

## **AUDIT COMMITTEE**

### **Composition of Audit Committee**

As at the date of this Information Circular, the Audit Committee is composed of Lino Fera, Sean Bromley and Stuart Lowther. Mr. Fera and Mr. Bromley are "independent" because they are not executive officers or employees of the Corporation. All three members are "financially literate" within the meaning of sections 1.4, 1.5 and 1.6 of National Instrument 52-110 *Audit Committees* ("NI 52-110"). The text of the Audit Committee's Charter is attached as Appendix "A" to this Information Circular.

The Corporation is relying on the exemption provided by Section 6.1 of NI 52-110 by virtue of the fact that it is a venture issuer. Section 6.1 exempts the Corporation from the requirements of Parts 3 (*Composition of the Audit Committee*) and 6 (*Reporting Obligations*) of NI 52-110.

### **Relevant Education and Experience**

Lino Fera is an accredited Chartered Professional Accountant (CPA) with over 25 years of experience with start-ups and small to large organizations within the healthcare, marketing and services industry. He received his Bachelor of Commerce (Hons) from the University of Windsor and Bachelor of Arts (Hons) from the University of Toronto.

Sean Bromley is a financial consultant with a Bachelor of Commerce degree with a specialization in Finance from the University of Calgary. Sean was formerly the Chief Financial Officer for Loopshare Technologies Corp. and has experience consulting and advising consumer packaged goods companies.

Stuart Lowther is an entrepreneur with a Honours Degree in Nutritional Sciences from the University of Guelph and a joint Masters Degree in Nutrition and Human Metabolism from

McMaster University and the University of Guelph. Stuart Lowther has experience assisting in building significant businesses in North America and the Global Markets. He previously built and sold one of Canada's top 10 fastest growing companies as recognized by Business Week and Profit Magazine and is a two time nominee of the EY Entrepreneur of the year award.

### **Audit Committee Oversight**

At no time since the commencement of the Corporation's most recently completed financial year, has a recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by the Board.

### **Reliance on Certain Exemptions**

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on the exemption in Section 2.4 (*De Minimis Non-audit Services*) or Part 8 (*Exemptions*) of NI 52-110. Section 2.4 provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the financial year in which the non-audit services were provided. Part 8 permits a Corporation to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

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

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described under the heading "Article 2 – Pre-Approval of Non-Audit Services" of the Audit Committee Charter as set out in Appendix "A" to this Information Circular.

### **Audit Fees, Audit-Related Fees, Tax Fees and all other Fees**

In the following table, "audit fees" are fees billed by the Corporation's external auditor for services provided in auditing the Corporation's annual financial statements for the subject year. "Audit-related fees" are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's financial statements. "Tax fees" are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. "All other fees" are fees billed by the auditor for products and services not included in the foregoing categories.

The fees paid by the Corporation to its auditor in each of the last two financial years, by category, are as follows:

<b>Financial Year Ending</b>	<b>Audit Fees</b>	<b>Audit Related Fees</b>	<b>Tax Fees</b>	<b>All Other Fees</b>
December 31, 2020	\$55,000	\$175,300	-	-
December 31, 2019	\$63,000	-	\$9,100	

### **Reliance on Exemptions in NI 52-110 regarding Audit Committee Composition & Reporting Obligations**

Since the Corporation is a venture issuer, it relies on the exemption contained in section 6 of NI 52-110 from the requirements of Part 3 Composition of the Audit Committee and Part 5 Reporting Obligations of NI 52-110 (which requires certain prescribed disclosure about the Audit

Committee in this Information Circular).

## **CORPORATE GOVERNANCE DISCLOSURE**

National Instrument 58-101 *Disclosure of Corporate Governance Practices* requires each reporting issuer to disclose its corporate governance practices on an annual basis. The Corporation's approach to corporate governance is set forth below.

### **Board of Directors**

NI 52-110 sets out the standard for director independence. Under NI 52-110, a director is independent if he or she has no direct or indirect material relationship with the Corporation. A material relationship is a relationship which could, in the view of the board of directors, be reasonably expected to interfere with the exercise of a director's independent judgment. NI 52-110 also sets out certain situations where a director will automatically be considered to have a material relationship with the Corporation.

Applying the definition set out in NI 52-110, Stuart Lowther and Shaun Power are not independent by virtue of the fact that Stuart Lowther is the Corporation's CEO and Shaun Power is the Corporation's CFO. Lino Fera, Sean Bromley, Tracie Cook and Greg Cochrane are considered to be independent.

None of the directors or proposed directors for nomination also serve as directors of any other reporting issuers or reporting issuer equivalent(s).

### **Orientation and Continuing Education**

Orientation and education of new members of the Board is conducted informally by management and members of the Board. The orientation provides background information on the Corporation's history, performance and strategic plans.

### **Ethical Business Conduct**

Directors, officers and employees are required as a function of their directorship, office or employment to structure their activities and interests to avoid conflicts of interest and potential conflicts of interest and refrain from making personal profits from their positions. The Board does not consider it necessary at this time to have a written policy regarding ethical conduct.

### **Nomination of Directors**

The Board is responsible for reviewing the composition of the Board on a periodic basis. The Board analyses the needs of the Board when vacancies arise and identifies and proposes new nominees who have the necessary competencies and characteristics to meet such needs.

## **APPOINTMENT AND REMUNERATION OF AUDITOR**

SRCO Professional Corporation is the Corporation's auditor, and was first appointed as the Corporation's auditor on March 13, 2021 by the Board, upon the recommendation of the Audit Committee of the Corporation.

Unless otherwise instructed, the proxies given in this solicitation will be voted for the appointment of SRCO Professional Corporation, as the Corporation's auditor to hold office until the next annual general meeting of shareholders and to authorize directors of the Corporation to fix their remuneration.

**Unless otherwise instructed, the proxies solicited by management will be voted for the appointment of SRCO Professional Corporation, as the Corporation’s auditor.**

## **MANAGEMENT CONTRACTS**

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

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

### **Shareholder Approval of Stock Option Plan**

The only equity compensation plan which the Corporation currently has in place is the 2020 stock option plan (the “**2020 Plan**”) which was approved by the directors of the Corporation. The 2020 Plan was established to provide incentive to employees, officers, directors and consultants who provide services to the Corporation. Exchange policy requires that all companies listed on the Exchange adopt a stock option plan if a company wishes to grant stock options and that all stock option plans that reserve a maximum of 10% of the issued and outstanding share capital of the Corporation at the time of grant (called a “rolling plan” under Exchange policies), must be approved and ratified by shareholders on an annual basis in accordance with Policy 4.4 of the Exchange (“**Policy 4.4**”). The Corporation’s 2020 Plan was approved on August 12, 2020.

Management seeks shareholder approval for renewal of the 2020 Plan, as the Corporation’s 2021 stock option plan (the “**2021 Plan**”) in accordance with and subject to the rules and policies of the Exchange. The intention of management in proposing the 2021 Plan is to increase the proprietary interest of employees, officers, directors and consultants in the Corporation and thereby aid the Corporation in attracting, retaining and encouraging the continued involvement of such persons with the Corporation. It is proposed that under the 2021 Plan, the total number of common shares that may be reserved for issuance will be 10% of the issued and outstanding common shares of the Corporation at the time of grant, less any common shares reserved for issuance pursuant to the grant of stock options under any other share compensation arrangements. The 2021 Plan complies with the current policies of the Exchange, and all capitalized terms below that are not defined in this Information Circular, have the meanings given to them in Policy 4.4. The 2021 Plan is subject to approval by the Exchange.

### **Terms of the 2021 Plan**

Shareholders may obtain copies of the 2021 Plan from the Corporation prior to the meeting on written request. The following is a summary of the material terms of 2021 Plan:

1. The options are non-assignable and non-transferable (except that the Optionee’s heirs or administrators can exercise any portion of the outstanding option, up to one year from the Optionee’s death).
2. The number of shares subject to each option is determined by the Board of Directors provided that the 2021 Plan, together with all other previously established or proposed share compensation arrangements may not, during any 12-month period, result in:
  - (a) the number of options granted to any one Person exceeding 5% of the issued shares of the Corporation; or

- (b) the number of options granted to any one Consultant exceeding 2% of the issued shares of the Corporation; or
  - (c) the number of options granted to all Persons retained to provide Investor Relations Activities of a number of shares exceeding 2% of the issued shares of the Corporation.
3. The exercise price of an option may not be set at less than Discounted Market Price.
  4. The options may be exercisable for a period of up to 10 years, (subject to extension where the expiry date falls within a “blackout period”).
  5. Disinterested shareholder approval will be obtained for any reduction in the exercise price if the Optionee is an Insider of the Corporation at the time of the proposed amendment.
  6. For stock options granted to Employees, Consultants or Management Company Employees, the Corporation and the Optionee are responsible for ensuring and confirming that the Optionee is a bona fide Employee, Consultant or Management Company Employee, as the case may be.
  7. Any options granted to any Optionee who is a Director, Employee, Consultant or Management Company Employee must expire within a reasonable period following the date the Optionee ceases to be in that role (in general, the Exchange considers anything not exceeding 12 months to be a reasonable period for these purposes).

Shareholders will be asked to pass the following, ordinary resolution, approving the Corporation’s 2021 Plan:

**“IT IS RESOLVED, AS AN ORDINARY RESOLUTION, THAT:**

1. The Corporation adopt a 2021 Stock Option Plan (the “Plan”), including the reserving for issuance under the Plan at any time of a maximum of 10% of the issued common shares of the Corporation;
2. The Board of Directors be authorized on behalf of the Corporation to make any further amendments to the Plan as may be required by regulatory authorities, without further approval of the shareholders of the Corporation, in order to ensure adoption of the Plan;
3. The Corporation file the Plan with the TSX Venture Exchange for acceptance; and
4. Any one director or officer of the Corporation is authorized and directed to do all such acts and things and to execute and deliver all such deeds, documents, instruments and assurances as in his opinion may be necessary or desirable to give effect to this resolution.”

**OTHER BUSINESS**

Management is not aware of any matters to come before the Meeting other than those set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the Proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

### ADDITIONAL INFORMATION

Financial information concerning the Corporation for the financial year ended December 31, 2020 is contained in the Corporation's final prospectus dated May 13, 2021 (the "**Prospectus**"). Copies of the Prospectus, this Information Circular and additional information relating to the Corporation may be found on the SEDAR website at [www.sedar.com](http://www.sedar.com) or obtained upon request from the Corporation without charge to shareholders:

Element Nutritional Sciences Inc.  
Suite 401 – 100 Walkers Lane  
Burlington, Ontario L7N 2G3  
Phone: +1 (855) 348 - 1970  
Email: [slowther@elementnutrition.com](mailto:slowther@elementnutrition.com)

**DATED** this 19<sup>th</sup> day of November, 2021.

**ON BEHALF OF THE BOARD**

*"Stuart Lowther"*

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**Stuart Lowther**  
**CEO, President and Director**

## **APPENDIX A**

### **ELEMENT NUTRITIONAL SCIENCES INC. (the “Company”)**

#### **AUDIT COMMITTEE CHARTER**

The Audit Committee is governed by the following charter:

#### **1. PURPOSE OF THE COMMITTEE**

- 1.1 The purpose of the Audit Committee is to assist the Board of Directors in its oversight of the integrity of the Company’s financial statements and other relevant public disclosures, the Company’s compliance with legal and regulatory requirements relating to financial reporting, the external auditors’ qualifications and independence and the performance of the internal audit function and the external auditors.

#### **2. MEMBERS OF THE AUDIT COMMITTEE**

- 2.1 At least two members must be “financially literate” as defined under NI 52-110, having sufficient accounting or related financial management expertise to read and understand a set of financial statements, including the related notes, that present a breadth and level of complexity of the accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements.
- 2.2 The Audit Committee shall consist of no less than three Directors.
- 2.3 At least two members of the Audit Committee shall be “independent” as defined under NI 52-110, while the Company is in the developmental stage of its business.

#### **3.0 RELATIONSHIP WITH EXTERNAL AUDITORS**

- 3.1 The external auditors are the independent representatives of the shareholders, but the external auditors are also accountable to the Board of Directors and the Audit Committee.
- 3.2 The external auditors must be able to complete their audit procedures and reviews with professional independence, free from any undue interference from the management or directors.
- 3.3 The Audit Committee must direct and ensure that the management fully co-operates with the external auditors in the course of carrying out their professional duties.
- 3.4 The Audit Committee will have direct communications access at all times with the external auditors.

#### **4.0 NON-AUDIT SERVICES**

- 4.1 The external auditors are prohibited from providing any non-audit services to the Company, without the express written consent of the Audit Committee. In determining whether the external auditors will be granted permission to provide non-audit services to the Company, the Audit Committee must consider that the benefits to the Company from the provision of such services, outweighs the risk of any compromise to or loss of the independence of the external auditors in carrying out their auditing mandate.
- 4.2 Notwithstanding section 4.1, the external auditors are prohibited at all times from carrying out any of the following services, while they are appointed the external auditors of the Company:
- (a) acting as an agent of the Company for the sale of all or substantially all of the undertaking of the Company; and
  - (b) performing any non-audit consulting work for any director or senior officer of the Company in their personal capacity, but not as a director, officer or insider of any other entity not associated or related to the Company.

## **5.0 APPOINTMENT OF AUDITORS**

- 5.1 The external auditors will be appointed each year by the shareholders of the Company at the annual general meeting of the shareholders.
- 5.2 The Audit Committee will nominate the external auditors for appointment, such nomination to be approved by the Board of Directors.

## **6.0 EVALUATION OF AUDITORS**

- 6.1 The Audit Committee will review the performance of the external auditors on at least an annual basis, and notify the Board and the external auditors in writing of any concerns in regards to the performance of the external auditors, or the accounting or auditing methods, procedures, standards, or principles applied by the external auditors, or any other accounting or auditing issues which come to the attention of the Audit Committee.

## **7.0 REMUNERATION OF THE AUDITORS**

- 7.1 The remuneration of the external auditors will be determined by the Board of Directors, upon the annual authorization of the shareholders at each general meeting of the shareholders.
- 7.2 The remuneration of the external auditors will be determined based on the time required to complete the audit and preparation of the audited financial statements, and the difficulty of the audit and performance of the standard auditing procedures under generally accepted auditing standards and generally accepted accounting principles of Canada.

## **8.0 TERMINATION OF THE AUDITORS**

- 8.1 The Audit Committee has the power to terminate the services of the external auditors, with or without the approval of the Board of Directors, acting reasonably.

## **9.0 FUNDING OF AUDITING AND CONSULTING SERVICES**



- 9.1 Auditing expenses will be funded by the Company. The auditors must not perform any other consulting services for the Company, which could impair or interfere with their role as the independent auditors of the Company.

#### **10.0 ROLE AND RESPONSIBILITIES OF THE INTERNAL AUDITOR**

- 10.1 At this time, due to the Company's size and limited financial resources, the Chief Financial Officer of the Company shall be responsible for implementing internal controls and performing the role as the internal auditor to ensure that such controls are adequate.

#### **11.0 OVERSIGHT OF INTERNAL CONTROLS**

- 11.1 The Audit Committee will have the oversight responsibility for ensuring that the internal controls are implemented and monitored, and that such internal controls are effective.

#### **12.0 CONTINUOUS DISCLOSURE REQUIREMENTS**

- 12.1 At this time, due to the Company's size and limited financial resources, the Chief Financial Officer of the Company is responsible for ensuring that the Company's continuous reporting requirements are met and in compliance with applicable regulatory requirements.

#### **13.0 OTHER AUDITING MATTERS**

- 13.1 The Audit Committee may meet with the external auditors independently of the management of the Company at any time, acting reasonably.
- 13.2 The Auditors are authorized and directed to respond to all enquiries from the Audit Committee in a thorough and timely fashion, without reporting these enquiries or actions to the Board of Directors or the management of the Company.

#### **14.0 ANNUAL REVIEW**

- 14.1 The Audit Committee Charter will be reviewed annually by the Board of Directors and the Audit Committee to assess the adequacy of this Charter.

#### **15.0 INDEPENDENT ADVISERS**

- 15.1 The Audit Committee shall have the power to retain legal, accounting or other or other advisors at the expense of the Company without approval of management.
- 15.2 The external auditor will report directly to the Audit Committee.