



# **RIWI CORP.**

**NOTICE OF  
ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS  
TO BE HELD ON  
MAY 15, 2019  
AND  
MANAGEMENT INFORMATION CIRCULAR**

**Dated as of April 10, 2019**



April 10, 2019

## Letter to our Shareholders

By Neil Seeman, Chief Executive Officer

**Be different to win.** At RIWI, we love profit. Every profitable period in RIWI's life-cycle makes the next period of growth much more likely to be profitable. That is because our annual costs for our global prediction and survey technology software are relatively stable even as we win new, long-term deals – and even as we expand our sales and data collection activities into all markets of the world.

A key 2018 milestone was to do what I promised shareholders last year: reach sustainable profitability in 2018.

We hit our profitability milestone since we boosted our recurring revenues and ensured unwavering customer delivery excellence across our three business lines: **private enterprise**, for customers seeking to increase their earnings or market share; **international security**, for customers legally mandated to monitor, prevent or reduce violent conflict; and **humanitarian aid**, for customers seeking to make the world a more secure and prosperous place for the poor and voiceless.

It is fashionable for some technology companies to endure heavy losses at the expense of profits. That is not a desirable path in 2019 for RIWI shareholders. Profit matters, at this stage of our business, if you want a rock-solid business model that thrives in the fast-growing data capture and analytics sector.

**Be intelligent to win.** At RIWI, we search for intelligence. RIWI stands for “real-time interactive worldwide intelligence”. We provide our customers with intelligence that matters from all jurisdictions of the world. This is more than just mere insights, market research, or colorful tidbits of information. Our recurring revenue customer base – now including some of the most data-sophisticated firms in the world – demands a knowledge advantage, or an ‘information edge’. Customers’ needs for RIWI-style intelligence are spreading fast.

**Be privacy-compliant to win.** This means collecting no personally identifiable data – ever. To collect personally identifiable data puts our clients and their partners at massive risk. We do not collect, process, store, or transfer any personally identifiable data. To collect personally identifiable data also puts the over 1.5 billion people who willingly and anonymously answer our randomly distributed surveys and ad effectiveness tests around the world at risk. Client demand for the type of privacy levels that only RIWI provides is growing fast as the regulatory scrutiny of firms collecting personal data of any kind rises.

**Be perfect to win.** Everything about our unique data assets and the needs of our customer base requires a commitment to perfection. That is because we aim to service clients who cannot afford to be wrong. We answer their mission-critical investment and security hypotheses: “Will new Apple services or products grow more or less than expected among Millennials in all cities of China, and why?” Or: “When is a violent protest imminent due to a sudden growth in support for local criminal gangs?”

The relentless pursuit of perfection is what matters at RIWI. Seeking perfection in new customer acquisition, customer delivery excellence and in customer retention ensures management executes in ways aligned with shareholder value. It also ensures RIWI data streams are essential to our clients’ success.

**Be anti-fragile to win.** Being anti-fragile means *loving the challenge*. Every great business was built on the backs of a team who heard the critics – those who tell you, with unflappable confidence, that your concept will never take flight, or that it has zero chance of reaching product-market fit. Since we worked so hard to bullet-proof our platform for every country, I always knew our Big Data analytics and global machine-learning software could deliver the best quality data: to predict elections and referenda and major market-moving events with certainty; to help finance firms make accurate stock calls; and to track continuous, reliable sentiment, inclinations and behavioral data across all towns, cities, regions and countries.

Being anti-fragile paid off. When the security sector discovered us in 2011 after RIWI predicted the fall of Hosni Mubarak in Egypt, it took us three years to finish pilot testing that delivered actionable results for commanding officers in the most violent regions of the world. It took us four more years to successfully achieve top clearances for certain of our personnel that were necessary to lead multi-year engagements for G-7 agencies. RIWI also received a strong past performance review by the US Department of State for its ongoing work collecting data in diverse regions of the world.

RIWI emerged in 2017 as the biggest data supplier in a multi-year agreement for all analysts at one of the largest banks in the world. Winning large deals with top Universities like Harvard and leading multi-laterals, such as the UN World Food Programme, Freedom House, USAID, the Bill and Melinda Gates Foundation, and the World Bank, fueled more growth.

We have miles to go before we sleep. To win the long game, we must continue to abide by two core RIWI values:

**1. Be honest to win.** It is vital to be honest – with yourself, your community, and with the people who stand behind you when you take the punches from critics. Our customers and our shareholders keep us honest. I say this as a founding shareholder in RIWI, with all my skin in this game, the best game.

**2. Always be different to win.** *Thinking different* in the modern digital era is easy. *Being different every day*, pushing our boundaries to build and sell beautiful data solutions, is a lot harder – and that is in the best interests of our shareholders and customers.

Please accept my invitation to attend the Annual General and Special Meeting of the shareholders of RIWI Corp., to be held on Wednesday May 15, 2019 at 11:00 a.m. (Toronto time) at the offices of Stikeman Elliott LLP, located at Commerce Court West, 199 Bay Street, Suite 5300, Toronto, Ontario, M5L 1B9.

Thank you to our team and to the growing band of shareholders around the world who stand with us.

Very respectfully,

“Neil Seeman” (signed)

Neil Seeman

Chairman and Chief Executive Officer

**RIWI CORP.**

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

NOTICE IS HEREBY GIVEN that the annual general and special meeting of shareholders (the “**Meeting**”) of RIWI Corp. (the “**Company**”) will be held at the offices of Stikeman Elliott LLP, located at Commerce Court West, 199 Bay Street, Suite 5300, Toronto, Ontario, M5L 1B9, on Wednesday May 15, 2019 at 11:00 a.m. (Toronto time), for the following purposes:

1. to receive the annual financial statements of the Company, together with the auditor’s report thereon, for the year ended December 31, 2018;
2. to elect eight directors of the Company to hold office until the next annual meeting of shareholders;
3. to appoint KPMG LLP, Chartered Professional Accountants, as auditor to hold office until the next annual meeting of shareholders at a remuneration to be fixed by the Board of Directors through the Audit Committee;
4. to re-approve the Stock Option Plan; and
5. to transact such other business as may properly come before the Meeting or any adjournments or postponements thereof.

This notice is accompanied by a management information circular, form of proxy, the annual financial statements of the Company for the year ended December 31, 2018 together with the report of the auditors thereon, and the management discussion and analysis for the year ended December 31, 2018.

The board of directors of the Company has by resolution fixed the close of business on April 10, 2019 as the record date, being the date for the determination of the registered holders of the Company’s common shares entitled to notice of and to vote at the Meeting and any adjournments or postponements thereof.

**Registered shareholders who are unable to attend the Meeting in person are requested to complete, date, sign and return the enclosed form of proxy so that as large a representation as possible may be had at the Meeting.** A shareholder wishing to be represented by proxy at the Meeting or any adjournment or postponement thereof must deposit his/her/its duly completed and executed form of proxy with the Company’s registrar and transfer agent, Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, not later than 48 hours (excluding Saturdays, Sundays, and holidays) before the time of the Meeting or adjournments or postponements thereof at which the proxy is to be used.

DATED at Toronto, Ontario, as of the 10<sup>th</sup> day of April, 2019.

BY ORDER OF THE BOARD OF DIRECTORS

*“Neil Seeman” (signed)* \_\_\_\_\_

Neil Seeman  
Chief Executive Officer

**RIWI CORP.**

**ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS**

**WEDNESDAY MAY 15, 2019**

**MANAGEMENT INFORMATION CIRCULAR  
as at April 10, 2019**

This Management Information and Proxy Circular (the “**Information Circular**”) is furnished in connection with the solicitation by the management of RIWI Corp. (the “**Company**”) of proxies to be voted at the annual general and special meeting (the “**Meeting**”) of the holders (the “**shareholders**”) of common shares (the “**Shares**”) of the Company to be held at the offices of Stikeman Elliott LLP, located at Commerce Court West, 199 Bay Street, Suite 5300, Toronto, Ontario, M5L 1B9, on Wednesday May 15, 2019 at 11:00 a.m. (Toronto time), for the purposes set forth in the accompanying Notice of Meeting.

It is anticipated that the notice of meeting for the Meeting, form of proxy and request for voting instructions will be first mailed to shareholders on or about April 17, 2019. Unless otherwise stated, the information contained in this Information Circular is given as at April 10, 2019.

The Company is sending proxy-related materials directly to non-objecting beneficial owners pursuant to National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”). The Company does not intend to pay for intermediaries to forward to objecting beneficial owners under NI 54-101 the proxy-related materials and Form 54-107 *Request for Voting Instructions Made by Intermediary*. In the case of an objecting beneficial owner, the objecting beneficial owner will not receive the materials unless the objecting beneficial owner’s intermediary assumes the cost of delivery.

The head office of the Company is located at 180 Bloor Street West, Suite 1000, Toronto, Ontario, M5S 2V6 and its telephone number is 416-205-9984 or 1-888-505-RIWI (7494). The registered and records office of the Company is located at Suite 1700, Park Place, 666 Burrard Street, Vancouver, BC, V6C 2X8.

All currency figures in the Information Circular are in U.S. dollars, unless otherwise indicated.

Information regarding the proxies solicited by management in connection with the Meeting is set out below under “Information About Proxies”.

**PARTICULARS OF MATTERS TO BE ACTED UPON**

**1. Financial Statements**

The annual financial statements of the Company for the year ended December 31, 2018 together with the report of the auditors thereon, and the related management discussion and analysis will be placed before the Shareholders at the Meeting. The annual financial statements were filed under the Company’s profile at [www.sedar.com](http://www.sedar.com) and mailed to those Registered Shareholders and to Beneficial Shareholders who requested a copy in accordance with applicable securities laws. Additional copies may be obtained from the Secretary of the Company upon request and will be available at the Meeting. No action is required to be taken with respect to financial statements.

**2. Election of Directors**

The directors of the Company are elected at each annual meeting of shareholders and hold office until the close of the next annual meeting or until their successors are duly elected or appointed, unless their office is earlier vacated in accordance with the *Canada Business Corporations Act*. Management proposes to nominate each of the following eight persons for election as a director of the Company. Proxies cannot be voted for a greater number of persons than the number of nominees named. **In the absence of instructions to the contrary, the enclosed form of proxy will be voted “FOR” the nominees listed below.**

Name, Province or State and Country of Residence, Position	Principal Occupation or Employment	Director Since	Number of Securities Beneficially Owned or Controlled
NEIL SEEMAN <sup>(2)</sup> Ontario, Canada President, Chief Executive Officer and Chairman of the Board	Chief Executive Officer of RIWI Corp. since November 2011; Executive Director of the Innovation Cell at Massey College in the University of Toronto from August 2008 to November 2011.	November, 2009	6,199,837 Shares <sup>(3)(4)</sup> Nil Stock Options
ROBERT PIROOZ <sup>(1)(2)</sup> British Columbia, Canada Director	Corporate Director; formerly Executive Chairman of Network Media Group Inc. from July 2014 to December 2017; General Counsel of Pan American Silver Corp. from January 2003 to March 2015.	November, 2009	2,785,000 Shares <sup>(5)</sup> 100,000 Stock Options
BOB SEEMAN British Columbia, Canada Director	Managing Partner of CyberCurb since January 2019; formerly Chief Executive Officer of Clera Inc. from December 2001 to December 2018.	August, 2009	5,775,000 Shares <sup>(3)</sup> 100,000 Stock Options
ANNETTE CUSWORTH <sup>(1)</sup> British Columbia, Canada Director	Chief Financial Officer and prior Vice-President Finance and Chief Accounting Officer of Creation Technologies since May 2015; Finance & Taxation Director of Kestrel Holdings Ltd. from April 2014 to April 2015; Corporate Controller of Sauder Industries Ltd. from May 2013 to April 2014; Finance & Taxation Director of Kestrel Holding Ltd. from August 2011 to May 2013; Chief Financial Officer of Magma Energy Corp. from June 2010 to July 2011.	March, 2015	15,100 Shares 192,500 Stock Options
DONALD SHUMKA <sup>(1)</sup> British Columbia, Canada Director	President of Walden Management Ltd., a management company, since 2004.	March, 2015	25,000 Shares 170,000 Stock Options
KEVIN MAHONEY <sup>(2)</sup> British Columbia, Canada Lead Director	Director of Universal Rail Systems Inc. July 2014 to present and Chairman from February 2018 to present; Chairman of InTransit British Columbia GP Ltd. from December 2005 to present; Chairman of Delta Hotels Limited from January 2008 to April 2015; Chairman of BC Transit Corporation from May 2009 to June 2016; Chairman of SilverBirch Management Ltd. from January 2008 to July 2014.	March, 2015	17,576 Shares 175,000 Stock Options
RICHARD PERLE Florida, USA Director	Professional Consultant; formerly Resident Fellow at the American Enterprise Institute from May 1987 to 2019.	June, 2015	6,172 Shares 170,000 Stock Options
KENNETH ADELMAN Virginia, USA Director	Executive leadership trainer and corporate speaker; Former Ambassador and senior US Diplomat.	June, 2016	5,000 Shares 145,000 Stock Options

**Notes:**

<sup>(1)</sup> Member of the Audit Committee.

<sup>(2)</sup> Member of the Human Resources and Compensation Committee.

<sup>(3)</sup> 5,775,000 of these Shares of the Company are owned by RIWI Hold Inc. RIWI Hold Inc. is a private corporation all the voting shares of which are owned by a discretionary family trust with Ms. Nicola Mahaffy as the sole trustee. Ms. Mahaffy is the spouse of Mr. Bob Seeman, one the Company's directors, and is the sister-in-law of Mr. Neil Seeman, the Company's Chief Executive Officer and director. Mr. Neil Seeman is the holder of certain non-voting preferred shares of RIWI Hold Inc. Neither Mr. Neil Seeman nor Mr. Bob Seeman exercises control over the securities held by RIWI Hold Inc., whether by voting or investment control or otherwise, and each disclaims beneficial ownership of the shares held by RIWI Hold Inc.

<sup>(4)</sup> Mr. Neil Seeman owns 424,837 Shares personally.

<sup>(5)</sup> 2,785,000 Shares are owned by BP Capital Ltd., a private company, all the common shares of which are controlled by Robert Pirooz and Ross Beaty.

The information as to residence, principal occupation and number of Shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective nominees listed above as of April 10, 2019.

Except as noted below, none of the nominees for election to the Company's Board of Directors named above:

- (a) are, as at the date of this Information Circular, or have been, within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that,
  - (i) 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
  - (ii) 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;
- (b) are, as at the date of this Information Circular, or have been within 10 years before the date of this Information Circular, a director or executive officer of any company (including the 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 or trustee appointed to hold its assets; or
- (c) have, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Mr. Pirooz was formerly a director of Pacific Ballet British Columbia Society (the "**Ballet**"). On December 23, 2008, within a year following Mr. Pirooz's resignation from the Board of Directors of the Ballet, the Ballet filed a *Notice of Intention to Make a Proposal* under subsection 50.4(1) of the *Bankruptcy and Insolvency Act*. Subsequently, on January 9, 2009, the proposal was unanimously accepted by the creditors of the Ballet.

Mr. Perle was formerly a director of Tapestry Pharmaceuticals, Inc. ("**Tapestry**") from July 2000 to July 2009. In March 2009, Tapestry, a U.S. company, filed for Chapter 11 reorganization bankruptcy protection.

Mr. Shumka was formerly a director of Paladin Energy Ltd. ("**Paladin**") from July 2007 to December 2017. On July 3, 2017, Paladin, an ASX and TSX listed company, filed for Voluntary Administration in Australia. During the period of restructuring, Mr. Shumka remained a director of Paladin until his resignation on December 7, 2017. Subsequent to that date, the restructured Paladin was reinstated for trading under the symbol PDN. Mr. Shumka still remains as a director of Paladin's three Canadian subsidiaries.

None of the nominees for election to the Company's Board of Directors named above has been subject to:

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

There are currently two committees of the Board of Directors: (a) the Audit Committee and (b) the Human Resources and Compensation Committee ("**HRCC**"). The members of the Audit Committee are Annette Cusworth, Robert Pirooz and Donald Shumka. The members of the HRCC are Kevin Mahoney, Robert Pirooz and Neil Seeman.

As of April 10, 2019, the directors and executive officers of the Company as a group beneficially own, directly or indirectly, an aggregate of 10,146,058 Shares (which does not include stock options or warrants), which together represent approximately 57.7% of the total votes attached to the Company's outstanding Shares.

None of the above directors has entered into any arrangement or understanding with any other person pursuant to which he or she was, or is to be, elected as a director of the Company or a nominee of any other person.

Additional information regarding the Board of Directors and the attendance of each director at meetings of the Board of Directors, the Audit Committee and the HRCC held during the fiscal year ended December 31, 2018, is set out below under "Corporate Governance", "Meetings of the Board of Directors" and "Committee of the Board of Directors".

### 3. Appointment of Auditor

Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted **“FOR”** the appointment of KPMG LLP, Chartered Professional Accountants, as the auditor of the Company to hold office until the close of the next annual meeting of shareholders of the Company or until a successor is appointed. It is proposed that the remuneration to be paid to the auditor be fixed by the Audit Committee of the Board of Directors. KPMG LLP was first appointed the auditor of the Company on March 9, 2016.

#### ***Fees Paid to Auditor and their Independence from the Company***

The Company retained KPMG LLP to provide audit services which were billed during the years ended December 31, 2018 and December 31, 2017 in the following categories and amounts:

*(in U.S. dollars)*

	Year ended December 31, 2018	Year ended December 31, 2017
Audit Fees <sup>(1)</sup> .....	\$ 36,652	\$ 39,217
Audit-Related Fees <sup>(2)</sup> .....	Nil	Nil
Tax Fees <sup>(3)</sup> .....	Nil	Nil
All Other Fees <sup>(4)</sup> .....	Nil	Nil
Totals.....	<u>\$ 36,652</u>	<u>\$ 39,217</u>

**Notes:**

- (1) “Audit Fees” include fees necessary to perform the annual audit of the Company’s 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. The Audit Fee related to the year ended December 31, 2017 was \$28,222, and \$10,995 of the fees billed during 2017 related to the audit for the year ended December 31, 2016.
- (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.

The Audit Committee has adopted procedures requiring the Audit Committee to review and approve in advance all particular engagements for services provided by the Company’s independent auditor. Consistent with applicable laws, the procedures permit limited amounts of services, other than audit, review or attest services, to be approved by one or more members of the Audit Committee pursuant to authority delegated by the Audit Committee, provided the Audit Committee is informed of each particular service. In certain circumstances, the Chair of the Audit Committee may pre-approve the services to be provided and this will then be raised at the next meeting of the Audit Committee for ratification. All of the engagements and fees for the year ended December 31, 2018 were pre-approved or ratified by the Audit Committee. The Audit Committee reviews with its auditor whether the non-audit services to be provided are compatible with maintaining the auditor’s independence.

### 4. Re-approval of the Stock Option Plan

The Shareholders will be asked to re-approve the Company’s rolling stock option plan (the **“Plan”**) substantially in the same form as the Plan approved by the Shareholders on June 14, 2016. Minor “housekeeping” revisions are proposed to the Plan to clarify the language regarding the cashless exercise formula. The Plan proposed for re-approval is attached as Appendix “A” to this Information Circular. **Unless otherwise instructed, the proxies given pursuant to this solicitation will be vote **“FOR”** the re-approval of the Plan.**

The Plan has been established to recognize contributions made by eligible service providers to the Company including directors, employees and consultants, by creating an incentive for their continuing to provide services to the Company and to attract and retain qualified professionals with the Company. The Option Plan provides that incentive stock options (the **“Options”**) will be granted pursuant to option agreements to directors, officers, employees or consultants of the Company or an associate (as such term is defined in the *Securities Act (Ontario)*) of the Company. The Option Plan is administered by the directors of the Company with recommendations from the HRCC. In the past, the Company has relied upon the grant of Options to align management’s interest with shareholder value. Grant ranges have been established independently each time grants of Options have been made to provide competitive long-term incentive value, with significant recognition of contribution and potential of the individual. See “Statement of Executive Compensation – Compensation Discussion and Analysis” below.



## INFORMATION ABOUT PROXIES

### ***Solicitation of Proxies***

The solicitation for proxies by management of the Company will be made primarily by mail but solicitation may be made by telephone or in person with the cost of such solicitation to be borne by the Company. **While no arrangements have been made to date, the Company may contract intermediaries for the solicitation of proxies for the Meeting. Such arrangements would include customary fees which would be borne by the Company.**

### ***Appointment of Proxyholder***

The persons named in the enclosed form of proxy for the Meeting are officers of the Company and nominees of management. **A registered shareholder has the right to appoint some other person or company, who need not be a shareholder, to represent such registered shareholder at the Meeting by striking out the names of the persons designated in the accompanying form of proxy and by inserting the name of that other person or company in the blank space provided.** If a registered shareholder appoints one of the persons designated in the accompanying form of proxy as a nominee and does not direct the said nominee to vote either "For", "Against" or "Withhold", as applicable, from voting on a matter or matters with respect to which an opportunity to specify how the Shares registered in the name of such registered shareholder shall be voted, the proxy shall be voted "For" such matter or matters.

The instrument appointing a proxyholder must be in writing and signed by the registered shareholder, or such registered shareholder's attorney authorized in writing, or if the registered shareholder is a corporation, by the authorized representative or a duly authorized person on behalf, of such corporation. An undated but executed proxy will be deemed to be dated the date of the mailing of the proxy. In order for a proxy to be valid, a registered shareholder must:

- (a) sign and print his or her name on the lines specified for such purpose at the bottom of the form of proxy; and
- (b) return the properly executed and completed form of proxy:
  - (i) by mailing it or delivering it by hand in the appropriate enclosed return envelope addressed to Computershare Investor Services Inc. ("**Computershare**"); or
  - (ii) by faxing it to Computershare at 1-866-249-7775 (within North America) or 416-263-9524 (outside of North America),

to be received by 11:00 a.m. (Toronto time) on May 13, 2019, or no later than 48 hours (excluding Saturdays, Sundays and holidays) before any adjournment(s) of the Meeting, unless the Chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

### ***Revocation of Proxy***

A registered shareholder may revoke a proxy by delivering a signed instrument in writing executed by such registered shareholder or by the registered shareholder's attorney authorized in writing or, where the registered shareholder is a corporation, by a duly authorized officer or attorney of such corporation, either to the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof, with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof, or before any vote in respect of which the proxy is to be used shall have been taken, or in any other manner permitted by law.

### ***Voting of Proxies***

A registered shareholder may direct the manner in which his or her Shares are to be voted or withheld from voting in accordance with the instructions of the registered shareholder by marking the form of proxy accordingly. The management nominees designated in the enclosed form of proxy will vote the Shares represented by proxy in accordance with the instructions of the registered shareholder on any resolution that may be called for and if the registered shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted accordingly. **Where no choice is specified with respect to any resolution or in the absence of certain instructions, the Shares represented by a proxy given to management will be voted "For" the resolution. If more than one direction is made with respect to any resolution, such Shares will similarly be voted "For" the resolution.**

### ***Exercise of Discretion by Proxyholders***

The enclosed form of proxy, when properly completed and delivered and not revoked, confers discretionary authority upon the proxyholders named therein with respect to amendments or variations of matters identified in the accompanying *Notice of Meeting*, and other matters not so identified which may properly be brought before the Meeting. At the date of this Information Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting. If any amendment or variation or other matter comes before the Meeting, the persons named in the proxy will vote in accordance with their judgement on such amendment, variation or matter.

### **VOTING BY BENEFICIAL SHAREHOLDERS**

The information set out in this section is important to many shareholders as a substantial number of shareholders do not hold their Shares in their own name.

Persons who hold Shares through their brokers, agents, trustees or other intermediaries (such as shareholders, "**Beneficial Shareholders**") should note that only proxies deposited by registered shareholders whose names appear on the share register of the Company may be recognized and acted upon at the Meeting. If Shares are shown on an account statement provided to a Beneficial Shareholder by a broker, then in almost all cases the name of such Beneficial Shareholder will not appear on the share register of the Company. Such Shares will most likely be registered in the name of the broker or an agent of the broker. In Canada, the vast majority of such Shares will be registered in the name of "CDS & Co.", the registration name of CDS Clearing and Depository Services Inc., and in the United States, the vast majority will be registered in the name of "Cede & Co.", the registration name of the Depository Trust Company, which entities act as nominees for many brokerage firms. Shares held by brokers, agents, trustees or other intermediaries can only be voted by those brokers, agents, trustees or other intermediaries in accordance with instructions received from Beneficial Shareholders. As a result, Beneficial Shareholders should carefully review the request for voting instructions ("**VIF**") provided with this Information Circular and ensure they communicate how they would like their Shares voted in accordance with those instructions.

Beneficial Shareholders who have not objected to their intermediary disclosing certain ownership information about themselves to the Company are referred to as "**NOBOs**". Those Beneficial Shareholders who have objected to their intermediary disclosing ownership information about themselves to the Company are referred to as "**OBOs**". In accordance with the requirements of National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators (the "**CSA**"), the Company has elected to send the Notice of Meeting, the form of proxy and VIF (collectively, the "**Meeting Materials**") directly to NOBOs.

Generally, a Beneficial Shareholder who has not waived the right to receive Meeting Materials will either:

- (a) be given a form of proxy which has already been signed by the intermediary (typically by a facsimile with a stamped signature), which is restricted as to the number of shares beneficially owned by the Beneficial Shareholder and must be completed, but not signed, by the Beneficial Shareholder and deposited with Computershare Investor Services Inc.; or
- (b) more typically, be given a VIF which is not signed by the intermediary and which, when properly completed and signed by the Beneficial Shareholder and returned to the intermediary or its service corporation, will constitute voting instructions which the intermediary must follow.

VIFs should be completed and returned in accordance with the specific instructions noted. The purpose of this procedure is to permit Beneficial Shareholders to direct the voting of the Shares which they beneficially own.

Beneficial Shareholders should carefully follow the instructions set out in the VIF, including those regarding when and where the VIF is to be delivered.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purpose of voting Shares registered in the name of their broker, agent, trustee or other intermediary, a Beneficial Shareholder may attend the Meeting as a proxyholder for a registered shareholder and vote Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting or have someone else attend on their behalf, and indirectly vote their Shares as proxyholder for the registered shareholder should contact their broker, agent, trustee or other intermediary well in advance of the Meeting to determine the steps necessary to permit them to indirectly vote their Shares as a proxyholder.

If you are a Beneficial Shareholder, and the Company or its agent has sent these materials 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 on your behalf. By choosing to send these materials to you directly, the Company (and not the intermediary holding 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 the VIF.

### **SECURITIES ENTITLED TO VOTE**

As of April 10, 2019, the authorized share capital of the Company is divided into an unlimited number of Shares, of which 17,580,742 Shares are issued and outstanding. Every shareholder who is entitled to vote at the Meeting shall have one vote on a show of hands and on a poll shall have one vote for each Share of which the shareholder is the registered holder, and such shareholder may exercise such vote either in person or by proxy.

The Board of Directors of the Company has fixed the close of business on April 10, 2019 as the record date for the purpose of determining the shareholders entitled to receive notice of the Meeting, but the failure of any shareholder to receive notice of the Meeting does not deprive such shareholder of the entitlement to vote at the Meeting. Every shareholder of record at the close of business on April 10, 2019 who personally attends the Meeting will be entitled to vote at the Meeting or any adjournment thereof, except to the extent that:

- (a) such shareholder has transferred the ownership of any of his or her Shares after April 10, 2019; and
- (b) the transferee of those Shares produces properly endorsed share certificates, or otherwise establishes that he or she owns the Shares, and demands, not later than 10 days before the Meeting, that his or her name be included in the list of shareholders entitled to vote at the Meeting, in which case the transferee is entitled to vote those Shares at the Meeting.

## OWNERSHIP OF SHARES

### ***Ownership by Management***

The following table sets forth certain information regarding beneficial ownership of the Company's Shares, as of April 10, 2019, by each of the Company's executive officers and directors:

Name	Beneficially Owned <sup>(1)</sup>	Percentage
NEIL SEEMAN <i>President, Chief Executive Officer and Director</i>	6,199,837 <sup>(2)(3)</sup>	35.3%
ROBERT PIROOZ <i>Director</i>	2,785,000 <sup>(4)</sup>	15.8%
BOB SEEMAN <i>Director</i>	5,775,000 <sup>(2)</sup>	32.8%
ANNETTE CUSWORTH <i>Director</i>	15,100	0.1%
DONALD SHUMKA <i>Director</i>	25,000	0.1%
KEVIN MAHONEY <i>Lead Director</i>	17,576	0.1%
RICHARD PERLE <i>Director</i>	6,172	<0.1%
KENNETH ADELMAN <i>Director</i>	5,000	<0.1%
DANIEL IM <i>Chief Financial Officer</i>	5,200	<0.1%
ALTON ING <i>Chief Technology Officer</i>	385,153 <sup>(5)</sup>	2.2%
ERIC MEERKAMPER <i>Global Head, Citizen Engagement and Senior Vice President</i>	701,920	4.0%
AMBER SCHAEFER <i>Corporate Secretary</i>	100	<0.1%
All executive officers and directors as a group (twelve persons)	<b>10,146,058</b>	<b>57.7%</b>

**Notes:**

- <sup>(1)</sup> These amounts do not include stock options.
- <sup>(2)</sup> 5,775,000 of these Shares are owned by RIWI Hold Inc. RIWI Hold Inc. is a private corporation all the voting shares of which are owned by a discretionary family trust with Ms. Nicola Mahaffy as the sole trustee. Ms. Mahaffy is the spouse of Mr. Bob Seeman, one the Company's directors, and is the sister-in-law of Mr. Neil Seeman, the Company's Chief Executive Officer and director. Mr. Neil Seeman is the holder of certain non-voting preferred shares of RIWI Hold Inc. Neither Mr. Neil Seeman nor Mr. Bob Seeman exercises control over the securities held by RIWI Hold Inc., whether by voting or investment control or otherwise, and each disclaims beneficial ownership of the shares held by RIWI Hold Inc.
- <sup>(3)</sup> Mr. Neil Seeman owns 424,837 Shares personally.
- <sup>(4)</sup> 2,785,000 of these Shares are owned by BP Capital Ltd., a private company, all the common shares of which are controlled by Robert Pirooz and Ross Beaty.
- <sup>(5)</sup> 211,965 of these Shares are owned by Alton Network Services Inc., a private company, which is 100% controlled by Alton Ing.

## **Ownership by Principal Shareholders**

Except as set forth below, to the Company's knowledge, as of April 10, 2019, no person or company beneficially owns, or controls or directs, directly or indirectly, more than 10% of the outstanding Shares (on a non-diluted basis).

<b>Name of Shareholder</b>	<b>Approximate Number of Shares</b>	<b>Approximate Percentage of Outstanding Shares</b>
RIWI Hold Inc. <sup>(1)</sup>	5,775,000	32.8%
BP Capital Ltd. <sup>(2)</sup>	2,785,000	15.8%

**Notes:**

<sup>(1)</sup> RIWI Hold Inc. owns 5,775,000 Shares of the Company and is a private corporation all the voting shares of which are owned by a discretionary family trust with Ms. Nicola Mahaffy as the sole trustee. Ms. Mahaffy is the spouse of Mr. Bob Seeman, one the Company's directors, and is the sister-in-law of Mr. Neil Seeman, the Company's Chief Executive Officer and director. Mr. Neil Seeman is the holder of certain non-voting preferred shares of RIWI Hold Inc. Neither Mr. Neil Seeman nor Mr. Bob Seeman exercises control over the securities held by RIWI Hold Inc., whether by voting or investment control or otherwise, and each disclaims beneficial ownership of the shares held by RIWI Hold Inc.

<sup>(2)</sup> BP Capital Ltd. is a private company, all the common shares of which are controlled by Robert Pirooz and Ross Beaty.

This information was provided by management of the Company and the Company's registrar and transfer agent, Computershare.

## **QUORUM**

Under the By-laws of the Company, the quorum for the transaction of business at a meeting of shareholders is one or more individuals present at the commencement of the meeting holding, or representing by proxy the holder or holders of, shares carrying in the aggregate not less than ten percent of the votes eligible to be cast at the meeting.

No business, other than the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the meeting, but such quorum need not be present throughout the meeting.

## **CORPORATE GOVERNANCE**

The Company's Board of Directors and executive officers consider good corporate governance to be an important factor in the efficient and effective operation of the Company. The Board of Directors is of the view that the Company's system of corporate governance meets or exceeds the majority of guidelines and requirements contained in National Policy 58-201 – *Corporate Governance Guidelines* ("NP 58-201") and National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101") of the CSA.

### **Board of Directors**

The Board of Directors is currently composed of eight directors: Neil Seeman, Robert Pirooz, Bob Seeman, Annette Cusworth, Donald Shumka, Kevin Mahoney, Richard Perle and Kenneth Adelman. All the proposed nominees are current directors of the Company.

NP 58-201 suggests that the board of directors of a public company should be constituted with a majority of individuals who qualify as "independent" directors. An "independent" director is a director who is independent of management and is free from any interest and any business or other relationship which could, or could reasonably be perceived to materially interfere with the director's ability to act with a view to the best interests of the Company, other than interests and relationships arising from shareholding. Of the proposed nominees for directors of the Company, six (Robert Pirooz, Annette Cusworth, Donald Shumka, Kevin Mahoney, Richard Perle and Kenneth Adelman) are considered by the Board of Directors to be "independent" within the meaning of NI 58-101 and two nominees (Neil Seeman and Bob Seeman) are considered to be "non-independent". Neil Seeman is a member of the Company's management and is not independent as he serves as President and Chief Executive Officer of the Company. Bob Seeman is the brother of Neil Seeman, and is therefore not an independent member of the Company's Board of Directors.

The independent members of the Board meet without the presence of the non-independent directors and management, known as “in-camera” meetings, before or after every regularly scheduled meeting and at such other times as they deem appropriate. In 2018, the independent directors held four *in-camera* meetings. These *in-camera* meetings are led by the lead director, Mr. Mahoney.

The Board of Directors is responsible for determining the compensation paid to the directors. The directors establish compensation based on a review of the compensation paid to directors of similar stage entities.

### OTHER DIRECTORSHIPS

The following directors of the Company also serve as directors of other reporting issuers:

Director	Other Reporting Issuer(s)
Robert Pirooz	Armor Minerals Inc. (TSX-V: A)
Donald Shumka	Lumina Gold Corp. (TSX-V: LUM) Luminex Resources Corp. (TSX-V: LR)
Annette Cusworth	Dolly Varden Silver Corporation (TSX-V: DV)

### MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors meets at least once each calendar quarter to review, among other things, the performance of the Company. Results are compared and measured against a previously established plan and performance of prior fiscal years. The Board of Directors will review and assess the Company’s financial budget and business plan for the ensuing year and its overall strategic objectives. This process will establish, among other things, benchmarks against which the Board of Directors may measure the performance of management. Other meetings of the Board of Directors will be called to deal with special matters, as circumstances require.

During the Company’s fiscal year ended December 31, 2018, the Board of Directors met four times. The Audit Committee met four times and the HRCC met once during the year.

Director	Board Meetings	Audit Committee Meetings	HRCC Meetings	Independent Director Meetings
Neil Seeman	4 of 4		1 of 1	4 of 4
Robert Pirooz	4 of 4	4 of 4	1 of 1	4 of 4
Bob Seeman	4 of 4			4 of 4
Annette Cusworth	4 of 4	4 of 4		4 of 4
Donald Shumka	3 of 4	3 of 4		3 of 4
Kevin Mahoney	4 of 4		1 of 1	4 of 4
Richard Perle	3 of 4			3 of 4
Kenneth Adelman	4 of 4			4 of 4

### Position Descriptions

The Company does not currently have written position descriptions for its directors. At present, the Board of Directors has delegated the day-to-day management of the business and affairs of the Company to the executive officers of the Company. Generally, operations in the ordinary course or that are not in the ordinary course and do not exceed material levels of expenditures or commitment on the part of the Company have been delegated to management. Decisions relating to matters that are not in the ordinary course and that involve material expenditures or commitments on the part of the Company require prior approval of the Board of Directors. Any responsibility which is not delegated to management or a committee of the Board of Directors remains with the Board of Directors.

The Chief Executive Officer reviews corporate objectives with the Board of Directors on a quarterly and *ad hoc* basis and serves on Special Committees created by the Board from time to time. In this manner, the Board of Directors approves or develops the corporate objectives which the Chief Executive Officer is responsible for meeting.

### ***Orientation and Continuing Education***

The Board of Directors and the Chief Executive Officer of the Company are responsible for ensuring that new directors are provided with an orientation and education program which includes written information about the business and operations of the Company, documents from recent Board of Directors meetings, and opportunities for meetings and discussion with senior management and other directors. New directors are also given the opportunity to meet with the legal counsel to the Company to better understand their legal obligations as directors.

In addition, management of the Company takes steps to ensure that its directors and officers are continually updated as to the latest corporate and securities policies which may affect the directors, officers and committee members of the Company as a whole. The Company continually reviews the latest securities rules and policies. Any changes or new requirements are then brought to the attention of the Company's directors either by way of director or committee meetings or circulated in a memorandum.

### ***Ethical Business Conduct***

The Company has adopted a written *Code of Business Conduct & Ethics* and a *Global Anti-Corruption Policy* for its directors, officers and employees. The full text of these standards is available free of charge to any person upon request to the Company at: 180 Bloor Street West, Suite 1000, Toronto, Ontario, M5S 1X9; by telephone at 416-205-9984 or 1-888-505-RIWI (7494); or on the Company's website at <https://riwi.com/investor-faq/>.

### ***Nomination of Directors***

In order to identify new candidates for nomination to the Board of Directors, the Board of Directors of the Company as a whole on an *ad hoc* basis: (i) reviews and determines the appropriate size of the Board of Directors, the necessary competencies and skills of the Board of Directors as a whole and the competencies and skills of each director individually; and (ii) identifies and makes recommendations as to each individual qualified to become a new member of the Board of Directors. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required and a willingness to serve.

## **COMMITTEES OF THE BOARD OF DIRECTORS**

### ***Audit Committee***

The Company's Audit Committee is comprised of Annette Cusworth, Robert Pirooz and Donald Shumka. Ms. Cusworth, Mr. Pirooz and Mr. Shumka are considered independent directors for the purposes of National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"). The full text of the Audit Committee's Charter is annexed as Appendix "B" to this Information Circular. All members of the Audit Committee are financially literate. The Company considers "financial literacy" to be the ability to read and understand a company's fundamental financial statements, including a company's balance sheet, income statement and cash flow statement. The members of the Audit Committee are elected by the Board of Directors at its first meeting following the annual shareholders' meeting to serve one-year terms and are permitted to serve an unlimited number of consecutive terms.

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

#### **Annette Cusworth**

Ms. Cusworth is a CPA, CA and currently Chief Financial Officer of Creation Technologies. She has been a Director of Dolly Varden Silver Corporation since October 2016 and was a Director of Northair Silver Corp. until April 2016; Finance & Taxation Director of Kestrel Holdings Ltd. from April 2014 to April 2015; Corporate Controller of Sauder Industries Ltd. from May 2013 to April 2014; Finance & Taxation Director of Kestrel Holding Ltd. from August 2011 to May 2013; Chief Financial Officer of Magma Energy Corp. from June 2010 to July 2011; and a Consultant to Uranium Energy Corp. from January 2010 to May 2010.

### Robert Pirooz

Mr. Pirooz is currently Director of Armor Minerals Inc.; and was Executive Chairman of Network Media Group from July 2014 to December 2017; General Counsel for Pan American Silver Corp. from January 2003 to March 2015; Director of Pan American Silver from April 2007 to May 2015; Director of Augusta Resource Corp. from November 2012 to July 2014; Director of Anfield Nickel Corp. from April 2009 to April 2014; Director of Lumina Copper Corp. from May 2008 to August 2014; Director of Ventana Gold Corp. from June 2009 to March 2011; and Director of Rodinia Minerals Inc. from June 2005 to July 2009.

### Donald Shumka

Mr. Shumka has been President and Managing Director of Walden Management from 2004 to present; from 1989 to 2004, Managing Director, Investment Banking with CIBC World Markets and Raymond James Ltd. Prior to 1989, Mr. Shumka was Vice President, Finance and Chief Financial Officer of West Fraser Timber Co. Ltd. Mr. Shumka is currently a Director of Lumina Gold Corp. (since July 2014) and Luminex Resources Corp. (since August 2018).

### **Human Resources and Compensation Committee**

The Company formed the Human Resources and Compensation Committee in 2018. The HRCC is comprised of Kevin Mahoney, Robert Pirooz, and Neil Seeman. Mr. Mahoney and Mr. Pirooz are considered independent directors for the purposes of NI 52-110.

All members of the HRCC have extensive backgrounds as professionals in the capital markets and are experienced in making decisions regarding the suitability of the Company's compensation policies and practices.

## **ASSESSMENTS**

The Board of Directors work together to evaluate its effectiveness, the effectiveness of the Audit Committee, the HRCC, and each of its individual directors on an *ad hoc* basis.

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **Compensation Discussion and Analysis**

In assessing the compensation of its executive officers, the Company does not have in place any formal objectives, criteria or analysis. Compensation payable is currently determined by the Board, with the CEO reporting to the Board on the rationale for said compensation, taking into consideration, among other things, industry standards and the Company's financial situation.

As of the date of this Information Circular, the Company's directors have not established any benchmark or performance goals to be achieved or met by the Named Executive Officers ("NEOs"), however, such NEOs are expected to carry out their duties in an effective and efficient manner so as to advance the business objectives of the Company. The satisfactory discharge of such duties is subject to ongoing monitoring by the Company's directors.

Payments for consulting services are made from time to time to individuals or the companies they control. Such consulting services are paid for by the Company at competitive industry rates for work of a similar nature by reputable arm's length services providers.

No risks arising from the Company's compensation policies and practices have been identified that are reasonably likely to have a material adverse effect on the Company. No NEOs or directors are permitted to purchase financial instruments that are designated to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by a NEO or director.

### **Objectives of the Compensation Program**

The objectives of the Company's compensation programs are as follows: to attract and retain talented, high-achieving executives that have a demonstrated track record of achieving results which are critical to the success of the Company and the creation and protection of long-term shareholder value, and to align the interests of such



executives with those of the shareholders to achieve goals consistent with the Company's business strategy which help create long-term shareholder value.

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

Given the size of the Company's operations and the number of employees, the Company's compensation practices must be flexible, entrepreneurial and geared to the objectives of securing the best executives to manage the Company. During the year ended December 31, 2018, there were four key elements used to compensate the NEOs, consisting of: (a) base salary, (b) sales target bonus for certain NEOs, (c) discretionary cash bonus, and (d) long-term incentives in the form of stock options. There has been competition for executives who have the necessary skills to achieve specified corporate objectives and deliver long-term shareholder value. The Company believes that providing competitive overall compensation enables the Company to attract and retain qualified executives. A competitive fixed base salary, sales target bonus and discretionary cash bonus are used for this purpose. In addition, grants of long-term incentives in the form of time-vested stock options serve to further encourage the retention of the Company's NEOs while incenting the NEOs to create and protect shareholder value.

### ***Stock Option Plan***

The Company has one stock option plan approved by the shareholders of the Company on June 14, 2016.

The Plan has been established to recognize contributions made by eligible service providers to the Company including directors, employees and consultants, by creating an incentive for their continuing to provide services to the Company and to attract and retain qualified professionals with the Company.

Any grant of Options under the Plan is within the discretion of the Board of Directors, subject to the condition that the maximum number of Shares which may be issuable under the Plan cannot exceed 20% of the number of Shares of the Company issued and outstanding from time to time. Options will vest at the discretion of the Board as determined on the date on which an option is granted. The Plan has a "rolling" limit, as the number of Shares reserved for issuance pursuant to the grant of Options will increase as the Company's issued and outstanding share capital increases.

The term of any Options granted under the Plan will be fixed by the Board of Directors at the time such options are granted, provided that options will not be permitted to exceed a term of ten years. Upon expiry of an Option, or in the event an Option is otherwise terminated for any reason, without having been exercised in full, the number of Shares in respect of the expired or terminated option will again be available for the purposes of the Plan. The exercise price of any options granted under the Plan will be the Market Price (as defined in the Plan), but will in no event be less than the greater of the closing price of the Shares either at the date of grant of the option or the day immediately prior to the date of grant. The Plan also provides for reclassification of Options in the event of any consolidation, subdivision, conversion or exchange of the Shares. For Options granted to employees, consultants or management company employees, the Company represents that the optionee is a bona fide employee, consultant or management company employee, as the case may be. If the optionee ceases to be a director of the Company or ceases to be employed by the Company (other than by reason of death), as the case may be, then the option granted expires on no later than the 30<sup>th</sup> day following the date that the optionee ceases to be a director or ceases to be employed by the Company, subject to the terms and conditions set out in the Plan. In the case of an optionee's death, the optionee's heirs or administrators may exercise any portion of the outstanding options for up to one year from the optionee's death.

Under the terms of the Plan, the maximum number of Shares which may be granted as at April 10, 2019 is 3,516,148, representing approximately 20% of the then issued and outstanding Shares. The Company has issued a total of 1,682,500 Options, representing 47.9% of the maximum number of Shares which may be granted.

### ***Compensation Governance***

For the financial year ended December 31, 2018, management had direct involvement in and knowledge of the business goals, strategies, experiences and performance of the Company. As a result, management played an important role in the compensation decision-making process. In addition to taking into account management's

general advice when making compensation decisions, the Board may also request and consider the CEO's self-assessment of his own individual performance objectives and/or results achieved.

The Company's HRCC reviews and provides recommendations to the Board regarding executive compensation, succession plans for executive officers, and the Company's overall compensation and benefits policies, plans and programs. The Board approves all compensation decisions, provided that directors who are also officers are exempt from participating in such compensation discussions that relate to their own compensation.

At no time since the Company's most recently completed financial year has the Company retained a compensation consultant or advisor to assist the Board in determining compensation for any of the Company's directors or executive officers.

### Summary Compensation Table

The following table contains information about compensation paid to, or earned by, those who were, at the end of the year ended December 31, 2018: (a) the Company's Chief Executive Officer ("CEO"); (b) the Company's Chief Financial Officer ("CFO"); (c) each of the Company's three other most highly compensated officers (except those whose total salary and bonus does not exceed CAD\$150,000); and (d) any additional individuals for whom disclosure would have been provided under (c) except that the individual was not serving as an officer of the Company at the end of the year ended December 31, 2018 (all such person referred to as "Named Executive Officers" or "NEOs"). For the year ended December 31, 2018, the Company had four NEOs. All compensation to NEOs is paid in Canadian dollars, but has been converted to U.S. dollars in the table below using the December 31, 2018 Bank of Canada foreign exchange rate of 1.3642.

Name and Principal Position	Year	Salary (US\$)	Share-based awards (US\$)	Option-based awards (US\$) <sup>(1)</sup>	Non-equity incentive plan compensation (US\$)		Pension value (US\$)	All other compensation (US\$)	Total compensation (US\$)
					Annual incentive plans	Long-term incentive plans			
Neil Seeman <sup>(2)</sup> President and Chief Executive Officer	2018	142,208	Nil	Nil	Nil	Nil	Nil	367	142,574
	2017	125,409	Nil	Nil	36,652	Nil	Nil	Nil	162,061
	2016	95,111	Nil	Nil	Nil	Nil	Nil	Nil	95,111
Daniel Im <sup>(3)</sup> Chief Financial Officer	2018	128,280	Nil	Nil	10,995	Nil	Nil	Nil	139,276
	2017	50,572	Nil	140,786 <sup>(3)</sup>	Nil	Nil	Nil	Nil	191,358
Alton Ing <sup>(4)</sup> Chief Technology Officer	2018	128,280	Nil	Nil	10,995	Nil	Nil	950	140,226
	2017	113,131	Nil	Nil	Nil	Nil	Nil	Nil	113,131
	2016	105,556	Nil	Nil	Nil	Nil	Nil	Nil	105,556
Eric Meerkamper Global Head, Citizen Engagement and Senior Vice President	2018	113,473	Nil	Nil	24,248	Nil	Nil	367	138,088
	2017	105,556	Nil	Nil	7,860	Nil	Nil	Nil	113,439
	2016	105,556	Nil	Nil	Nil	Nil	Nil	Nil	105,556

#### Notes:

- (1) The options to purchase Shares have been valued using an accounting fair value calculated using a Black-Scholes model with the following assumptions: 2017: expected annual volatility of 88%, risk free interest rate of 1.0%, expected life of 2.5 to 3.0 years and expected dividend yield of 0%. The Company chose the Black-Scholes model because it is recognized as the most common methodology for valuing options and doing value comparisons.
- (2) Mr. Seeman is also a director of the Company. He does not receive any additional remuneration from the Company pertaining to his role as director.
- (3) Mr. Im was appointed as Chief Financial Officer of the Company on July 31, 2017. The options granted to Mr. Im to purchase 200,000 shares at exercise price of CAD\$2.00 per share were valued using an accounting fair value of CAD\$0.92 per share for the first 100,000 shares and CAD\$1.00 per share for the second 100,000 shares.
- (4) Mr. Ing transitioned from being a consultant to being appointed an officer of the Company during September 2017.

## Stock Options

Stock options are an option to purchase Shares at an exercise price per share determined by the Board at the time the option is granted, but, in any event, shall not be less than the greater of the closing price of the Shares either at the date of grant of the option or the day immediately prior to the date of grant of the option, unless the grant of the option occurs during a blackout period, in which case the exercise price per Share shall not be less than the closing price of the Shares on the Canadian Securities Exchange on the second trading day immediately following the expiry of the blackout period.

Pursuant to the Plan, the CEO cashlessly exercised 354,102 stock options in exchange for 198,460 common shares in November 2018. No options were re-priced on behalf of the NEOs or any directors of the Company during the year ended December 31, 2018.

## Outstanding Option-Based Awards

The following table sets forth the number of stock options outstanding for each NEO and their value on December 31, 2018 based on CAD\$1.35 which is the closing trading price of the shares on the Canadian Securities Exchange on December 31, 2018, the last trading day in the Company's financial year.

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (CAD\$)	Option expiration date	Value of unexercised in-the-money options (CAD\$) <sup>(1)</sup>
Neil Seeman	Nil	N/A	N/A	N/A
Daniel Im	200,000	2.00	August 24, 2022	Nil
Alton Ing	Nil	N/A	N/A	N/A
Eric Meerkamper	Nil	N/A	N/A	N/A

**Notes:**

<sup>(1)</sup> This value has been calculated as the difference between the exercise price of the options and the closing price of the Shares on December 31, 2018 of CAD\$1.35, the last trading day in the Company's financial year.

## Option Plan Awards – Value Vested or Earned During the Year

The following table sets forth details of the value vested during the financial year ended December 31, 2018 for each NEO.

Name	Option-based Awards - Value Vested During the Year (\$) <sup>(1)</sup>	Share-based Awards - Value Vested During the year (\$)	Non-equity Incentive Plan Compensation - Value Earned During the Year (\$)
Neil Seeman	Nil	Nil	Nil
Daniel Im	Nil	Nil	Nil
Alton Ing	Nil	Nil	Nil
Eric Meerkamper	Nil	Nil	Nil

**Notes:**

<sup>(1)</sup> The value of vested options represents the aggregate dollar value that would have been realized for options disclosed in the "Outstanding Option Based Awards" table (above), if any of those options had been exercised on the vesting dates that fell in the fiscal 2018 period. This value has been calculated as the difference between the exercise price of the options and the closing price of the shares on December 31, 2018 of CAD\$1.35, the last trading day in the Company's financial year.

## Pension Plans

The Company does not currently have any pension plans.

### **Termination and Change in Control Benefits**

As at the end of the Company's financial year ended December 31, 2018, the Company was a party to an employment agreement dated July 1, 2012 with Neil Seeman, the Company's President and Chief Executive Officer. Pursuant to this employment agreement, the Company may terminate Mr. Seeman's employment for any reason at any time by providing him only with such notice or payment in lieu thereof as equal to one month pro-rata per year of service, or part thereof, from July 1, 2012 to a maximum total of 12 months.

As at the end of the Company's financial year ended December 31, 2018, the Company was a party to an employment agreement dated July 31, 2017 with Daniel Im, the Company's Chief Financial Officer. Pursuant to this employment agreement, the Company may terminate Mr. Im's employment for any reason at any time by providing him only with such notice or payment in lieu thereof as required by common law.

As at the end of the Company's financial year ended December 31, 2018, the Company was a party to an employment agreement dated September 25, 2017 with Alton Ing, the Company's Chief Technology Officer. Prior to this employment agreement, Mr. Ing provided consulting services to the Company since July 1, 2012. Pursuant to this employment agreement, the Company may terminate Mr. Ing's employment for any reason at any time by providing him only with such notice or payment in lieu thereof as required by common law.

As at the end of the Company's financial year ended December 31, 2018, the Company was a party to an employment agreement dated February 1, 2017 with Eric Meerkamper, the Company's Global Head, Citizen Engagement and Senior Vice President. Pursuant to this employment agreement, the Company may terminate Mr. Meerkamper's employment for any reason at any time by providing him only with such notice or payment in lieu thereof as equal to one month pro-rata per year of service, or part thereof, from July 1, 2012 to a maximum total of 12 months, with payment in lieu calculated based on Mr. Meerkamper's average monthly income over the previous 24 months.

All stock options to purchase common shares in the Company held by Mr. Seeman, Mr. Im, Mr. Ing and Mr. Meerkamper will vest immediately upon a Change of Control Transaction pursuant to the provisions of the Company's Plan.

The following table shows the amounts that would have been payable to each of the following NEOs if his employment had been terminated without cause and the Company chose to pay cash instead of providing notice on December 31, 2018; or following a change of control had such change of control happened on December 31, 2018:

	<b>Termination Without Cause Payment in Lieu of Notice</b>
Neil Seeman	US\$77,029
Eric Meerkamper	US\$68,022

With exception to the payments or benefits referenced above, the employment agreements that the Company has entered into with its NEOs do not provide for any payments or benefits in the event of a change in control of the Company.

### **Securities Authorized for Issuance under Equity Compensation Plans**

The following table provides information as of December 31, 2018 relating to outstanding options to purchase Shares pursuant to the Plan which is the only compensation plan of the Company under which equity securities of the Company are authorized for issuance.

	<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 the Plan</b>
Equity compensation plans approved by security holders	1,787,500	CAD\$1.66	1,707,648
Equity compensation plans not approved by security holders	Nil	Nil	Nil
Total	1,787,500	CAD\$1.66	1,707,648

### **Directors' Compensation**

The only arrangements that the Company has pursuant to which certain directors (i.e., other than the Chief Executive Officer) are compensated by the Company for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultant or expert during the most recently completed financial year or subsequently, are by the issuance of incentive stock options pursuant to the Company's Plan. The purpose of granting such options is to assist the Company in compensating, attracting, retaining, and motivating the directors of the Company and to closely align their interests to those of the shareholders.

### **Directors Compensation Table**

The following table sets forth the value of all compensation provided to directors, not including those directors who are also Named Executive Officers, for the Company's financial year ended December 31, 2018.

<b>Name</b>	<b>Fees Earned (US\$)</b>	<b>Share-based Awards (US\$)</b>	<b>Option-based Awards (US\$)<sup>(1)</sup></b>	<b>Non-equity Incentive Plan Compensation (US\$)</b>	<b>Pension Value (US\$)</b>	<b>All Other Compensation (US\$)</b>	<b>Total (US\$)</b>
Robert Pirooz	Nil	Nil	38,912	Nil	Nil	Nil	38,912
Bob Seeman	Nil	Nil	38,912	Nil	Nil	Nil	38,912
Annette Cusworth	Nil	Nil	46,694	Nil	Nil	Nil	46,694
Donald Shumka	Nil	Nil	38,912	Nil	Nil	Nil	38,912
Kevin Mahoney	Nil	Nil	42,803	Nil	Nil	Nil	42,803
Richard Perle	Nil	Nil	38,912	Nil	Nil	Nil	38,912
Kenneth Adelman	Nil	Nil	38,912	Nil	Nil	Nil	38,912

**Note:**

<sup>(1)</sup> The options to purchase Shares have been valued using an accounting fair value calculated using the Black-Scholes valuation model. The following assumptions were used for the valuation: expected annual volatility of 102-105%, risk free interest rate of 1.89-1.93%, expected life of 2.5-3.0 years and expected dividend yield of 0%. The accounting fair value of the options is CAD\$1.18 - CAD\$1.29 per share.

### Outstanding Option-Based Awards Table

The following table sets forth information concerning all option-based awards outstanding at December 31, 2018 for each director, other than those that were Named Executive Officers during the Company's most recently completed financial year.

Name	Number of Securities underlying unexercised options (#)	Option exercise price (CAD\$)	Option expiration date	Value of unexercised in-the-money options (CAD\$) <sup>(1)</sup>
Robert Pirooz	25,000	2.14	June 14, 2021	Nil
	25,000	2.04	June 13, 2022	Nil
	50,000	2.00	May 29, 2023	Nil
Bob Seeman	25,000	2.14	June 14, 2021	Nil
	25,000	2.04	June 13, 2022	Nil
	50,000	2.00	May 29, 2023	Nil
Annette Cusworth	70,000	0.86	March 4, 2020	34,510
	25,000	2.14	June 14, 2021	Nil
	37,500	2.04	June 13, 2022	Nil
	60,000	2.00	May 29, 2023	Nil
Donald Shumka	70,000	0.86	March 4, 2020	34,510
	25,000	2.14	June 14, 2021	Nil
	25,000	2.04	June 13, 2022	Nil
	50,000	2.00	May 29, 2023	Nil
Kevin Mahoney	70,000	0.86	March 4, 2020	34,510
	25,000	2.14	June 14, 2021	Nil
	25,000	2.04	June 13, 2022	Nil
	55,000	2.00	May 29, 2023	Nil
Richard Perle	70,000	0.86	March 4, 2020	34,510
	25,000	2.14	June 14, 2021	Nil
	25,000	2.04	June 13, 2022	Nil
	50,000	2.00	May 29, 2023	Nil
Kenneth Adelman	70,000	2.14	June 14, 2021	Nil
	25,000	2.04	June 13, 2022	Nil
	50,000	2.00	May 29, 2023	Nil

**Note:**

(1) This value has been calculated as the difference between the exercise price of the options and the closing price of the Shares on December 31, 2018 of CAD\$1.35, the last trading day in the Company's financial year.

The following table sets forth information concerning all incentive plan awards vested or earned for each director, other than those that were Named Executive Officers during the Company's most recently completed financial year.

### Incentive plan awards – value vested or earned during the year

Name	Option-based awards – Value vested during the year (\$) <sup>(1)</sup>	Share-based awards – Values vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Robert Pirooz	Nil	Nil	Nil
Bob Seeman	Nil	Nil	Nil
Annette Cusworth	Nil	Nil	Nil
Donald Shumka	Nil	Nil	Nil
Kevin Mahoney	Nil	Nil	Nil
Richard Perle	Nil	Nil	Nil
Kenneth Adelman	Nil	Nil	Nil

**Note:**

(1) The value of vested options represents the aggregate dollar value that would have been realized for options disclosed in the "Option Based Awards" table (above), if any of those options had been exercised on the vesting dates that fell in the fiscal 2018 period. This value has been calculated as the difference between the exercise price of the options and the closing price of the Shares on December 31, 2018 of CAD\$1.35, the last trading day in the Company's financial year.

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

No current or former director, executive officer or employee of the Company or any of its subsidiaries is, as at the date of this Information Circular, indebted to the Company in connection with the purchase of Shares of the Company or for any other reason and no such person's indebtedness to any other entity is the subject of a guarantee, support agreement or understanding provided by the Company or any of its subsidiaries.

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

Except as otherwise disclosed in this Information Circular, no director or executive officer of the Company who has served in such capacity since the beginning of the last fiscal year or any associate or affiliate of such person, and to the best of the knowledge of management of the Company, no person that has direct or indirect beneficial ownership of more than 10% of the issued and outstanding Shares and no associate or affiliate of any such person, had any material interest, directly or indirectly, in any transaction within the past year, or in any proposed transaction, which has affected or would materially affect the Company or any of its subsidiaries or in any matter to be acted upon at the Meeting.

## **MANAGEMENT CONTRACTS**

Except as otherwise disclosed in this Information Circular, management functions of the Company are generally performed by senior officers of the Company and not, to any substantial degree, by any other person to whom the Company has contracted.

## **DIRECTORS' AND OFFICERS' LIABILITY INSURANCE AND INDEMNIFICATION**

During the year ended December 31, 2018, the Company had directors' and officers' liability insurance with coverage in the amount of up to CAD\$10,000,000 at an annual premium of CAD\$21,250. No indemnification under section 124 of the *Canada Business Corporations Act* has been paid or is to be paid for the year ended December 31, 2018.

## **FINANCIAL ASSISTANCE**

The Company did not give any financial assistance to any of its directors, employees or Shareholders during the year ended December 31, 2018.

## **OTHER MATTERS**

Management of the Company is not aware of any other matters which will be brought before the Meeting other than those set forth in the Notice of Meeting. Should any other matters properly come before the Meeting, the Shares represented by the proxies solicited hereby will be voted on those matters in accordance with the best judgement of the persons voting such proxies.

## **SHAREHOLDER PROPOSALS**

Pursuant to section 137 of the *Canada Business Corporations Act* and section 49 of the *Canada Business Corporations Regulations*, Shareholder proposals to be considered for inclusion in this Circular must be received by the Company at least 90 days before the anniversary date. No Shareholder proposals were received by the Company on or before the close of business on February 22, 2019.

## **ADDITIONAL INFORMATION AND AVAILABILITY OF DOCUMENTS**

The Company will provide to any person or corporation, upon request, one copy of any of the following documents:

- (a) the annual financial statements of the Company for the most recently completed fiscal year, together with the report of the auditor thereon, together with the management's discussion and analysis in respect thereof, and any interim financial statements of the Company subsequent to the financial statements for the Company's most recently completed fiscal year, together with the management's discussion and analysis in respect thereof; and
- (b) the management information and proxy circular of the Company in respect of the most recent annual meeting of shareholders of the Company which involved the election of directors.

Copies of the above documents will be provided, upon request, by the Company at 180 Bloor Street West, Suite 1000, Toronto, Ontario, Canada, M5S 2V6, free of charge to shareholders of the Company. The Company may require the payment of a reasonable charge from any person or corporation who is not a shareholder of the Company and who requests a copy of any such document. Financial information relating to the Company is provided in the Company's financial statements and management's discussion and analysis for its most recently completed fiscal year. Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).

## **MULTIPLE SHAREHOLDERS SHARING THE SAME ADDRESS**

Recent changes in the regulations regarding the delivery of copies of proxy materials and annual reports to shareholders permit the Company and brokerage firms to send one annual report and proxy statement to multiple shareholders who share the same address under certain circumstances. Shareholders who hold their Shares through a broker may have consented to reducing the number of copies of materials delivered to their address. In the event that a shareholder wishes to revoke such a consent previously provided to a broker, the shareholder must contact the broker to revoke the consent. In any event, if a shareholder wishes to receive a separate Information Circular and accompanying materials for the Meeting, the shareholder may receive copies by contacting the Company at 180 Bloor Street West, Suite 1000, Toronto, Ontario, M5S 2V6, Canada or by telephone at 416-205-9984 or 1-888-505-RIWI (7494). Shareholders receiving multiple copies of these documents at the same address can request delivery of a single copy of these documents by contacting the Company in the same manner. Persons holding Shares through a broker can request a single copy by contacting the broker.

## **BOARD OF DIRECTORS APPROVAL**

The undersigned hereby certifies that the contents and sending of this Information Circular to the shareholders of the Company have been approved by the Board of Directors.

DATED at Toronto, Ontario, this 10<sup>th</sup> day of April, 2019.

BY ORDER OF THE BOARD OF DIRECTORS

*"Neil Seeman" (signed)*

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Neil Seeman  
Chief Executive Officer



## APPENDIX "A"

### RIWI CORP.

#### STOCK OPTION PLAN

##### PURPOSE OF THE PLAN

- 1.1 RIWI Corp. (the "Company") hereby establishes a stock option plan for directors, officers and Service Providers (as defined below) of the Company and its subsidiaries, to be known as the "RIWI Corp. Stock Option Plan" (the "Plan"). The purpose of the Plan is to give to directors, officers and Service Providers, as additional compensation, the opportunity to participate in the progress of the Company by granting to such individuals options, exercisable over periods of up to ten years as determined by the board of directors of the Company, to buy shares of the Company at a price equal to the Market Price (as that term is defined below).

##### DEFINITIONS

- 2.1 In this Plan, the following terms shall have the following meanings:
- a) "Black-Out Period" means a time when, pursuant to any policies of the Company, any securities of the Company may not be traded by certain persons as designated by the Company, including any Optionee.
  - b) "Black-Out Expiration Term" means the period of time that commences with the end of a Black-Out Period and ends ten business days following the end of the Black-Out Period.
  - c) "Board" means the board of directors of the Company.
  - d) "Change of Control Transaction" means the occurrence of any one or more of the following events:
    - i. a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Company or any of its Affiliates and another corporation or other entity, as a result of which the holders of outstanding Shares prior to the completion of the transaction hold less than 50% of the outstanding voting securities of the successor corporation after completion of the transaction;
    - ii. the sale, lease, exchange or other disposition, in a single transaction or a series of related transactions, of assets, rights or properties of the Company and/or any of its subsidiaries which have an aggregate book value greater than 50% of the book value of the assets, rights and properties of the Company and its subsidiaries on a consolidated basis to any other person or entity, other than a disposition to a wholly-owned subsidiary of the Company in the course of a reorganization of the assets of the Company and its subsidiaries;
    - iii. a resolution is adopted to wind-up, dissolve or liquidate the Company;
    - iv. any person, entity or group of persons or entities acting jointly or in concert (an "Acquiror") acquires directly or indirectly or acquires control or direction over (including, without limitation, the right to vote or direct the voting of) Voting Securities of the Company which, when added to the Voting Securities owned directly or indirectly of record or beneficially by the Acquiror or which the Acquiror has control or direction over would entitle the Acquiror and/or associates and/or affiliates of the Acquiror (as such terms are defined in the *Securities Act* (Ontario)) to cast or to direct the casting of 20% or more of the votes attached to all of the Company's outstanding Voting Securities which may be cast to elect directors of the Company or the successor corporation (regardless of whether a meeting has been called to elect directors);

- v. during any period of two consecutive years:
  - A. individuals who at the beginning of such period constitute the Board; and
  - B. any new director whose election by the Board or nomination for election by the Company's shareholders was approved by a vote of at least two-thirds of the directors of the Company then still in office who either were directors of the Company at the beginning of the two-year period or whose election or nomination for election was previously so approved (but excluding for this purpose any such new director whose initial assumption of office occurs as a result of either an actual or threatened election contest or other actual or threatened solicitation of proxies or consents by or on behalf of an individual, corporation, partnership, group, associate or other entity or person other than the Board);

cease for any reason to constitute at least a majority of the Board; or

- vi. the Board adopts a resolution determining, in its discretion, that a Change of Control Transaction as defined herein or another event that would materially alter the structure of the Company or its ownership has occurred or is about to occur.

For the purposes of the foregoing, "Voting Securities" means Shares and any other securities entitled to vote for the election of directors and shall include any security, whether or not issued by the Company, which are not shares or securities entitled to vote for the election of directors but are convertible into or exchangeable for shares or securities which are entitled to vote for the election of director including any options or rights to purchase such shares or securities.

- e) "Company" means RIWI Corp. and its successors.
- f) "Consultant" means an individual or Consultant Company, other than an employee or a director of the Company, that:
  - i. is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Company or to an affiliate of the Company;
  - ii. provides the services under a written contract between the Company or the affiliate and the individual or the Consultant Company;
  - 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 an affiliate of the Company; and
  - iv. has a relationship with the Company or an affiliate of the Company that enables the individual to be knowledgeable about the business and affairs of the Company.
- g) "Consultant Company" means for an individual consultant, a company or partnership of which the individual is an employee, shareholder or partner.
- h) "Disability" means any disability with respect to an Optionee which the Board, in its sole and unfettered discretion, considers likely to prevent permanently the Optionee from:
  - i. being employed or engaged by the Company, its subsidiaries or another employer, in a position the same as or similar to that in which he was last employed or engaged by the Company or its subsidiaries; or
  - ii. acting as a director or officer of the Company or its subsidiaries.

- i) "Exchange" means the Canadian Securities Exchange, and, if applicable, any other stock exchange or securities market on which the Shares are listed.
- j) "Expiry Date" means the date set by the Board under section 3.1 of this Plan, representing the last date on which an Option may be exercised.
- k) "Fair Market Value" means the fair market value of the Shares as determined by the Board.
- l) "Grant Date" means the date specified in an Option Agreement as the date on which an Option is granted.
- m) "Management Company Employee" means an individual employed by a person providing management services to the Company, which are required for the ongoing successful operation of the business enterprise of the Company.
- n) "Market Price" of Shares at any Grant Date means:
  - i. if the Shares are listed and posted for trading on the Exchange, the average trading price per Share on the Exchange (or, in the event that the Shares are listed on more than one Exchange, on such Exchange on which Shares are listed as is selected for the purpose by the Board) on the five trading days (on which at least one board lot of the Shares was traded) prior to the Grant Date, but will in no event be less than the greater of the closing price per Share on the Exchange either at the Grant Date or the trading day immediately prior to the Grant Date,
  - ii. if the Shares are not listed on any Exchange, but are quoted on an over-the-counter market, the price per Share on the over-the-counter market determined by dividing the aggregate sale price of the Shares sold by the total number of such Shares so sold on the applicable market for the last day prior to the Grant Date, or
  - iii. if the Shares are not listed and posted for trading on a stock exchange or over-the-counter market, the price per Share as determined from time to time by the Board, which shall not be less than the Fair Market Value;

provided that in no event will the Market Price be lower than the price permitted by an Exchange on which the Shares are traded.
- o) "Notice of Cashless Exercise" means the notice, in substantially the form attached hereto as Schedule "Z", whereby an Optionee notifies the Company of its intention to use the cashless manner of exercise of vested Options in accordance with the provisions of section 4.2 of this Plan.
- p) "Option" means an option to purchase Shares granted pursuant to this Plan.
- q) "Option Agreement" means an agreement, in substantially the form attached hereto as Schedule "X", whereby the Company grants to an Optionee an Option.
- r) "Option Price" means the price per Share specified in an Option Agreement, adjusted from time to time in accordance with the provisions of section 6 of this Plan.
- s) "Option Shares" means the aggregate number of Shares that an Optionee may purchase under an Option.
- t) "Optionee" means each of the directors, officers and Service Providers granted an Option pursuant to this Plan and their heirs, executors and administrators.
- u) "Plan" means this RIWI Corp. Stock Option Plan.

- v) "Service Provider" means:
  - i. an employee of the Company or any of its subsidiaries;
  - ii. any other person or company engaged to provide ongoing management or consulting services for the Company or for any entity controlled by the Company; and
  - iii. any person who is providing ongoing management or consulting services to the Company or to any entity controlled by the Company indirectly through a company that is a Service Provider under subsection (b) above.
- w) "Shares" means the common shares in the capital of the Company as constituted on the date of this Plan provided that, in the event of any adjustment pursuant to section 6 of this Plan, "Shares" shall thereafter mean the shares or other property resulting from the events giving rise to the adjustment.
- x) "Substituted Right" means the right which will entitle the Optionee to acquire on the deemed exercise of the right, the number of Shares obtained by multiplying (i) the number of Shares under the Options exchanged by (ii) the difference between the current Market Price calculated on the day the Option is exercised, minus the Option Price of the Option, divided by that current Market Price.
- y) "Unissued Option Shares" means the number of Shares, at a particular time, which have been allotted for issuance upon the exercise of an Option but which have not been issued, as adjusted from time to time in accordance with the provisions of section 6 of this Plan, such adjustments to be cumulative.

## GRANT OF OPTIONS

- 3.1 Option Terms. The Board may from time to time authorize the issue of Options to directors, officers and Service Providers of the Company and any of its subsidiaries. The Option Price for each Option shall be determined by the Board and will be set out in the Option Agreement issued in respect of the Option, but will in no event be less than the Market Price. The Expiry Date for each Option shall be set by the Board at the time of issue of the Option and shall not be more than ten years from the Grant Date. Any Options which are terminated or expire will be available for re-granting under the Plan. Options shall be non-assignable and non-transferable, and subject to such vesting provisions as the Board in their sole discretion shall determine. For Options granted to employees, Consultants or Management Company Employees, the Company represents that the respective Optionee is a *bona fide* employee, Consultant or Management Company Employee, as applicable.
- 3.2 Black-Out Period. Notwithstanding section 3.1 of the Plan and except where not permitted by the Exchange, where an Option expires during a Black-Out Period or during the Black-Out Expiration Term, the term of such Option will be extended to the end of the applicable Black-Out Expiration Term.
- 3.3 Limits on Shares Issuable on Exercise of Options. The maximum number of Shares that may be issuable pursuant to Options granted under the Plan shall be 20% of the number of Shares issued and outstanding from time to time, or such additional amount as may be approved by the Company.
- 3.4 Option Agreements. Each Option shall be confirmed by the execution of an Option Agreement. Each Optionee shall have the option to purchase from the Company the Option Shares at the time and in the manner set out in the Plan and in the Option Agreement applicable to that Optionee. The execution of an Option Agreement shall constitute conclusive evidence that it has been completed in compliance with this Plan.

- 3.5 Vesting. Options will vest at the discretion of the Board as determined on the Grant Date as set out in the Option Agreement.

## EXERCISE OF OPTION

- 4.1 Manner of Exercise - Cash Exercise for Vested Options. Subject to the vesting and other terms of this Plan and the Option Agreement governing any specific Options, an Option may be exercisable by the Optionee delivering to the Company a notice specifying the number of Shares in respect of which the Option is exercised together with payment in full of the Option Price for each such Share. Upon the Company's receipt of such notice and payment there will be a binding contract for the issue of the Option Shares in respect of which the Option is exercised, upon and subject to the provisions of the Plan. Delivery of the Optionee's cheque payable to the Company in the amount of the Option Price shall constitute payment of the Option Price unless the cheque is not honoured upon presentation in which case:
- the Option shall not have been validly exercised; and
  - the Option shall no longer be exercisable unless the Board determines otherwise.
- 4.2 Manner of Exercise – Cashless Exercise for Vested Options. If a holder of an Option so desires, such holder may, in lieu of the method described in section 4.1 above and by delivering to the Company a notice that the Optionee wishes to rely on the “cashless exercise” provisions of this section 4.2 and a fully completed Notice of Cashless Exercise, subject to the vesting and other terms of this Plan and the Option Agreement governing any specific Options, elect to dispose of an Option in exchange for a Substituted Right, which Substituted Right shall be deemed to have been exercised immediately by the Notice of Cashless Exercise.

The number of Shares issuable to the Optionee upon exercise of the Substituted Right will be determined in accordance with the following formula, provided that no fractional Shares will be issued pursuant to any Substituted Right and the number of Shares issuable shall be rounded down to the nearest whole Share:

$$\frac{A * (X - Y)}{X}$$

Where:

A is the number of vested Options tendered for disposition pursuant to the Notice of Cashless Exercise

X is the volume weighted average price per Share on the Exchange on the five trading days prior to Notice of Cashless Exercise

Y is the Option Price of the unexercised vested Options in question

In the event that an Optionee delivers a Notice of Cashless Exercise under this section 4.2 and it is later determined that such Optionee does not hold a sufficient number of unexercised vested Options to deliver the Substituted Right in accordance with the requirements above, such notice shall be deemed to be void in its entirety and of no further force or effect. Upon the issuance of Shares by the Company pursuant to the deemed exercise of the Substituted Right, the number of unexercised vested Options to be disposed of in exchange for the Substituted Right shall be deemed to be cancelled without any further action by the Company or the Optionee and will be not available for further granting.

- 4.3 General Rule. Subject to section 4.4 of this Plan, an Option may be exercised to purchase any number of Shares up to the number of Unissued Option Shares at any time after the Grant Date up to 5:00 p.m. (Vancouver time) on the Expiry Date.

4.4 Termination of Affiliation. If an Optionee ceases to be a director, officer or Service Provider of the Company or its subsidiaries, each Option held by the Optionee shall be exercisable in respect of that number of Option Shares that have vested pursuant to the terms of the Option Agreement governing such Option as follows:

- (a) Resignation or Ceasing to Hold Office. If the Optionee or, in the case of an Option granted to any Optionee who satisfies the definition of Service Provider set out in section 2 of this Plan, the Optionee's employer, ceases to be employed or engaged by the Company and any of its subsidiaries (including by way of voluntary resignation or retirement as a director, officer or Service Provider), each Option held by the Optionee shall be exercisable in respect of that number of Option Shares that have vested pursuant to the terms of the Option Agreement governing such Option at any time up to but not after the earlier of the Expiry Date of that Option and the date which is 30 days after the Optionee ceases to be a director, officer or Service Provider, provided that the Board will have the discretion, for greater certainty not the obligation, to extend the period when the Optionee may exercise that Option to a date that is not later than the date which is one year after the Optionee ceases to be a director, officer or Service Provider;
- (b) Death. Notwithstanding subsection 4.4(a) of this Plan, if the Optionee ceases to be a director, officer or Service Provider of the Company and any of its subsidiaries due to death or Disability or, in the case of an Optionee that is a company, the death or Disability of the person who provides management or consulting services to the Company or to any entity controlled by the Company, each Option held by the Optionee shall be exercisable in respect of that number of Option Shares that have vested pursuant to the terms of the Option Agreement governing such Option at any time up to but not after the earlier of the Expiry Date of that Option and the date which is 12 months after the date of death or Disability; and
- (c) For Cause. Notwithstanding subsection 4.4(a) of this Plan, if the Optionee or, in the case of an Option granted to an Optionee who satisfies the definition of Service Provider set out in section 2 of this Plan, the Optionee's employer:
  - (i) ceases to be employed or engaged by the Company and any of its subsidiaries for cause, as that term is interpreted by the courts of the jurisdiction in which the Optionee or Optionee's employer is employed or engaged;
  - (ii) ceases to be a director, officer or Service Provider of the Company and any of its subsidiaries by order of any securities commission, recognized stock exchange, or any regulatory body having jurisdiction to so order; or
  - (iii) ceases to be eligible to hold office as a director of the Company and any of its subsidiaries under the provisions of the applicable corporate statute,

each Option held by the Optionee shall be exercisable in respect of that number of Option Shares that have vested pursuant to the terms of the Option Agreement governing such Option at any time up to but not after the earlier of the Expiry Date of that Option and the date on which the Optionee ceases to be a director, officer or Service Provider.

4.5 Exclusion From Severance Allowance, Retirement Allowance or Termination Settlement. If the Optionee, or, in the case of an Option granted to an Optionee who falls under the definition of Service Provider set out in section 2 of this Plan, the Optionee's employer, retires, resigns or is terminated from employment or engagement with the Company and any of its subsidiaries, the loss of the right to purchase Shares pursuant to section 4.4 of this Plan shall not give rise to any right to damages and shall not be included in the calculation of nor form any part of any severance allowance, retiring allowance or termination settlement of any kind whatever in respect of such Optionee.

- 4.6 Amendment of Options by the Board. Pursuant to the rules of the Canadian Securities Exchange, the terms of an Option may not be amended once issued. If an Option is cancelled prior to its Expiry Date, the Company shall not grant new Options to the same person until thirty days have elapsed from the date of cancellation.
- 4.7 Accelerated Vesting and Termination. The Company may, subject to prior written approval from the Exchange, if required, during the term of any Option, give 30 days, or such other number of days as the Board may determine, notice in writing to all of the Optionees that all Options outstanding under the Plan that have not vested as at the time of the notice are immediately deemed vested, and all Options outstanding under the Plan that have not been exercised shall cease and terminate and be of no further force and effect unless the Optionees exercise such Options before their termination on the 30<sup>th</sup> day, or such other day as the Board may determine, after delivery of the notice.

#### **AMENDMENT PROCEDURE**

- 5.1 The Company retains the right to amend or terminate the terms and conditions of the Plan as the Board may determine from time to time in accordance with all applicable regulatory rules.

#### **ADJUSTMENT OF OPTION PRICE AND NUMBER OF OPTION SHARES**

- 6.1 Share Reorganization. Whenever the Company issues Shares to all or substantially all holders of Shares by way of a stock dividend or other distribution, or subdivides all outstanding Shares into a greater number of Shares, or combines or consolidates all outstanding Shares into a lesser number of Shares (each of such events being herein called a “Share Reorganization”) then effective immediately after the record date for such dividend or other distribution or the effective date of such subdivision, combination or consolidation, for each Option:

- (a) the Option Price will be adjusted to a price per Share which is the product of:
- (i) the Option Price in effect immediately before that effective date or record date; and
  - (ii) a fraction the numerator of which is the total number of Shares outstanding on that effective date or record date before giving effect to the Share Reorganization, and the denominator of which is the total number of Shares that are or would be outstanding immediately after such effective date or record date after giving effect to the Share Reorganization; and
- (b) the number of Unissued Option Shares will be adjusted by multiplying (i) the number of Unissued Option Shares immediately before such effective date or record date by (ii) a fraction which is the reciprocal of the fraction described in subsection (a)(ii).

- 6.2 Special Distribution. Subject to the prior approval of the Exchange, whenever the Company issues by way of a dividend or otherwise distributes to all or substantially all holders of Shares:

- (a) shares of the Company, other than the Shares;
- (b) evidences of indebtedness;
- (c) any cash or other assets, excluding cash dividends (other than cash dividends which the Board has determined to be outside the normal course); or
- (d) rights, options or warrants,

then to the extent that such dividend or distribution does not constitute a Share Reorganization (any of such non-excluded events being herein called a “Special Distribution”), and effective

immediately after the record date at which holders of Shares are determined for purposes of the Special Distribution, for each Option the Option Price will be reduced, and the number of Unissued Option Shares will be correspondingly increased, by such amount, if any, as is determined by the Board in its sole and unfettered discretion to be appropriate in order to properly reflect any diminution in value of the Shares as a result of such Special Distribution.

6.3 Corporate Organization. Whenever there is:

- (a) a reclassification of outstanding Shares, a change of Shares into other shares or securities, or any other capital reorganization of the Company, other than as described in sections 6.1 or 6.2 of this Plan;
- (b) a consolidation, merger or amalgamation of the Company with or into another corporation resulting in a reclassification of outstanding Shares into other shares or securities or a change of Shares into other shares or securities; or
- (c) a transaction whereby all or substantially all of the Company's undertaking and assets become the property of another corporation;

(any such event being herein called a "Corporate Reorganization") the Optionee will have an option to purchase (at the times, for the consideration, and subject to the terms and conditions set out in the Plan) and will accept on the exercise of such option, in lieu of the Unissued Option Shares which he would otherwise have been entitled to purchase, the kind and amount of shares or other securities or property that he would have been entitled to receive as a result of the Corporate Reorganization if, on the effective date thereof, he had been the holder of all Unissued Option Shares.

6.4 No Fractional Shares. No fractional Shares shall be issued upon the exercise of the Options and accordingly, if as a result of a Share Reorganization or Corporate Reorganization, an Optionee would become entitled to a fractional Share, such Optionee shall have the right to purchase only the next lowest whole number of Shares and no payment or other adjustment will be made with the fractional interest so disregarded. Additionally, no lots of Shares in an amount less than 500 Shares shall be issued upon the exercise of the Option unless such amount of Shares represents the balance left to be exercised under the Option.

## **SIGNIFICANT EVENTS AFFECTING THE COMPANY**

7.1 Change of Control Transactions

In the event of a Change of Control Transaction, the following rules shall apply:

- (a) all vested Options held by an Optionee as of the completion date of the Change of Control Transaction will be exercisable by the Optionee in accordance with the terms of the applicable Option Agreement;
- (b) the vesting provisions governing unvested Options held by an Optionee as of the completion date of the Change of Control Transaction shall be accelerated, and such Options will be exercisable by the Optionee immediately prior to the completion date of the Change of Control Transaction. Option Shares issuable pursuant to the accelerated vesting provisions of this section 7.1(b) will be issued immediately prior to the closing of the Change of Control Transaction; and
- (c) all other unexercised Options shall become null and void upon completion of the Change of Control Transaction.



## MISCELLANEOUS

- 8.1 Form of Notice. A notice given to the Company shall be in writing, signed by the Optionee and delivered to the Secretary of the Company.
- 8.2 Right to Employment. Neither this Plan nor any of the provisions hereof shall affect in any way the Optionee's right to continued employment with the Company or its subsidiaries or the Company's right to terminate such employment.
- 8.3 No Assignment or Transfer. No Optionee may assign or transfer any of his rights under the Plan or any Option Agreement.
- 8.4 Conflict. In the event of any conflict between the provisions of this Plan and an Option Agreement, the provisions of this Plan shall govern.
- 8.5 Time of Essence. Time is of the essence of this Plan and of each Option Agreement. No extension of time will be deemed to be or to operate as a waiver of the essentiality of time.
- 8.6 Entire Agreement. This Plan and each Option Agreement sets out the entire agreement between the Company and each of the Optionees relative to an Option and supersedes all prior agreements, undertakings and understandings, whether oral or written.

**APPENDIX "A" – SCHEDULE "X"**

**RIWI CORP.**

**STOCK OPTION PLAN**

**OPTION AGREEMENT**

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

- (a) on \_\_\_\_\_, \_\_\_\_\_ (the "Grant Date");
- (b) \_\_\_\_\_ (the "Optionee");
- (c) was granted the option to purchase \_\_\_\_\_ Common Shares (the "Option Shares") of the Company;
- (d) for the price (the "Option Price") of \$ \_\_\_\_\_ per share;
- (e) which will become exercisable up to, but not after \_\_\_\_\_, \_\_\_\_\_ (the "Expiry Date"), as follows:
  - (i) up to \_\_\_\_\_ Option Shares after \_\_\_\_\_;
  - (ii) up to \_\_\_\_\_ Option Shares after \_\_\_\_\_;
  - (iii) up to \_\_\_\_\_ Option Shares after \_\_\_\_\_; and
  - (iv) up to \_\_\_\_\_ Option Shares after \_\_\_\_\_,

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

As a condition to the exercise by an Optionee of an Option (under either Section 4.1 or 4.2 of the Plan) and prior to such exercise, arrangements satisfactory to the Company shall be made to enable the Company to satisfy all withholding tax and other source deduction requirements and obligations arising in respect of the exercise of the Option or otherwise related to the Plan (the "Applicable Withholding Taxes"), and among other things, the Company shall be entitled to deduct any Applicable Withholding Taxes from any payment of any kind whatsoever due to an Optionee.

The Optionee acknowledges that the grant and the exercise of an Option and the sale of the shares issuable upon exercise thereof may have consequences under tax and securities laws.

By signing this Option Agreement, the Optionee acknowledges that the Optionee has read and understands and agrees to the terms and conditions of the Plan and this Option Agreement and further acknowledges that it has been advised to obtain independent legal and tax advice in connection with this Option Agreement and exercise of an Option hereunder.

IN WITNESS WHEREOF the parties hereto have executed this Option Agreement as of the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**RIWI CORP.**

\_\_\_\_\_  
Signature of Optionee

By: \_\_\_\_\_  
Authorized Signatory

**APPENDIX "A" – SCHEDULE "Y"**

**RIWI CORP.**

**STOCK OPTION PLAN**

**NOTICE OF CASH EXERCISE OF OPTION**

TO: The Administrator, RIWI Corp. Stock Option Plan  
180 Bloor Street West, Suite 1000  
Toronto, Ontario  
M5S 2V6  
CANADA

The undersigned hereby irrevocably gives notice, pursuant to the RIWI Corp. Stock Option Plan (the "Plan"), of the disposition of:

- a) all of the Options; or
- b) \_\_\_\_\_ of the Options;

which are the subject of the Option Agreement attached hereto.

The undersigned tenders herewith:

- 1. A certified cheque or bank draft payable to RIWI Corp. in the amount equal to the aggregate Exercise Price of the Options; and
- 2. A certified cheque or bank draft payable to RIWI Corp. in the amount equal to any applicable withholding tax.

The undersigned directs RIWI Corp. to register the Shares issued on exercise of the Options in the name and address noted below:

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

The undersigned directs RIWI Corp. to deliver the share certificates to the address noted below:

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

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

\_\_\_\_\_  
Signature of Optionee

**APPENDIX "A" – SCHEDULE "Z"**

**RIWI CORP.**

**STOCK OPTION PLAN**

**NOTICE OF CASHLESS EXERCISE**

TO: The Administrator, RIWI Corp. Stock Option Plan  
180 Bloor Street West, Suite 1000  
Toronto, Ontario  
M5S 2V6  
CANADA

The undersigned hereby irrevocably gives notice, pursuant to the RIWI Corp. Stock Option Plan (the "Plan"), of the disposition of:

- (a) all of the Options; or
- (b) \_\_\_\_\_ of the Options;

which are the subject of the Option Agreement attached hereto.

The undersigned hereby elects pursuant to section 4.2 of the Plan to dispose of the above-mentioned Options to RIWI Corp. (the "Company") and directs the Company to issue a certificate evidencing the whole number of Shares to which the undersigned is entitled based on the formula set out in section 4.2 of the Plan.

The undersigned directs RIWI Corp. to register the Shares issued on exercise of the Options in the name and address noted below:

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

The undersigned directs RIWI Corp. to deliver the share certificates to the address noted below:

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

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

\_\_\_\_\_  
Signature of Optionee

## APPENDIX “B”

### RIWI CORP.

#### CHARTER OF THE AUDIT COMMITTEE

##### PURPOSE AND PRIMARY RESPONSIBILITY

- 1.1 This charter sets out the Audit Committee’s purpose, composition, member qualification, member appointment and removal, responsibilities, operations, manner of reporting to the Board of Directors (the “Board”) of RIWI Corp. (the “Company”), annual evaluation and compliance with this charter.
- 1.2 The primary responsibility of the Audit Committee is that of oversight of the financial reporting process on behalf of the Board. This includes oversight responsibility for financial reporting and continuous disclosure, oversight of external audit activities, oversight of financial risk and financial management control, and oversight responsibility for compliance with tax and securities laws and regulations as well as whistle blowing procedures. The Audit Committee is also responsible for the other matters as set out in this charter and/or such other matters as may be directed by the Board from time to time. The Audit Committee should exercise continuous oversight of developments in these areas.

##### MEMBERSHIP

- 2.1 The majority of the members of the Audit Committee must be an independent director of the Company as defined in sections 1.4 and 1.5 of *National Instrument 52-110 – Audit Committees* (“NI 52-110”), provided that should the Company become listed on a more senior exchange, each member of the Audit Committee will also satisfy the independence requirements of such exchange.
- 2.2 The Audit Committee will consist of at least two members, all of whom shall be financially literate, provided that an Audit Committee member who is not financially literate may be appointed to the Audit Committee if such member becomes financially literate within a reasonable period of time following his or her appointment. Upon graduating to a more senior stock exchange, if required under the rules or policies of such exchange, the Audit Committee will consist of at least three members, all of whom shall meet the experience and financial literacy requirements of such exchange and of NI 52 110.
- 2.3 The members of the Audit Committee will be appointed annually (and from time to time thereafter to fill vacancies on the Audit Committee) by the Board. An Audit Committee member may be removed or replaced at any time at the discretion of the Board and will cease to be a member of the Audit Committee on ceasing to be an independent director.
- 2.4 The Chair of the Audit Committee will be appointed by the Board.

##### AUTHORITY

- 3.1 In addition to all authority required to carry out the duties and responsibilities included in this charter, the Audit Committee has specific authority to:
  - (a) engage, set and pay the compensation for independent counsel and other advisors as it determines necessary to carry out its duties and responsibilities, and any such consultants or professional advisors so retained by the Audit Committee will report directly to the Audit Committee;
  - (b) communicate directly with management and any internal auditor, and with the external auditor without management involvement; and
  - (c) incur ordinary administrative expenses that are necessary or appropriate in carrying out its duties, which expenses will be paid for by the Company.

## DUTIES AND RESPONSIBILITIES

4.1 The duties and responsibilities of the Audit Committee include:

- (a) recommending to the Board the external auditor to be nominated by the Board;
- (b) recommending to the Board the compensation of the external auditor to be paid by the Company in connection with (i) preparing and issuing the audit report on the Company's financial statements, and (ii) performing other audit, review or attestation services;
- (c) reviewing the external auditor's annual audit plan, fee schedule and any related services proposals (including meeting with the external auditor to discuss any deviations from or changes to the original audit plan, as well as to ensure that no management restrictions have been placed on the scope and extent of the audit examinations by the external auditor or the reporting of their findings to the Audit Committee);
- (d) overseeing the work of the external auditor;
- (e) ensuring that the external auditor is independent by receiving a report annually from the external auditors with respect to their independence, such report to include disclosure of all engagements (and fees related thereto) for non-audit services provided to Company;
- (f) ensuring that the external auditor is in good standing with the Canadian Public Accountability Board by receiving, at least annually, a report by the external auditor on the audit firm's internal quality control processes and procedures, such report to include any material issues raised by the most recent internal quality control review, or peer review, of the firm, or any governmental or professional authorities of the firm within the preceding five years, and any steps taken to deal with such issues;
- (g) reviewing and discussing with management and, if recommended by the Audit Committee, the external auditor the annual audited and quarterly unaudited financial statements and related Management Discussion and Analysis ("MD&A"), including the appropriateness of the Company's accounting policies, disclosures (including material transactions with related parties), reserves, key estimates and judgements (including changes or variations thereto) and obtaining reasonable assurance that the financial statements are presented fairly in accordance with IFRS and the MD&A is in compliance with appropriate regulatory requirements;
- (h) reviewing and discussing with management and the external auditor major issues regarding accounting principles and financial statement presentation including any significant changes in the selection or application of accounting principles to be observed in the preparation of the financial statements of the Company and its subsidiaries;
- (i) reviewing and discussing with management and the external auditor the external auditor's written communications to the Audit Committee in accordance with generally accepted auditing standards and other applicable regulatory requirements arising from the annual audit and quarterly review engagements;
- (j) reviewing the external auditor's report to the shareholders on the Company's annual financial statements;
- (k) reporting on and recommending to the Board the approval of the annual financial statements and the external auditor's report on those financial statements, the quarterly unaudited financial statements, and the related MD&A and press releases for such financial statements, prior to the dissemination of these documents to shareholders, regulators, analysts and the public;

- (l) satisfying itself on a regular basis through reports from management and related reports, if any, from the external auditors, that adequate procedures are in place for the review of the Company's disclosure of financial information extracted or derived from the Company's financial statements that such information is fairly presented;
- (m) overseeing the adequacy of the Company's system of internal accounting controls and obtaining from management and the external auditor summaries and recommendations for improvement of such internal controls and processes, together with reviewing management's remediation of identified weaknesses;
- (n) reviewing with management and the external auditors the integrity of disclosure controls and internal controls over financial reporting;
- (o) reviewing and monitoring the processes in place to identify and manage the principal risks that could impact the financial reporting of the Company and assessing, as part of its internal controls responsibility, the effectiveness of the over-all process for identifying principal business risks and report thereon to the Board;
- (p) resolving disputes between management and the external auditor regarding financial reporting;
- (q) establishing procedures for:
  - (i) the receipt, retention and treatment of complaints received by the Company from employees and others regarding accounting, internal accounting controls or auditing matters and questionable practises relating thereto; and
  - (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- (r) reviewing and approving the Company's hiring policies with respect to partners or employees (or former partners or employees) of either a former or the present external auditor;
- (s) pre-approving all non-audit services to be provided to the Company or any subsidiaries by the Company's external auditor;
- (t) overseeing compliance with regulatory authority requirements for disclosure of external auditor services and Audit Committee activities;
- (u) establishing procedures for:
  - (i) reviewing the adequacy of the Company's insurance coverage, including the Directors' and Officers' insurance coverage;
  - (ii) reviewing activities, organizational structure, and qualifications of the Chief Financial Officer ("CFO") and the staff in the financial reporting area and ensuring that matters related to succession planning within the Company are raised for consideration at the Board;
  - (iii) obtaining reasonable assurance as to the integrity of the Chief Executive Officer ("CEO") and other senior management and that the CEO and other senior management strive to create a culture of integrity throughout the Company;
  - (iv) reviewing fraud prevention policies and programs, and monitoring their implementation;
- (v) reviewing regular reports from management and others (e.g., external auditors, legal counsel) with respect to the Company's compliance with laws and regulations having a material impact on the financial statements including:
  - (i) Tax and financial reporting laws and regulations;
  - (ii) Legal withholding requirements; and
  - (iii) Other laws and regulations which expose directors to liability.

- 4.2 A regular part of Audit Committee meetings involves the appropriate orientation of new members as well as the continuous education of all members. Items to be discussed include specific business issues as well as new accounting and securities legislation that may impact the organization. The Chair of the Audit Committee will regularly canvass the Audit Committee members for continuous education needs and in conjunction with the Board education program, arrange for such education to be provided to the Audit Committee on a timely basis.
- 4.3 On an annual basis the Audit Committee shall review and assess the adequacy of this charter taking into account all applicable legislative and regulatory requirements as well as any best practice guidelines recommended by regulators or stock exchanges with whom the Company has a reporting relationship and, if appropriate, recommend changes to the Audit Committee charter to the Board for its approval.

## **MEETINGS**

- 5.1 The quorum for a meeting of the Audit Committee is a majority of the members of the Audit Committee.
- 5.2 The Chair of the Audit Committee shall be responsible for leadership of the Audit Committee, including scheduling and presiding over meetings, preparing agendas, overseeing the preparation of briefing documents to circulate during the meetings as well as pre-meeting materials, and making regular reports to the Board. The Chair of the Audit Committee will also maintain regular liaison with the CEO, CFO, and the lead external audit partner.
- 5.3 The Audit Committee will meet *in-camera* separately with each of the CEO and the CFO of the Company at least annually to review the financial affairs of the Company.
- 5.4 The Audit Committee will meet with the external auditor of the Company *in-camera* at least once each year, at such time(s) as it deems appropriate, to review the external auditor's examination and report.
- 5.5 Each of the Chair of the Audit Committee, members of the Audit Committee, Chair of the Board, external auditor, CEO, CFO or secretary shall be entitled to request that the Chair of the Audit Committee call a meeting which shall be held within 48 hours of receipt of such request to consider any matter that such individual believes should be brought to the attention of the Board or the shareholders.

## **REPORTS**

- 6.1 The Audit Committee will report, at least annually, to the Board regarding the Audit Committee's examinations and recommendations.
- 6.2 The Audit Committee will report its activities to the Board to be incorporated as a part of the minutes of the Board meeting at which those activities are reported.

## **MINUTES**

- 7.1 The Audit Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.

## **ANNUAL PERFORMANCE EVALUATION**

- 8.1 The Board will conduct an annual performance evaluation of the Audit Committee, taking into account the Charter, to determine the effectiveness of the Committee.