



## NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual General and Special Meeting (the “Meeting”) of the shareholders of Next Green Wave Holdings Inc. (the “Company”) will be held at Suite 300 – 1055 West Hastings Street, Vancouver, B.C, V6E 2E9, Canada on Friday November 5, 2021, at 2:30 P.M. (PST) to consider resolutions as noted below.

**Due to ongoing concerns related to the current coronavirus pandemic (“COVID-19”), and in order to mitigate potential risks to the health and safety of the Company’s shareholders, employees and other stakeholders, shareholders are encouraged not to attend the Meeting in person. The Company is offering Shareholders the option to listen and participate (but not vote) at the Meeting in real time by conference call as follows:**

**Please click the link below to join the webinar:**

**<https://us02web.zoom.us/j/81678718276?pwd=MmwvcktYSHowQ1RRKzNmMVRVK21vdz09>**

**Passcode: 467440**

**Or**

**In Canada Dial: +1 587 328 1099 or +1 778 907 2071**

**Webinar ID: 816 7871 8276**

**Passcode: 467440**

**International numbers available: <https://us02web.zoom.us/j/81678718276?pwd=MmwvcktYSHowQ1RRKzNmMVRVK21vdz09>**

We are continuously monitoring the current coronavirus pandemic. In light of rapidly evolving news and guidelines related to COVID-19, we ask that, in considering whether to attend the Meeting in person, Shareholders follow the instructions of the Public Health Agency of Canada (<https://www.canada.ca/en/public-health/services/diseases/coronavirus-disease-covid-19.html>) and any applicable additional provincial and local health department instructions. You should not attend the Meeting in person if you are experiencing any cold or flu-like symptoms, or if you or someone with whom you have been in close contact has travelled to/from outside of Canada within the 14 days prior to the Meeting. **In order to minimize group sizes and respect social distancing regulations, all Shareholders are urged to vote on the matters before the Meeting by proxy, which proxy can be submitted electronically or by mail as described in the accompanying Information Circular.** We reserve the right to take any additional precautionary measures we deem appropriate in relation to the Meeting in response to further developments in respect of COVID-19. Should any changes to the Meeting format occur, the Company will announce any and all changes by way of news release, which will be filed under the Company’s profile at [www.sedar.com](http://www.sedar.com). In the event of any changes to the Meeting format due to COVID-19, the Company will **not** prepare or mail amended Meeting materials.

**\*\*\*DUE TO THE COVID 19 VIRUS, WE ARE REQUESTING THAT ALL SHAREHOLDERS VOTE THEIR SHARES BY PROXY AND AVOID ATTENDING THE MEETING IN PERSON\*\*\***

Shareholders who intend to attend the meeting via telephone conference must **submit votes by Proxy ahead of the proxy deadline of 2:30 p.m.(Pacific Time) on Wednesday November 3, 2021.** Attendance by ZOOM conference allows Shareholders to listen to, but not to vote at, the Meeting.

**The Meeting is to be held to consider resolutions  
for the following purposes:**

1. To receive and consider the comparative financial statements of the Company for the financial year ended December 31, 2020, together with the report of the auditor thereon;
2. To set the number of directors at four;
3. To elect directors for the ensuing year;
4. To appoint Dale Matheson Carr-Hilton, Chartered Professional Accountants, as auditor of the Company for the ensuing year and to authorize the directors to determine the remuneration to be paid to the auditors;
5. to consider and, if thought advisable, to pass, with or without variation, an ordinary resolution approving the Company's Stock Option Plan; and
6. to consider and, if deemed advisable, to pass a special resolution, to approve and authorize an alteration of the Corporation's Articles to include advance notice provisions. Refer to "Particulars of Matters to be Acted Upon – Advance Notice Provision" in the accompanying Management Proxy Circular.

An Information Circular accompanies this Notice. The Information Circular contains details of matters to be considered at the Meeting. No other matters are contemplated, however any permitted amendment to or variation of any matter identified in this Notice may properly be considered at the Meeting. The Meeting may also consider the transaction of such other business as may properly come before the Meeting or any adjournment thereof. The consolidated audited financial statements for the year ended December 31, 2020, the report of the auditor and the related management discussion and analysis will be made available at the Meeting and are available on [www.sedar.com](http://www.sedar.com).

**Shareholders who are unable to attend the Meeting in person and who wish to ensure that their shares will be voted at the Meeting are requested to complete, date, and sign the enclosed form of proxy, or another suitable form of proxy, and deliver it by hand, fax or by mail in accordance with the instructions set out in the form of proxy and in the Information Circular.**

**Non-registered Shareholders who plan to attend the Meeting must follow the instructions set out in the form of proxy or voting instruction form and in the Information Circular to ensure that their shares will be voted at the Meeting. If you hold your shares in a brokerage account, you are a non-registered shareholder.**

**DATED** at Vancouver, British Columbia October 1, 2021

**BY ORDER OF THE BOARD OF DIRECTORS  
OF NEXT GREEN WAVE HOLDINGS INC.**

/s/ "Michael Jennings"  
**Michael Jennings**  
**Chief Executive Officer**



**NEXT GREEN WAVE HOLDINGS INC.**

Suite 300 – 1055 West Hastings Street,  
Vancouver, B.C, V6E 2E9, Canada  
Tel: 604-684-6844

**INFORMATION CIRCULAR**

as at October 1, 2021  
(except as otherwise indicated)

***IN VIEW OF THE CURRENT AND RAPIDLY EVOLVING COVID-19 OUTBREAK, THE COMPANY REQUESTS THAT IF POSSIBLE ALL SHAREHOLDERS VOTE THEIR SHARES BY PROXY AND AVOID ATTENDING THE MEETING IN PERSON, HOWEVER, IF YOU CHOOSE TO ATTEND THE MEETING IN PERSON, SHAREHOLDERS ARE ASKED TO FOLLOW THE INSTRUCTIONS OF THE PUBLIC HEALTH AGENCY OF CANADA ([canada.ca/en/public-health/services/diseases/2019-novel-coronavirus-infection.html](http://canada.ca/en/public-health/services/diseases/2019-novel-coronavirus-infection.html))***

***THE COMPANY RESPECTFULLY ASKS SHAREHOLDERS NOT TO ATTEND THE MEETING IN PERSON IF EXPERIENCING ANY OF THE DESCRIBED COVID-19 SYMPTOMS OF FEVER, COUGH OR DIFFICULTY BREATHING, OR IF THEY HAVE BEEN EXPOSED TO ANYONE EXHIBITING COVID-19 SYMPTOMS WITHIN THE LAST 14 DAYS.***

***THE COMPANY MAY TAKE ADDITIONAL PRECAUTIONARY MEASURES IN RELATION TO THE MEETING IN RESPONSE TO FURTHER DEVELOPMENTS IN THE COVID-19 OUTBREAK.***

**This Information Circular is furnished in connection with the solicitation of proxies by the management of NEXT GREEN WAVE HOLDINGS INC. (the “Company”) for use at the annual general and special meeting (the “Meeting”) of its shareholders (the “Shareholders”) to be held on November 5, 2021, at the time and place and for the purposes set forth in the accompanying notice of the Meeting.**

In this Information Circular, references to “the Company”, “NGW”, “we” and “our” refer to next Green Wave Holdings Inc.. “Common Shares” means common shares without par value in the capital of the Company. “Beneficial Shareholders” means shareholders who do not hold Common Shares in their own name and “intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

**GENERAL PROXY INFORMATION**

**Solicitation of Proxies**

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. The Company will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to beneficial owners of the Common Shares held of record by those intermediaries and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

**Appointment of Proxyholders**

The individuals named in the accompanying form of proxy (the “Proxy”) are directors and/or officers of the Company. **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than either of the persons designated in the Proxy, who need not be a shareholder, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

## Voting by Proxyholder

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

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

**In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter.**

## Registered Shareholders

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

- (a) complete, date and sign the Proxy and return it to the Company’s transfer agent, by mail or delivery in the addressed envelope provided or deposited at the offices of National Securities Administrators Ltd. Proxy Department, Suite 760 – 777 Hornby Street, Vancouver, B.C., V6Z 1S4,
- (b) by email to proxy@transferagent.ca;
- (c) By Following the voting link provided on the proxy; or
- (d) by fax to 1-604-559-8908 unless the chair of the Meeting elects to exercise his or her discretion to accept proxies received subsequently.

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

## Beneficial Shareholders

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

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

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

There are two kinds of Beneficial owners – those who object to their name being made known to the issuers of securities which they own (called “OBOS” for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are (called “NOBOs” for Non-Objecting Beneficial Owners).

The Company is taking advantage of the provisions of National Instrument 54-101 “*Communication with Beneficial Owners of Securities of a Reporting Issuer*” that permit it to directly deliver proxy-related materials to its NOBOs. As a result, NOBOs can expect to receive a scannable Voting Instruction Form (“VIF”) from our transfer agent. These VIFs are to be completed and returned in the envelope provided or by facsimile. In addition, National Securities Administrators Ltd. provides both telephone voting and internet voting as described on the VIF itself which contain complete instructions at the Meeting with respect to the shares represented by the VIFs they receive.

These securityholder materials are being sent to both registered and non-registered owners of the securities of the Company. If you are a non-registered owner, and the Company or its agent sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding securities on your behalf.

By choosing to send these materials to you directly, the Company (and not the intermediary holding securities on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in your request for voting instructions.

Beneficial Shareholders, who are OBOs, should follow the instructions of their intermediary carefully to ensure that their Common Shares are voted at the Meeting.

The form of proxy supplied to you by your broker will be similar to the proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote your Common Shares on your behalf. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("Broadridge") in the United States and in Canada. Broadridge mails a VIF in lieu of a proxy provided by the Company. The VIF will name the same persons as the Company's Proxy to represent your Common Shares at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), other than any of the persons designated in the VIF, to represent your Common Shares at the Meeting, and that person may be you. To exercise this right, you should insert the name of the desired representative (which may be yourself) in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. 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, and the appointment of any shareholder's representative.

**If you receive a VIF from Broadridge, the VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have your Common Shares voted at the Meeting and to vote your Common Shares at the Meeting.**

#### **Notice to United States Shareholders**

The solicitation of proxies is not subject to the requirements of Section 14(a) of the U.S. Exchange Act by virtue of an exemption applicable to proxy solicitations by foreign private issuers as defined in Rule 3b-4 of the U.S. Exchange Act. Accordingly, this Circular has been prepared in accordance with applicable Canadian disclosure requirements. Residents of the United States should be aware that such requirements differ from those of the United States applicable to proxy statements under the U.S. Exchange Act.

This document does not address any income tax consequences of the disposition of the Company's shares by shareholders. Shareholders in a jurisdiction outside of Canada should be aware that the disposition of shares by them may have tax consequences both in those jurisdictions and in Canada, and are urged to consult their tax advisors with respect to their particular circumstances and the tax considerations applicable to them.

Any information concerning any properties and operations of the Company has been prepared in accordance with Canadian standards under applicable Canadian securities laws, and may not be comparable to similar information for United States companies.

Financial statements included or incorporated by reference herein have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board, and are subject to auditing and auditor independence standards in Canada. Such consequences for the Shareholders who are resident in, or citizens of, the United States may not be described fully in this Information Circular.

The enforcement by the Company Shareholders of civil liabilities under the United States federal securities laws may be affected adversely by the fact that the Company is incorporated or organized under the laws of a foreign country, that some or all of their officers and directors and the experts named herein are residents of a foreign country and that the major assets of the Company are located outside the United States.

## Revocation of Proxies

Shareholders have the power to revoke Proxies previously given by them. Revocation can be effected by an instrument in writing (which includes a Proxy bearing a later date) signed by a shareholder or the shareholder's attorney authorized in writing and in the case of a corporation, duly executed under its corporate seal or signed by a duly authorized officer or attorney for the corporation, and either delivered to our registered office at 1500 – 1055 West Georgia Street, Vancouver, BC, Canada, V6E 4N7 or to our transfer agent, National Securities Administrators Ltd. by mail to the Proxy Department, Suite 760 – 777 Hornby Street, Vancouver, B.C., V6Z 1S4, by email to [proxy@transferagent.ca](mailto:proxy@transferagent.ca) or by fax to 1-604-559-8908, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, or deposited with the Chair of the Meeting on the day of the Meeting.

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

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

## VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The board of directors (the “**Board**”) of the Company has fixed October 1, 2021, as the record date (the “**Record Date**”) for determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

The Company is listed on the Canadian Securities Exchange under stock symbol “CSE” under stock symbol “NGW”. The Company also trades on the OTCQX based in the United States of America under the symbol “NXGWF”.

**The authorized capital of the Company consists of an unlimited number of Common Shares. As of October 1 2021, there were 189,059,170 Common Shares issued and outstanding, each carrying the right to one vote. No group of shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Common Shares.**

As of the date hereof, the directors, insiders, and executive officers of the Company, as a group, owned beneficially, directly or indirectly, or exercised control or direction over, approximately 43,021,233 Common Shares representing approximately 23% of the outstanding Common Shares.

To the knowledge of the directors and executive officers of the Company, as at October 1, 2021, no person or corporation beneficially owned, directly or indirectly, or exercised control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Company other than:

Name and Municipality of Residence	Type of Ownership	Number of Common Shares	Percentage owned
Michael Jennings California, USA	Direct	30,000,000 <sup>(1)</sup>	16%

## PARTICULARS OF MATTERS TO BE ACTED UPON

### 1. FINANCIAL STATEMENTS

The audited consolidated financial statements of the Company for the year ended December 31, 2020, the report of the auditor thereon and the related management’s discussion and analysis were filed on SEDAR at [www.sedar.com](http://www.sedar.com) on April 30, 2021 and will be tabled at the Meeting and will be available at the Meeting.

**No approval or other action needs to be taken at the Meeting in respect of these documents.**

### 2. APPOINTMENT AND REMUNERATION OF AUDITOR

At the Meeting, Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants, located at 1500 - 1140 West Pender St. Vancouver, BC V6E 4G1, will be recommended by management and the Board of Directors for re-appointment as auditor of the Company. Dale Matheson Carr-Hilton LaBonte LLP has been the Company’s auditor since November 26, 2018.

**Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the appointment of Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants, as auditor of the Company until the close of the next annual general (or Special) meeting.**

### 3. NUMBER OF DIRECTORS

Shareholders will be asked at the Meeting to approve an ordinary resolution to fix the number of directors of the Company at four. The Board of Directors recommends a vote "FOR" the approval of the resolution to fix the number of directors at four. **In the absence of instructions to the contrary, a properly executed and returned proxy will be voted "FOR" the approval of the resolution to fix the number of directors at six.**

### 4. ELECTION OF DIRECTORS

The Board presently consists of four directors. The Board has determined the number of directors to be elected for the ensuing year at four. The term of office of each of the current directors will end at the conclusion of the Meeting. Unless the director’s office is vacated earlier in accordance with the provisions of the Business Corporations Act (British Columbia) (“BCA”), each director elected at the Meeting will hold office until the conclusion of the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

The following Table sets out the names of management’s four nominees for election as directors, all major offices and positions with the Company and any of its significant affiliates each now holds, the principal occupation, business or employment of each director nominee, the period of time during which each nominee has been a director of the Company and the number of Common Shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at October 1, 2021.

Name of Nominee; Current Position with the Corporation and Province or State and Country of Residence	Position with and Name and Principal Business of each Corporation/Employer <sup>(1)</sup>	Current Position(s) with the Corporation	Director Since	Number of Common Shares beneficially owned, directly, or indirectly, or controlled or directed <sup>(2)</sup>
MICHAEL JENNINGS <sup>(2)(3)</sup> California, United States Chief Executive Officer (“CEO”) and Director	Mr. Jennings is the Company full time CEO and has worked in the Cannabis Industry within California for over 20 years.	Director and CEO	May 4, 2018	30,000,000 Common Shares 16% undiluted 15% fully diluted

Name of Nominee; Current Position with the Corporation and Province or State and Country of Residence	Position with and Name and Principal Business of each Corporation/Employer <sup>(1)</sup>	Current Position(s) with the Corporation	Director Since	Number of Common Shares beneficially owned, directly, or indirectly, or controlled or directed <sup>(2)</sup>
<b>NORM MAYR</b> <sup>(2)(3)</sup> British Columbia Canada Director	Mr. Mayr is a former audit partner of KPMG in Vancouver, is a corporate director and provides consulting services in Risk Management and Professional Practice as well as dealing with complex financial reporting, accounting, audit and securities matters.	Director	July 10, 2010	Nil Common Shares na% undiluted less than 1% fully diluted
<b>GLEN HARDER</b> <sup>(3)(4)</sup> British Columbia Canada Chairman of the Board and Director	Mr. Harder is a corporate lawyer and has been a member of the British Columbia Law Society for over 35 years. He advises both public companies and private entities on financing and M&A matters.	Director	June 4, 2019	Nil Common Shares na% undiluted less than 1% fully diluted
<b>CURTIS FLOYD</b> <sup>(2)</sup> Bakersfield, USA Director	Mr. Floyd is an attorney with an economics degree from UCLA and a law degree from Stanford. He is a Founder and a member of the Board of Directors of Mission Bank, a publicly traded community bank, headquartered in Central California, where he has served as the Chair of the Audit and Corporate Governance Committees, and as a member of the Mergers and Acquisitions Committee. He is also Chairman of the Board of Directors of Community Action Partnership of Kern, a Community service organization, with an annual budget over \$45 million USD. During his legal career, Mr. Floyd has counseled numerous business owners on business formation, financing, compliance and litigation.	Director	October 1, 2021	11,726,000 Common Shares 6% undiluted 5% fully diluted

Notes:

1. The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective nominees.
2. Norm Mayr holds a total of 850,000 stock options
3. Norm Mayr is the Audit Committee Chair and Corporate Governance and Nominating Committee Chair
4. Glen Harder is the Chairman of the Board and holds 1,250,000 stock options

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.

A shareholder can vote for all of the above nominees, vote for some of the above nominees and withhold for other of the above nominees, or withhold for all of the above nominees. **Unless otherwise instructed, the named proxyholders will vote FOR the election of each of the proposed nominees set forth above as directors of the Company. At the Meeting the above persons will be nominated for election as director as well as any person nominated pursuant to the Advance Notice Provision (see below). Only persons nominated by management pursuant to this Information Circular or pursuant to the Advance Notice Provision will be considered valid director nominees eligible for election at the Meeting.**



## **Cease Trade Order, Bankruptcies, and Insolvency**

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, in respect of which the information circular is being prepared) 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; or
- c. is, as at the date of this Information Circular, or has been within 10 years before the date of this Information Circular, a director or executive officer of any company 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 of trustee appointed to hold its assets, with the exception of the below:
  - Norm Mayr is a director of Sunniva Inc. (“Sunniva”), a medical cannabis company with operations in California. On October 9, 2020, Sunniva Inc. and several Canadian subsidiaries were granted an initial order under the Companies’ Creditors Arrangement Act (the “CCAA”). On January 15, 2021, the Court granted an order permitting Sunniva to present to its creditors an Amended Consolidated Plan of Arrangement and Compromise (the “Plan”), which proposed a debt-to-equity conversion. The Plan was approved by the requisite number of shareholders. Effective June 18, 2021, Sunniva implemented the Plan, and the Court discharged and released Sunniva from the CCAA proceedings. Sunniva continues to advance its business in California.
- d. has, within the 10 years before the date of the 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.

## **ABOUT THE DIRECTORS AND NOMINEE DIRECTOR**

**MICHAEL JENNINGS - CEO** - Mr. Jennings is a Central Valley, California native who has been working in the Cannabis industry for 20+ years. In addition to large cultivation projects, Mike has been involved in cannabis breeding and marketing for 15+ years, establishing brands in both the US and Europe. He has also specialized in owning and operating several dispensaries.

**NORM MAYR** - Mr. Mayr is a former audit partner of KPMG in Vancouver, having left the firm in 2016 after 38 years in public practice. In the latter half of his career, he was the Risk Management and Professional Practice Partner for the Greater Vancouver Area practice of KPMG. In this role, Norm was the senior technical partner responsible for consulting with engagement teams dealing with complex financial reporting, accounting, audit and securities matters. During his career, Norm has had experience in the cannabis, mining, forestry, technology, life sciences, retail and industrial markets sectors. He served as lead engagement partner or quality review partner on many of KPMG's largest clients in these industries, including several multinational reporting issuers. He has had extensive experience acting for public companies listed in both Canada and the United States. Norm was a founding member of the CICA Accounting Standards Board from 1991-1994 and a member of the Canadian Advisory Group to the International Accounting Standards Board from 1994-2000. Norm has presented extensively on financial reporting and accounting matters and has been a member and Chair of the Investigation Committee of the Chartered Professional Accountants of British Columbia from 2008 to 2018.

**GLEN HARDER** - Mr. Harder is a corporate lawyer and has been a member of the British Columbia Law Society for over 35 years. He advises both public companies and private entities on financing and M&A matters. He is active on several public company boards and with early stage private entities in diverse industries. He is experienced in shareholder disputes, acquisitions/takeovers, matters of corporate governance and dispute resolution.

**CURTIS FLOYD** - Mr. Floyd is an attorney with an economics degree from UCLA and a law degree from Stanford. He is a Founder and a member of the Board of Directors of Mission Bank, a publicly traded community bank, headquartered in Central California, where he has served as the Chair of the Audit and Corporate Governance Committees, and as a member of the Mergers and Acquisitions Committee. He is also Chairman of the Board of Directors of Community Action Partnership of Kern, a Community service organization, with an annual budget over \$45 million USD. During his legal career, Mr. Floyd has counseled numerous business owners on business formation, financing, compliance and litigation.

**Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the election of the Nominees.**

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

## **5. CONTINUATION OF STOCK OPTION PLAN**

### 10% “rolling” Share Option Plan (Option-Based Awards)

On October 18, 2018 the Board approved the adoption of the form of Option Plan. At the Meeting, shareholders will be asked to ratify and approve the Option Plan for continuation until the next annual general meeting of the Company.

The Option Plan is described in more detail, including the material terms of the Plan, above, see *Statement of Executive Compensation – Stock Option Plans and Other Incentive Plans*.

The Board is of the view that the Option Plan provides the Company with the flexibility to attract and maintain the services of executives, employees and other service providers in competition with other companies in the industry. Accordingly, at the Meeting, shareholders will be asked to approve the following ordinary resolution, with or without variation:

**“RESOLVED** as an ordinary resolution that the Company’s Option Plan dated for reference October 18, 2018, be and is hereby ratified and approved for continuation until the next annual general meeting of the Company.”

An ordinary resolution is a resolution passed by the shareholders of the Company at a general meeting by a simple majority of the votes cast on the resolution in person or by proxy. A copy of the Option Plan is attached hereto as Schedule “B”. A copy of the Option Plan is filed under the Company’s SEDAR profile at [www.sedar.com](http://www.sedar.com).

**The Board recommends shareholders vote in favour of ratification and approval of the Option Plan.**

**In the absence of a contrary instruction, the persons named in the enclosed form of proxy intend to vote in favour of the above ordinary resolution. An ordinary resolution is a resolution passed by the shareholders of the Company at a annual general and special meeting by a simple majority of the votes cast in person or by proxy.**

## **6. APPROVAL OF ADVANCE NOTICE PROVISION**

The Corporation wishes to adopt an advance notice policy (the "Advance Notice Policy"). The Advance Notice Policy provides for advance notice to the Corporation in circumstances where nominations of persons for election to the Board of Directors are made by Shareholders of the Corporation other than pursuant to (i) a requisition of a meeting made pursuant to the provisions of the Business Corporations Act (British Columbia) or (ii) a shareholder proposal made pursuant to the provisions of the Business Corporations Act (British Columbia). The purpose of the Advance Notice Policy is to ensure that all Shareholders - including those participating in a meeting by proxy rather than in person - receive adequate notice of the nominations to be considered at a meeting and can thereby exercise their voting rights in an informed manner. Among other things, the Advance Notice Policy fixes a deadline by which holders of Common Shares must submit director nominations to the Corporation prior to any annual or special meeting of Shareholders and sets forth the minimum information that a Shareholder must include in the notice to the Corporation for the notice to be in proper written form.

The Board of Directors intends to place the provisions of the Advance Notice Policy before the Shareholders of the Corporation as an amendment to the Articles of the Corporation for approval at the Meeting. If the approval of the amendment is not received at the Meeting by special resolution of Shareholders, the Advance Notice Policy will terminate and be of no further force and effect following the termination of the Meeting.

The foregoing is merely a summary of the Advance Notice Policy, is not comprehensive and is qualified by the full text of such policy the full text of the proposed alteration of the Articles of the Corporation to include the Advance Notice Policy is set out in Schedule "C" hereto.

With the Adoption of the Advance Notice Policy, the Board of Directors are proposing that the Articles of the Corporation be altered to include an advance notice provision (the "Advance Notice Provision"), which will: (i) facilitate orderly and efficient annual general or, where the need arises, special, meetings; (ii) ensure that all Shareholders receive adequate notice of the director nominations and sufficient information with respect to all nominees; (iii) allow the Corporation and Shareholders to evaluate all nominees' qualifications and suitability as a director of the Corporation; and (iv) allow Shareholders to register an informed vote. The full text of the proposed alteration of the Articles to include the Advance Notice Provision is set out in Schedule "C" hereto.

#### *Purpose of the Advance Notice Provision*

The purpose of the Advance Notice Provision is to provide Shareholders, directors and management of the Corporation with guidance and direction on the procedure for Shareholder nomination of directors. The Advance Notice Provision is the framework by which the Corporation seeks to fix a deadline by which holders of record of common shares of the Corporation must submit director nominations to the Corporation prior to any annual or special meeting of shareholders and sets forth the information that a Shareholder must include in the notice to the Corporation for the notice to be in proper written form.

#### *Effect of the Advance Notice Provision*

Subject only to the *Business Corporations Act* (British Columbia) (the "Act") and the Articles of the Corporation, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the Board of Directors may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors:

(a) by or at the direction of the Board of Directors or an authorized officer of the Corporation, including pursuant to a notice of meeting; (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act, or a requisition of the shareholders made in accordance with the provisions of the Act; or (c) by any person (a "Nominating Shareholder"): (i) who, at the close of business on the date of the giving of the notice provided for below in the Advance Notice Provision and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (ii) who complies with the notice procedures set forth in the Advance Notice Provision. In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the Corporate Secretary of the Corporation at the principal executive offices of the Corporation.

To be timely, a Nominating Shareholder's notice to the Corporate Secretary of the Corporation must be made: (a) in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 40 days after the date (the "Notice Date") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made. In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice as described above. Notwithstanding the foregoing, the Board may, in its sole discretion, waive the time periods summarized above, or otherwise waive the application, in whole or in part, of the Advance Notice Provisions. To be in proper written form, a Nominating Shareholder's notice to the Corporate Secretary of the Corporation must set forth as to each person whom the Nominating Shareholder proposes to nominate for election as a director: (i) the name, age, business address and residential address of the person; (ii) the principal occupation or employment of the person; (iii) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; (iv) a statement as to whether such person would be "independent" of the Corporation (within the meaning of sections 1.4 and 1.5 of National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators, as such provisions may be amended from time to time) if elected as a director at such meeting and the reasons and basis for such determination; and (v) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities

Laws (as defined in the Advance Notice Provision in Schedule "C" hereto). In addition, a Nominating Shareholder's notice to the Corporate Secretary of the Corporation must set forth: (i) any information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined in the Advance Notice Provision in Schedule "C" hereto); and (ii) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice.

The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as a director of the Corporation or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.

No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of the Advance Notice Provision; provided, however, that nothing in the Advance Notice Provision shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The chair of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded. The Advance Notice Provision will be subject to an annual review, and will reflect changes as required by securities regulatory agencies or stock exchanges, or so as to meet industry standards.

#### *Shareholder Confirmation*

Under the Articles of the Corporation and the Act, the alteration of the Corporation's Articles requires the approval of more than two-thirds of the votes cast in person or represented by proxy at the Meeting by the shareholders of the Corporation by a special resolution. Accordingly, Shareholders will be asked at the Meeting to vote on a special resolution, the text of which is contained below (the "Advance Notice Provision Resolution"), to approve the alteration of the Articles of the Corporation to include the Advance Notice Provision.

#### *Recommendation of the Board*

The Board of Directors has concluded that the Advance Notice Provision is in the best interests of the Corporation and the Shareholders. Accordingly, the Board of Directors unanimously recommends that the Shareholders ratify, confirm and approve an alteration of the Corporation's Articles by voting FOR the Advance Notice Provision Resolution at the Meeting. **Unless instructed otherwise, the management designees in the accompanying instrument of proxy intend to vote FOR the Advance Notice Provision Resolution.**

At the Meeting, Shareholders will be asked to vote on the following special resolution, with or without variation:

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

1. the Articles of the Corporation be altered by adding the text substantially as set forth in Schedule "C" to this management information circular and proxy statement of the Corporation dated October 1, 2021 as Article 14.12 of the Articles;
2. the Corporation be authorized to revoke this special resolution and abandon or terminate the alteration of the Articles if the Board of Directors deems it appropriate and in the best interest of the Corporation to do so without further confirmation, ratification or approval of the shareholders; and
3. any one director or officer of the Corporation be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Corporation or otherwise, all such deeds, documents, instruments and assurances as in his or her opinion may be necessary or desirable to give effect to the foregoing special resolutions."

**STATEMENT OF EXECUTIVE COMPENSATION**

For the purposes of this Executive Compensation disclosure:

“**compensation securities**” includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the company or any of its subsidiaries;

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

- (a) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief executive officer (“CEO”), including an individual performing functions similar to a CEO;
- (b) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer (“CFO”), including an individual performing functions similar to a CFO;
- (c) in respect of the company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, for that financial year;
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the company, and was not acting in a similar capacity, at the end of that financial year.

**DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION**

During financial year ended December 31, 2020, based on the definition above, the NEOs of the Company were: Michael Jennings CEO and director, and Matthew Jewell CFO of the Company. The director who were not NEOs during the financial year ended December 31, 2020, was Norm Mayr.

**Table of Compensation, Excluding Compensation Securities in Financial Years ended December 31, 2020**

The following table of compensation, excluding options and compensation securities, provides a summary of the compensation paid by the Company to NEOs and directors of the Company for the two completed financial years ended December 31, 2020 and December 31, 2019. Options and compensation securities are disclosed under the heading “**Stock Options and Other Compensation Securities**” in this Information Circular.

<i><u>Table of compensation excluding compensation securities</u></i>							
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 (\$)
Michael Jennings <sup>(1)</sup> <i>CEO, Director</i>	2020	US 240,000	Nil	Nil	Nil	Nil	US 240,000
	2019	US 120,000	Nil	Nil	Nil	Nil	US 120,000
Matthew Jewell <sup>(2)</sup> <i>CFO</i>	2020	165,000	Nil	Nil	Nil	Nil	165,000
	2019	165,000	Nil	Nil	Nil	Nil	165,000
Norm Mayr <sup>(3)</sup> <i>Director</i>	2020	Nil	Nil	7,833	Nil	Nil	7,833
	2019	NA	NA	NA	NA	NA	NA
Glen Harder <i>Director</i>	2020	9,000 <sup>(6)</sup>	Nil	22,000	Nil	Nil	31,000
	2019	46,000 <sup>(6)</sup>	Nil	7,500 <sup>(5)</sup>	Nil	Nil	53,500

*Table of compensation 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>
Curtis Floyd <sup>(9)</sup> <i>Director</i>	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Ben Kovacs <sup>(4)</sup> <i>Former Director</i>	2020	Nil	Nil	US 2,500	Nil	Nil	US 2,500
	2019	Nil	Nil	Nil	Nil	Nil	Nil
David Wilson <sup>(5)</sup> <i>Former Director</i>	2020	Nil	Nil	17,500 <sup>(6)</sup>	Nil	Nil	17,500
	2019	15,000 <sup>(6)</sup>	Nil	7,500 <sup>(6)</sup>	Nil	Nil	22,500
Paul Chow <sup>(7)</sup> <i>Former Director</i>	2020	72,000 <sup>(6)</sup>	Nil	19,500	Nil	Nil	91,500
	2019	72,000 <sup>(6)</sup>	Nil	18,000	Nil	Nil	90,000
Robert Dzisiak <sup>(8)</sup> <i>Former Director</i>	2020	7,500 <sup>(6)</sup>	Nil	17,000 <sup>(6)</sup>	Nil	Nil	24,000
	2019	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- 1) Mr. Jennings has a performance plan that includes 5,000,000 common shares, deemed the Performance Shares, that are held in escrow to be released upon the completion of certain targets.
- 2) Mr. Jewell was appointed CFO on August 22, 2019
- 3) Mr. Mayr was appointed on September 25, 2020
- 4) Mr. Kovacs was appointed to the Board on December 3, 2020 and resigned on September 6, 2021
- 5) Mr. Wilson was appointed to the board on January 9, 2020 and resigned on October 10, 2020
- 6) Denotes fees paid by the Company for consulting services through a company controlled by him.
- 7) Mr. Chow resigned on November 30, 2020
- 8) Mr. Dzisiak was appointed to the board on January 9, 2020 and resigned on October 30, 2020
- 9) Mr. Floyd was appointed to the board on October 1, 2021

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

### Elements of the Compensation Program

Executive compensation is set to attract and retain the best available talent while efficiently utilizing available resources. The Company compensates executive management with a package typically including a base salary (“**Base Salary**”), an incentive compensation plan (“**Incentive Compensation**”) and equity compensation (the “**Equity Compensation**”) designed to be competitive with comparable employers. In considering executive management’s compensation, the Board takes into consideration the financial condition of the Company. The Base Salary is set in comparison to the comparable positions in the market and in the industry, the Incentive Compensation is used as a short-term incentive to achieve Company objectives, and the Equity Compensation is designed to allow the participants to enjoy the benefits of any increase in company valuation and share price, should such an increase occur. Executive compensation is designed to reward activities and achievements that are aligned with the long-term interests of the Company’s shareholders.

The Base Salary, Incentive Compensation and Equity Compensation for the Company’s NEOs, including the CEO and the CFO is determined by the Company’s Compensation and Corporate Governance Committee. The Compensation and Corporate Governance Committee sets the compensation of the NEOs using generally available market data and their combined industry experience. The Compensation and Corporation Governance Committee delegates to the NEOs the responsibility to set the compensation packages for all other senior management and staff.

The Compensation and Corporate Governance Committee is responsible for executive and director compensation, including reviewing and recommending director compensation, overseeing the Company's base compensation structure and equity-based compensation program, recommending compensation of the Company's officers and employees, and evaluating the performance of officers generally and in light of annual goals and objectives.

The Compensation and Corporate Governance Committee also assumes responsibility for reviewing and monitoring the long-range compensation strategy for the Company's senior management. The Compensation and Corporate Governance Committee reviews the compensation of senior management on an annual basis taking into account compensation paid by other issuers of similar size and activity.

The current members of the Company's Compensation and Corporate Governance Committee are: Norm Mayr, Glen Harder and Michael Jennings.

#### Philosophy and Objectives

The Company is a junior exploration and production company with limited resources and sales that are greatly impacted by oil and gas commodity prices. The compensation program for the senior management of the Company is designed within this context with a view that the level and form of compensation achieves certain objectives, including:

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

In compensating its senior management, the Company has employed a combination of base salary and equity participation through its Option Plan (described below) and its RSU Plan (described below). Recommendations for senior management compensation are presented to the Board for review.

#### Base Salary or Consulting Fees

In the Board's view, paying base salaries which are reasonable in relation to the level of service expected while remaining competitive in the markets in which the Company operates is a first step to attracting and retaining qualified and effective executives.

Base salary ranges for the executive officers were initially determined upon a review of companies within the oil producing industry, which were of the same size as the Company, at the same stage of development as the Company and considered comparable to the Company.

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

- (a) the particular responsibilities related to the position;
- (b) salaries paid by other companies in the oil producing industry which were similar in size as the Company;
- (c) the experience level of the executive officer;
- (d) the amount of time and commitment which the executive officer devotes to the Company; and
- (e) the executive officer's overall performance and performance in relation to the achievement of corporate milestones and objectives.

#### Bonus Incentive Compensation

The Company's objective is to achieve certain strategic objectives and milestones. The Board considers executive bonus compensation dependent upon the Company meeting those strategic objectives and milestones and sufficient cash resources being available for the granting of bonuses. The Board approves executive bonus compensation dependent upon compensation levels based on recommendations of the CEO. Such recommendations are generally based on information provided by issuers that are similar in size and scope to the Company's operations.

### Equity Participation

The Company believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation is accomplished through the Company's share option plan. Stock options are granted to executives and employees taking into account a number of factors, including the amount and term of options previously granted, base salary and bonuses and competitive factors. The amounts and terms of options granted are determined by the Compensation and Corporate Governance Committee based on recommendations put forward by the CEO. Due to the Company's limited financial resources, the Company emphasizes the provisions of option grants to maintain executive motivation.

### **Compensation Review Process**

#### *Risks Associated with the Company's Compensation Program*

The Company's directors have not considered the implications of any risks to the Company associated with decisions regarding the Company's compensation program. The Company intends to formalize its compensation policies and practices and will take into consideration the implications of the risks associated with the Company's compensation program and how it might mitigate those risks.

The Company did not retain a compensation consultant during financial year ending December 31, 2020.

#### *Benefits and Perquisites*

The Company does not, as of the date of this Information Circular, offer any benefits or perquisites to its NEOs other than potential grants of incentive stock options as otherwise disclosed and discussed herein.

#### *Hedging by Directors or NEOs*

The Company has not, to date, adopted a policy restricting its executive officers and directors from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, which are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by executive officers or directors. The Company is not, however, aware of any directors or officers having entered into this type of transaction

As of the date of this Information Circular, entitlement to grants of incentive stock options under the Company's stock option plan are the only equity security elements awarded by the Company to its executive officers and directors.



### Stock Options and other Compensation Securities

The following table sets forth incentive stock options (option-based awards) pursuant to the Company's Stock Option Plan that were outstanding to NEOs and directors of the Company as at December 31, 2020.

Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class (1)	Date of issue or grant (y/m/d)	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 (y/m/d)
Michael Jennings CEO, Director	Stock Option	850,000 850,000 stock options (9%) 850,000 underlying common shares (0.50%)	2020/07/07	0.15	0.15	0.37	2025/07/07
Matthew Jewell CFO	Stock Option	2,250,000 2,250,000 stock options (23%) 2,250,000 underlying common shares (1.27%)	1,250,000 – 2019/11/21 1,000,000 – 2020/12/16	0.15 0.35	0.15 0.35	0.37	2024/11/12 2025/12/16
Norm Mayr Director	Stock Option	850,000 850,000 stock options (9%) 850,000 underlying common shares (0.50%)	2020/09/25	0.25	0.25	0.37	2025/09/25
Glen Harder Director	Stock Option	1,250,000 1,250,000 stock options (13%) 1,250,000 underlying common shares (0.7%)	850,000 – 2019/11/21 400,000 – 2020/09/25	0.15 0.25	0.15 0.25	0.37	2024/11/21 2025/09/25
Ben Kovacs <sup>(2)</sup> Former Director	Stock Option	850,000 850,000 stock options (9%) 850,000 underlying common shares (0.50%)	2020/12/03	0.35	0.35	0.37	2021/10/06

Notes:

(1) The percentage of class is based on the total number of options and common shares outstanding as at the record date: 189,059,170 common shares and 9,067,500 stock options issued and outstanding.

(2) Ben Kovacs resigned on September 6, 2021 and his unvested options were forfeited on October 6, 2021, pursuant to the Company Stock Option Plan.

**Employment, Consulting and Management Agreements**

The Company does not have any employment, consulting or management agreements or arrangements with any of the Company’s current directors and the NEO’s are both signed to employment agreements.

**Pension Disclosure**

The Company does not have a pension plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement as of December 31, 2020.

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

The following table sets out, as at Record Date of October 1, 2021, information regarding outstanding options, warrants and rights granted by the Company under its equity compensation plans.

	<b>Number of securities to be issued upon exercise of outstanding options</b>	<b>Weighted-average exercise price of outstanding options</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</b>
<b>Plan Category</b>	<b>(a)</b>	<b>(b)</b>	<b>(c)</b>
Equity compensation plans approved by securityholders – 2010 Share Option Plan and 2019 RSU Plan	9,067,500 stock options	\$0.26	6,400,917 options
Equity compensation plans not approved by securityholders	Nil	N/A	N/A
<b>Total</b>			

Note: the Share Option Plan represents the limitation of 10% of the issued and outstanding Common Shares as at October 1, 2021, less issued options as listed in the second column of this table.

**AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR**

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

**The Audit Committee’s Charter**

The Company’s Audit Committee is attached as Schedule “A” to this Information Circular.

**Composition of the Audit Committee**

The current members of the Audit Committee are Norm Mayr (Chair), Michael Jennings and Glen Harder. Glen Harder and Norm Mayr are independent and all members are considered to be financially literate.

**Relevant Education and Experience**

Norm Mayr (Chair), Michael Jennings and Glen Harder have many years of practical business experience. Norm Mayr and Glen Harder have served for many years as directors of public companies, and all three members have experience reviewing financial statements of public companies and meet the criteria of “financially literate” as defined in NI 52-

***NORM MAYR***

Mr. Mayr is a former audit partner of KPMG in Vancouver, having left the firm in 2016 after 38 years in public practice. In the latter half of his career, he was the Risk Management and Professional Practice Partner for the Greater Vancouver Area practice of KPMG. In this role, Norm was the senior technical partner responsible for consulting with engagement teams dealing with complex financial reporting, accounting, audit and securities matters. During his career, Norm has had experience in the cannabis, mining, forestry, technology, life sciences, retail and industrial markets sectors. He served as lead engagement partner or quality review partner on many of KPMG's largest clients in these industries, including several multinational reporting issuers. He has had extensive experience acting for public companies listed in both Canada and the United States. Norm was a founding member of the CICA Accounting Standards Board from 1991-1994 and a member of the Canadian Advisory Group to the International Accounting Standards Board from 1994-2000. Norm has presented extensively on financial reporting and accounting matters and has been a member and Chair of the Investigation Committee of the Chartered Professional Accountants of British Columbia from 2008 to 2018.

***MICHAEL JENNINGS***

Mr. Jennings is a Central Valley, California native who has been working in the Cannabis industry for 20+ years. In addition to large cultivation projects, Mike has been involved in cannabis breeding and marketing for 15+ years, establishing brands in both the US and Europe. He has also specialized in owning and operating several dispensaries.

***GLEN HARDER***

Mr. Harder is a corporate lawyer and has been a member of the British Columbia Law Society for over 35 years. He advises both public companies and private entities on financing and M&A matters. He is experienced in shareholder disputes, acquisitions/takeovers, matters of corporate governance and dispute resolution.

**Audit Committee Oversight**

At December 31, 2020, the Audit Committee did not make any recommendations to the Board to nominate or compensate any auditor other than Dale Matheson Carr-Hilton LaBonte LLP.

**Reliance on Certain Exemptions**

At December 31, 2020 the Company's auditor, Dale Matheson Carr-Hilton LaBonte LLP, did not provide any material non-audit services.

**Pre-Approval Policies and Procedures**

Refer to the Company's Audit Committee Charter attached as Schedule "A" to this Information Circular, for specific policies for the engagement of non-audit services.

**External Auditor Service Fees**

The Audit Committee has reviewed the nature and amount of the non-audited services provided by **Dale Matheson Carr-Hilton LaBonte LLP** to ensure auditor independence. Fees incurred with **Dale Matheson Carr-Hilton LaBonte LLP**, for audit and non-audit services in the last two fiscal years ended December 31 for audit fees are outlined in the following table:

<b>Nature of services</b>	<b>Fees paid for year ended December 31, 2020.</b>	<b>Fees paid for year ended December 31, 2019.</b>
Audit fees <sup>(1)</sup>	80,976	78,000
Tax fees <sup>(3)</sup>	14,884	-
All Other Fees <sup>(4)</sup>	-	-
<b>Total</b>	<b>95,860</b>	<b>78,000</b>

Notes:

- (1) “Audit Fees” include fees necessary to perform the annual audit and quarterly reviews of the Company’s consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) “Audit-Related Fees” include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) “Tax Fees” include fees for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) “All Other Fees” include all other non-audit services.

**Exemption**

The Company is relying on the exemption provided in section 6.1 of NI 52-110 *Audit Committees* as the Company is a “venture issuer” and is exempt from the requirements of Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*) of NI 52-110

**CORPORATE GOVERNANCE**

**General**

Corporate governance refers to the policies and structure of the board of directors of a company, whose members are elected by and are accountable to the shareholders of the company. Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure the board of directors recognizes the principles of good management. The Board is committed to sound corporate governance practices, as such practices are both in the interests of shareholders and help to contribute to effective and efficient decision-making.

**Board of Directors**

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

There are no special structures or processes in place to facilitate the functioning of the directors of the Company independently of management. However, the independent directors are given full access to management so that they can develop an independent perspective and express their views and communicate their expectations of management.

The Board facilitates its independent supervision over management by ensuring a majority of the Board are not officers of the Company. During the financial year ended December 31, 2020, the independent members of the Board were Norm Mayer and Glen Harder and the non-independent director of the Board were Michael Jennings (Chief Executive Officer) of the Company.

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

**Directorships**

The directors who are currently serving on boards of other reporting companies (or equivalent) are set out below:

Name of Director	Name of reporting company and Exchange listed
Glen David Harder	Klondike Silver Corp.
Curtis Floyd	Mission Bancorp
Norm Mayr	Sunniva Inc. (CSE) Kadestone Capital Corp. (TSX Venture) SIR Royalty Income Fund (TSX)

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### **Orientation and Continuing Education**

When new directors are appointed, they receive orientation, commensurate with their previous experience, on the Company's properties, business, technology and industry and on the responsibilities of directors.

Board meetings may also include presentations by the Company's management and employees to give the directors insight into the Company's business.

### **Ethical Business Conduct**

The Company has not adopted a policies or codes of business conduct and ethics at this time. Given the experience of the Board, and their prior dealings, the Company, at this point in time, is not taking any additional steps to encourage and promote a culture of ethical business conduct.

### **Nomination of Directors**

A Compensation and Corporate Governance Committee Charter adopted by the Company currently consists of the Norm Mayr, Glen Harder and Michael Jennings.

In fulfilling its oversight responsibilities for the nominations to the Board, the Compensation and Corporate Governance Committee shall: 1) establish criteria for selecting new directors which shall reflect, among other facts, a candidate's integrity and business ethics, strength of character, judgment, experience, and independence, as well as factors relating to the composition of the Board, including its size and structure, the relative strengths and experience of current board members and principles of diversity; 2) consider and recruit candidates to fill new positions on the Board; 3) review any candidate recommended by the shareholders of the Company; 4) be responsible for conducting appropriate inquiries to establish a candidate's compliance with the independent and other qualification requirements established by the Compensation and Corporate Governance Committee; 5) assess the contributions of current directors in connection with the annual recommendation of a slate of nominees and at that time review the criteria for Board candidates in the context of the evaluation process and other perceived needs of the Board; and 6) recommend the director nominees for election by the shareholders.

### **Compensation**

Pursuant to the Compensation and Corporate Governance Committee Charter, in discharging its oversight responsibilities for executive compensation and Board compensation, the Compensation and Corporate Governance Committee shall: 1) review and approve on an annual basis the corporate goals and objectives relevant to the CEO's compensation; 2) evaluate at least once a year the CEO's performance in light of established goals and objectives and, based on such evaluation, shall, together with all other independent members of the Board, determine and approve the CEO's annual compensation, including, as appropriate, salary, bonus, incentive, and equity compensation; 3) review and approve on an annual basis the evaluation process and compensation structure for the Company's executive officers, including parameters for salary adjustments (at the discretion of the CEO) for officers are established; and 4) review and make recommendations to the Board with respect to the adoption, amendment, and termination of the Company's management incentive-compensation and equity-compensation plans, oversee their administration and discharge any duties imposed on this Committee by any of those plans.

### **Other Board Committees**

The Board has formally appointed two standing committees: the Audit Committee and the Compensation and Corporate Governance Committee.

#### **Assessments**

Pursuant to the Compensation and Corporate Governance Committee Charter, in discharging its oversight responsibilities for the performance review of the Board, committees, and directors, this Committee shall: 1) evaluate the performance of the Board on an annual basis; 2) solicit comments from all directors and report annually to the Board on its assessment of the Board's performance; and 3) evaluate the performance of individual directors and committees of the Board on a periodic basis.

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

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

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

Other than set out in this Information Circular, no informed person of the Company, any proposed director of the Company, or any associate or affiliate of any informed person or proposed director, has any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

### **MANAGEMENT CONTRACTS**

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

### **ADDITIONAL INFORMATION**

Additional information concerning the Company is available through the Internet on SEDAR which may be accessed under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com), or may be obtained by a Shareholder upon request without charge from the Company; Vancouver office located at Suite 300 – 1055 West Hastings Street, Vancouver, B.C, V6E 2E9, Canada. The Company may require the payment of a reasonable charge from any person or company who is not a securityholder of the Company, who requests a copy of any such document.

### **OTHER MATTERS**

The Board is not aware of any other matters which it anticipates will come before the Meeting as of the date of mailing of this Information Circular.

The contents of this Information Circular and its distribution to shareholders have been approved by the Board.

**DATED** at Vancouver, British Columbia, October 1, 2021

**BY ORDER OF THE BOARD**

*“Michael Jennings”*

**Michael Jennings**  
**Chief Executive Officer**

# SCHEDULE “A” TO THE INFORMATION CIRCULAR OF NEXT GREENWAVE HOLDINGS INC.

## AUDIT COMMITTEE CHARTER

### A. PURPOSE

The audit committee (the “**Audit Committee**”) of Next Green Wave Holdings Inc. (the “**Corporation**”) is responsible for ensuring accounting integrity and solvency. The Audit Committee is also responsible for ensuring the appropriateness of insurance and investment of liquid funds. The Audit Committee will assist the board of directors of the Corporation (the “**Board**”) in fulfilling its oversight responsibilities by:

- reviewing the integrity of the consolidated financial statements of the Corporation.
- appointing (subject to shareholder ratification if required), determining funding for, and overseeing the external auditor and reviewing the external auditor’s qualifications and independence;
- reviewing the performance of the Corporation’s external auditors;
- reviewing the timely compliance by the Corporation with all legal and regulatory requirements for audit and related financial functions of the Corporation;
- reviewing, and if applicable, approving, financial information contained in public filings of the Corporation prior to filing;
- reviewing earnings announcements of the Corporation prior to release to the public;
- reviewing the Corporation’s systems of and compliance with internal financial controls;
- reviewing the Corporation’s auditing, accounting and financial reporting processes;
- dealing with all complaints regarding accounting, internal accounting controls and auditing matters; and
- dealing with any issues that result from the reviews set forth above.

In performing its functions, the Audit Committee must comply with the requirements of applicable rules and laws, including National Instrument 52-110 *Audit Committees* (“**NI 52-110**”) and applicable exchange policies. Nothing herein is intended to expand, or shall result in the expansion of, applicable standards of liability under Canadian law for directors of a corporation.

### B. MEMBERSHIP

1. The Audit Committee will have a minimum of three members.
2. The members of Audit Committee must include that number of independent individuals as is prescribed by applicable securities laws, regulations, and policies. “Independent” shall have the meaning, given to it in NI 52-110, as may be amended from time to time.
3. At the time of his or her appointment to the Audit Committee, each member of the Audit Committee shall be financially literate. “Financial literacy” shall be determined by the Board in the exercise of its business judgment, and shall include the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements.
4. Appointments and replacements to the Audit Committee will be made by the Board and will be reviewed on an annual basis. The Board will provide for continuity of membership, while at the same time allowing fresh perspectives to be added. The Board may remove the members of the Committee, with or without cause.
5. The Chair of the Audit Committee will be appointed by the Board.

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**C. MEETINGS**

1. The Audit Committee may meet, in person, telephonically or electronically, as many times per year as necessary to carry out its responsibilities but must meet at least once every quarter. No business may be transacted at a meeting unless a quorum of the Audit Committee is present. Two members of the Audit Committee shall constitute a quorum.
2. The Audit Committee shall maintain minutes or other forms of records of the meetings and activities of the Audit Committee in sufficient detail to convey the substance of all discussions held, and shall report to the Board, within a reasonable time period, the proceedings of the Audit Committee and any recommendations made by the Audit Committee.
3. Meetings of the Audit Committee will be held at the request of any member of the Audit Committee or at the request of the Corporation's external auditors. The Corporation's external auditor is entitled to receive notice of every meeting of the Audit Committee and to attend and be heard at every meeting, at the expense of the Corporation and, if so requested by a member of the Audit Committee, shall attend every meeting of the committee held during the term of office of the auditor.
4. The Audit Committee may invite to a meeting any officers or employees of the Corporation, legal counsel, advisors, and other persons whose attendance it considers necessary or desirable in order to carry out its responsibilities. Provision will be made to meet privately with external auditors.

**D. FINANCIAL REVIEW**

1. The Audit Committee will review the Corporation's financial statements, management discussion and analysis ("MD&A") and the related press releases before such documents are presented to the Board or disclosed publicly, as the case may be.
2. The Audit Committee will review the interim financial statements of the Corporation, the related MD&A, and the press release thereon. If advisable, the Audit Committee shall approve, on behalf of the Board, the interim financial statements and related MD&A for public disclosure.
3. The Audit Committee will review the annual audited financial statements of the Corporation, the auditor's report thereon, the related MD&A, and the press release thereon. If advisable, the Audit Committee shall approve and recommend for Board approval the annual financial statements and related MD&A.
4. The Audit Committee will review other financial information and financial documents that require the approval of the Board. These will include statements in prospectuses and other offering memoranda, news release containing financial information, or other documents including financial outlooks or future oriented financial information and statements required by regulatory authorities. After completing its review, if advisable, the Audit Committee shall approve and recommend for Board approval such financial information.
5. The Audit Committee will issue any necessary reports required of the Audit Committee to be included in
6. the Corporation's annual proxy materials.
7. The Audit Committee will review and discuss with management and the external auditor any major issue as to the adequacy and effectiveness of internal controls over the accounting and financial reporting systems of the Corporation, either directly, or through the external auditors or other advisors and obtain and review a report from the external auditor, at least annually, regarding the same; and the Audit Committee will review and discuss with management and the external auditor any special steps adopted in light of material internal control deficiencies and the adequacy of disclosures about changes in internal controls over financial reporting.
8. The Audit Committee will review, with the external auditors, the results of the external audit and any changes in accounting practices or policies, or in the financial statements as a result thereof. In addition, the Audit Committee will review any accruals, provisions, or estimates that have a significant effect upon the



financial statements, as well as other sensitive matters such as disclosure of related party transactions.

9. The Audit Committee will discuss with management and the external auditor any correspondence with regulators or governmental agencies and any published reports that raise material issues regarding the Corporation's financial statements or accounting policies.

#### **E. AUDITORS**

1. The Audit Committee is responsible for overseeing the work of the external auditor and will communicate directly with the external auditors as required. The external auditor of the Corporation must report directly to the Audit Committee.
2. The Audit Committee will be responsible for resolving disagreements between the auditors and the
3. Company's management.
4. The Audit Committee shall review and, if advisable, select and recommend for Board approval the external auditors to be nominated and the compensation of such external auditor. The Audit Committee shall have ultimate authority to approve all audit engagement terms and fees.
5. The Audit Committee will evaluate the qualifications, performance and independence of the external auditor and the senior audit partners having primary responsibility for the audit, including considering whether the auditor's quality controls are adequate.
6. The Audit Committee will receive from the external auditor a formal written statement delineating all relationships between the external auditor and the Corporation and will actively engage in a dialogue with the external auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
7. The Audit Committee must pre-approve all non-audit services to be provided to the Corporation or its subsidiaries by the external auditor. Notwithstanding the foregoing, the Audit Committee: (a) may delegate to one or more independent members the authority to pre-approve any non-audit service to be provided by the external auditor, to the extent permitted by applicable law, provided that any pre-approvals granted pursuant to such delegation will be reported to the full Audit Committee at its next scheduled meeting; and
8. (b) establish policies and procedures, from time to time, pre-approving certain non-audit services to be provided by the external auditor, provided (i) such pre-approval policies and procedures are detailed as to the particular service, (ii) the Audit Committee is informed of each non-audit service, and (iii) the procedures do not include delegation of the Audit Committee's responsibilities to management.
9. The Audit Committee will review and approve the Corporation's hiring policies regarding partners, employees, former partners and former employees of the present and former external auditor of the Corporation.
10. The Audit Committee has the authority, to the extent it deems necessary or appropriate, to retain independent counsel and any other advisors. The Corporation will provide appropriate funding, as determined by the Audit Committee, for payment of compensation to the external auditor for the purpose of rendering or issuing an audit report or performing other audit, review or attest services and to any advisors employed by the Audit Committee.

#### **F. MISCELLANEOUS**

11. The Audit Committee will establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters and for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
12. The Audit Committee will review the policies and practices of the Corporation regarding the regular
13. examination of officers' expenses and perquisites, including the use of the assets of the Corporation.
14. The Audit Committee will ensure and periodically assess that policies and procedures to maintain the

integrity of the Corporation's public disclosure of financial information extracted or derived from its financial statements are in place and are effective.

15. The Corporation must provide appropriate funding, as determined by the Audit Committee, for payment of ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties.
16. The Audit Committee will review and, if advisable, approve all related party transactions.
17. The Audit Committee will review and reassess the adequacy of this mandate as it deems appropriate.

**SCHEDULE “B”  
TO THE INFORMATION CIRCULAR OF  
NEXT GREEN WAVE HOLDINGS INC.**

**10% “ROLLING” SHARE OPTION PLAN**

**STOCK OPTION PLAN**

**SECTION 1  
DEFINITIONS AND INTERPRETATION**

**1.1 Definitions**

As used herein, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the meanings set forth below:

- (a) “Administrator” means such Executive or Employee of the Company as may be designated as Administrator by the Committee from time to time, or, if no such person is appointed, the Committee itself.
- (b) “Associate” means, where used to indicate a relationship with any person:
  - (i) any relative, including the spouse of that person or a relative of that person's spouse, where the relative has the same home as the 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; and
  - (iv) any corporation of which such person 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.
- (c) “Black-Out” means a restriction imposed by the Company on all or any of its directors, officers, employees, insiders or persons in a special relationship whereby they are to refrain from trading in the Company's securities until the restriction has been lifted by the Company.
- (d) “Board” means the board of directors of the Company.
- (e) “Change of Control” means an occurrence when either:
  - (i) a Person or Entity, other than the current “control person” of the Company (as that term is defined in the Securities Act), becomes a “control person” of the Company; or
  - (ii) a majority of the directors elected at any annual or extraordinary general meeting of shareholders of the Company are not individuals nominated by the Company's then-incumbent Board.
- (f) “Committee” means a committee of the Board to which the responsibility of approving the grant of stock options has been delegated, or if no such committee is appointed, the Board itself.
- (g) “Company” means Next Green Wave Holdings Inc.

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- (h) “Consultant” means an individual who:
- (i) is engaged to provide, on an ongoing bona fide basis, consulting, technical, management or other services to the Company or any Subsidiary other than services provided in relation to a “distribution” (as that term is described in the Securities Act);
  - (ii) provides the services under a written contract between the Company or any Subsidiary and the individual or a Consultant Entity (as defined in clause (h)(v) below);
  - (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or any Subsidiary; and
  - (iv) has a relationship with the Company or any Subsidiary that enables the individual to be knowledgeable about the business and affairs of the Company or is otherwise permitted by applicable Regulatory Rules to be granted Options as a Consultant or as an equivalent thereof,  
and includes:
    - (i) a corporation of which the individual is an employee or shareholder or a partnership of which the individual is an employee or partner (a “**Consultant Entity**”); or
    - (ii) an RRSP or RRIF established by or for the individual under which he or she is the beneficiary.
    - (iii) “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 12 months, and which causes an individual to be unable to engage in any substantial gainful activity, or any other condition of impairment that the Committee, acting reasonably, determines constitutes a disability.
- (a) “Employee” means:
- (i) an individual who works full-time or part-time for the Company or any Subsidiary and such other individual as may, from time to time, be permitted by applicable Regulatory Rules to be granted Options as an employee or as an equivalent thereto; or
  - (ii) an individual who works for the Company or any Subsidiary either full-time or 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 Company or any Subsidiary over the details and methods of work as an employee of the Company or any Subsidiary, but for whom income tax deductions are not made at source,
- and includes:
- (i) a corporation wholly-owned by such individual; and
  - (ii) any RRSP or RRIF established by or for such individual under which he or she is the beneficiary.
- (b) “Exchange” means the stock exchange upon which the Company’s shares principally trade.
- (c) “Executive” means an individual who is a director or officer of the Company or a Subsidiary, and includes:

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- (i) a corporation wholly-owned by such individual; and
  - (ii) any RRSP or RRIF established by or for such individual under which he or she is the beneficiary.
- (d) “Exercise Notice” means the written notice of the exercise of an Option, in the form set out as Schedule B hereto, or by written notice in the case of uncertificated Shares, duly executed by the Option Holder.
  - (e) “Exercise Period” means the period during which a particular Option may be exercised and is the period from and including the Grant Date through to and including the Expiry Time on the Expiry Date provided, however, that no Option can be exercised unless and until all necessary Regulatory Approvals have been obtained.
  - (f) “Exercise Price” means the price at which an Option is exercisable as determined in accordance with section 5.3.
  - (g) “Expiry Date” means the date the Option expires as set out in the Option Certificate or as otherwise determined in accordance with sections 5.4, 6.2, 6.3, 6.4 or 11.4.
  - (h) “Expiry Time” means the time the Option expires on the Expiry Date, which is 4:00 p.m. local time in Vancouver, British Columbia on the Expiry Date.
  - (i) “Grant Date” means the date on which the Committee grants a particular Option, which is the date the Option comes into effect provided however that no Option can be exercised unless and until all necessary Regulatory Approvals have been obtained.
  - (j) “Insider” means an insider as that term is defined in the *Securities Act*.
  - (k) “Market Value” means the market value of the Shares as determined in accordance with section 5.3.
  - (l) “Option” means an incentive share purchase option granted pursuant to this Plan entitling the Option Holder to purchase Shares of the Company.
  - (m) “Option Certificate” means the certificate, in substantially the form set out as Schedule A hereto, evidencing the Option.
  - (n) “Option Holder” means a Person or Entity who holds an unexercised and unexpired Option or, where applicable, the Personal Representative of such person.
  - (o) “Outstanding Issue” means the number of Shares that are outstanding (on a non-diluted basis) immediately prior to the Share issuance or grant of Option in question.
  - (p) “Person or Entity” means an individual, natural person, 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 partnership, limited partnership, syndicate or group shall be deemed to be a Person or Entity.
  - (q) “Personal Representative” means:
    - (i) in the case of a deceased Option Holder, the executor or administrator of the deceased duly appointed by a court or public authority having jurisdiction to do so; and

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- (ii) in the case of an Option Holder who for any reason is unable to manage his or her affairs, the person entitled by law to act on behalf of such Option Holder.
  - (r) “Plan” means this stock option plan as from time to time amended.
  - (s) “Pre-Existing Options” has the meaning ascribed thereto in section 4.1.
  - (t) “Regulatory Approvals” means any necessary approvals of the Regulatory Authorities as may be required from time to time for the implementation, operation or amendment of this Plan or for the Options granted from time to time hereunder.
  - (u) “Regulatory Authorities” means all organized trading facilities on which the Shares are listed, and all securities commissions or similar securities regulatory bodies having jurisdiction over the Company, this Plan or the Options granted from time to time hereunder.
  - (v) “Regulatory Rules” means all corporate and securities laws, regulations, rules, policies, notices, instruments and other orders of any kind whatsoever which may, from time to time, apply to the implementation, operation or amendment of this Plan or the Options granted from time to time hereunder including, without limitation, those of the applicable Regulatory Authorities.
  - (w) “*Securities Act*” means the *Securities Act* (British Columbia), RSBC 1996, c.418 as from time to time amended.
  - (x) “Share” or “Shares” means, as the case may be, one or more common shares without par value in the capital stock of the Company.
  - (y) “Subsidiary” means a wholly-owned or controlled subsidiary corporation of the Company.
  - (z) “Triggering Event” means:
    - (i) the proposed dissolution, liquidation or wind-up of the Company;
    - (ii) a proposed merger, amalgamation, arrangement or reorganization of the Company with one or more corporations as a result of which, immediately following such event, the shareholders of the Company as a group, as they were immediately prior to such event, are expected to hold less than a majority of the outstanding capital stock of the surviving corporation;
    - (iii) the proposed acquisition of all or substantially all of the issued and outstanding shares of the Company by one or more Persons or Entities;
    - (iv) a proposed Change of Control of the Company;
    - (v) the proposed sale or other disposition of all or substantially all of the assets of the Company; or
    - (vi) a proposed material alteration of the capital structure of the Company which, in the opinion of the Committee, is of such a nature that it is not practical or feasible to make adjustments to this Plan or to the Options granted hereunder to permit the Plan and Options granted hereunder to stay in effect.
  - (aa) “Vest” or “Vesting” means that a portion of the Option granted to the Option Holder which is available to be exercised by the Option Holder at any time and from time to time.

## 1.2 **Choice of Law**

The Plan is established under, and the provisions of the Plan shall be subject to and interpreted and construed solely in accordance with, the laws of the Province of British Columbia and the laws of Canada applicable therein without giving effect to the conflicts of laws principles thereof and without reference to the laws of any other jurisdiction. The Company and each Option Holder hereby attorn to the jurisdiction of the Courts of British Columbia.

## 1.3 **Headings**

The headings used herein are for convenience only and are not to affect the interpretation of the Plan.

# **SECTION 2 GRANT OF OPTIONS**

## 2.1 **Grant of Options**

The Committee shall, from time to time in its sole discretion, grant Options to such Persons or Entities and on such terms and conditions as are permitted under this Plan.

## 2.2 **Record of Option Grants**

The Committee shall be responsible to maintain a record of all Options granted under this Plan and such record shall contain, in respect of each Option:

- (a) the name and address of the Option Holder;
- (b) the category (Executive, Employee or Consultant) under which the Option was granted to him, her or it;
- (c) the Grant Date and Expiry Date of the Option;
- (d) the number of Shares which may be acquired on the exercise of the Option and the Exercise Price of the Option;
- (e) the vesting and other additional terms, if any, attached to the Option; and
- (f) the particulars of each and every time the Option is exercised.

## 2.3 **Effect of Plan**

All Options granted pursuant to the Plan shall be subject to the terms and conditions of the Plan notwithstanding the fact that the Option Certificates issued in respect thereof do not expressly contain such terms and conditions but instead incorporate them by reference to the Plan. The Option Certificates will be issued for convenience only and in the case of a dispute with regard to any matter in respect thereof, the provisions of the Plan and the records of the Company shall prevail over the terms and conditions in the Option Certificate, save and except as noted below. Each Option will also be subject to, in addition to the provisions of the Plan, the terms and conditions contained in the schedules, if any, attached to the Option Certificate for such Option. Should the terms and conditions contained in such schedules be inconsistent with the provisions of the Plan, such terms and conditions will supersede the provisions of the Plan.

# **SECTION 3 PURPOSE AND PARTICIPATION**

## 3.1 **Purpose of Plan**

The purpose of the Plan is to provide the Company with a share-related mechanism to attract, retain and motivate qualified Executives, Employees and Consultants to contribute toward the long term goals of the Company, and to encourage such individuals to acquire Shares of the Company as long term investments.

## 3.2 **Participation in Plan**

The Committee shall, from time to time and in its sole discretion, determine those Executives, Employees and Consultants to whom Options are to be granted.

### 3.3 **Limits on Option Grants**

The following limitations shall apply to the Plan and all Options thereunder:

- (a) the maximum number of Options which may be granted to any one Option Holder under the Plan within any 12 month period shall be 5% of the Outstanding Issue (unless the Company has obtained disinterested shareholder approval if required by Regulatory Rules);
- (b) if required by Regulatory Rules, disinterested shareholder approval is required to the grant to Insiders, within a 12 month period, of a number of Options which, when added to the number of outstanding incentive stock options granted to Insiders within the previous 12 months, exceed 10% of the issued Shares;
- (c) with respect to section 5.1, the Expiry Date of an Option shall be no later than the tenth anniversary of the Grant Date of such Option;
- (d) the maximum number of Options which may be granted to any one Consultant within any 12 month period must not exceed 2% of the Outstanding Issue; and
- (e) the maximum number of Options which may be granted within any 12 month period to Employees or Consultants engaged in investor relations activities must not exceed 1% of the Outstanding Issue and such options must vest in stages over 12 months with no more than 25% of the Options vesting in any three month period, and such limitation will not be an amendment to this Plan requiring the Option Holders consent under section 9.2 of this Plan.

### 3.4 **Notification of Grant**

Following the granting of an Option, the Administrator shall, within a reasonable period of time, notify the Option Holder in writing of the grant and shall enclose with such notice the Option Certificate representing the Option so granted. In no case will the Company be required to deliver an Option Certificate to an Option Holder until such time as the Company has obtained all necessary Regulatory Approvals for the grant of the Option.

### 3.5 **Copy of Plan**

Each Option Holder, concurrently with the notice of the grant of the Option, shall be provided with a copy of the Plan. A copy of any amendment to the Plan shall be promptly provided by the Administrator to each Option Holder.

### 3.6 **Limitation on Service**

The Plan does not give any Option Holder that is an Executive the right to serve or continue to serve as an Executive of the Company or any Subsidiary, nor does it give any Option Holder that is an Employee or Consultant the right to be or to continue to be employed or engaged by the Company or any Subsidiary.

### 3.7 **No Obligation to Exercise**

Option Holders shall be under no obligation to exercise Options.

### 3.8 **Agreement**

The Company and every Option Holder granted an Option hereunder shall be bound by and subject to the terms and conditions of this Plan. By accepting an Option granted hereunder, the Option Holder has expressly agreed with the Company to be bound by the terms and conditions of this Plan. In the event that the Option Holder receives his, her or its Options pursuant to an oral or written agreement with the Company or a Subsidiary, whether such agreement is an employment agreement, consulting agreement or any other kind of agreement of any kind whatsoever, the Option Holder acknowledges that in the event of any inconsistency between the terms relating to the grant of such Options in that agreement and the terms attaching to the Options as provided for in this Plan, the terms provided for in this Plan shall prevail and the other agreement shall be deemed to have been amended accordingly.

### 3.9 **Notice**

Any notice, delivery or other correspondence of any kind whatsoever to be provided by the Company to an Option Holder will be deemed to have been provided if provided to the last home address, fax number or email address of the Option Holder in the records of the Company and the Company shall be under no obligation to confirm receipt or delivery.



### 3.10 **Representation**

As a condition precedent to the issuance of an Option, the Company must be able to represent to the Exchange as of the Grant Date that the Option Holder is a *bona fide* Executive, Employee or Consultant of the Company or any Subsidiary.

## **SECTION 4 NUMBER OF SHARES UNDER PLAN**

### 4.1 **Board to Approve Issuance of Shares**

The Committee shall approve by resolution the issuance of all Shares to be issued to Option Holders upon the exercise of Options, such authorization to be deemed effective as of the Grant Date of such Options regardless of when it is actually done. The Committee shall be entitled to approve the issuance of Shares in advance of the Grant Date, retroactively after the Grant Date, or by a general approval of this Plan.

### 4.2 **Number of Shares**

Subject to adjustment as provided for herein, the number of Shares which will be available for purchase pursuant to Options granted pursuant to this Plan, plus any other outstanding incentive stock options of the Company granted pursuant to a previous stock option plan or agreement, will not exceed 10% of the Outstanding Issue. If any Option expires or otherwise terminates for any reason without having been exercised in full, the number of Shares in respect of such expired or terminated Option shall again be available for the purposes of granting Options pursuant to this Plan.

### 4.3 **Fractional Shares**

No fractional shares shall be issued upon the exercise of any Option and, if as a result of any adjustment, an Option Holder would become entitled to a fractional share, such Option Holder shall have the right to purchase only the next lowest whole number of Shares and no payment or other adjustment will be made for the fractional interest.

## **SECTION 5 TERMS AND CONDITIONS OF OPTIONS**

### 5.1 **Exercise Period of Option**

Subject to sections 5.4, 6.2, 6.3, 6.4 and 11.4, the Grant Date and the Expiry Date of an Option shall be the dates fixed by the Committee at the time the Option is granted and shall be set out in the Option Certificate issued in respect of such Option.

### 5.2 **Number of Shares Under Option**

The number of Shares which may be purchased pursuant to an Option shall be determined by the Committee and shall be set out in the Option Certificate issued in respect of the Option.

### 5.3 **Exercise Price of Option**

The Exercise Price at which an Option Holder may purchase a Share upon the exercise of an Option shall be determined by the Committee and shall be set out in the Option Certificate issued in respect of the Option. The Exercise Price shall not be less than the Market Value of the Shares as of the Grant Date. The Market Value of the Shares for a particular Grant Date shall be determined as follows:

- (a) for each organized trading facility on which the Shares are listed, Market Value will be the greater of the closing market price of the Shares on the day immediately preceding the Grant Date, and date of grant of the stock option;
- (b) if the Company's Shares are listed on more than one organized trading facility, the Market Value shall be the Market Value as determined in accordance with subparagraph (a) above for the primary organized trading facility on which the Shares are listed, as determined by the Committee, subject to any adjustments as may be required to secure all necessary Regulatory Approvals;
- (c) if the Company's Shares are listed on one or more organized trading facilities but have not traded during the ten trading days immediately preceding the Grant Date, then the Market Value will be, subject to any adjustments as may be required to secure all necessary Regulatory Approvals, such value as is determined by the Committee; and
- (d) if the Company's Shares are not listed on any organized trading facility, then the Market Value will be, subject to any adjustments as may be required to secure all necessary Regulatory

Approvals, such value as is determined by the Committee to be the fair value of the Shares, taking into consideration all factors that the Committee deems appropriate, including, without limitation, recent sale and offer prices of the Shares in private transactions negotiated at arms' length. Notwithstanding anything else contained herein, in no case will the Market Value be less than the minimum prescribed by each of the organized trading facilities that would apply to the Company on the Grant Date in question.

#### 5.4 **Termination of Option**

Subject to such other terms or conditions that may be attached to Options granted hereunder, an Option Holder may exercise an Option in whole or in part at any time and from time to time during the Exercise Period. Any Option or part thereof not exercised within the Exercise Period shall terminate and become null, void and of no effect as of the Expiry Time on the Expiry Date. The Expiry Date of an Option shall be the earlier of the date so fixed by the Committee at the time the Option is granted as set out in the Option Certificate and the date established, if applicable, in paragraphs (a) or (b) below or sections 6.2, 6.3, 6.4, or 11.4 of this Plan:

- (a) *Ceasing to Hold Office* - In the event that the Option Holder holds his or her Option as an Executive and such Option Holder ceases to hold such position other than by reason of death or Disability, the Expiry Date of the Option shall be, unless otherwise determined by the Committee and expressly provided for in the Option Certificate, the 30th day following the date the Option Holder ceases to hold such position unless the Option Holder ceases to hold such position as a result of:
- (i) ceasing to meet the qualifications set forth in the corporate legislation applicable to the Company;
  - (ii) a special resolution having been passed by the shareholders of the Company removing the Option Holder as a director of the Company or any Subsidiary; or
  - (iii) an order made by any Regulatory Authority having jurisdiction to so order,
- in which case the Expiry Date shall be the date the Option Holder ceases to hold such position; OR
- (b) *Ceasing to be Employed or Engaged* - In the event that the Option Holder holds his or her Option as an Employee or Consultant and such Option Holder ceases to hold such position other than by reason of death or Disability, the Expiry Date of the Option shall be, unless otherwise determined by the Committee and expressly provided for in the Option Certificate, the 30th day following the date the Option Holder ceases to hold such position, unless the Option Holder ceases to hold such position as a result of:
- (i) termination for cause;
  - (ii) resigning his or her position; or
  - (iii) an order made by any Regulatory Authority having jurisdiction to so order,
- in which case the Expiry Date shall be the date the Option Holder ceases to hold such position.

In the event that the Option Holder ceases to hold the position of Executive, Employee or Consultant for which the Option was originally granted, but comes to hold a different position as an Executive, Employee or Consultant prior to the expiry of the Option, the Committee may, in its sole discretion, choose to permit the Option to stay in place for that Option Holder with such Option then to be treated as being held by that Option Holder in his or her new position and such will not be considered to be an amendment to the Option in question requiring the consent of the Option Holder under section 9.2 of this Plan. Notwithstanding anything else contained herein, in no case will an Option be exercisable later than the Expiry Date of the Option.

#### 5.5 **Vesting of Option and Acceleration**

The vesting schedule for an Option, if any, shall be determined by the Committee and shall be set out in the Option Certificate issued in respect of the Option. The Committee may elect, at any time, to accelerate the vesting schedule of one or more Options including, without limitation, on a Triggering Event, and such acceleration will not be considered an amendment to the Option in question requiring the consent of the Option Holder under section 9.2 of this Plan.

## 5.6 Additional Terms

Subject to all applicable Regulatory Rules and all necessary Regulatory Approvals, the Committee may attach additional terms and conditions to the grant of a particular Option, such terms and conditions to be set out in a schedule attached to the Option Certificate. The Option Certificates will be issued for convenience only, and in the case of a dispute with regard to any matter in respect thereof, the provisions of this Plan and the records of the Company shall prevail over the terms and conditions in the Option Certificate, save and except as noted below. Each Option will also be subject to, in addition to the provisions of the Plan, the terms and conditions contained in the schedules, if any, attached to the Option Certificate for such Option. Should the terms and conditions contained in such schedules be inconsistent with the provisions of the Plan, such terms and conditions will supersede the provisions of the Plan.

## SECTION 6 TRANSFERABILITY OF OPTIONS

### 6.1 Non-transferable

Except as provided otherwise in this section 6, Options are non-assignable and non-transferable.

### 6.2 Death of Option Holder

In the event of the Option Holder's death, any Options held by such Option Holder shall pass to the Personal Representative of the Option Holder and shall be exercisable by the Personal Representative on or before the date which is the earlier of one year following the date of death and the applicable Expiry Date.

### 6.3 Disability of Option Holder

If the employment or engagement of an Option Holder as an Employee or Consultant or the position of an Option Holder as a director or officer of the Company or a Subsidiary is terminated by the Company by reason of such Option Holder's Disability, any Options held by such Option Holder shall be exercisable by such Option Holder or by the Personal Representative on or before the date which is the earlier of one year following the termination of employment, engagement or appointment as a director or officer and the applicable Expiry Date.

### 6.4 Disability and Death of Option Holder

If an Option Holder has ceased to be employed, engaged or appointed as a director or officer of the Company or a Subsidiary by reason of such Option Holder's Disability and such Option Holder dies within one year after the termination of such engagement, any Options held by such Option Holder that could have been exercised immediately prior to his or her death shall pass to the Personal Representative of such Option Holder and shall be exercisable by the Personal Representative on or before the date which is the earlier of one year following the death of such Option Holder and the applicable Expiry Date.

### 6.5 Vesting

Unless the Committee determines otherwise, Options held by or exercisable by a Personal Representative shall, during the period prior to their termination, continue to vest in accordance with any vesting schedule to which such Options are subject.

### 6.6 Deemed Non-Interruption of Engagement

Employment or engagement by the Company 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 90 days or, if longer, for so long as the Option Holder's right to re-employment or re-engagement by the Company is guaranteed either by statute or by contract. If the period of such leave exceeds 90 days and the Option Holder's re-employment or re-engagement is not so guaranteed, then his or her employment or engagement shall be deemed to have terminated on the ninety-first day of such leave.

## SECTION 7 EXERCISE OF OPTION

### 7.1 Exercise of Option

An Option may be exercised only by the Option Holder or the Personal Representative of any Option Holder. An Option Holder or the Personal Representative of any Option Holder may exercise an Option in whole or in part at any time and from time to time during the Exercise Period up to the Expiry Time on the Expiry Date by delivering to the Administrator the required Exercise Notice, or by written notice in the case of uncertificated Shares, the applicable Option Certificate and a certified cheque or bank draft or wire transfer payable to the Company or its legal counsel in an amount equal to the aggregate Exercise Price of the Shares then being purchased pursuant to the exercise of the Option. Notwithstanding anything else contained herein, Options may not be exercised during a Black-Out unless the Committee determines otherwise.

### 7.2 Issue of Share Certificates

As soon as reasonably practicable following the receipt of the notice of exercise as described in section 7.1 and payment in full for the

Optioned Shares being acquired, the Administrator will direct its transfer agent to issue to the Option Holder the appropriate number of Shares in either certificate form or at the election of the Option Holder, on an uncertificated basis pursuant to the instructions given by the Option Holder to the Administrator. If the number of Shares so purchased is less than the number of Shares subject to the Option Certificate surrendered, the Administrator shall also provide a new Option Certificate for the balance of Shares available under the Option to the Option Holder concurrent with delivery of the Shares.

### **7.3 No Rights as Shareholder**

Until the date of the issuance of the certificate for the Shares purchased pursuant to the exercise of an Option, no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to such Shares, notwithstanding the exercise of the Option, unless the Committee determines otherwise. In the event of any dispute over the date of the issuance of the Shares, the decision of the Committee shall be final, conclusive and binding.

### **7.4 Tax Withholding and Procedures**

Notwithstanding anything else contained in this Plan, the Company may, from time to time, implement such procedures and conditions as it determines appropriate with respect to the withholding and remittance of taxes imposed under applicable law, or the funding of related amounts for which liability may arise under such applicable law. Without limiting the generality of the foregoing, an Option Holder who wishes to exercise an Option must, in addition to following the procedures set out in section 7.1 and elsewhere in this Plan, and as a condition of exercise:

- (a) deliver a certified cheque, wire transfer or bank draft payable to the Company for the amount determined by the Company to be the appropriate amount on account of such taxes or related amounts; or
- (b) otherwise ensure, in a manner acceptable to the Company (if at all) in its sole and unfettered discretion, that the amount will be securely funded;
- (c) and must in all other respects follow any related procedures and conditions imposed by the Company.

## **SECTION 8 ADMINISTRATION**

### **8.1 Board or Committee**

The Plan shall be administered by the Administrator with oversight by the Committee.

### **8.2 Powers of Committee**

The Committee shall have the authority to do the following:

- (a) oversee the administration of the Plan in accordance with its terms;
- (b) appoint or replace the Administrator from time to time;
- (c) determine all questions arising in connection with the administration, interpretation and application of the Plan, including all questions relating to the Market Value;
- (d) correct any defect, supply any information or reconcile any inconsistency in the Plan in such manner and to such extent as shall be deemed necessary or advisable to carry out the purposes of the Plan;
- (e) prescribe, amend, and rescind rules and regulations relating to the administration of the Plan;
- (f) determine the duration and purposes of leaves of absence from employment or engagement by the Company which may be granted to Option Holders without constituting a termination of employment or engagement for purposes of the Plan;
- (g) do the following with respect to the granting of Options:

- (i) determine the Executives, Employees or Consultants to whom Options shall be granted, based on the eligibility criteria set out in this Plan;
- (ii) determine the terms of the Option to be granted to an Option Holder including, without limitation, the Grant Date, Expiry Date, Exercise Price and vesting schedule (which need not be identical with the terms of any other Option);
- (iii) subject to any necessary Regulatory Approvals and section 9.2, amend the terms of any Options;
- (iv) determine when Options shall be granted; and
- (v) determine the number of Shares subject to each Option;
- (h) accelerate the vesting schedule of any Option previously granted; and
- (i) make all other determinations necessary or advisable, in its sole discretion, for the administration of the Plan.

### 8.3 **Administration by Committee**

All determinations made by the Committee in good faith shall be final, conclusive and binding upon all persons. The Committee shall have all powers necessary or appropriate to accomplish its duties under this Plan.

### 8.4 **Interpretation**

The interpretation by the Committee of any of the provisions of the Plan and any determination by it pursuant thereto shall be final, conclusive and binding and shall not be subject to dispute by any Option Holder. No member of the Committee or any person acting pursuant to authority delegated by it hereunder shall be personally liable for any action or determination in connection with the Plan made or taken in good faith and each member of the Committee and each such person shall be entitled to indemnification with respect to any such action or determination in the manner provided for by the Company.

## **SECTION 9 APPROVALS AND AMENDMENT**

### 9.1 **Shareholder Approval of Plan**

If required by a Regulatory Authority or by the Committee, this Plan may be made subject to the approval of the shareholders of the Company as prescribed by the Regulatory Authority. If shareholder approval is required, any Options granted under this Plan prior to such time will not be exercisable or binding on the Company unless and until such shareholder approval is obtained.

### 9.2 **Amendment of Option or Plan**

Subject to any required Regulatory Approvals, the Committee may from time to time amend any existing Option or the Plan or the terms and conditions of any Option thereafter to be granted provided that where such amendment relates to an existing Option and it would:

- (a) materially decrease the rights or benefits accruing to an Option Holder; or
- (b) materially increase the obligations of an Option Holder; then, unless otherwise excepted out by a provision of this Plan, the Committee must also obtain the written consent of the Option Holder in question to such amendment. If at the time the Exercise Price of an Option is reduced the Option Holder is an Insider of the Company, the Insider must not exercise the option at the reduced Exercise Price until the reduction in Exercise Price has been approved by the disinterested shareholders of the Company, if required by the Exchange.

## **SECTION 10 CONDITIONS PRECEDENT TO ISSUANCE OF OPTIONS AND SHARES**

### 10.1 **Compliance with Laws**

An Option shall not be granted or exercised, and Shares shall not be issued pursuant to the exercise of any Option, unless the grant and

exercise of such Option and the issuance and delivery of such Shares comply with all applicable Regulatory Rules, and such Options and Shares will be subject to all applicable trading restrictions in effect pursuant to such Regulatory Rules and the Company shall be entitled to legend the Option Certificates and the certificates for the Shares or the written notice in the case of uncertificated Shares representing such Shares accordingly.

### **10.2 Regulatory Approvals**

In administering this Plan, the Committee will seek any Regulatory Approvals which may be required. The Committee will not permit any Options to be granted without first obtaining the necessary Regulatory Approvals unless such Options are granted conditional upon such Regulatory Approvals being obtained. The Committee will make all filings required with the Regulatory Authorities in respect of the Plan and each grant of Options hereunder. No Option granted will be exercisable or binding on the Company unless and until all necessary Regulatory Approvals have been obtained. The Committee shall be entitled to amend this Plan and the Options granted hereunder in order to secure any necessary Regulatory Approvals and such amendments will not require the consent of the Option Holders under section 9.2 of this Plan.

### **10.3 Inability to Obtain Regulatory Approvals**

The Company's inability to obtain Regulatory Approval from any applicable Regulatory Authority, which Regulatory Approval is deemed by the Committee to be necessary to complete the grant of Options hereunder, the exercise of those Options or the lawful issuance and sale of any Shares pursuant to such Options, shall relieve the Company of any liability with respect to the failure to complete such transaction.

## **SECTION 11 ADJUSTMENTS AND TERMINATION**

### **11.1 Termination of Plan**

Subject to any necessary Regulatory Approvals, the Committee may terminate or suspend the Plan. Unless earlier terminated as provided in this section 11, the Plan shall terminate on, and no more Options shall be granted under the Plan after, the tenth anniversary of the date of the Exchange's acceptance of the Plan.

### **11.2 No Grant During Suspension of Plan**

No Option may be granted during any suspension, or after termination, of the Plan. Suspension or termination of the Plan shall not, without the consent of the Option Holder, alter or impair any rights or obligations under any Option previously granted.

### **11.3 Alteration in Capital Structure**

If there is a material alteration in the capital structure of the Company and the Shares are consolidated, subdivided, converted, exchanged, reclassified or in any way substituted for, the Committee shall make such adjustments to this Plan and to the Options then outstanding under this Plan as the Committee determines to be appropriate and equitable under the circumstances, so that the proportionate interest of each Option Holder shall, to the extent practicable, be maintained as before the occurrence of such event. Such adjustments may include, without limitation:

- (a) a change in the number or kind of shares of the Company covered by such Options; and
- (b) a change in the Exercise Price payable per Share provided, however, that the aggregate Exercise Price applicable to the unexercised portion of existing Options shall not be altered, it being intended that any adjustments made with respect to such Options shall apply only to the Exercise Price per Share and the number of Shares subject thereto.

For purposes of this section 11.3, and without limitation, neither:

- (c) the issuance of additional securities of the Company in exchange for adequate consideration (including services); nor
- (d) the conversion of outstanding securities of the Company into Shares shall be deemed to be material alterations of the capital structure of the Company. Any adjustment made to any Options pursuant to this section 11.3 shall not be considered an amendment requiring the Option Holder's consent for the purposes of section 9.2 of this Plan.

### **11.4 Triggering Events**

Subject to the Company complying with section 11.5 and any necessary Regulatory Approvals and notwithstanding any other provisions of this Plan or any Option Certificate, the Committee may, without the consent of the Option Holder or Holders in question:

- (a) cause all or a portion of any of the Options granted under the Plan to terminate upon the occurrence of a Triggering Event; or
- (b) cause all or a portion of any of the Options granted under the Plan to be exchanged for incentive stock options of another corporation upon the occurrence of a Triggering Event in such ratio and at such exercise price as the Committee deems appropriate, acting reasonably.

Such termination or exchange shall not be considered an amendment requiring the Option Holder's consent for the purpose of section 9.2 of the Plan.

#### **11.5 Notice of Termination by Triggering Event**

In the event that the Committee wishes to cause all or a portion of any of the Options granted under this Plan to terminate on the occurrence of a Triggering Event, it must give written notice to the Option Holders in question not less than 10 days prior to the consummation of a Triggering Event so as to permit the Option Holder the opportunity to exercise the vested portion of the Options prior to such termination. Upon the giving of such notice and subject to any necessary Regulatory Approvals, all Options or portions thereof granted under the Plan which the Company proposes to terminate shall become immediately exercisable notwithstanding any contingent vesting provision to which such Options may have otherwise been subject.

#### **11.6 Determinations to be Made By Committee**

Adjustments and determinations under this section 11 shall be made by the Committee, whose decisions as to what adjustments or determination shall be made, and the extent thereof, shall be final, binding, and conclusive.

## SCHEDULE "C"

### ALTERATIONS TO ARTICLES – ADVANCE NOTICE PROVISION

#### Nomination of Directors

- 14.12 (a) Subject only to the Business Corporations Act, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Company. Nominations of persons for election to the board may be made at any annual meeting of shareholders, or at any special meeting of shareholders (but only if the election of directors is a matter specified in the notice of meeting given by or at the direction of the person calling such special meeting):
- (i) by or at the direction of the board or an authorized officer of the Company, including pursuant to a notice of meeting;
  - (ii) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the *Business Corporations Act* or a requisition of the shareholders made in accordance with the provisions of the *Business Corporations Act*; or
  - (iii) by any person (a "Nominating Shareholder"): (a) who, at the close of business on the date of the giving of the notice provided for below in this Article 14.12 and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and (b) who complies with the notice procedures set forth below in this Article 14.12.
- (b) In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, such person must have given timely notice thereof in proper written form to the Corporate Secretary of the Company at the principal executive offices of the Company in accordance with this Article 14.12.
- (c) To be timely under Article 14.12 (b), a Nominating Shareholder's notice to the Corporate Secretary of the Company must be made:
- (i) in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is called for a date that is less than 40 days after the date (the "Notice Date") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and
  - (ii) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made.
- (d) To be in proper written form, a Nominating Shareholder's notice to the Corporate Secretary of the Company, under Article 14.12 (b) must set forth:
- (i) as to each person whom the Nominating Shareholder proposes to nominate for election as a director: (a) the name, age, business address and residence address of the person, (b) the principal occupation or employment of the person, (c) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the person as of the record date for the Meeting of Shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice, (d) a statement as to whether such person would be "independent" of the Company (within the meaning of sections 1.4 and 1.5 of National Instrument 52-110 – Audit Committees of the Canadian Securities Administrators, as such provisions may be amended from time to time) if elected as a director at such meeting and the reasons and basis for such determination, and (e) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Business Corporations Act and Applicable Securities Laws (as defined below); and



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- (ii) as to the Nominating Shareholder giving the notice: (a) any information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Business Corporations Act and Applicable Securities Laws, and (b) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the Nominating Shareholder as of the record date for the Meeting of Shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice.
- (iii) The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as a director of the Corporation or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.
- (e) No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of this Article 14.12; provided, however, that nothing in this Article 14.12 shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the *Business Corporations Act*. The chair of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.
- (f) For purposes of this Article 14.12:
- (i) "**Affiliate**", when used to indicate a relationship with a person, shall mean a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such specified person;
- (ii) "**Applicable Securities Laws**" means the *Securities Act* (British Columbia) and the equivalent legislation in the other provinces and in the territories of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commissions and similar regulatory authorities of each of the applicable provinces and territories of Canada;
- (iii) "**Associate**", when used to indicate a relationship with a specified person, shall mean: (a) any corporation or trust of which such person owns beneficially, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all voting securities of such corporation or trust for the time being outstanding, (b) any partner of that person, (c) 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, (d) a spouse of such specified person, (e) any person of either sex with whom such specified person is living in conjugal relationship outside marriage or (f) any relative of such specified person or of a person mentioned in clauses (d) or (e) of this definition if that relative has the same residence as the specified person;
- (iv) "**Derivatives Contract**" shall mean a contract between two parties (the "Receiving Party" and the "Counterparty") that is designed to expose the Receiving Party to economic benefits and risks that correspond substantially to the ownership by the Receiving Party of a number of shares in the capital of the Company or securities convertible into such shares specified or referenced in such contract (the number corresponding to such economic benefits and risks, the "Notional Securities"), regardless of whether obligations under such contract are required or permitted to be settled through the delivery of cash, shares in the capital of the Company or securities convertible into such shares or other property, without regard to any short position under the same or any other Derivatives Contract. For the avoidance of doubt, interests in broad-based index options, broad-based index futures and broad-based publicly traded market baskets of stocks approved for trading by the appropriate governmental authority shall not be deemed to be Derivatives Contracts;

- (v) "**meeting of shareholders**" shall mean such annual shareholders meeting or special shareholders meeting, whether general or not, at which one or more persons are nominated for election to the board by a Nominating Shareholder;
- (vi) "**owned beneficially**" or "**owns beneficially**" means, in connection with the ownership of shares in the capital of the Company by a person, (a) any such shares as to which such person or any of such person's Affiliates or Associates owns at law or in equity, or has the right to acquire or become the owner at law or in equity, where such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, upon the exercise of any conversion right, exchange right or purchase right attaching to any securities, or pursuant to any agreement, arrangement, pledge or understanding whether or not in writing; (b) any such shares as to which such person or any of such person's Affiliates or Associates has the right to vote, or the right to direct the voting, where such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, pursuant to any agreement, arrangement, pledge or understanding whether or not in writing; (c) any such shares which are beneficially owned, directly or indirectly, by a Counterparty (or any of such Counterparty's Affiliates or Associates) under any Derivatives Contract (without regard to any short or similar position under the same or any other Derivatives Contract) to which such person or any of such person's Affiliates or Associates is a Receiving Party; provided, however that the number of shares that a person owns beneficially pursuant to this clause (c) in connection with a particular Derivatives Contract shall not exceed the number of Notional Securities with respect to such Derivatives Contract; provided, further, that the number of securities owned beneficially by each Counterparty (including their respective Affiliates and Associates) under a Derivatives Contract shall for purposes of this clause be deemed to include all securities that are owned beneficially, directly or indirectly, by any other Counterparty (or any of such other Counterparty's Affiliates or Associates) under any Derivatives Contract to which such first Counterparty (or any of such first Counterparty's Affiliates or Associates) is a Receiving Party and this proviso shall be applied to successive Counterparties as appropriate; and (d) any such shares which are owned beneficially within the meaning of this definition by any other person with whom such person is acting jointly or in concert with respect to the Company or any of its securities; and
- (vii) "**public announcement**" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company or its agents under its profile on the System of Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com).
- (g) Notwithstanding any other provision to this Article 14.12, notice or any delivery given to the Corporate Secretary of the Company pursuant to this Article 14.12 may only be given by personal delivery, facsimile transmission or by email (provided that the Corporate Secretary of the Company has stipulated an email address for purposes of this notice, at such email address as stipulated from time to time), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Corporate Secretary at the address of the principal executive offices of the Company; provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.
- (h) In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice as described in this Article 14.12.
- (i) Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this Article.