



HEMPSHIRE
GROUP

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON AUGUST 25, 2023**

AND

MANAGEMENT INFORMATION CIRCULAR

July 25, 2023

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**THE HEMPSHIRE GROUP, INC.
NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING
OF THE HOLDERS OF COMMON SHARES
TO BE HELD ON AUGUST 25, 2023**

NOTICE IS HEREBY GIVEN that the annual general and special meeting (the "**Meeting**") of the holders (the "**Shareholders**") of common shares (the "**Common Shares**") in the capital of The Hempshire Group, Inc. (the "**Corporation**") will be held virtually on Tuesday, August 25, 2023 at 10:00 a.m. (Calgary time) at the below link for the following purposes:

1. to receive the financial statements for the fiscal year ended December 31, 2022 and the report of the auditors thereon;
2. to fix the number of directors to be elected at four (4);
3. to elect directors for the ensuing year;
4. to ratify and confirm the amended and restated stock option plan of the Corporation and prior grants of options thereunder, as described in the management information circular of the Corporation dated July 25, 2023 (the "**Information Circular**");
5. to ratify and confirm the share award incentive plan of the Corporation and prior grants of shares thereunder, as described in the Information Circular;
6. to appoint new auditors of the Corporation to hold office until the next annual meeting of the Shareholders and authorize the directors to fix their remuneration, as described in the Information Circular;
7. to ratify and confirm the issuance of securities of the Corporation pursuant to shares for services agreements between the Corporation and certain officers and former officers of the Corporation; and
8. to transact such other business as may properly come before the meeting or any adjournments thereof.

Only Shareholders of record at the close of business on July 7, 2023 (the "**Record Date**") are entitled to notice of and to attend the Meeting or any adjournment or adjournments thereof and to vote thereat, unless, after the Record Date, a holder of record transfers his or her Common Shares and the transferee, upon producing properly endorsed share certificates or otherwise establishing that he or she owns such Common Shares, requests, not later than 10 days before the Meeting, that the transferee's name be included in the list of Shareholders entitled to vote such Common Shares, in which case such transferee shall be entitled to vote such Common Shares, as the case may be, at the Meeting.

Shareholders may vote in person at the Meeting or any adjournment or adjournments thereof, or they may appoint another person (who need not be a Shareholder) as their proxy to attend and vote in their place.

Registered Shareholders are requested to date and sign the enclosed form of proxy (the "Form of Proxy") and return it to the Corporation's transfer agent, Odyssey Trust Company. To be effective, the Form of Proxy must be mailed so as to reach or be deposited with Odyssey Trust Company, at Trader's Bank Building 702, 67 Yonge Street, Toronto, ON M5E 1J8 Attention: Proxy Department or by fax at (800) 517-4553 not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) prior to the time set for the Meeting or any adjournment thereof or may be accepted by the Chairman of the Meeting at his discretion prior to the commencement of the Meeting. The Form of Proxy or other instrument used to appoint a proxy shall be executed by the Shareholder or their attorney, or if such Shareholder is a corporation, under the corporate seal, and executed by a director, officer or attorney thereof duly authorized. Alternatively, a registered

Shareholder may complete their Form of Proxy online at <https://login.odysseytrust.com/pxlogin> by following the instructions provided on the Form of Proxy.

The Corporation encourages Shareholders to submit their Form of Proxy and return it as soon as possible in accordance with the instructions outlined in the accompanying Information Circular. Shareholders who do not hold their Common Shares in their own name are strongly encouraged to complete the voting instruction forms received from their broker as soon as possible and to follow the instructions set out in the accompanying Information Circular.

As an alternative to attending the Meeting in person, Shareholders may join the Meeting via webcast by following the below instructions. While the instructions will allow you to listen to the Meeting and ask questions, the Meeting is not a virtual meeting and you will not be able to vote at the Meeting through the webcast, which is why the Corporation urges Shareholders to complete the Form of Proxy or other voting instruction form provided by your broker in accordance with the instructions outlined in the Information Circular.

Shareholders may use the following information to listen to the Meeting via webcast:

Webcast: Via Zoom using the following link to register for the Meeting:

<https://zoom.us/j/92226816076?pwd=UHduUFhGRXN1UDArWHZNRnQ4K29CUT09&from=addon>

Meeting ID: 922 2681 6076

Passcode: 443704

Once registered, participants will receive an email with link and instructions to access the Meeting via webcast.

The Information Circular relating to the business to be conducted at the Meeting accompanies this Notice.

Calgary, Alberta

July 25, 2023

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "Alex Shegelman"

Alex Shegelman

Director and Chief Executive Officer

THE HEMPSHIRE GROUP, INC.

MANAGEMENT INFORMATION CIRCULAR

FOR THE ANNUAL GENERAL AND SPECIAL MEETING OF THE HOLDERS OF COMMON SHARES OF THE HEMPSHIRE GROUP, INC. TO BE HELD ON AUGUST 25, 2023

Dated: July 25, 2023

PURPOSE OF SOLICITATION

This management information circular (the "Information Circular") is furnished in connection with the solicitation of proxies by or on behalf of the management of The Hempshire Group, Inc. (the "Corporation") for use at the annual general and special meeting of the holders (the "Shareholders") of the common shares (the "Common Shares") in the capital of the Corporation to be held on August 25, 2023 at 10:00 a.m. (Calgary time) online at the link provided below, and any adjournment or adjournments thereof (the "Meeting") for the purposes set forth in the Notice of Annual General and Special Meeting (the "Notice of Meeting") accompanying this Information Circular.

The Corporation encourages Shareholders to submit their Form of Proxy and return it as soon as possible in accordance with the instructions outlined herein. Shareholders who do not hold their Common Shares in their own name are strongly encouraged to complete the voting instruction forms received from their broker as soon as possible and to follow the instructions set out under "*Proxy Information – Advice to Beneficial Holders of Securities*", below.

As an alternative to attending the Meeting in person, Shareholders may join the Meeting via webcast by following the below instructions. While the instructions will allow you to listen to the Meeting and ask questions, the Meeting is not a virtual meeting and you will not be able to vote at the Meeting through the webcast, which is why the Corporation urges Shareholders to complete the Form of Proxy or other voting instruction form provided by your broker in accordance with the instructions outlined in "*Proxy Information – Completion of Proxies*", below.

Shareholders may use the following information to listen to the Meeting via webcast:

Webcast: Via Zoom using the following link to register for the Meeting:

<https://zoom.us/j/92226816076?pwd=UHduUFhGRXN1UDArWHZNRnQ4K29CUT09&from=addon>

Meeting ID: 922 2681 6076

Passcode: 443704

Once registered, participants will receive an email with link and instructions to access the Meeting via webcast.

CURRENCY

All currency amounts expressed herein, unless otherwise indicated, are expressed in Canadian dollars.

RECORD DATE

Only Shareholders of record as of the close of business on July 7, 2023 (the "**Record Date**") are entitled to notice of, and to attend and vote at, the Meeting except to the extent that:

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

Any registered Shareholder of Common Shares (a "**Registered Shareholder**") at the close of business on the Record Date who either personally attends the Meeting or who completes and delivers a proxy will be entitled to vote or have his or her Common Shares voted at the Meeting. However, a person appointed under a form of proxy will be entitled to vote the Common Shares represented by that form only if it is effectively delivered in the manner set out under the heading "*Proxy Information – Completion of Proxies*".

PROXY INFORMATION

Solicitation of Proxies

The solicitation of proxies is made on behalf of the management of the Corporation. The costs incurred in the preparation of the enclosed form of proxy (the "**Form of Proxy**"), Notice of Meeting and this Information Circular and costs incurred in the solicitation of proxies will be borne by the Corporation. The Corporation is sending the securityholder materials directly to registered Shareholders, and the Corporation will also provide the materials to brokers, custodians, nominees and other fiduciaries to forward them to non-objecting and objecting beneficial shareholders. Solicitation of proxies will be primarily by mail, but may also be in person, by telephone or by electronic means. The Corporation is not relying on the notice-and-access provisions of NI 54-101 to send proxy-related materials to registered Shareholders or beneficial owners of Common Shares in connection with the Meeting.

Completion of Proxies

The Form of Proxy affords Shareholders or intermediaries an opportunity to specify that the Common Shares registered in their name shall be voted for or against or withheld from voting in respect of certain matters as specified in the accompanying Notice of Meeting. The persons named in the enclosed Form of Proxy are Alex Shegelman, Chief Executive Officer of the Corporation, and William Hahn, Chief Financial Officer of the Corporation.

A proxy must be dated and signed by the Registered Shareholder or by his or her attorney authorized in writing or by the intermediary. In the case of a Registered Shareholder that is a corporation, the proxy must be executed under its corporate seal or signed by a duly authorized officer or attorney for the corporation with proof of authority accompanying the proxy. **IF YOUR COMMON SHARES ARE HELD BY YOUR BANK, TRUST COMPANY, SECURITIES BROKER, TRUSTEE OR OTHER FINANCIAL INSTITUTION (YOUR NOMINEE), YOU ARE MOST LIKELY A BENEFICIAL SHAREHOLDER OF THE COMMON SHARES AND SHOULD REFER TO "*PROXY INFORMATION*"**

– ADVICE TO BENEFICIAL HOLDERS OF SECURITIES" FOR FURTHER INSTRUCTIONS ON HOW TO VOTE BY PROXY AT THE MEETING.

Registered Shareholders are requested to date and sign the enclosed Form of Proxy and return it to the Corporation's transfer agent, Odyssey Trust Company. In order to be effective, the Form of Proxy, together with the power of attorney or other authority, if any, under which it was signed or a notarially certified copy thereof, must be mailed or completed online at <https://login.odysseytrust.com/pxlogin> so as to be deposited at the office of Odyssey Trust Company, Trader's Bank Building 702, 67 Yonge Street, Toronto, ON M5E 1J8, not later than 10:00 a.m. (Calgary time) on the second last business day (not including Saturdays, Sundays and statutory holidays in the Province of Alberta) preceding the day of the Meeting or any adjournment thereof or deposited with the Chairman of the Meeting on the day of the Meeting prior to the commencement of the Meeting.

No instrument appointing a proxy shall be valid after the expiration of 12 months from the date of its execution. If a proxy is not dated, it will be deemed to bear the date on which it was mailed by management of the Corporation.

A REGISTERED SHAREHOLDER OR AN INTERMEDIARY HOLDING COMMON SHARES ON BEHALF OF A NON-REGISTERED SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON, WHO NEED NOT BE A SHAREHOLDER, TO ATTEND AND ACT ON THEIR BEHALF AT THE MEETING, IN THE PLACE OF THE PERSONS DESIGNATED IN THE FORM OF PROXY FURNISHED BY THE CORPORATION. TO EXERCISE THIS RIGHT, THE SHAREHOLDER OR INTERMEDIARY SHOULD STRIKE OUT THE NAMES OF THE PERSONS NAMED IN THE FORM OF PROXY AND INSERT THE NAME OF THEIR NOMINEE IN THE BLANK SPACE PROVIDED, OR SUBMIT ANOTHER APPROPRIATE PROXY.

Revocation of Proxies

A Registered Shareholder or intermediary who has submitted a proxy may revoke it by instrument in writing executed by the Registered Shareholder or intermediary or his or her attorney authorized in writing, or, if the Registered Shareholder is a corporation, under its corporate seal and executed by a director, officer or attorney thereof duly authorized, and deposited either: (a) with the Corporation at its offices or at the office of the Corporation's agent, Odyssey Trust Company, Trader's Bank Building 702, 67 Yonge Street, Toronto, ON, M5E 1J8, at any time prior to the close of business on the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used; or (b) with the Chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting, and upon such deposit the previous proxy is revoked.

Exercise of Discretion by Proxies

A Registered Shareholder or intermediary may indicate the manner in which the persons named in the enclosed Form of Proxy are to vote with respect to any matter by checking the appropriate space. On any poll, those persons will vote or withhold from voting the Common Shares in respect of which they are appointed in accordance with the directions, if any, given in the Form of Proxy. If the Registered Shareholder or intermediary wishes to confer a discretionary authority with respect to any matter, the space should be left blank. **IN SUCH INSTANCE, THE PERSONS NAMED IN THE ENCLOSED FORM OF PROXY INTEND TO VOTE THE COMMON SHARES REPRESENTED BY THE PROXY IN FAVOUR OF THE MOTION.**

The enclosed Form of Proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to

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other matters which may properly come before the Meeting. At the time of printing of this Information Circular, management of the Corporation knows of no such amendment, variation or other matter. However, if any other matters which are not now known to management should properly come before the Meeting, the proxies in favour of management nominees will be voted on such matters in accordance with the best judgment of the management nominees.

Advice to Beneficial Holders of Securities

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold Common Shares in their own name ("Beneficial Shareholders"). You are most likely a Beneficial Shareholder if your bank, trust company, securities broker, trustee, or other financial institution (your nominee) holds your Common Shares in their name or the name of another intermediary. Beneficial Shareholders should note that only proxies deposited by Registered Shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares on the Record Date can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Shareholder by a broker or other intermediary, then in almost all cases those Common Shares will not be registered in the Shareholder's name on the records of the Corporation. Such Common Shares will more likely be registered under the name of the Shareholder's broker, an agent of that broker, or other intermediary. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). **Common Shares held by brokers or their agents or other nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for their clients. Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate persons.**

Applicable regulatory policies require intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of that broker) is typically similar to the Form of Proxy provided to Registered Shareholders by the Corporation. However, the purpose of the broker's form of proxy is limited to instructing the Registered Shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically mails a scannable voting instruction form in lieu of a form of proxy. The Beneficial Shareholder is requested to complete and return the voting instruction form to Broadridge by mail or facsimile. Alternatively, the Beneficial Shareholder can call a toll-free telephone number or access the Internet to vote the Common Shares held by the Beneficial Shareholder. Broadridge then tabulates the results of all instructions received and provides appropriate instructions representing the voting of Common Shares to be represented at the Meeting. **A Beneficial Shareholder receiving a Broadridge voting instruction form cannot use that voting instruction form to vote Common Shares directly at the Meeting, as the voting instruction form must be returned as directed by Broadridge well in advance of the Meeting in order to have the Common Shares voted. Beneficial Shareholders who receive forms of proxies or voting materials from organizations other than Broadridge should complete and return such forms of proxies or voting materials in accordance with the instructions on such materials in order to properly vote their Common Shares at the Meeting.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of the Beneficial Shareholder's broker (or agent of the broker), a Beneficial Shareholder may attend the Meeting as proxyholder for the Registered Shareholder and vote such Common Shares in that capacity. Beneficial Shareholders who wish to attend at the Meeting and indirectly vote their Common Shares as proxyholder for the Registered Shareholder should enter their own names in the blank space on the instrument of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent) well in advance of the Meeting. The Corporation encourages Beneficial Shareholders to complete the voting instruction form or form of proxy provided by their broker and return it as soon as possible in accordance with the above instructions.

If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.

In order to receive a paper copy of this Information Circular and other relevant information, requests by Shareholders may be made up to one year from the date the Information Circular was filed on System for Electronic Document Analysis and Retrieval ("**SEDAR**") by: (i) calling Odyssey Trust Company at **1-587-885-0960** or toll free at **1-888-290-1175**; (ii) by emailing a request to **shareholders@odysseytrust.com**; or (iii) online at the following websites: **www.odysseycontact.com**.

INFORMATION CONCERNING THE CORPORATION

The Corporation was incorporated pursuant to the *Business Corporations Act* (Alberta) (the "**ABCA**") on April 2, 2018, as "Hoist Capital Corp.", a Capital Pool Company ("**CPC**") pursuant to the Capital Pool Companies Policy 2.4 of the TSX Venture Exchange (the "**TSXV**"). On July 6, 2018, the articles of the Corporation were amended and restated to remove the private company restrictions and restrictions on share transfers. Following completion of its initial public offering on August 14, 2018, the Corporation constituted a CPC under the applicable rules of the TSXV.

On June 24, 2022, the Corporation completed a reverse takeover transaction (the "**Transaction**") pursuant to which, among other things, it acquired each issued and outstanding common share in the capital of The Hempshire Group, Inc. ("**Hempshire U.S.**"), a Wyoming corporation, in exchange for the issuance of Common Shares in the capital of the Corporation. The Transaction constituted the Corporation's Qualifying Transaction, as such term is defined under Policy 2.4 of the TSXV, and resulted in Hempshire U.S. becoming a wholly-owned subsidiary of the Corporation.

In connection with the Transaction, the Corporation completed: (a) a name change from "Hoist Capital Corp." to "The Hempshire Group, Inc."; and (b) the consolidation of all of the Common Shares on the basis of one (1) post-consolidation Common Share for every four (4) pre-consolidation Common Shares. Unless otherwise specified, all references to Common Shares, the issuance of Common Shares or the exercise or conversion price of any securities to acquire Common Shares in this Information Circular are presented on a post-consolidation basis.

As a result of the Transaction, the Corporation continues the business carried on by Hempshire U.S. as a Tier 2 Life Sciences issuer under the policies of the TSXV. The Corporation's principal business activity is the production and distribution of hemp cigarettes.

The Common shares are listed for trading on the TSXV under the symbol "HMPG".

VOTING OF COMMON SHARES AND PRINCIPAL HOLDERS THEREOF

The authorized share capital of the Corporation consists of an unlimited number of Common Shares without nominal or par value and an unlimited number of preferred shares issuable in series "**Preferred Shares**"). As at the date hereof, there are 79,583,914 fully paid and non-assessable Common Shares and *nil* preferred shares issued and outstanding. Shareholders are entitled to receive notice of all meetings of Shareholders, a right to one vote per Common Share at such meetings, dividends as and when declared by the Board, and, upon liquidation, to share in the remaining assets of the Corporation as are distributable to such Shareholders. Preferred Shares may be issued by the Corporation from time to time in one or more series and the Board may fix the number of Preferred Shares which is to comprise each series and the designation, rights, privileges, restrictions and conditions attaching to each series. The Preferred Shares of each series shall, with respect to the payment of dividends and the distribution of assets or return of capital in the event of liquidation, dissolution or winding-up of the Corporation, be entitled to preference over the Common Shares

The bylaws of the Corporation provide that if two persons holding not less than 5% of the issued and outstanding Common Shares entitled to vote are present in person or are represented by proxy, a quorum for the purposes of conducting a Shareholders' meeting is constituted.

The Registered Shareholders set forth in "*Record Date*", above, will be entitled to vote or have his, her or its Common Shares voted at the Meeting. However, a person appointed under a Form of Proxy will be entitled to vote the Common Shares represented by that form only if it is effectively delivered in the manner set out under the heading "*Proxy Information – Completion of Proxies*".

To the best of the knowledge of the directors and executive officers of the Corporation, as at the date hereof, no person or company beneficially owned, directly or indirectly, or exercised control or direction over, voting securities of the Corporation carrying 10% or more of the voting rights attached to the shares of the Corporation other than as follows:

Name	Number of Common Shares Held	Percentage of Total Issued and Outstanding Common Shares
Daniel Iannotte	27,643,035 ⁽¹⁾	34.7%

Note:

(1) As of the date hereof, 16,491,084 common shares remain subject to escrow.

MATTERS TO BE ACTED UPON

The Shareholders of the Corporation will be asked to consider and, if deemed appropriate:

- (a) to receive the financial statements for the fiscal year ended December 31, 2022 and the report of the auditors thereon;
- (b) by ordinary resolution, to fix the number of directors to be elected at four (4);
- (c) by ordinary resolution, to elect directors for the ensuing year;
- (d) by special resolution, to ratify and confirm the stock option plan of the Corporation and prior grants of options thereunder, as described in this Information Circular;

- (e) by special resolution, to ratify and confirm the share award incentive plan of the Corporation and prior grants of shares thereunder, as described in this Information Circular;
- (f) by ordinary resolution, to appoint new auditors of the Corporation to hold office until the next annual meeting of the Shareholders and authorize the board of directors of the Corporation (the "**Board**") to fix their remuneration, as described in this Information Circular;
- (g) to ratify and confirm the issuance of securities of the Corporation pursuant to shares for services agreements between the Corporation and certain officers and former officers of the Corporation; and
- (h) to transact such other business as may properly come before the meeting or any adjournments thereof.

Additional detail regarding each of the matters to be acted on at the Meeting is contained below.

FIXING NUMBER OF DIRECTORS

At the Meeting, it is proposed that the number of directors to be elected to hold office until the next annual meeting or until their successors are elected or appointed, subject to the articles of the Corporation, be set at four (4).

In the absence of contrary instructions, the persons named in the accompanying Form of Proxy intend to vote the Common Shares represented thereby in favour of setting the number of directors to be elected at the Meeting at four (4).

ELECTION OF DIRECTORS

Action is to be taken at the Meeting with respect to the election of directors. The Shareholders will be asked to pass an ordinary resolution at the Meeting to elect, as directors, the nominees whose names are set forth in the table below. Voting for the election of nominees will be conducted on an individual, and not on a slate, basis. Each nominee elected will hold office until the next annual meeting of the Shareholders or until his successor is duly elected or appointed, unless his office is vacated earlier in accordance with the Corporation's articles.

The Corporation is required by applicable corporate and securities legislation to have an Audit Committee comprised of members of the Board that are considered "financially literate" and a majority of which are considered "independent", as such terms are defined in National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"). The Corporation has also established a Governance, Compensation and Compliance Committee comprised of members of the Board. Please see the discussion under the heading "*Corporate Governance Practices*". The present members of the Audit Committee and the Corporate Governance, Compensation and Compliance Committee of the Board are identified in the table below.

The following information relating to the nominees as directors is based partly on the records of the Corporation and partly on information received by the Corporation from the respective nominees, and sets forth the name and municipality of residence of the persons proposed to be nominated for election as directors, all other positions and offices within the Corporation now held by them, their principal occupations or employments, the periods during which they have served as directors of the

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Corporation and the number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised by each of them as at the date hereof.

Name	Positions Presently Held	Director Since ⁽¹⁾	Principal Occupation for Previous Five Years	Number and Percentage of Common Shares Beneficially Owned or Over Which Control or Direction, Directly or Indirectly, is Exercised
Alex Shegelman ⁽¹⁾ Calgary, AB	Chief Executive Officer and Director	December 16, 2022	Mr. Shegelman is Co-Founder and Managing Partner of Everleaf Capital Corp. He has significant transaction execution and revenue generation experience over his 25+ years in investment banking, capital markets and corporate development. He was the Head of Energy Investment Banking at one of Canada's largest financial institutions and the Head of Life Sciences Investment Banking at a bank-owned dealer. Mr. Shegelman holds a Bachelor of Arts in Economics, a Master of Business Administration (with Distinction), and is a CFA Charterholder.	nil ⁽⁴⁾
Jeff Ragovin ⁽¹⁾⁽²⁾⁽³⁾ East Hampton, NY	Director	June 24, 2022	Mr. Ragovin is the Chief Commercial Officer for Fyllo, the leader in compliance-first solutions for highly regulated industries. Previously, he was the co-founder and Chief Strategy Officer of Buddy Media, which was acquired by Salesforce for U.S.\$745 million. He then acted as Salesforce's Chief Strategy Officer. Mr. Ragovin is also the founder of Ragovin Ventures.	nil
Samuel Isaac ⁽¹⁾⁽²⁾⁽³⁾ Panama City, Panama	Director	June 24, 2022	Mr. Isaac is a Chief Financial Officer who has worked with publicly traded and private equity backed businesses in a multitude of industries, including cannabis. His experience includes managing debt financing arrangements, leading financial reporting teams under IFRS and U.S. GAAP, developing financial planning processes and improving internal controls. He conducted his audit experience at PWC and is a CPA, CA.	101,145 (0.1%)
Jason Warnock ⁽¹⁾⁽²⁾⁽³⁾ Calgary, Alberta	Director	June 30, 2023	Mr. Warnock is an accomplished global sales leader and executive, bringing more than 20 years of experience driving revenue growth and international market strategy for high-profile, Fortune 500 brands. Mr. Warnock has spent the last 16 years in the cannabis, competitive advertising, communications, and emerging technology fields where his work focused on building companies and brands from the ground up, working on strategic mergers and acquisitions, international cannabis regulations and creating communication and advocacy campaigns. He is experienced in delivering consistent and sustainable business results for numerous consumer packaged goods companies, integrating regulatory and international cannabis supply chains and developing high-performance go-to-market sales teams.	nil

Notes:

- (1) All directors of the Corporation are elected to hold office until the next annual meeting of shareholders or until his or her successor is duly elected or appointed, unless his or her office is vacated earlier in accordance with the Corporation's articles.
- (2) Messrs. Ragovin, Isaac and Warnock are current members of the Corporation's Corporate Governance, Compensation and Compliance Committee.
- (3) Messrs. Ragovin, Isaac and Warnock are current members of the Corporation's Audit Committee.
- (4) Mr. Shegelman is the principal of Everleaf Capital Corp. which owns, directly or indirectly, or exercises control or direction over 7,410,478 Common Shares (representing approximately 9.3% of the Common Shares issued and outstanding as at the date hereof).

Corporate Cease Trade Orders or Bankruptcies

None of the above proposed directors are, or within 10 years prior to the date of this Information Circular have been, a director, chief executive officer or chief financial officer of any company that, while such person was acting in that capacity, was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant issuer access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days.

None of the above proposed directors are, or within 10 years prior to the date of this Information Circular have been, a director, chief executive officer or chief financial officer of any company that was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant issuer access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, 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.

None of the above proposed directors are, or within 10 years prior to the date of this Information Circular have been, a director or executive officer of any company that, while acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Personal Bankruptcies

None of the above proposed directors have, within 10 years prior to the date of this Information Circular, become bankrupt, made a proposal under any bankruptcy or insolvency legislation, been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold their assets.

Penalties and Sanctions

None of the above proposed directors have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, or have entered into a settlement agreement with a securities regulatory authority, or any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

In the absence of contrary instructions, the persons named in the accompanying Form of Proxy intend to vote the Common Shares represented thereby in favour of the election to the Board of those persons designated above as nominees for election as directors. The Board does not contemplate that any of such nominees will be unable to serve as a director. However, if for

any reason any of the proposed nominees do not stand for election or are unable to serve as such, proxies in favour of management designees will be voted for another nominee in their discretion, unless the Shareholder has specified in his proxy that his Common Shares are to be withheld from voting on the election of directors.

APPOINTMENT OF AUDITORS

The Shareholders will be asked to pass an ordinary resolution at the Meeting to appoint MNP LLP as auditors of the Corporation, to hold office until the next annual meeting of the Shareholders, at such remuneration to be determined by the Board. MNP LLP was first appointed as the Corporation's auditors on June 24, 2022.

In the absence of contrary instructions, the persons named in the accompanying Form of Proxy intend to vote the Common Shares represented thereby in favour of the appointment of MNP LLP as auditors of the Corporation.

APPROVAL OF AMENDED AND RESTATED STOCK OPTION PLAN

The TSXV requires all listed companies with a 10% rolling stock option plan to obtain annual Shareholder approval of such plan. The Corporation's amended and restated stock option plan (the "**Stock Option Plan**") was approved by the Board and adopted by the Corporation on March 24, 2023.

Shareholders will be asked at the Meeting to vote on a special resolution to ratify and confirm the Corporation's Stock Option Plan and prior grants of options ("**Options**") thereunder. The full text of the Stock Option Plan is attached as Schedule "A" to this Information Circular. For a discussion of the terms of the Stock Option Plan, please see "*Executive Compensation – Stock Option Plan*" in this Information Circular.

The Board believes that the passing of the following resolution is in the best interests of the Corporation and recommends that Shareholders vote in favour of the resolution. At the Meeting, Shareholders will be asked to consider, and if thought appropriate, pass the following ordinary resolution:

"BE IT RESOLVED THAT:

1. the amended and restated stock option plan (the "**Stock Option Plan**"), substantially in the form attached as Schedule "A" to the management information circular of the Corporation dated July 25, 2023, be and is hereby authorized and approved as the stock option plan of the Corporation;
2. the number of common shares of the Corporation reserved for issuance under the Stock Option Plan, and all other security-based compensation plans, shall be no more than 10% of the Corporation's issued and outstanding common shares from time to time;
3. the prior grants of an aggregate of 2,025,625 Options issued to certain officers and directors of the Corporation on April 26, 2023, with an exercise price of \$0.13, are hereby ratified and confirmed;
4. the form of Stock Option Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the shareholders of the Corporation; and

5. any one director or officer of the Corporation is hereby authorized and directed for and on behalf of the Corporation to execute or cause to be executed, under the corporate seal of the Corporation or otherwise, and to deliver or cause to be delivered, all such other documents and instruments and to perform or cause to be performed all such other acts and things as in such person's opinion may be necessary or desirable to give full effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing."

In the absence of contrary instructions, the persons named in the accompanying Form of Proxy intend to vote the Common Shares represented thereby in favour of the ratification and confirmation of the Stock Option Plan and the prior grants of Options thereunder.

APPROVAL OF SHARE AWARD INCENTIVE PLAN

On March 24, 2023, the Board approved the share award incentive plan (the "**Share Award Incentive Plan**") to provide directors, officers, employees and consultants of the Corporation with the opportunity to acquire Share Awards (as defined herein) to allow them to participate in the long-term success of the Corporation, and to promote greater alignment of their interests with those of the Shareholders. The Share Award Incentive Plan provides for the issuance of performance share awards ("**PSAs**") and restricted share awards ("**RSAs**", and together with PSAs, the "**Share Awards**").

Shareholders will be asked at the Meeting to vote on a special resolution to ratify and confirm the Share Award Incentive Plan and the prior grants of shares thereunder. The full text of Share Award incentive Plan is attached as Schedule "B" to this Information Circular. For a discussion of the terms of the Share Award Incentive Plan is set forth in "*Statement of Executive Compensation – Share Award Incentive Plan*" below.

The Board believes that the passing of the following resolution is in the best interests of the Corporation and recommends that Shareholders vote in favour of the resolution. At the Meeting, Shareholders will be asked to consider, and if thought appropriate, pass the following special resolution:

"BE IT RESOLVED THAT:

1. the share award incentive plan (the "**Share Award Incentive Plan**"), substantially in the form attached as Schedule "B" to the management information circular of the Corporation dated July 25, 2023, be and is hereby authorized and approved as an equity compensation plan of the Corporation;
2. the prior grants of an aggregate of 5,651,250 RSAs issued to officers, directors, employees and consultants of the Corporation effective February 3, 2023, which shall vest one year from the grant date, are hereby ratified and confirmed;
3. all unallocated restricted share awards and performance share awards issuable under the Share Award Incentive Plan are hereby authorized and approved;
4. the form of the Share Award Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without further approval of the shareholders of the Corporation, as further described in the full text of the Share Award Incentive Plan; and

5. any one officer or director of the Corporation is hereby authorized and directed for and on behalf of the Corporation to execute or cause to be executed, under the corporate seal of the Corporation or otherwise, and to deliver or cause to be delivered, all such other documents and instruments and to perform or cause to be performed all such other acts and things as in such person's opinion may be necessary or desirable to give full effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing."

In the absence of contrary instructions, the persons named in the accompanying Form of Proxy intend to vote the Common Shares represented thereby in favour of the ratification and confirmation of the Share Award Incentive Plan and the grants of shares thereunder.

APPROVAL OF THE SHARES FOR SERVICES ISSUANCES

Hempshire entered into the following agreements (collectively, the "**Securities for Services Agreements**"): (a) securities for services agreement dated November 1, 2021, as amended on June 21, 2022, with former President and Chief Executive Officer of the Corporation, Martin Marion; and (b) shares for services agreement dated March 1, 2022, as amended on June 21, 2022, with current Chief Financial Officer of the Corporation, William (Bill) Hahn. The Securities for Services Agreements provide for the following issuances of securities to Messrs. Marion and Hahn as an inducement for their acceptance of executive roles with the Corporation:

Executive	Issued effective June 24, 2022	Issuance effective December 24, 2022	Additional Issuance(s)
Mr. Marion <i>(Former President & Chief Executive Officer)</i>	1,250,000 Common Shares 1,250,000 Warrants	1,250,000 Common Shares 1,250,000 Warrants	--
Mr. Hahn <i>(Chief Financial Officer)</i>	Not Applicable	250,000 Common Shares	250,000 Common Shares effective June 24, 2023

In accordance with the foregoing, 1,250,000 Common Shares and 1,250,000 Common Share purchase warrants ("**Warrants**") were issued to Mr. Marion effective June 24, 2022. The Corporation requires TSXV approval for the December 24, 2022 issuances to Messrs. Marion and Hahn, the June 24, 2023 issuance to Mr. Hahn.

Pursuant to the policies of the TSXV, the Corporation has opted to, in place of the Warrants issuable, issue Mr. Marion Options exercisable for Common Shares in accordance with the stock option plan of the Corporation.

Disinterested Shareholder Approval Requirement

Pursuant to Policy 4.4 of the TSXV, disinterested shareholder approval is required for the Corporation to issue to any one person as an inducement Common Shares in excess of 1% of the Common Shares issued and outstanding as at the issuance dates noted above, and for the Corporation to issue to all persons in aggregate in any twelve month period as an inducement Common Shares (or securities exercisable for Common Shares) in excess of 2% of the Common Shares issued and outstanding as at the issuance date.

Disinterested shareholder approval under the policies of the TSXV requires the Corporation to obtain the written consent of shareholders holding more than 50% of the Common Shares issued and outstanding, provided that the votes attached to Common Shares held by interested parties (Messrs. Marion and Hahn in this instance), and by their associates and affiliates (as such terms are defined in the policies of the TSXV), are excluded from the calculation of any such approval or written consent.

The Board believes that the passing of the following resolutions is in the best interests of the Corporation and recommends that Shareholders vote in favour of the resolution. At the Meeting, Shareholders will be asked to consider, and if thought appropriate, pass the following ordinary resolution:

"BE IT RESOLVED, as an ordinary resolution of the disinterested shareholders of the Corporation, that:

1. the issuance of 1,250,000 Common Shares and 1,250,000 Options to Martin Marion and 250,000 Common Shares to William (Bill) Hahn effective December 24, 2022 is authorized, approved, ratified and confirmed;
2. the issuance of 250,000 Common Shares to William (Bill) Hahn on June 24, 2023 is hereby authorized, approved, ratified and confirmed; and
3. any one officer or director of the Corporation be and is hereby authorized and directed for and on behalf of the Corporation to execute and deliver all such further agreements, documents, certificates and instruments and do all such other acts and things as such officer or director may determine to be necessary or advisable for the purposes of giving full effect to the provisions of these resolutions, the execution and delivery by such officer or director of any such agreement, document, certificate or instrument or the doing of any such act or thing being conclusive evidence of such determination."

In the absence of contrary instructions, the persons named in the accompanying Form of Proxy intend to vote the Common Shares represented thereby in favour of the ratification and confirmation of the securities issuances pursuant to the Shares for Services Agreements.

OTHER MATTERS COMING BEFORE THE MEETING

The Board knows of no other matters to come before the Meeting other than as referred to in the Notice of Meeting. Should any other matters properly come before the Meeting, the Common Shares represented by proxy solicited hereby will be voted on such matters in accordance with the best judgement of the person voting such proxy.

STATEMENT OF EXECUTIVE COMPENSATION

Pursuant to National Instrument 51-102 – *Continuous Disclosure Obligations* ("**NI 51-102**"), the Corporation is required to disclose certain information with respect to its compensation of executive officers and directors, as summarized below.

General

For the purpose of this statement of executive compensation, a "**CEO**" or "**CFO**" means each individual who served as Chief Executive Officer or Chief Financial Officer, respectively, of the Corporation or acted in a similar capacity during the most recently completed financial year. A "**Named Executive**

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Officer" or **"NEO"** means each CEO, each CFO, the Corporation's most highly compensated officer, other than the CEO and CFO, who was serving as an officer at the end of the most recently completed financial year and whose total compensation was more than \$150,000, and any additional individuals who would be a Named Executive Officer but for the fact that the individual was not an executive officer of the Corporation, and was not acting in a similar capacity, at the end of the financial year.

Based on the foregoing definitions, the Corporation's Named Executive Officers in respect of the year ended December 31, 2022 were: Alex Shegelman, CEO; Martin Marion, Former President and CEO; and Bill Hahn, CFO.

Compensation Philosophy, Objectives and Governance

The executive compensation program adopted by the Corporation and applied to its executive officers is designed to attract and retain qualified and experienced executives who will contribute to the success of the Corporation. The executive compensation program attempts to ensure that the compensation of the senior executive officers provides a competitive base compensation package and a strong link between corporate performance and compensation. Executive officers are motivated through the program to enhance long-term shareholder value.

The Corporate Governance, Compensation and Compliance Committee, on behalf of the Board, monitors compensation for the executive officers and directors of the Corporation and is currently comprised of Messrs. Ragovin, Isaac and Warnock. The Corporate Governance, Compensation and Compliance Committee has the authority to engage and compensate, at the expense of the Corporation, any outside advisor that it determines to be necessary to permit it to carry out its duties, but it did not retain any such outside advisors in the financial year ended December 31, 2022.

Compensation Process

The Corporate Governance, Compensation and Compliance Committee relies on the knowledge and experience of its members to set appropriate levels of compensation for the directors and NEOs. When determining NEO compensation, the Corporate Governance, Compensation and Compliance Committee uses all data available to it to ensure that such compensation is set at a level that is both commensurate with the size of the Corporation, responsibilities of the particular NEO and retention of the NEOs who are considered by the Corporate Governance, Compensation and Compliance Committee to be essential to the success of the Corporation.

The Corporate Governance, Compensation and Compliance Committee reviews the various elements of the NEOs' compensation in the context of the total compensation package (including salary and awards of Options) and recommends the NEOs' compensation packages to the Board. In determining whether and how many Options will be granted, the Corporation does not use any formal objectives, criteria or analyses in reaching such determinations; however, consideration is given to the amount and terms of outstanding Options.

Elements of Executive Compensation

The significant elements of compensation awarded to the NEOs consists of a combination of the following significant elements: (i) base salary; (ii) the payment of bonuses where appropriate, at the discretion of the Board; and (iii) participation in the Stock Option Plan and the Share Award Incentive Plan. These elements contain both short-term incentives, comprised of cash payments, being those provided by way of base salaries and bonuses, as well as long-term incentives, comprised of equity-based incentives, being those provided under the Stock Option Plan and the Share Award Plan.

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Extended health care, dental and insurance benefits and the right to participate in the Stock Option Plan and the Share Award Plan are provided to all employees, including the NEOs. The Board reviews annually the total compensation package of each of the Corporation's executives on an individual basis, against the backdrop of the compensation goals and objectives described above.

Cash Salary and Bonus

Base compensation and bonus for executive officers of the Corporation is set annually, having regard to the individual's job responsibilities, contribution, experience and proven or expected performance, as well as to market conditions and peer group analysis. In setting base compensation and bonus levels, consideration is to be given to such factors as level of responsibility, experience and expertise in addition to the policies of the TSXV. Subjective factors such as leadership, commitment and attitude are also to be considered.

Options

To provide a long-term component to the executive compensation program, executive officers of the Corporation are eligible to receive Options. The maximization of shareholder value is encouraged by granting Options since it provides an incentive to eligible persons to further the development, growth and profitability of the Corporation. Consideration will be given to granting Options amongst the various organizational levels of management, including directors, officers, key employees and certain consultants. The CEO makes recommendations to the Board for the CFO, key employees and certain consultants. These recommendations are to take into account factors such as awards made in previous years, the number of Options outstanding per individual and the level of responsibility. The Board, as a whole, determines the Options to be issued to the CEO.

In the year ended December 31, 2022, no Options were issued under the Stock Option Plan. On April 26, 2023, the Corporation issued a total of 2,025,625 Options under the Stock Option Plan, with an exercise price of \$0.13 to officers and directors of the Corporation, subject to approval and ratification by the Shareholders at the Meeting. The Option vesting periods range from immediately on issue to one year from the grant date with expiration dates ranging from December 31, 2026 to December 31, 2027.

Share Awards

The purpose of the Share Award Incentive Plan is to provide directors, officers, employees and consultants of the Corporation or any of its subsidiaries with the opportunity to acquire Restricted Share Awards ("**RSAs**") and/or Performance Share Awards ("**PSAs**"), and together with RSAs, ("**Share Awards**") to allow them to participate in the long-term success of the Corporation and to promote a greater alignment of their interests with the interests of the Shareholders. The Board, or in the Board's discretion, a committee of the Board, may, from time to time, grant Share Awards to eligible persons, which Share Awards may be RSAs or PSAs. The Share Awards vest on such terms as specified by the Board or committee at the time of the grant of the Share Award and allow the participant a unit equivalent in value to a Common Share, credited by means of a bookkeeping entry on the books of the Corporation. The Share Awards may be settled at the discretion of the Board or Corporate Governance, Compensation and Compliance Committee in Common Shares or cash.

In the year ended December 31, 2022, no RSAs or PSAs were granted under the Share Award Incentive Plan. Effective on February 3, 2023, an aggregate of 5,651,250 Share Awards were granted under the Share Award Incentive Plan, which grants are subject to approval and ratification by the Shareholders at the Meeting.

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Elements of Director Compensation

The Corporation's non-executive directors are provided cash remuneration for their services to the Corporation as directors. The cash remuneration includes an annual retainer and additional cash remuneration for the Chairman of the various committees of the Board. All directors are reimbursed for reasonable expenses incurred by them in their capacity as directors, including travel and other out of pocket expenses incurred in connection with meetings of the Board or any committee of the Board. In addition, the directors are entitled to participate in the Stock Option Plan. The Corporation's directors do not have service contracts with respect to their roles as directors. The Board annually reviews the Corporation's approach to director compensation, generally, against the backdrop of the compensation goals and objectives described above.

Summary Compensation Table

NI 51-102 requires the disclosure of the compensation received by each NEO and director of the Corporation for each of the two most recently completed financial years.

The following table and notes thereto provide a summary of the compensation paid to the NEOs and directors of the Corporation for the two most recently completed financial years:

Name and Position	Year	Salary, Consulting Fees, Retainer or Commission (\$)	Share-based awards (RSAs) ⁽¹⁾	Option-based Awards (Options) ⁽²⁾	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of All Other Compensation (\$)	Total Compensation (\$)
Named Executive Officers									
Alex Shegelman ⁽³⁾ <i>Chief Executive Officer & Director</i>	2022	--	--	--	--	--	--	-- ⁽⁹⁾	--
	2021	--	--	--	--	--	--	--	--
Bill Hahn ⁽⁴⁾ <i>Chief Financial Officer</i>	2022	95,000	--	--	--	--	--	--	95,000
	2021	--	--	--	--	--	--	--	--
Martin Marion ⁽⁷⁾ <i>Former President, Chief Executive Officer & Director</i>	2022	235,731 ⁽¹⁰⁾	--	--	--	--	--	413,214	648,945
	2021	--	--	--	--	--	--	--	--
Arif Shivji <i>Former President, CEO, CFO and Director</i>	2022	--	--	--	--	--	--	--	--
	2021	--	--	--	--	--	--	--	--
Directors									
Samuel Isaac ⁽⁵⁾ <i>Director</i>	2022	--	4,250	1,700	--	--	--	--	--
	2021	--	--	--	--	--	--	--	--
Jeff Ragovin ⁽⁵⁾ <i>Director</i>	2022	--	5,313	2,125	--	--	--	--	--
	2021	--	--	--	--	--	--	--	--
Gail Hannon ⁽⁶⁾ <i>Former Director</i>	2022	--	4,250	1,700	--	--	--	--	--
	2021	--	--	--	--	--	--	--	--
Steve Holyoake ⁽⁸⁾ <i>Former Director</i>	2022	--	--	--	--	--	--	--	--
	2021	--	--	--	--	--	--	--	--

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Name and Position	Year	Salary, Consulting Fees, Retainer or Commission (\$)	Share-based awards (RSAs) ⁽¹⁾	Option-based Awards (Options) ⁽²⁾	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of All Other Compensation (\$)	Total Compensation (\$)
Jarvis Williams ⁽⁸⁾ <i>Former Director</i>	2022	--	--	--	--	--	--	--	--
	2021	--	--	--	--	--	--	--	--
Greg MacDonald ⁽⁸⁾ <i>Former Director</i>	2022	--	--	--	--	--	--	--	--
	2021	--	--	--	--	--	--	--	--

Notes:

- (1) The compensation reported under share-based awards is the value of the RSAs granted in 2023 for services provided in 2022. The value of the RSAs is based on the number of RSAs granted multiplied by the volume weighted average price per Common Share on the TSXV for the five trading days immediately preceding the grant date. This methodology for calculating the fair value of the RSAs on the grant date is considered with the initial fair value determined in accordance with IFRS 2.
- (2) The compensation reported under option-based awards is the value of the Options granted in 2023 for services provided in 2022. The grant date fair value for option-based awards was determined using the Black-Scholes valuation model.
- (3) Mr. Shegelman was appointed CEO and Director effective December 31, 2022. All of the compensation paid to Mr. Shegelman relates to his role as CEO. Mr. Shegelman does not receive any compensation for his role as a director.
- (4) Ms. Hahn was appointed CFO on June 24, 2022.
- (5) Mr. Isaac and Mr. Ragovin were appointed directors on June 24, 2022.
- (6) Ms. Hannon was appointed director on June 24, 2022 and resigned from her role as director on June 30, 2023.
- (7) Mr. Marion was appointed to his roles on June 24, 2022 and resigned from his roles effective December 31, 2022.
- (8) Messrs. Holyoake, Williams and McDonald were appointed directors on August 14, 2018 and ceased to be directors on June 24, 2022.
- (9) Following the closing of the Transaction, the Corporation entered into a one year financial advisory services agreement with a company which Alex Shegelman has joint control over. The agreement commenced on August 17th, 2022. The fees for these services, totaled \$300,000 and were paid in full upon execution of the agreement and recorded to prepaids of which \$112,603 were incurred and recorded to consulting fees in relation to services provided in 2022.
- (10) On December 31, 2022, Martin Marion resigned as President, Chief Executive Officer and Director of the Corporation. Upon resignation, the Corporation recognized severance payments in the amount of \$206,607 (USD\$152,545) consisting of forgiveness of \$66,772 (USD\$49,300) principal amount of loan receivables, with the remaining \$139,835 (USD\$103,245) associated with the fair value of share issuance obligations. During the year ended December 31, 2022, \$452,852 (USD\$348,000) were paid in consulting fees of which \$235,731 (USD\$181,151) related to the period following Mr. Marion's appointment as President, Chief Executive Officer and Director of the Corporation.

Stock Options and Other Compensation Securities

No compensation securities (as such term is defined in Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*) were granted or issued by the Corporation to the NEOs and directors of the Corporation during the financial year ended December 31, 2022 for services provided or to be provided, directly or indirectly, to the Corporation.

Exercise of Compensation Securities

None of the NEOs or directors of the Corporation exercised any compensation securities during the most recently completed financial year.

Stock Option Plan

The Corporation assumed the stock option plan of Hoist Capital Corp. in connection with the Transaction (as further described under the heading "*Information Concerning the Corporation*"). On March 24, 2023, the Board adopted the amended and restated Stock Option Plan, incorporating certain amendments to the bring the stock option plan up to date with the requirements of the TSXV. Specifically, the amendments: (a) clarify that certain limits on the grant of Options apply in respect of the number of Common Shares that may be issued pursuant to the exercise of Options issued under

the Stock Option Plan *and* all other security-based compensation arrangements of the Corporation; (b) permit the Board, in its sole and absolute discretion, subject to any required approval of any regulatory authority or the TSXV, to allow the holders of Options to exercise their Options on a "net" basis (please refer to Section 2.06(d) of the Stock Option Plan appended to this Information Circular as Schedule "A" to see how this amount is calculated); and (c) clarify the rights of participants following their termination from active employment and/or active engagement.

The Stock Option Plan provides for the issuance of Options to directors, officers, employees, and consultants of the Corporation, and of its subsidiaries, if any, and employees of a person or company which provides management services to the Corporation or its subsidiaries (each, an "**Optionee**"), in accordance with the rules and policies of the TSXV. The purpose of the Stock Option Plan is to advance the interests of the Corporation by encouraging the directors, officers, employees and consultants of the Corporation, and of its subsidiaries and affiliates, if any, to acquire Common Shares, thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation and furnishing them with additional incentives in their efforts on behalf of the Corporation in the conduct of its affairs.

An overview of the Stock Option Plan is provided below. Shareholders are encouraged to review the full text of the Stock Option Plan, which is attached hereto as Schedule "A".

Overview of the Stock Option Plan

Pursuant to the Stock Option Plan, the Corporation has authorized, subject to any regulatory approvals, the reservation of up to ten percent (10%) of the issued and outstanding Common Shares for the grant of Options from time to time.

Under the Stock Option Plan, the Board may from time to time grant to Optionees, as the Board shall designate, Options to purchase from the Corporation such number of its Common Shares as the Board shall designate.

The maximum aggregate number of Common Shares which may be reserved for issuance to any one person under the Stock Option Plan, together with all other security-based compensation arrangements, must not exceed five percent of the issued Common Shares in any twelve-month period (determined at the date the Option was granted). The number of Common Shares granted to any one consultant under the Stock Option Plan, together with all other security-based compensation arrangements, in a twelve-month period must not exceed two percent of the issued Common Shares of the Corporation, calculated at the date the Option was granted to the consultant. The aggregate number of Options granted to eligible persons employed to provide investor relations activities under the Stock Option Plan must not exceed two percent of the issued Common Shares in any twelve-month period, calculated at the date the Option was granted. The maximum number of Common Shares which may be reserved for issuance to insiders (as such term is defined in the policies of the TSXV) as a group under the Stock Option Plan, together with all other security based compensation arrangements, shall not exceed ten percent of the total number of Common Shares then outstanding and the maximum number of Common Shares which may be issued to insiders as a group under the Stock Option Plan, together with all other security based compensation arrangements, within any twelve-month period shall not exceed ten percent of the total number of Common Shares then outstanding.

The period during which an Option is exercisable may not exceed ten years from the date such Option is granted. All Options are non-assignable and non-transferrable unless otherwise specifically provided for in the Stock Option Plan. Options may be exercised at a price that shall be fixed by the

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Board at the time that the Option is granted. The price which the Common Shares may be acquired upon exercise of an Option may not be less than the price permitted under the rules of any stock exchange on which the Common Shares are listed. The Option vesting provisions are determined by the Board at the time of grant.

If prior to the exercise of an Option, the holder ceases to be a director, officer, employee or consultant of the Corporation or its subsidiaries for any reason other than death, the Option may be exercised within the earlier of up to 30 days after such cessation or the expiry of the Option, but only to the extent that the holder was entitled to exercise the Option at the date of cessation. In the case of Optionees engaged in investor relations activities, such exercise must occur within 30 days of cessation of the Optionee's service to the Corporation (subject to extension at the discretion of the Board). In the case of the death of an Optionee, the Option may be exercised within the earlier of up to 12 months after such death or the expiry of the Option, but only to the extent that the holder was entitled to exercise the Option at the date of death.

The Board may terminate or discontinue the Stock Option Plan at any time without the consent of the participants under the Stock Option Plan provided that such termination or discontinuance shall not alter or impair any Option previously granted under the Stock Option Plan.

As at the date hereof, the Corporation has 2,025,625 Options allocated and outstanding under the Stock Option Plan and 5,932,766 Common Shares reserved for issuance pursuant to Options granted under the Stock Option Plan after deducting *nil* Share Awards issued and outstanding under the Share Award Incentive Plan. The provided figures herein do not account for the 5,651,250 Share Awards and the 1,250,000 Options granted by the Corporation in 2023 which remain subject to Shareholder approval at the Meeting. Any additional grants under the Share Award Incentive Plan would reduce the number otherwise available to grant under the Stock Option Plan.

Share Award Incentive Plan

The Share Award Incentive Plan was approved for Eligible Persons (as defined herein) by the Board on March 24, 2023, in accordance with the rules and policies of the TSXV. The purpose of the Share Award Incentive Plan is to provide directors, officers, employees and consultants of the Corporation or any of its subsidiaries with the opportunity to acquire Share Awards to allow them to participate in the long-term success of the Corporation and to promote a greater alignment of their interests with the interests of the Shareholders.

The Share Award Incentive Plan is administered by the Board or, as permitted by applicable law, the Corporate Governance, Compensation and Compliance Committee of the Board.

An overview of the Share Award Incentive Plan is provided below. Shareholders are encouraged to review the full text of the Share Award Incentive Plan, which is attached hereto as Schedule "B".

Share Awards and Eligibility

Share Awards may be awarded to persons who are directors, officers, employees or consultants of the Corporation or a subsidiary of the Corporation ("**Eligible Persons**") as the Board determines. Eligible Persons who have been awarded Share Awards or to whom Share Awards have been transferred are referred to as "Participants" under the plan. Notwithstanding the foregoing, non-employee directors are not eligible to be awarded PSAs and are only eligible to be awarded RSAs. PSAs are a unit equivalent to the value of a Common Share, credited by means of a bookkeeping entry on the books of the Corporation in accordance with the Share Award Incentive Plan, based on

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the achievement of performance criteria set out in an applicable award notice. RSAs may be awarded to Eligible Persons as the Board determines. RSAs are a unit equivalent to the value of a Common Share, credited by means of a bookkeeping entry on the books of the Corporation in accordance with the Share Award Incentive Plan.

The number of Share Awards (including fractional Share Awards) to be credited as of the date on which Share Awards are awarded to a Participant (the "**Award Date**") shall be determined by the Corporate Governance, Compensation and Compliance Committee in its sole discretion. Upon receipt of acknowledgment in the manner specified under the Share Award Incentive Plan, Share Awards shall be credited to an account maintained for each Participant on the books of the Corporation, effective as of the Award Date for that grant.

Vesting

Each Share Award will vest on such terms as shall be specified by the Board or Corporate Governance, Compensation and Compliance Committee at the time of granting Share Awards as reflected in a notice substantially in the form of the schedules appended to the Share Award Incentive Plan, and in the case of the PSAs, containing such other terms and conditions relating to an award of PSAs as the Board may prescribe ("**Award Notice**"), except as otherwise provided in the Share Award Incentive Plan.

Performance Vesting

Prior to the Vesting Date in respect of any PSA, the Board or Corporate Governance, Compensation and Compliance Committee shall assess the performance of the Corporation for the applicable period. The performance measures to be taken into consideration in granting PSAs and determining the adjustment factor in respect of any PSA shall be established by the Board in its sole discretion at the time of the grant of the PSA. The applicable adjustment factor may be between a minimum of zero and such maximum as determined by the Board or Compensation Committee (provided such maximum shall not exceed 2.0) (the "**Adjustment Factor**"). The weighting of the individual measures comprising the Performance Measures shall be determined by the Board or Compensation Committee, as applicable, in its sole discretion having regard to the principal purposes of the Share Award Incentive Plan and, upon the assessment of all Performance Measures, the Board or Compensation Committee shall determine the Adjustment Factor for the applicable period in its sole discretion.

Settlement

Unless otherwise determined by the Board in its sole discretion, the date of settlement of any Share Award (a "**Distribution Date**") shall be the applicable Vesting Date for such Share Award pursuant to the Share Award Incentive Plan, provided that, for greater certainty, the Board may in its sole discretion impose additional or different conditions to the termination of the Distribution Date of any Share Award. Notwithstanding the foregoing, the Corporation may, in its sole discretion, settle the Participant's Share Awards requested to be settled by the Participant in exchange for a payment by the Corporation of a cash amount, as determined in accordance with the terms of the Share Award Incentive Plan.

No Distribution Date in respect of any Share Award may occur after the earlier of: (i) the thirtieth day after the participant ceases to be eligible to participate under the Share Award Incentive Plan; or (ii) December 31st of the third year following the year in which the Participant performed the services to which such Share Awards relate (the earlier of the two being the "**Final Date**"). With respect to any Share Awards awarded to a participant who is a U.S. taxpayer, the Distribution Date shall be the

applicable Vesting Date established pursuant to the Share Award Incentive Plan. Subject to any election by the Board or Corporate Governance, Compensation and Compliance Committee, as applicable, to settle a Share Award in cash, as soon as practicable after each Distribution Date or on the Final Date (if the Distribution Date is the Final Date), the Corporation shall issue to the participant or to the participant's estate, a number of Common Shares equal to the number of Share Awards in the participant's account that became payable on the Distribution Date (the "**Payment Shares**"). As of the Distribution Date, the Share Awards in respect of which such Common Shares are issued or cash is paid shall be cancelled and no further payments shall be made to the participant under the Share Award Incentive Plan in relation to such Share Awards.

Total Shares Subject to Share Awards

Unless otherwise approved by the TSXV and the Shareholders:

- (a) the securities that may be issued to Participants under the Share Award Incentive Plan shall consist of those authorized but unissued Common Shares which the Board and/or Corporate Governance, Compensation and Compliance Committee has, in its discretion, reserved and approved for issuance under the Share Award Incentive Plan from time to time;
- (b) subject to adjustment in accordance with the Share Award Incentive Plan, the aggregate number of Common Shares that may be issuable pursuant to the Share Award Incentive Plan and all other security-based compensation arrangements, including the Stock Option Plan, shall not exceed 8,108,391 Common Shares;
- (c) the Board shall not grant Share Awards under the Share Award Incentive Plan if the number of Common Shares issuable pursuant to outstanding Share Awards, when combined with the number of Common Shares issuable pursuant to outstanding Options and outstanding securities under any other security-based compensation arrangements of the Corporation, would exceed 10% of the issued and outstanding Common Shares at the time of the grant;
- (d) the number of securities issued to insiders of the Corporation (as such term is defined in the policies of the TSXV), as a group, within any one-year period, under all security based compensation arrangements, including, without limitation, the Stock Option Plan, shall not exceed 10% of the issued and outstanding securities of the Corporation at the time of grant calculated on a non-diluted basis;
- (e) the aggregate: (i) number of Common Shares that may be reserved for issuance pursuant to the exercise of RSAs granted to non-management Directors pursuant to the Share Award Incentive Plan shall not exceed 1.0% of the Common Shares outstanding from time to time; and (ii) value of RSAs granted to any one non-employee Director in any calendar year under the Share Award Incentive Plan and under any other security based compensation arrangements, including, without limitation, the Stock Option Plan, shall not exceed \$150,000;
- (f) the number of securities issued to any one Participant and such Participant's associates, within any one-year period, under all security based compensation arrangements, including, without limitation, the Stock Option Plan, shall not exceed 5% of the issued and outstanding Common Shares at the time of the grant;

- (g) the number of securities issued to any one consultant, within any one-year period, under all security based compensation arrangements, including, without limitation, the Stock Option Plan, shall not exceed 2% of the issued and outstanding Common Shares at the time of the grant;
- (h) no securities shall be issued to any Participants who are employees engaged in investor relation activities under the Share Award Incentive Plan;
- (i) to the extent Share Awards are exercised or to the extent any Share Awards are terminated for any reason or are cancelled, the Common Shares subject to such Share Awards shall be added back to the number of Common Shares reserved for issuance under the Share Award Incentive Plan and such Common Shares will again become available for Share Award grants under the Share Award Incentive Plan; and
- (j) if the acquisition of Common Shares by the Corporation for cancellation should result in any of the above tests no longer being met, this shall not constitute non-compliance with the Share Award Incentive Plan for any awards outstanding prior to such purchase of Common Shares for cancellation.

For purposes of the calculations above, the Share Award Incentive Plan provides that it shall be assumed that all issued and outstanding Share Awards will be settled by the issuance of Common Shares from treasury, notwithstanding the Corporation's right to settle Share Awards in cash or by purchasing Common Shares on the open market.

Duration of Share Awards

Each Share Award and all rights thereunder shall be expressed to expire on the date set out in the Award Notice and shall be subject to earlier termination by ceasing to be a director, officer, consultant or employee or by death or disability of the Participant.

Subject to the rules and regulations of the TSXV or any other exchange on which the Common Shares are listed for trading, and notwithstanding any other provisions of the Share Award Incentive Plan, if the Distribution Date of any Share Award occurs during or within 10 business days following the end of a Black-Out Period (as defined below), the Distribution Date of such Share Award shall be extended for a period of 10 business days following the end of the Black-Out Period (or such longer period as permitted by the Exchange or any other exchange on which the Common Shares are listed and approved by the Board). "**Black-Out Period**" for the purposes of the Share Award Incentive Plan means the period of time when, pursuant to any policies of the Corporation, any securities of the Corporation may not be traded by certain persons as designated by the Corporation, including any holder of a Share Award.

Amendments Subject to Shareholder Approval

The Board has the absolute discretion to amend, suspend or terminate the Share Award Incentive Plan or awards granted thereunder (subject to the rules and policies of the TSXV). The only amendments to the Share Award Incentive Plan that would be subject to shareholder approval are amendments that would:

- (a) increase the number of securities issuable under the Share Award Incentive Plan otherwise than in accordance with the terms of the Share Award Incentive Plan;

- (b) increase the number of securities issuable to an insider of the Corporation otherwise than in accordance with the terms of the Share Award Incentive Plan;
- (c) extend the Distribution Date of any Share Awards held by insiders of the Corporation beyond the original Final Date of the Share Awards;
- (d) add any form of financial assistance to a participant in the Share Award Incentive Plan;
- (e) permit a participant to transfer any Share Awards to a new beneficial holder other than for estate settlement purposes;
- (f) increase the maximum number, or the maximum value, of RSAs that may be granted to non-employee directors; and
- (g) amend the amendment provisions of the Share Award Incentive Plan.

Outstanding Share Awards

As at the date hereof, the Corporation has no Share Awards allocated and outstanding and 5,932,766 Common Shares are reserved for issuance pursuant to Share Awards granted in accordance with the Share Award Incentive Plan after deducting 2,025,625 Options allocated and outstanding under the Stock Option Plan. The provided figures herein do not account for the 5,651,250 Share Awards and the 1,250,000 Options granted by the Corporation in 2023 which remain subject to Shareholder approval at the Meeting. Any additional grants under the Stock Option Plan would reduce the number otherwise available to grant under the Share Award Incentive Plan.

Employment, Consulting and Management Agreements

Except as provided below, there were no agreements or arrangements under which compensation was provided during the financial year ended December 31, 2022, or is payable, in respect of services provided to the Corporation or any of its subsidiaries that were performed by a NEO or director of the Corporation, or were performed by any other party but are services typically provided by a NEO or director of the Corporation:

- Pursuant to a shares for services agreement between the Corporation and Bill Hahn (Chief Financial Officer of the Corporation) dated March 1, 2022 as amended by an amendment agreement dated June 21, 2022, the Corporation has agreed to issue to Bill Hahn 250,000 Common Shares effective December 24 2022, and an additional 250,000 Common Shares on June 24, 2023, all subject to and immediately following receipt of TSXV approval.
- Pursuant to a shares for services agreement between the Corporation and Martin Marion (former President, Chief Executive Officer and a Director of the Corporation) dated November 1, 2021 as amended by an amendment agreement dated June 21, 2022, the Corporation has issued 1,250,000 Common Shares and 1,250,000 Options to Mr. Marion effective June 24, 2022, and the Corporation further agreed to issue to Mr. Marion 1,250,000 Common Shares and 1,250,000 Options effective December 24, 2022, subject to and immediately following receipt of TSXV approval. Mr. Marion's Options under his shares for services agreement will be exercisable at a price of \$0.48 and will expire four years from the date of issuance of such Options.

- Pursuant to a separation agreement between the Corporation and Martin Marion dated December 16, 2022, the Corporation has agreed to pay certain separation benefits to Mr. Marion including the forgiveness of a loan balance owing by Mr. Marion to the Corporation in the amount of \$66,772 and the acceleration of the issuance of certain securities of the Corporation pursuant to Mr. Marion's shares for services agreement with the Corporation.

EQUITY COMPENSATION PLAN INFORMATION

The following table sets forth information with respect to compensation plans under which equity securities are authorized for issuance as at December 31, 2022.

Plan Category ⁽¹⁾	Number of Securities to be issued upon Exercise of Outstanding Options	Weighted Average Exercise Price of Outstanding Options	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans
Equity Compensation Plans Approved by Securityholders	0 ⁽²⁾	--	7,958,391 ⁽³⁾
Equity Compensation Plans Not Approved by Securityholders	--	--	--
Total	0	--	7,958,391

Notes:

- (1) This table does not capture equity securities authorized for issuance pursuant to the Corporation's Share Award Incentive Plan or the amended and restated Stock Option Plan subject to Shareholder approval at the Meeting. This table does not include the issuances subject to Shareholder approval or ratification at the Meeting, including the issuance of: 2,025,625 Options issued to certain officers and directors of the Corporation on April 26, 2023; 5,651,250 RSAs issued to officers, directors, employees and consultants of the Corporation effective February 3, 2023; and 1,250,000 Options to Martin Marion (former President, Chief Executive Officer and Director) effective December 24, 2022.
- (2) As at December 31, 2022, the Corporation had no Options issued and outstanding.
- (3) Pursuant to the terms of the Stock Option Plan, the aggregate number of Common Shares that may be reserved for issuance shall not exceed 10% of the total number of Common Shares issued and outstanding. As of December 31, 2022, the number of Common Shares issued and outstanding was 79,583,914.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

Except as provided below, no director or executive officer of the Corporation, nor any of their associates or affiliates, nor any employee of the Corporation is or has been indebted to the Corporation since the beginning of the most recently completed fiscal year of the Corporation, nor is, or at any time since the beginning of the most recently completed fiscal year of the Corporation has, any indebtedness of any such person been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries:

- Mr. Daniel Iannotte is indebted to the Corporation in the amount of USD\$253,163 under a note receivable which matured on August 11, 2022. The Corporation is currently negotiating a repayment plan with Mr. Iannotte.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as provided below, there are no material interests, direct or indirect, of directors, executive officers of the Corporation or any person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the outstanding Common Shares or any known associate or affiliate of such persons, in any transaction since the commencement of the Corporation's most recently completed financial year.

Sanjib Gill, the Corporate Secretary of the Corporation, is a partner of the national law firm Stikeman Elliott LLP, which law firm rendered legal services to the Corporation.

INTEREST OF CERTAIN PERSONS AND COMPANIES IN MATTERS TO BE ACTED UPON

Other than as disclosed in this Information Circular, management of the Corporation is not aware of any material interest, direct or indirect, of any director or nominee for director or executive officer or anyone who has held office as such since the beginning of the Corporation's last financial year or of any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting.

CORPORATE GOVERNANCE PRACTICES

In accordance with National Instrument 58-101 – *Disclosure of Corporate Governance Practices* and National Policy 58-201 – *Corporate Governance Guidelines* ("**NP 58-201**"), issuers are to disclose the corporate governance practices that they have adopted. NP 58-201 provides guidance on corporate governance practices. The Corporation is also subject to NI 52-110, which has been adopted in each of the Canadian provinces and territories and which prescribes certain requirements in relation to audit committees.

The Board is responsible for the governance of the Corporation. The Board and the Corporation's management consider good corporate governance to be central to the effective and efficient operation of the Corporation. Below is a discussion of the Corporation's approach to corporate governance.

Corporate Governance

The Board has established a Corporate Governance, Compensation and Compliance Committee. The current members of the Corporate Governance, Compensation and Compliance Committee are Messrs. Ragovin, Isaac and Warnock. The Corporate Governance, Compensation and Compliance Committee is comprised entirely of non-management members of the Board, and the Board has adopted a written charter setting forth the responsibilities, powers and operations of the Corporate Governance, Compensation and Compliance Committee. The Corporate Governance, Compensation and Compliance Committee has the power to retain outside advisors as it considers necessary for the proper functioning of the committee, at the Corporation's expense. The Corporate Governance, Compensation and Compliance Committee meets at least twice annually and otherwise as requested by the Board or considered desirable by the Chair of the Corporate Governance, Compensation and Compliance Committee.

The Corporate Governance, Compensation and Compliance Committee is responsible for proposing new director nominees to the Board and for assessing current directors on an ongoing basis. The Corporate Governance, Compensation and Compliance Committee is also responsible for the Corporation's response to, and implementation of, the guidelines set forth from time to time by any applicable regulatory authorities.

Independence of Members of the Board

The Board currently consists of four members, three of whom are independent based upon the tests for independence set forth in NI 52-110. Messrs. Ragovin, Isaac and Warnock are independent.

Board Oversight

The Board exercises its independent supervision over the Corporation's management through a combination of formal meetings of the Board, as well as informal discussions amongst the Board members. The independent directors can also hold scheduled meetings at which non-independent directors and members of management are not in attendance. Where matters arise at Board meetings

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which require decision making and evaluation that is independent of management and interested directors, the meeting breaks into an in-camera session among the independent and disinterested directors.

Directorships in Other Reporting Issuers

As of the date hereof, none of the directors of the Corporation hold directorships in other reporting issuers.

Board Mandate

The Board has adopted a written mandate, the full text of which is attached hereto as Schedule "C", which summarizes, among other things, the Board's duties and responsibilities. The Board is responsible for the overall stewardship of the Corporation and dealing with issues which are pivotal to determining the Corporation's strategy and direction. The Board has directly, and through the appointment of certain committees, put in place an effective system for monitoring the implementation of corporate strategies. The Board is not involved in the day to day operations of the Corporation, as these operations are conducted by the Corporation's management. The Board meets regularly to consider and approve the strategic objectives of the Corporation and management plans designed to accomplish those objectives. Where appropriate, key management personnel and professional advisors are invited to attend Board meetings to speak to these issues. The Board also meets as necessary to consider specific developments and opportunities as they arise, including asset acquisitions and dispositions and financing proposals. The Board approves, among other things, all issuances of securities of the Corporation, the appointment of officers, the entering into of lines of credit or other significant borrowing activities and all significant transactions. The Board considers, but has no formal policies, concerning management development and succession and risk management.

Essential to strategic planning is assessing and understanding business risks and related control systems. The Board helps set limits with respect to business risks, to the extent they can be managed, and approves strategies for minimizing risks. Implementations of these strategies are then monitored by the Board. The Board, through the Audit Committee, requires management of the Corporation to put into place systems to address financial risks and to periodically report to the Board on these systems and risks.

Management has implemented procedures to provide reasonable assurance of effective communication with the Shareholders and the public. The Corporation's management is responsible for the issuance of press releases and communications with the financial community. The Board reviews and approves all principal continuous disclosure documents, the release of interim and annual financial statements, annual information forms, prospectuses and information circulars.

The Corporate Governance, Compensation and Compliance Committee is responsible for monitoring the governance systems of the Corporation with a view to ongoing improvements, reviewing the composition of the Board and developing criteria for new Board appointments. The Corporate Governance, Compensation and Compliance Committee also acts as a nominating committee for new directors, oversees and approves the Corporation's compensation plans and evaluates the overall Board effectiveness.

Position Descriptions

The Board has developed a written position description for the Chairman of the Board and the Chief Executive Officer of the Corporation, but has not developed a written position description for the Chairman of the Audit Committee.

The Chair of each committee of the Board schedules meetings of the committee and organizes and presents agendas for such meetings.

The Board, in conjunction with management, sets the Corporation's annual objectives which become the objectives against which the Chief Executive Officer's performance is measured. The Board has plenary power; any responsibility which is not delegated to management or a Board committee remains with the Board.

Orientation and Continuing Education

While the Corporation does not have a formal orientation and training program, new members of the Board are provided with:

- (a) a copy of the policies and mandates of the Board and its committees and copies of the Corporation's corporate governance policies, which provides information respecting the functioning of the Board;
- (b) access to recent, publicly filed documents of the Corporation;
- (c) access to management; and
- (d) access to legal counsel in the event of any questions relating to the Corporation's compliance and other obligations.

Members of the Board are encouraged to communicate with management, legal counsel and, where applicable, auditors and technical consultants of the Corporation, to keep themselves current with industry trends and developments and changes in legislation with management's assistance and to attend related industry seminars and visit the Corporation's operations. Board members have full access to the Corporation's records.

Ethical Business Conduct

In establishing its corporate governance practices, the Board has been guided by applicable Canadian securities legislation and the guidelines of the TSXV for effective corporate governance, including NP 58-201. The Board is committed to a high standard of corporate governance practices. The Board believes that this commitment is not only in the best interests of its Shareholders, but that it also promotes effective decision making at the Board level.

Additionally, in order to encourage and promote a culture of ethical business conduct, the Board has adopted a Code of Business Conduct and Ethics (the "**Code**") wherein directors, officers and employees of the Corporation and others are provided with a mechanism by which they can raise complaints regarding financial and regulatory reporting, internal accounting controls, auditing or health, safety and environmental matters or any other matters and raise concerns about any violations of the Code in a confidential and, if deemed necessary, anonymous process. Interested Shareholders may obtain a copy of the Code upon request (free of charge) by contacting the Corporation at Bankers

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Hall, 4200 3 St SW West 888, Calgary, AB T2P 5C5, or by accessing the Corporation's SEDAR profile at www.sedar.com.

The Board has instructed its management and employees to abide by the Code and to bring any breaches of the Code to the attention of the Corporate Governance, Compensation and Compliance Committee. Compliance with the Code is monitored primarily through the reporting process within the Corporation's organizational structure.

It is a requirement of applicable corporate law that directors who have an interest in a transaction or agreement with the Corporation promptly disclose that interest at any meeting of the Board at which the transaction or agreement will be discussed and abstain from discussions and voting in respect of same if the interest is material. The Code imposes a similar disclosure requirement on all non-director representatives of the Corporation and requires such persons to report such conflict to the executive officer to whom that person reports in the course of his employment responsibilities, or, in the case of a senior executive officer, to the Audit Committee and fully inform such person or committee, as applicable, of the facts and circumstances related to the conflict or potential conflict. The representative is prohibited from taking any further action in respect of the matter or transaction giving rise to such conflict or potential conflict unless and until he is authorized to do so by his reporting officer or the Audit Committee.

Nomination of Directors

The Corporate Governance, Compensation and Compliance Committee has responsibility for identifying potential Board candidates. The Corporate Governance, Compensation and Compliance Committee assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. Members of the Board and representatives of the oil and gas industry are consulted for possible candidates. The written charter of the Corporate Governance, Compensation and Compliance Committee includes considering and recommending candidates to fill new positions on the Board, reviewing candidates recommended by Shareholders, conducting inquiries into the backgrounds and qualifications of candidates, recommending the director nominees for approval by the Board and the Shareholders, considering conflicts of interests, recommending members and chairs of the committees, reviewing the performance of directors and the Board, establishing director retirement policies and establishing and implementing an orientation and education program for new members of the Board.

Compensation

The Board has established a Corporate Governance, Compensation and Compliance Committee (see "*Corporate Governance*", above). The members of the Corporate Governance, Compensation and Compliance Committee are independent and have the responsibility for determining compensation for the directors, officers, employees and consultants of the Corporation. Please see the discussion under the heading "*Executive Compensation*".

The Corporation's Corporate Governance, Compensation and Compliance Committee reviews and makes recommendations to the Board concerning the compensation of the Corporation's directors, officers and employees, which includes the review of the Corporation's executive compensation and other human resource philosophies and policies, the review and administration of the Corporation's bonuses, Options and any share purchase plan, the review of and recommendations regarding the performance of the Chief Executive Officer of the Corporation and preparing and submitting a report for inclusion in annual continuous disclosure documents as required.

The responsibilities, powers and operations of the Corporate Governance, Compensation and Compliance Committee, in respect of compensation include: (a) reviewing the adequacy and form of any compensation program for executive officers; (b) reviewing the adequacy and form of non-employee directors' compensation; (c) reviewing and creating a position description for the Chief Executive Officer; (d) evaluating the Chief Executive Officer's performance in light of corporate goals and objectives; (e) making recommendations to the Board with respect to the Chief Executive Officer's compensation; (f) setting criteria for selecting new directors; (g) recommending to the Board the size of the Board, the appropriate composition of the board and eligible individuals for election to the Board, a majority of whom shall be independent; (h) recommending to the Board the appropriate committee structure, committee mandates, composition and membership; and (i) reviewing and recommending to the Board a set of corporate governance policies, practices and principles aimed at fostering a healthy governance culture at the Corporation.

Audit Committee

See "Audit Committee" below.

Assessments

The Board is responsible to assess, on an ongoing basis, its overall performance and that of its committees. The objective of this review is to contribute to a process of continuous improvement in the Board's execution of its responsibilities. The review will identify any areas where the directors of the Corporation or management believe that the Board could make a better collective contribution to overseeing the affairs of the Corporation. The Board is also responsible for regularly assessing the effectiveness and contribution of each director, having regard to the competencies and skills each director is expected to bring to the Board. The Board relies on informal evaluations of the effectiveness through both formal and informal communications with Board members and through participation with other Board members on committees and matters relating to the Board.

AUDIT COMMITTEE

The purpose of the Corporation's Audit Committee is to provide assistance to the Board in fulfilling its legal fiduciary obligations with respect to matters involving accounting, auditing, financial reporting, internal control and legal compliance functions of the Corporation. It is the objective of the Audit Committee to maintain free and open means of communications among the Board, the independent auditors and the financial and senior management of the Corporation.

Pursuant to NI 52-110, the Corporation is required to disclose certain information with respect to its Audit Committee, as summarized below.

Audit Committee Charter

The Corporation's Audit Committee charter (the "**Audit Committee Charter**") was adopted by the Board, the full text of which is attached as Appendix "D" to the filing statement of the Corporation. Interested Shareholders may obtain a copy of the Audit Committee Charter upon request (free of charge) by contacting the Corporation at Bankers Hall, 4200 3 St SW West 888, Calgary, AB T2P 5C5, or by accessing the Corporation's SEDAR profile at www.sedar.com. The mandate of the Audit Committee is to oversee and provide assistance in financial reporting, financial policies and internal controls as well as to work with the external auditors to ensure the accuracy of the Corporation's financial disclosures. The Audit Committee must pre-approve all non-audit services to be provided by an external auditor.

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Composition of the Audit Committee

As of the date hereof, the Audit Committee is comprised of:

Name of Director	Independent (Yes/No)⁽¹⁾	Financially Literate (Yes/No)
Samuel Isaac (Chair)	Yes	Yes
Jeff Ragovin	Yes	Yes
Jason Warnock	Yes	Yes

Note:

(1) As defined in NI 52-110.

Relevant Education and Experience

Collectively, the Audit Committee has the education and experience to fulfill the responsibilities outlined in the Audit Committee Charter. Each member of the Audit Committee has:

- (a) an understanding of the accounting principles used by the Corporation to prepare its financial statements;
- (b) the ability to assess the general application of those principles in connection with the accounting for estimates, accruals and provisions;
- (c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements, or experience actively supervising individuals engaged in such activities; and
- (d) an understanding of internal controls and procedures for financial reporting.

Audit Committee Oversight

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

Pre-Approval Policies and Procedures

The Audit Committee is authorized by the Board to review the performance of the Corporation's external auditors, and approve in advance the provision of services other than audit services and to consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the Corporation. The Audit Committee is authorized to approve any non-audit services or additional work, which the Chairman of the Audit Committee deems as necessary.

External Auditor Service Fees (By Category)

The fees for auditor services billed by the Corporation's external auditors for the last two fiscal years are as follows:

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Financial Year Ending December 31	Audit Fees ⁽¹⁾	Audit-related Fees ⁽²⁾	Tax Fees ⁽³⁾	All Other Fees ⁽⁴⁾
2022	\$126,207	\$29,372	--	\$34,133
2021	\$80,178	\$30,335	--	--

Notes:

- (1) Audit fees are the aggregate fees billed by the Corporation's auditor for audit services.
- (2) Audit-related fees are the aggregate fees billed for assurance and related services by the Corporation's auditor that are reasonably related to the performance of the audit or review of the Corporation's financial statement and are not disclosed under "Audit fees".
- (3) Tax fees are the aggregate fees billed for professional services rendered by the Corporation's auditor for tax compliance, tax advice and tax planning.
- (4) All other fees are the aggregate fees billed for services provided by the Corporation's auditor other than the services reported under "Audit fees", "Audit-related fees" and "Tax fees".

Reliance on Certain Exemptions

The Corporation is a "venture issuer" as defined in NI 52-110 and is relying on the exemptions contained in Section 6.1 of NI 52-110, which exempts the Corporation from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

ADDITIONAL INFORMATION

Financial information of the Corporation is provided in the Corporation's comparative annual financial statements and management's discussion and analysis for its most recently completed financial year. A copy of these documents may be obtained by contacting the Corporation's Chief Financial Officer at Bankers Hall, 4200 3 St SW West 888, Calgary, AB T2P 5C5 or by phone at (403) 471-0227.

Copies of these documents, as well as additional information relating to the Corporation contained in documents filed by the Corporation with the Canadian securities regulatory authorities, may also be accessed through the SEDAR website at www.sedar.com

SCHEDULE "A"

Stock Option Plan

(Please see attached.)

STOCK OPTION PLAN OF THE HEMPSHIRE GROUP, INC.

PART 1 - INTRODUCTION

1.01 Purpose

The purpose of the Plan is to secure for the Corporation and its shareholders the benefits of incentive inherent in share ownership by the directors, officers, employees and, subject to the terms and conditions herein, consultants of the Corporation and its Affiliates who, in the judgment of the Board, will be largely responsible for its future growth and success.

1.02 Definitions

- (a) **"Active Employment"** means the period in which an Optionee who is an Employee of the Corporation or an affiliate performs work for the Corporation or an affiliate. For certainty, "Active Employment" shall be deemed to include any period constituting the minimum notice of termination period as may be required to be provided to an Optionee pursuant to applicable employment standards legislation but shall exclude any other period that follows or ought to have followed the later of the end of the statutory notice period or the Optionee's last day of performing work for the Corporation or an affiliate, whether that period arises from a contractual or common law right.
- (b) **"Active Engagement"** means any period which an Optionee who is not an Employee of the Corporation or an affiliate provides services to the Corporation or an affiliate. For certainty, "Active Engagement" shall exclude any period that follows, or ought to have followed, an Optionee's last day of providing services to the Corporation or an affiliate, including at common law.
- (c) **"Affiliate"** has the meaning ascribed thereto in the *Business Corporations Act* (Alberta) as amended from time to time.
- (d) **"Blackout Period"** means a period during which the Corporation prohibits Optionees from exercising their Options.
- (e) **"Board"** means the board of directors of the Corporation.
- (f) **"Consultant"** has the meaning ascribed to such term in Policy 4.4.
- (g) **"Corporation"** means The Hampshire Group, Inc., a corporation duly incorporated under the laws of the Province of Alberta, and its Affiliates, if any.
- (h) **"Discounted Market Price"** has the meaning ascribed to such term in Policy 1.1.
- (i) **"Eligible Person"** shall mean an officer or director of the Corporation ("**Executive**") or an employee of the Corporation ("**Employee**") or a Management Company Employee or a Consultant.
- (j) **"Exchange"** means the TSX Venture Exchange or any other stock exchange on which the Shares are listed.

- (k) **"Exercise Notice"** means the notice respecting the exercise of an Option, substantially in the form attached to the Option Certificate, duly executed by the Optionee.
- (l) **"Exercise Price"** means the price at which an Option may be exercised as determined in accordance with section 2.03.
- (m) **"Insider"** means (i) an insider as defined in the *Securities Act (Alberta)*, other than a person who falls within the definition solely by virtue of being a director or senior officer of a subsidiary of the Corporation, and (ii) an associate of any person who is an insider by virtue of the preceding sub-clause (i).
- (n) **"Investor Relations Activities"** has the meaning ascribed to such term in Policy 1.1.
- (o) **"Management Company Employee"** has the meaning ascribed to such term in Policy 4.4.
- (p) **"Material Information"** has the meaning ascribed to such term in Policy 1.1.
- (q) **"Option"** shall mean an option granted under the terms of the Plan.
- (r) **"Option Certificate"** means the certificate, substantially in the form set out as Schedule "A" hereto, evidencing an Option.
- (s) **"Option Period"** shall mean the period during which an option may be exercised.
- (t) **"Optionee"** shall mean an Eligible Person to whom an Option has been granted under the terms of the Plan.
- (u) **"Outstanding Issue"** means the number of Shares outstanding on a non-diluted basis.
- (v) **"Plan"** means the stock option plan established and operated pursuant to Part 2 hereof.
- (w) **"Policy 1.1"** means the Exchange's Policy 1.1 entitled **"Interpretation"** as amended from time to time.
- (x) **"Policy 4.4"** means the Exchange's Policy 4.4 entitled **"Incentive Stock Options"** as amended from time to time.
- (y) **"Security Based Compensation Arrangement"** means any share rights incentive plan, share option, share option plan, Employee share purchase plan in existence from time to time where the Corporation provides any financial assistance or matching mechanism, stock appreciation right or any other compensation or incentive mechanism involving the issuance or potential issuance of securities from the Corporation's treasury, including a share purchase from treasury which is financially assisted by the Corporation by way of a loan guarantee or otherwise, but for greater certainty does not involve compensation arrangements which do not involve the issuance or potential issuance of securities from the Corporation's treasury.
- (z) **"Shares"** shall mean the common shares of the Corporation.

- (aa) **"Termination Date"** means, in respect of an Optionee who is an Employee of the Corporation or an affiliate, such Optionee's last day of Active Employment or Active Engagement (as applicable) with the Corporation or an affiliate, whether such date is selected by the Optionee, by mutual agreement between the Corporation or an affiliate and the Optionee, or unilaterally by the Corporation or an affiliate.
- (bb) **"VWAP"** means the volume weighted average trading price of the Shares on the Exchange calculated by dividing the total value by the total volume of such securities traded for the five trading days immediately preceding the exercise of the subject Option; and in the event that the Shares are not listed and posted for trading on any stock exchange, the VWAP shall be determined by the Board in its sole discretion, acting reasonably.

PART 2 - SHARE OPTION PLAN

2.01 Participation

Options shall be granted only to Eligible Persons.

2.02 Determination of Option Recipients

The Board shall make all necessary or desirable determinations regarding the granting of Options to Eligible Persons and may take into consideration the present and potential contributions of a particular Eligible Person to the success of the Corporation and any other factors which it may deem proper and relevant.

2.03 Price

The price at which an Optionee may purchase a Share upon the exercise of an Option shall be determined from time to time by the Board and shall be as set forth in the Option Certificate issued in respect of such Option but, in any event, shall not be less than the Discounted Market Price.

2.04 Grant of Options

The Board may at any time authorize the granting of Options to such Eligible Persons as it may select for the number of Shares that it shall designate, subject to the provisions of the Plan. The date of each grant of Options shall be determined by the Board when the grant is authorized.

In the event that Options are granted to Employees, Management Company Employees or Consultants, the Corporation represents that such Optionees shall be bona fide Employees, Management Company Employees or Consultants, as the case may be.

The Corporation may at the time of granting options hereunder provide for additional terms and conditions which are not inconsistent with Part 2 hereof including, without limitation, terms and conditions deferring or delaying the date at which an Option may be exercised in whole or in part. Such additional terms and conditions, if any, shall be as set forth in the Option Certificate issued in respect of such Option.

2.05 Term of Options

Unless otherwise expired pursuant to the terms of the Plan, all Options granted to an Optionee pursuant to this Plan shall expire at the close of business ten (10) years from the date of grant, or such earlier date as the Board shall decide when the Option is granted.

Upon the expiration of the Option Period the Options granted shall forthwith expire and terminate and be of no further force or effect whatsoever as to such of the Shares in respect of which the Option hereby granted has not then been exercised.

Notwithstanding the foregoing, if the expiration of the Option Period falls within a Blackout Period the expiration of the Option Period shall be automatically extended for ten (10) business days after the expiry of the Blackout Period on the condition that (i) the Blackout Period was formally imposed by the Corporation pursuant to its internal trading policies as a result of the bona fide existence of undisclosed Material Information, (ii) the Blackout Period must be deemed to have expired upon the general disclosure of the undisclosed Material Information, and (iii) the automatic extension of an Optionee's options will not be permitted where the Optionee or the Corporation is subject to a cease trade order (or similar order under applicable securities laws) in respect of the Corporation's securities.

No Optionee or his or her legal representative, legatees or distributees will be, or will be deemed to be, a holder of any Shares subject to an Option, unless and until certificates for such Shares are issued to him, her or them or a securities intermediary with whom the Optionee (or his or her legal representative, legatees or distributees) has an account, is recorded as the owner of such Shares in a book-entry system under the terms of the Plan.

No person has any right to compensation or damages for any loss in relation to this Plan, including any loss in relation to:

- (a) any loss or reduction of rights or expectations under the Plan in any circumstances (including termination of employment for any reason); and
- (b) any exercise of discretion or a decision taken in relation to a grant of Options under the Plan, or any failure to exercise discretion or make a discretion.

2.06 Exercise of Options

- (a) Except as set forth in section 2.10, no Option may be exercised unless the Optionee is at the time of such exercise;
 - (i) in the case of an Employee, in the employ of the Corporation or any Affiliate and shall have been continuously so employed since the grant of his or her Option, or have been a Consultant of the Corporation during such time thereafter, but absence on leave, having the approval of the Corporation or such Affiliate, shall not be considered an interruption of employment for any purpose of the Plan;
 - (ii) in the case of a Consultant, under contract with the Corporation or any Affiliate and shall have been continuously so contracted since the grant of the Option; or
 - (iii) in the case of an Executive, a director or officer of the Corporation or any Affiliate and shall have been such a director or officer continuously since the grant of his or her Option.
- (b) No Option may be exercised by an Optionee until the Plan has been approved by the shareholders of the Corporation.

- (c) Subsection to 2.06(d), the exercise of any Option will be contingent upon receipt by the Corporation of cash payment of the full Exercise Price of the Shares being purchased by 5:00 p.m. (MST) on the last day of the Option Period by delivering to the Corporation an Exercise Notice, the applicable Option Certificate and a certified cheque or bank draft payable to the Corporation in an amount equal to the aggregate Exercise Price of the Shares to be purchased pursuant to the exercise of the Option.
- (d) The Board may, in its sole and absolute discretion, subject to any required approval of any regulatory authority or the Exchange, declare that the Optionees (other than any Optionee performing Investor Relations Activities) shall be entitled to exercise Options on a "net" basis at any time prior to the expiry time of such Options. The exercise of any Option on a "net" basis will be conditional upon receipt by the Corporation at its head office of a written notice of exercise, specifying the number of Shares in respect of which the Option is being exercised on a "net" basis. Upon such exercise, the Optionee shall be issued such number of Shares as is equal to (i) the "in-the-money" amount for all of the Optionee's Options being exercised on a "net" basis (being the then VWAP (calculated at the date of exercise) less the exercise price of each such Option) divided by (ii) the then VWAP (calculated at the date of exercise), and multiplied by (iii) the number of Options being exercised on a "net" basis.

2.07 Vesting of Options

Executives, Employees, Management Company Employees and Consultants

All Options granted to an Executive, Employee, Management Company Employee or Consultant pursuant to this Plan shall vest and become fully exercisable as determined by the Board when the Option is granted.

Optionees performing Investor Relations Activities

All Options granted to Optionees performing Investor Relations Activities pursuant to this Plan shall vest and become full exercisable as follows or as determined by the Board when the Option is granted, but in any event such Options shall not vest any sooner:

- (a) one quarter (1/4) of the Options on the date which is three (3) months from the date said Options are granted;
- (b) one quarter (1/4) of the Options on the date which is six (6) months from the date said Options are granted;
- (c) one quarter (1/4) of the Options on the date which is nine (9) months from the date said Options are granted; and
- (d) the final one quarter (1/4) of the Options on the date which is twelve (12) months from the date said Options are granted.

2.08 Restrictions on Grant of Options

The aggregate number of Shares that may be issued pursuant to the exercise of Options awarded under the Plan and all other Security Based Compensation Arrangements of the Corporation shall be subject to the following conditions:

- (a) not more than two (2%) percent of the Outstanding Issue, calculated as at the date any security based compensation is granted or issued, may be granted to any one Consultant in any 12 month period;
- (b) not more than an aggregate of two (2%) percent of the Outstanding Issue, calculated as at the date any security based compensation is granted or issued, may be granted in aggregate to Eligible Persons conducting Investor Relations Activities in any 12 month period;
- (c) unless the Corporation has obtained disinterested shareholder approval, not more than five (5%) percent of the Outstanding Issue, calculated as at the date any security based compensation is granted or issued may be issued to any one individual in any 12 month period;
- (d) unless the Corporation has obtained disinterested shareholder approval, not more than an aggregate of ten (10%) percent of the Outstanding Issue, calculated at any point in time, to Insiders (as a group);
- (e) unless the Corporation has obtained disinterested shareholder approval, not more than an aggregate of ten (10%) percent of the Outstanding Issue, calculated as at the date any security based compensation is granted or issued, may be issued to Insiders in any 12 month period; and
- (f) unless the Corporation has obtained disinterested shareholder approval, the Corporation shall not: (i) decrease the Exercise Price of Options previously granted to Insiders; or (ii) extend the term of any Options previously granted to Insiders.

If disinterested shareholder approval is required, the proposed grant(s) or plan must be approved by a majority of the votes cast by all shareholders at the shareholders' meeting excluding votes attaching to shares beneficially owned by (i) Insiders to whom options may be granted under the stock option plan; and (ii) associates of such Insiders. Holders of non-voting and subordinate voting shares must be given full voting rights on a resolution that requires disinterested shareholder approval.

2.09 Lapsed Options

If Options are surrendered, terminated or expire without being exercised in whole or in part, new Options may be granted covering the Shares not purchased under such lapsed Options.

2.10 Effect of Termination of Employment, Death or Disability

- (a) If an Optionee shall die while employed by the Corporation or its Affiliate, or while an Executive, any Options held by the Optionee at the date of death, which have vested pursuant to section 2.07, shall become exercisable, in whole or in part, but only by the persons or persons to whom the Optionee's rights under the Option shall pass by the Optionee's will or the laws of descent and distribution (the "**Successor Optionee**"). Notwithstanding the foregoing, the Board, in its discretion, may resolve that all of the Options held by an Optionee at the date of death which have not yet vested shall vest immediately upon death. All such Options shall be exercisable only to the extent that the Optionee was entitled to exercise the Option at the date of his or her death and only for one (1) year after the date of death or prior to the expiration of the Option Period in respect thereof, whichever is sooner, except that in the event the expiration of the Option Period is earlier than one (1) year after the date of death,

with the consent of the Exchange, the Options shall be exercisable for up to one (1) year after the date of death of the Optionee.

- (b) If the employment of an Optionee shall terminate due to disability while the Optionee is employed by the Corporation or its Affiliate, any Option held by the Optionee on the date the employment of the Optionee is terminated due to disability, which have vested pursuant to section 2.07, shall become exercisable, in whole or in part. Notwithstanding the foregoing, the Board, in its discretion, may resolve that all of the Options held by an Optionee on the date the employment of the Optionee is terminated due to disability which have not yet vested shall vest immediately upon such date. All such Options shall be exercisable only to the extent that the Optionee was entitled to exercise the Option at the date of his or her termination due to disability and only for one (1) year after the date of termination or prior to the expiration of the Option Period in respect thereof, whichever is sooner, provided that Options that become exercisable due to disability shall only be exercisable by the person or persons who have the legal authority to act on behalf of the Optionee in connection with the rights of the Optionee to the Option.
- (c) Subject to section 2.10(d), Options granted to any Optionee must expire not later than thirty (30) days following the Termination Date, unless otherwise determined by the Board at the time of each grant or following the Termination Date (and in any event not later than one (1) year following the Termination Date). Notwithstanding the foregoing, the Board, in its discretion, may resolve that all of the Options held by an Optionee on the Termination Date which have not yet vested shall vest immediately upon such date.
- (d) If the employment of an Employee or Consultant is terminated for cause no Option held by such Optionee may be exercised following the Termination Date.
- (e) An Optionee shall have no entitlement to damages or other compensation whatsoever arising from, in lieu of, or related to not receiving any Option which would have vested or been granted after the Termination Date, or which could have been exercised after the Termination Date but for this section 2.10, including but not limited to damages in lieu of notice at common law.

2.11 Effect of Offer or Sale

If at any time when the Option hereby granted remains unexercised with respect to any Shares, (a) a general offer to purchase all of the issued shares of the Corporation is made by a third party or (b) the Corporation proposes to sell all or substantially all of its assets and undertaking or to merge, amalgamate or be absorbed by or into any other company (save and except for a subsidiary or subsidiaries of the Corporation) under any circumstances which involve or may involve or require the liquidation of the Corporation, a distribution of its assets among its shareholders, or the termination of its corporate existence, the Corporation shall use its best efforts to provide notice of such offer or proposal to the Optionee as soon as practicable and (i) the Corporation may permit the Option hereby granted to be exercised, as to all or any of the Shares in respect of which such Option has not previously been exercised by the Optionee at any time up to and including (but not after) a date twenty (20) days following the date of notice of such offer, sale or other similar transaction or prior to the close of business on the expiration date of the Option Period, whichever is the later; and (ii) the Corporation may, at its option, determine that upon the expiration of such twenty (20) day period, all rights to exercise the Option shall terminate and cease to have any further force or effect.

2.12 Effect of Amalgamation, Consolidation or Merger

If the Corporation amalgamates, consolidates with or merges with or into another corporation, upon the exercise of an Option following such amalgamation, consolidation or merger, the Optionee shall be entitled to receive, and shall accept, in lieu of Shares, the securities, property or cash which the Optionee would have received upon such amalgamation, consolidation or merger if the Optionee had exercised his Option and held Shares immediately prior to the effective date of such amalgamation, consolidation or merger, and the option price shall be adjusted appropriately by the directors of the Corporation and such adjustment shall be binding for all purposes herein.

2.13 Adjustment in Shares Subject to the Plan

If there is any change in the Shares through or by means of a declaration of stock dividends of Shares or consolidations, subdivisions or reclassification of Shares, or otherwise, the number of Shares available under the Plan, the Shares subject to any Option, and the Exercise Price thereof shall be adjusted appropriately by the Board and such adjustment shall be effective and binding for all purposes of the Plan.

2.14 Hold Period

All Options and any Shares issued on the exercise of Options may be subject to and legended with a four month hold period commencing on the date the Options were granted pursuant to the rules of the Exchange and applicable securities laws. Any Shares issued on the exercise of Options may be subject resale restrictions contained in National Instrument 45-102 – Resale of Securities which would apply to the first trade of the Shares.

2.15 Notification of Grant of Option

Following the granting of an Option by the Board, the Corporation shall notify the Optionee in writing of the Option and shall enclose with such notice the Option Certificate representing the Option so granted. Each Optionee, concurrently with the notice of the grant of an Option, shall be provided with a copy of the Plan.

2.16 Options Granted To Corporations

Except in relation to a Consultant that is a corporation, Options may only be granted to an individual or a corporation that is wholly-owned by an Eligible Person. If a corporation is an Optionee, it must provide the Exchange with a completed Form 4F – *Certification and Undertaking Required from a Corporation Granted an Incentive Stock Option*. The corporation must agree not to effect or permit any transfer of ownership or option of shares of the corporation nor to issue further shares of any class in the corporation to any other individual or entity as long as the Option remains outstanding, except with the written consent of the Exchange.

PART 3 - GENERAL

3.01 Number of Shares

The aggregate number of Shares that may be reserved for issuance, from time to time, under the Plan, excluding Shares that may be issued pursuant to the Corporation's share award incentive plan, shall not exceed ten (10%) percent of the total Outstanding Issue.

3.02 Transferability

All benefits, rights and options accruing to any Optionee in accordance with the terms and conditions of the Plan shall not be transferable or assignable unless specifically provided herein. During the lifetime of an Optionee, all benefits, rights and options may only be exercised by the Optionee.

3.03 Employment

Nothing contained in any Plan shall confer upon any Optionee any right with respect to employment or continuance of employment with the Corporation or any Affiliate, or interfere in any way with the right of the Corporation or any Affiliate to terminate the Optionee's employment at any time. Participation in any Plan by an Optionee is voluntary.

3.04 Approval of Plan

Options issued under the Plan shall only become exercisable after the Plan has been approved by the shareholders of the Corporation; provided, however:

- (a) unless consistent with the terms contained herein and approved by the Board, nothing contained herein shall in any way affect Options previously granted by the Corporation and currently outstanding;
- (b) the Plan must receive shareholder approval yearly, at the Corporation's annual general meeting.

The obligation of the Corporation to sell and deliver Shares in accordance with the Plan is subject to the approval of any governmental authority having jurisdiction or any stock exchanges on which the Shares are listed for trading which may be required in connection with the authorization, issuance or sale of such Shares by the Corporation. If any Shares cannot be issued to any Optionee for any reason including, without limitation, the failure to obtain such approval, then the obligation of the Corporation to issue such Shares shall terminate and any Optionee's option price paid to the Corporation shall be returned to the Optionee.

3.05 Administration of the Plan

The Board is authorized to interpret the Plan from time to time and to adopt, amend and rescind rules and regulations for carrying out the Plan. The interpretation and construction of any provision of the Plan by the Board shall be final and conclusive. Administration of the Plan shall be the responsibility of the appropriate officers of the Corporation and all costs in respect thereof shall be paid by the Corporation.

3.06 Income Taxes

As a condition of and prior to participation in the Plan, if requested by the Board, a Optionee shall authorize the Corporation in written form to withhold from any remuneration otherwise payable to such Optionee any amounts required by any taxing authority to be withheld for taxes of any kind as a consequence of such participation in the Plan.

In addition, if the Corporation is required under the *Income Tax Act* (Canada) or any other applicable law to make source deductions in respect of employee stock option benefits to the Optionee and to remit to the applicable governmental authority an amount on account of tax on the value of the taxable benefit associated with the issuance of Shares on exercise of Options, then the Optionee shall (i) pay to the Corporation, in addition to the Exercise Price for the Options, sufficient cash as is

reasonably determined by the Corporation to be the amount necessary to permit the required tax remittance, (ii) authorize the Corporation, on behalf of the Optionee, to sell in the market on such terms and at such time or times as the Corporation determines a portion of the Shares being issued upon exercise of the Options to realize cash proceeds to be used to satisfy the required tax remittance, or (iii) make other arrangements acceptable to the Corporation to fund the required tax remittance.

3.07 Amendments to the Plan

The Board reserves the right to amend, modify or terminate the Plan at any time if and when it is advisable in the absolute discretion of the Board. However, any amendments of the Plan which could result, at any time, in:

- (a) a material increase in the benefits under the Plan; or
- (b) an increase in the number of Shares which would be issued under the Plan (except any increase resulting automatically from an increase in the total Outstanding Issue);
or
- (c) a material modification in the requirement as to eligibility for participation in the Plan;

shall be effective only upon the approval of the shareholders of the Corporation. Any amendment to any provision of the Plan shall be subject to approval, if required, by any regulatory body having jurisdiction over the securities of the Corporation.

3.08 No Representation or Warranty

The Corporation makes no representation or warranty as the future market value of any Shares issued in accordance with the provisions of the Plan.

3.09 Interpretation

The Plan will be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.

3.10 Compliance with Applicable Law, etc.

If any provision of the Plan or of any Option Certificate delivered pursuant to the Plan contravenes any law or any order, policy, by-law or regulation of any regulatory body or stock exchange having authority over the Corporation or the Plan then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

SCHEDULE A

If issued to officers or directors or at a discount to the Market Price - WITHOUT PRIOR WRITTEN APPROVAL OF TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL [INSERT DATE THAT IS FOUR MONTHS AND A DAY FROM THE GRANT DATE].

THE HEMPSHIRE GROUP, INC.

STOCK OPTION PLAN
OPTION CERTIFICATE

[(Canadian Optionees)]

This Certificate is issued pursuant to the provisions of the [●] (the "**Corporation**") stock option plan (the "**Plan**") and evidences that _____ is the holder (the "**Optionee**") of an option (the "**Option**") to purchase up to _____ common shares (the "**Shares**") in the capital stock of the Corporation at a purchase price of CAD\$_____ per Share (the "**Exercise Price**").

Subject to the provisions of the Plan:

- (a) the effective date of the grant of the Option is _____, 20__;
- (b) the Option expires at 5:00 p.m. (MST) on _____, 20__; and
- (c) the Options shall vest as follows:

Date	Percent of Stock Options Vested	Number of Stock Options Vested	Aggregate Number of Stock Options Vested

The vested portion or portions of the Option may be exercised at any time and from time to time from and including the date of the grant of the Option through to 5:00 p.m. (MST) on the expiration date of the Option Period by delivering to the Corporation an Exercise Notice, in the form attached, together with this Certificate and a certified cheque or bank draft payable to the Corporation in an amount equal to the aggregate of the Exercise Price of the Shares in respect of which the Option is being exercised.

All Options and any Shares issued on the exercise of Options may be subject to resale restrictions and may be subject to and legended with a four month hold period commencing on the date the Options were granted pursuant to the rules of the Exchange and applicable securities laws. The Options hereby granted are subject to the approval of the Exchange.

This Certificate and the Option evidenced hereby is not assignable, transferable or negotiable and is subject to the detailed terms and conditions contained in the Plan, the terms and conditions of which the Optionee hereby expressly agrees with the Corporation to be bound by. This Certificate is issued

for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Corporation shall prevail.

All terms not otherwise defined in this Certificate shall have the meanings given to them under the Plan.

Dated this _____ day of _____, 20__.

THE HEMPSHIRE GROUP, INC.

Per: _____
Authorized Signatory

APPENDIX "A"

STOCK OPTION PLAN
EXERCISE NOTICE

TO: THE HEMPSHIRE GROUP, INC. (the "Corporation")

1. The undersigned (the "**Optionee**"), being the holder of options to purchase _____ common shares of the Corporation at the exercise price of _____ per share, hereby irrevocably gives notice, pursuant to the stock option plan of the Corporation (the "**Plan**"), of the exercise of the Option to acquire and hereby subscribes for _____ of such common shares of the Corporation.
2. The Optionee tenders herewith a certified cheque or bank draft payable to the Corporation in an amount equal to the aggregate Exercise Price of the aforesaid common shares exercised and directs the Corporation to issue a share certificate evidencing said common shares in the name of the Optionee to be mailed to the Optionee at the following address:

3. By executing this Exercise Notice, the Optionee hereby confirms that the undersigned has read the Plan and agrees to be bound by the provisions of the Plan. All terms not otherwise defined in this Exercise Notice shall have the meanings given to them under the Plan or the attached Option Certificate.
4. **[The Optionee is resident in Canada.]**
5. The undersigned Optionee hereby represents, warrants, acknowledges and agrees that the certificate(s) representing the Shares may be subject to and legended with a four month hold period commencing on the date the Options were granted pursuant to the rules of the Exchange and applicable securities laws.

DATED the _____ day of _____, _____.

Signature of Option Holder

SCHEDULE "B"

Share Award Incentive Plan

(Please see attached.)

THE HEMPSHIRE GROUP, INC.

SHARE AWARD INCENTIVE PLAN (SHARE SETTLED)

**ARTICLE 1
PURPOSE**

1.1 Purpose

The purpose of this Plan is to provide directors, officers, employees and consultants of the Company or any of its subsidiaries with the opportunity to acquire Share Awards to allow them to participate in the long-term success of the Company and to promote a greater alignment of their interests with the interests of the Company's shareholders.

**ARTICLE 2
INTERPRETATION**

2.1 Definitions

For purposes of the Plan:

- (a) **"Active Employment"** means the period in which a Participant who is an employee of the Company or an affiliate performs work for the Company or an affiliate. For certainty, "Active Employment" shall be deemed to include any period constituting the minimum notice of termination period as may be required to be provided to a Participant pursuant to applicable employment standards legislation but shall exclude any other period that follows or ought to have followed the later of the end of the statutory notice period or the Participant's last day of performing work for the Company or an affiliate, whether that period arises from a contractual or common law right;
- (b) **"Active Engagement"** means any period in which a Participant who is not an employee of the Company or an affiliate provides services to the Company or an affiliate. For certainty, "Active Engagement" shall exclude any period that follows, or ought to have followed, a Participant's last day of providing services to the Company or an affiliate, including at common law;
- (c) **"Adjustment Factor"** means the adjustment factor set out in the Award Notice for an award of PSAs;
- (d) **"Applicable Withholding Amount"** is defined in Section 4.8(b);
- (e) **"Award Date"** means a date on which Share Awards are awarded to a Participant in accordance with Section 4.1;
- (f) **"Award Notice"** means a notice substantially in the form of Schedule A, in the case of RSAs, and substantially in the form of Schedule B, in the case of PSAs, and containing such other terms and conditions relating to an award of Share Awards as the Board may prescribe;
- (g) **"Board"** means the board of directors of the Company or its delegate pursuant to Section 3.1(b);

- (h) **"Blackout Period"** means the period of 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 holder of a Share Award.
- (i) **"Cause"** means any grounds at common law for which an employer is entitled to dismiss an employee without notice or pay in lieu of notice, and includes, without limitation, the following:
 - (i) the Participant's breach of a material term of his or her employment agreement or employment, as applicable;
 - (ii) the Participant's repeated and demonstrated failure to perform the Participant's material duties of his or her position in a competent manner;
 - (iii) the conviction of the Participant for a criminal offence involving fraud or dishonesty, or which otherwise adversely impacts the reputation of the Company;
 - (iv) the Participant's willful failure to act honestly and in the best interests of the Company;
 - (v) the Participant's breach of his or her fiduciary duties, as applicable;
 - (vi) any actions or omissions on the part of the Participant constituting gross misconduct or
 - (vii) gross negligence resulting in material harm to the Company or which otherwise adversely impacts the reputation of the Company in a material nature;
- (j) **"Change of Control"** means and shall be deemed to have occurred upon the happening of any of the following events:
 - (i) the acceptance by the holders of Shares, representing in aggregate, more than 50% of all issued Shares of any offer, whether by way of a takeover bid or otherwise, for all or any of the outstanding Shares;
 - (ii) the acquisition, by whatever means, by a person (or two or more persons who, in such acquisition, have acted jointly or in concert or intend to exercise jointly or in concert any voting rights attaching to the Shares acquired) directly or indirectly, of beneficial ownership of such number of Shares or rights to Shares, if any, representing (assuming the full exercise of such rights to Shares) more than 50% of the combined voting rights of the Company's then outstanding Shares;
 - (iii) the entering into of any agreement by the Company to merge, consolidate, amalgamate, initiate an arrangement or be absorbed by or into another corporation; provided that no change of control shall be deemed to have occurred if (A) the transaction contemplated by such agreement referred to herein is not completed; or (B) upon completion of any such transaction individuals who were members of the Board immediately prior to the effective date of such transaction constitute a majority of the board of directors of the resulting corporation following such effective date;

- (iv) the passing of a resolution by the Board or shareholders of the Company to substantially liquidate the assets or wind up the Company's business or significantly rearrange its affairs in one or more transactions or series of transactions or the commencement of proceedings for such a liquidation winding up or re-arrangement (except where such re-arrangement is part of a bona fide reorganization of the Company in circumstances where the business of the Company is continued and where the shareholdings remain substantially the same following the re-arrangement);
- (v) individuals who were members of the Board immediately prior to a meeting of shareholders of the Company involving a contest for or an item of business relating to the election of directors, do not constitute a majority of the Board following such contest or election;
- (vi) the completion of any transaction or the first of a series of transactions which would have the same or similar effect as any transaction or series of transactions referred to in subsections (i), (ii), (iii), (iv) and (v) and referred to above; or
- (vii) a determination by the Board, acting in good faith, that a change of control has occurred for the purpose of this clause.

For purposes of this Plan, the Board may, by resolution, clarify the date as of which a Change of Control shall be deemed to have occurred.

- (k) "**Committee**" means the Governance, Compensation and Compliance Committee of the Board or such other Committee of the Board as may be appointed by the Board to administer the Plan;
- (l) "**Company**" means The Hampshire Group, Inc. and its successors and assigns;
- (m) "**Disability**" means the permanent and total incapacity of a Participant as determined by the Board for purposes of this Plan;
- (n) "**Distribution Date**" means the date determined in accordance with Sections 4.6 or 4.12, as applicable;
- (o) "**Dividend Equivalent**" means a bookkeeping entry whereby each Share Award is credited with the equivalent amount of the dividend paid on a Share in accordance with Section 4.5;
- (p) "**Dividend Market Value**" means the VWAP of the Shares on the Exchange for the five (5) trading days immediately following the dividend record date for the payment of any dividend made on the Shares;
- (q) "**Eligible Person**" means a Person entitled to receive Share Awards in accordance with Section 3.3;
- (r) "**Exchange**" means the TSX Venture Exchange and any successor thereof or, if the Shares are not then listed and posted for trading on the facilities of the TSX Venture Exchange, on such stock exchange in Canada on which such shares are listed and posted for trading as may be selected for such purpose by the Board;

- (s) **"Exchange Policies"** means, collectively, Policy 4.4 of the TSXV entitled "Security Based Compensation", Policy 1.1 of the TSXV entitled "Interpretation" and any other policies of the TSXV applicable to Security-Based Compensation Arrangements;
- (t) **"Final Date"** is defined in Section 4.6(b)
- (u) **"Insider"** means an insider as defined in the policies of the Exchange;
- (v) **"Non-Employee Director"** means a director of the Company who is not an officer or employee of the Company or a subsidiary;
- (w) **"Participant"** means an Eligible Person who has been awarded Share Awards under the Plan or to whom Share Awards have been transferred in accordance with the Plan;
- (x) **"Payment Shares"** is defined in Section 4.8(a);
- (y) **"Performance Measures"** means, for any period, the performance measures to be taken into consideration in granting PSAs and determining the Adjustment Factor in respect of any PSA, which measures shall be established by the Board in its discretion at the time of the grant of the PSA;
- (z) **"Performance Share Award" or "PSA"** means a unit equivalent in value to a Share, credited by means of a bookkeeping entry on the books of the Company in accordance with Article 4, based on the achievement of the performance criteria set out in the applicable Award Notice;
- (aa) **"Person"** means any individual, sole proprietorship, partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, fund, organization or other group of organized persons, government, government regulatory authority, governmental department, agency, commission, board, tribunal, dispute settlement panel or body, bureau, court, and where the context requires any of the foregoing when they are acting as trustee, executor, administrator or other legal representative;
- (bb) **"Plan"** means this Share Award Incentive Plan as amended, restated, supplemented or otherwise modified from time to time;
- (cc) **"Restricted Share Award" or "RSA"** means a unit equivalent in value to a Share, credited by means of a bookkeeping entry on the books of the Company in accordance with Article 4;
- (dd) **"Retirement"** means the retirement of a Participant who has greater than or equal to five (5) years of service to the Company or its subsidiaries and is older than sixty (60) years of age or as otherwise approved by the Board;
- (ee) **"Security Based Compensation Arrangement"** means any share rights incentive plan, share option, share option plan, employee share purchase plan in existence from time to time where the Company provides any financial assistance or matching mechanism, stock appreciation right or any other compensation or incentive mechanism involving the issuance or potential issuance of securities from the Company's treasury, including a share purchase from treasury which is financially assisted by the Company by way of a loan guarantee or otherwise, but for greater

certainty does not involve compensation arrangements which do not involve the issuance or potential issuance of securities from the Company's treasury;

- (ff) **"Settlement Market Value"** per Share means the VWAP on the Exchange for the five trading days immediately preceding the Distribution Date;
- (gg) **"Share"** means a common share of the Company or, in the event of an adjustment contemplated by Section 4.13, such number or type of securities as the Board may determine;
- (hh) **"Share Award"** means a PSA or an RSA, as applicable;
- (ii) **"Termination Date"** means, in respect of a Participant, such Participant's last day of Active Employment or Active Engagement (as applicable) with the Company or an affiliate, whether such date is selected by the Participant, by mutual agreement between the Company or an affiliate and the Participant, or unilaterally by the Company or an affiliate;
- (jj) **"U.S. Taxpayer"** means a Participant who is a U.S. citizen, U.S. permanent resident or U.S. tax resident for the purposes of the U.S. Internal Revenue Code (the "**Code**") or a Participant for whom the award of Share Awards under this Plan would otherwise be subject to U.S. taxation under the United States Internal Revenue Code. A Participant shall be considered a U.S. taxpayer solely to the extent such Participant's Share Awards are subject to U.S. taxation;
- (kk) **"Vesting Date"** is defined in Section 4.2; and
- (ll) **"VWAP"** means the volume weighted average trading price of the listed Shares, calculated by dividing the total value by the total volume of Shares traded for the relevant period.

Capitalized terms in the Plan that are not otherwise defined herein shall have the meaning set out in the Exchange Policies, including, without limitation, "Consultant" and "Investor Relations Activities".

2.2 Certain Rules of Interpretation

- (a) Whenever the Board or, where applicable, the Committee or any sub-delegate of the Committee is to exercise discretion in the administration of the terms and conditions of this Plan, the term "discretion" means the sole and absolute discretion of the Board or the Committee or the sub-delegate of the Committee, as the case may be.
- (b) As used herein, the terms "Article" and "Section" mean and refer to the specified Article or Section of this Plan.
- (c) Words importing the singular include the plural and vice versa and words importing any gender include any other gender.
- (d) Unless otherwise specified, all references to money amounts are to Canadian currency.

ARTICLE 3 ADMINISTRATION

3.1 Administration of the Plan

- (a) This Plan shall be administered by the Board. The Board shall have full and final discretion to interpret the provisions of the Plan and to prescribe, amend, rescind and waive rules and regulations to govern the administration and operation of the Plan. All decisions and interpretations made by the Board shall be binding and conclusive upon the Company and on all Eligible Persons, Participants and all other Persons.
- (b) To the extent permitted by applicable law, the Board may, from time to time, delegate to the Committee, on such terms as it considers appropriate, all or any of the powers, duties and functions relating to the granting of Share Awards and the administration of the Plan, including the power to sub-delegate, to the extent permitted by applicable law, to any specified officer of the Company all or any of the powers delegated to the Committee. Any decision made or action taken by the Committee or the specified officer arising out of or in connection with the administration or interpretation of this Plan in this context is final, binding and conclusive on the Company, the Participants and all other Persons.

3.2 Determination of Value if Shares Not Publicly Traded

If the Shares are not publicly traded on the Exchange at the relevant time such that the Dividend Market Value and/or the Settlement Market Value cannot be determined in accordance herein, such value shall be determined by the Board acting in good faith.

3.3 Eligibility

Share Awards shall be granted only to persons (each, an "**Eligible Person**") who are directors, officers, employees, or consultants of the Company or a subsidiary of the Company as the Board determines should receive Share Awards in accordance with the applicable laws and the policies and rules of the Exchange. Notwithstanding the foregoing, Non-Employee Directors are not eligible to be awarded PSAs and are only eligible to be awarded RSAs under the Plan.

The Board reserves the right to restrict eligibility or otherwise limit the number of Persons eligible for participation in the Plan at any time. Eligibility to participate does not confer upon any individual a right to receive an award of Share Awards pursuant to the Plan.

3.4 Total Shares Subject to Share Awards

Unless otherwise approved by the Exchange and the shareholders of the Company:

- (a) the securities that may be issued to Participants pursuant to this Plan shall consist of those authorized but unissued Shares which the Board and/or Committee has, in its discretion, reserved and approved for issuance under the Plan from time to time;
- (b) subject to Section 4.13, the aggregate number of Shares that may be issued pursuant to the Plan shall not exceed 8,108,391 Shares;
- (c) the number of securities issuable to Insiders of the Company, at any time, under all Security Based Compensation Arrangements including, without limitation, this Plan,

shall not exceed 10% of the issued and outstanding securities of the Company at the time of grant calculated on a non-diluted basis;

- (d) the number of securities issued to Insiders of the Company, within any one-year period, under all Security Based Compensation Arrangements including, without limitation, this Plan, shall not exceed 10% of the issued and outstanding securities of the Company at the time of grant calculated on a non-diluted basis;
- (e) the aggregate: (i) number of Shares that may be reserved for issuance pursuant to the exercise of RSAs granted to Non-Management Directors pursuant to this Plan shall not exceed 1.0% of the Shares outstanding from time to time; and (ii) value of RSAs granted to any one Non-Employee Director in any calendar year under the Plan and under any other Security Based Compensation Arrangements shall not exceed \$150,000;
- (f) the number of securities issued to any one Participant and such Participant's associates, within any one-year period, under all Security Based Compensation Arrangements including, without limitation, this Plan, shall not exceed 5% of the issued and outstanding Shares at the time of the grant;
- (g) the number of securities issued to a Participant who is a Consultant, within any one-year period, under all Security-Based Compensation Arrangements including, without limitation, this Plan, shall not exceed 2% of the issued and outstanding Shares at the time of the grant;
- (h) no securities shall be issued to any Participants who are employees engaged in Investor Relation Activities under this Plan;
- (i) to the extent Share Awards are not exercised or to the extent any Share Awards are terminated for any reason or are cancelled, the Shares subject to such Share Awards shall be added back to the number of Shares reserved for issuance under the Plan and such Shares will again become available for Share Award grants under the Plan; and
- (j) if the acquisition of Shares by the Company for cancellation should result in any of the above tests no longer being met, this shall not constitute non-compliance with this Section 3.4 for any awards outstanding prior to such purchase of Shares for cancellation.

In addition to Exchange and shareholder approval, the Company must obtain disinterested shareholder approval for any grants or issuances that could result in the scenarios described in Sections 3.4(c), 3.4(f), or 3.4(c) above.

For purposes of the calculations in this Section 3.4 only, it shall be assumed that all issued and outstanding Share Awards will be settled by the issuance of Shares from treasury, notwithstanding that, pursuant to Section 4.7, Share Awards may be settled by purchasing Shares on the open market.

3.5 Participant's Agreement to be Bound

- (a) Participation in the Plan is entirely voluntary and is at the discretion of the Eligible Person, and shall not be interpreted as conferring upon such Participant any rights or privileges other than those rights and privileges expressly provided in the Plan. Should any Eligible Person elect to participate in the Plan by electing to receive Share Awards

through delivery of an acknowledgement in the manner specified in Section 3.5(b) or otherwise, such acknowledgement shall be construed as acceptance by the Eligible Person, of the terms and conditions of the Plan, and all rules and procedures adopted hereunder, as amended, assigned or assumed from time to time in accordance with the terms hereof.

- (b) In order to participate in the Plan, an Eligible Person shall acknowledge each Award Notice and such other matters as deemed necessary by the Committee, in its sole discretion, including those matters specified in Schedule A or Schedule B, as applicable, by delivering their countersigned acknowledgement on the Award Notice.

ARTICLE 4 AWARD OF SHARE AWARDS

4.1 Award of Share Awards

- (a) Subject to the provisions of the Plan and such other terms and conditions as the Committee or the Board may prescribe, the Committee may, from time to time grant Share Awards to any Eligible Person. Upon receipt of an acknowledgement in the manner specified in Section 3.5, Share Awards shall be credited to an account maintained for each Participant on the books of the Company, effective as of the Award Date for that grant. The number of Share Awards (including fractional Share Awards) to be credited as of the Award Date shall be determined by the Committee in its sole discretion.
- (b) Participants may be selected and awards may be made at any time. Participants need not be selected and awards need not be made at the same time by the Committee. Any award made to a Participant shall not obligate the Committee to make any subsequent awards to that Participant. The award of Share Awards in any year to any Eligible Person is intended to be in the nature of a bonus for services rendered or to be rendered in respect of or over any specified period.

4.2 Vesting Period

Each Share Award will vest on such terms as shall be specified by the Board or Committee at the time of granting an award of Share Awards as reflected in the Award Notice, except as otherwise provided in this Plan (each applicable date, a "**Vesting Date**").

4.3 Performance Vesting

Prior to the Vesting Date in respect of any PSA, the Board or Committee shall assess the performance of the Company for the applicable period. The weighting of the individual measures comprising the Performance Measures shall be determined by the Board or Committee, as applicable, in its sole discretion having regard to the principal purposes of the Plan and, upon the assessment of all Performance Measures, the Board or Committee shall determine the Adjustment Factor for the applicable period in its sole discretion. The applicable Adjustment Factor may be between a minimum of zero and such maximum as determined by the Board or Committee (provided such maximum shall not exceed 2.0).

4.4 Award Notice

All awards of Share Awards under Section 4.1 of this Plan will be evidenced by an Award Notice. Such Award Notice will be subject to the applicable provisions of this Plan and will contain such provisions

as are required by this Plan and any other provisions that the Board or Committee may direct. Any one officer of the Company is authorized and empowered to execute and deliver, for and on behalf of the Company, an Award Notice to a Participant once the Board or Committee has approved the grant of Share Awards to that particular Eligible Person.

4.5 Credits for Dividends

Unless otherwise determined by the Board in its sole discretion, in the event that the Company pays a normal cash dividend on the Shares, a Participant's account shall be credited with Dividend Equivalents in the form of additional Share Awards as of each dividend payment date in respect of which normal cash dividends are paid on Shares. Such Dividend Equivalents shall be computed by dividing: (a) the product of (i) the amount of the dividend declared and paid per Share, multiplied by (ii) the number of Share Awards recorded in the Participant's account on the record date for the payment of such dividend; by (b) the Dividend Market Value, with fractions computed to three decimal places. Any additional Share Awards resulting from such Dividend Equivalents shall have the same vesting schedule and Distribution Date as the Share Awards to which they relate. The foregoing does not require the Company to pay dividends on Shares and nothing in this Plan shall be interpreted as creating such an obligation. If the Company does not have a sufficient number of Shares issuable under the Plan to satisfy its obligations in respect of the Dividend Equivalents, the Company may make payment of such amount in cash (such amount being equal to the Dividend Market Value on the Distribution Date).

4.6 Distribution Date of Awards

- (a) Unless otherwise determined by the Board in its sole discretion, the date of settlement of any Share Award (a "**Distribution Date**") shall be the applicable Vesting Date for such Share Award established pursuant to Section 4.2; provided that, for greater certainty, the Board may in its sole discretion impose additional or different conditions to the determination of the Distribution Date of any Share Award.
- (b) Notwithstanding anything to the contrary in this Plan, no Distribution Date in respect of any Share Award may occur after the earlier of: (i) the thirtieth day after the Participant ceases to be eligible to participate under the Plan (including for the reasons described in Sections 4.9, 4.10, 4.11 and 4.12); or (ii) December 31 of the third year following the year in which the Participant performed the services to which such Share Awards relate (the earlier of the two being the "**Final Date**").
- (c) Notwithstanding anything to the contrary in this Section, with respect to any Share Awards awarded to a Participant who is a U.S. Taxpayer, the Distribution Date shall be the applicable Vesting Date established pursuant to Section 4.2.

4.7 Settlement of Share Awards

On the Distribution Date, the Board or Committee, as applicable, in its sole discretion, shall have the option of settling the Shares issuable in respect of Share Awards by any or all of the following methods: (a) settlement in Shares acquired by the Company on the Exchange; or (b) the issuance of Shares from the treasury of the Company.

4.8 Distribution of Shares

- (a) As soon as practicable after each Distribution Date or on the Final Date (if the Distribution Date is the Final Date), the Company shall issue to the Participant or, if Section 4.12 applies, to the Participant's estate, a number of Shares equal to the

number of Share Awards in the Participant's account that became payable on the Distribution Date (the "**Payment Shares**"). As of the Distribution Date, the Share Awards in respect of which such Shares are issued shall be cancelled and no further payments shall be made to the Participant under the Plan in relation to such Share Awards.

- (b) As a condition to the issue of Shares in payment of any Share Awards, the Company may: (i) require that the Participant pay to the Company such amount as the Company is obligated to withhold and remit to the relevant taxing authority in respect of the issuance of the Shares in payment of the Share Awards (the "**Applicable Withholding Amount**"); (ii) withhold the Applicable Withholding Amount from any remuneration or other amount otherwise payable by the Company to the Participant; (iii) withhold and sell such number of Shares which would otherwise be issued upon payment of the Share Awards as necessary to satisfy the withholding and remittance of the Applicable Withholding Amount; or (iv) require that the Participant enter into any other arrangements suitable to the Company to enable the Company to satisfy the Applicable Withholding Amount, including any combination of the foregoing. On or prior to the Distribution Date, the Company shall advise the Participant in writing of any Applicable Withholding Amount required in connection with the issue of Shares in settlement of the Share Awards.

4.9 Resignation or Termination

Subject to any written resolution passed by the Board, if any Participant shall cease to hold the position or positions of director, officer, employee or consultant of the Company or any subsidiaries (as the case may be): (i) for any reason other than resignation, termination with Cause, death or Disability, then all Share Awards granted to the Participant under the Plan that have not yet vested (in accordance with section 4.6) within 90 days after the Termination Date shall terminate without payment and shall be of no further force or effect; and (ii) by reason of resignation or termination with Cause, then all Share Awards granted to the Participant under the Plan that have not yet vested as of the Termination Date shall terminate without payment and shall be of no further force or effect. All grants of Share Awards to US Taxpayers shall be deemed to adjust the 90 day term specified herein to 74 days. For the avoidance of doubt, no period of notice or payment in lieu of notice that is given or that ought to have been given to a Participant under applicable law or contract in respect of the Participant's termination of employment, or in respect of a period after the Participant's last day of actual and active employment shall be considered for the purposes of determining the vesting of Share Awards. A Participant shall have no entitlement to damages or other compensation whatsoever arising from, in lieu of, or related to not receiving any Share Awards which would have vested or been granted after the Termination Date, including but not limited to damages in lieu of notice at common law.

4.10 Disability

Subject to any express resolution passed by the Board, if any Participant shall cease to hold the position or positions of director, officer, employee or consultant of the Company or any subsidiaries (as the case may be) by reason of Disability: (i) any vested Share Awards held by such Participant under the Plan at the date such Participant ceases to hold the position or positions of director, officer, employee or consultant of the Company or any subsidiaries as the case may be, shall be automatically settled and the Distribution Date shall be the 90th day after such date; (ii) any unvested Share Awards which shall vest within 90 days after the date such Participant ceases to hold the position shall continue to vest in the manner set forth in the applicable Award Notice for such Share Awards; and (iii) all other unvested Share Awards shall terminate without payment and shall be of no further force or effect.

4.11 Retirement

Subject to any express resolution passed by the Board, if any Participant shall cease to hold the position or positions of director, officer or employee of the Company or any subsidiaries (as the case may be) by reason of Retirement, any Share Awards held by such Participant under the Plan at the date such Participant ceases to hold the position or positions of director, officer or employee of the Company or any subsidiaries (as the case may be), shall continue to vest in the manner set forth in the applicable Award Notice for such Share Awards, except, at the discretion of the Board, for any Share Awards which are awarded to such director, officer or employee during the calendar year in which the director, officer or employee retires, all of which Share Awards shall expire.

4.12 Death of Participant Prior to Distribution

Subject to any express resolution passed by the Board or Committee, upon the death of a Participant, any vested Share Awards held by such Participant or any Share Awards which shall vest within one year after the death of the Participant, unless such vesting would occur after the Final Date, in which case the Share Awards shall vest on the Final Date under the Plan shall be automatically settled and the Distribution Date shall be within one year after the death of the Participant and all other unvested Share Awards shall terminate without payment and shall be of no further force or effect.

4.13 Adjustments to Share Awards

In the event of any subdivision, consolidation, stock dividend, capital reorganization, reclassification, exchange, or other change with respect to the Shares, or a consolidation, amalgamation, merger, spin-off, sale, lease or exchange of all or substantially all of the property of the Company or other distribution of the Company's assets to shareholders (other than the payment of dividends in respect of the Shares as contemplated by Section 4.5), the account of each Participant and the Share Awards outstanding under the Plan shall be adjusted in such manner, if any, as the Board may in its discretion, subject to approval by the Exchange, deem appropriate to preserve, proportionally, the interests of Participants under the Plan.

4.14 Change of Control

- (a) Unless otherwise determined by the Board in its sole discretion, immediately prior to a Change of Control, all unvested Share Awards shall become automatically vested where the Change of Control is consummated and the Performance Measures shall take into account, in determination of any Adjustment Factor in respect of any Performance Share Awards, the period up to and including the Change of Control.
- (b) Shares issuable in respect of Share Awards shall be, and shall be deemed to be, issued to Participants effective immediately prior to the completion of the transaction which would result in the Change of Control unless issued prior thereto in accordance with this Plan.

4.15 Discretion to Permit Vesting

Notwithstanding the provisions of Sections 4.2, 4.9, 4.10, 4.11 and 4.12, the Board may, in its sole discretion, at any time prior to or following the events contemplated in such Sections, permit the vesting of any or all Share Awards held by a Participant and the issuance of the Payment Shares in respect of such Share Awards in the manner and on the terms authorized by the Board, provided that: (a) the Board will not, in any case, authorize the vesting of a Share Awards or the issuance of a Payment Share pursuant to this Section beyond the Final Date applicable to the particular Share Award; and

(b) other than as set out in Sections 4.12 or pursuant to a Change of Control, no Share Awards may vest before the date that is one year following the date such Share Award was granted or issued.

4.16 Blackout Periods

Subject to the rules and regulations of the Exchange, notwithstanding any other provisions of this Plan except Section 4.6(b), if the Distribution Date of any Share Award occurs during or within 10 business days following the end of a Blackout Period, the Distribution Date of such Share Award shall be extended for a period of 10 business days following the end of the Blackout Period (or such longer period as permitted by the Exchange and approved by the Board).

ARTICLE 5 GENERAL

5.1 Amendment, Suspension, or Termination of Plan

- (a) Subject to Sections 5.1(b) and 5.1(c) below and to the rules and policies of the Exchange and applicable law, the Board may, without notice or shareholder approval, at any time or from time to time, amend, suspend or terminate the Plan or awards granted hereunder for any purpose which, in the good faith opinion of the Board, may be expedient or desirable, including making such amendments to the Plan to comply with rules and policies of the Exchange.
- (b) Notwithstanding Section 5.1(a) but subject to 5.1(f), the Board shall not alter or impair any rights or increase any obligations with respect to a Share Award previously granted under the Plan without the consent of the Participant.
- (c) Notwithstanding Section 5.1(a), none of the following amendments shall be made to this Plan or awards granted hereunder without approval of the Exchange (to the extent the Company has any securities listed on such exchange) and the approval of shareholders:
 - (i) amendments to the Plan which would increase the number of securities issuable under the Plan otherwise than in accordance with the terms of this Plan;
 - (ii) amendments to the Plan which would increase the number of securities issuable to Insiders otherwise than in accordance with the terms of this Plan;
 - (iii) amendments that would extend the Distribution Date of any Share Awards held by Insiders beyond the original Final Date of the Share Awards;
 - (iv) the addition of any form of financial assistance to a Participant;
 - (v) amendments to the restriction under Section 5.5 to permit a Participant to transfer any Share Awards to a new beneficial holder other than for estate settlement purposes;
 - (vi) amendments to the limitations under Section 3.4(e) with respect to RSAs that may be granted to Non-Employee Directors; and
 - (vii) amendments to this Section 5.1.

Such amendments shall require the approval of the disinterested holders of the Company's Shares by ordinary resolution.

- (d) If the Board terminates or suspends the Plan, no new Share Awards will be credited to the account of a Participant. Previously credited Share Awards whether or not vested, may, at the Board's election, be accelerated (if unvested) and/or Shares issuable in respect of such Share Awards may be distributed to Participants or may remain outstanding. In the event that a Share Award remains outstanding following a suspension or termination of the Plan, such Share Award shall not be entitled to Dividend Equivalents unless at the time of termination or suspension the Board determines that the entitlement to Dividend Equivalents after termination or during suspension, as applicable, should be continued.
- (e) The Board shall not require the consent of any affected Participant in connection with a termination of the Plan in which the vesting of all Share Awards held by the Participant are accelerated and the Payment Shares are issued to the Participant in respect of all such Share Awards.
- (f) The Plan will terminate on the date upon which no further Share Awards remain outstanding.

5.2 Compliance with Laws/U.S. Tax Matters

The administration of the Plan shall be subject to and made in conformity with all applicable laws and any regulations of a duly constituted regulatory authority. If at any time the Board determines that the listing, registration or qualification of the Shares subject to the Share Award upon any securities exchange or under any provincial, state, federal or other applicable law, or the consent or approval of any governmental body, securities exchange, or the holders of the Shares generally, is necessary or desirable, as a condition of, or in connection with, the granting of such Share Awards or the issue of Shares thereunder, no such Share Award may be awarded or exercised in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Board.

The Share Awards awarded to Participants who are U.S. Taxpayers are intended to be exempt from Section 409A of the United States Internal Revenue Code and the provisions of this Plan shall be interpreted consistent with that intent.

5.3 Reorganization of the Company

The existence of any Share Awards shall not affect in any way the right or power of the Company or its shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, or to create or issue any bonds, debentures, shares or other securities of the Company or to amend or modify the rights and conditions attaching thereto or to effect the dissolution or liquidation of the Company, or any amalgamation, combination, merger or consolidation involving the Company or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

5.4 Assignment

Rights and obligations under the Plan may be assigned by the Company to a successor in the business of the Company, any company resulting from any amalgamation, reorganization, combination, merger or arrangement of the Company, or any company acquiring all or substantially all of the assets or business of the Company.

5.5 Share Awards Non-Transferable

Share Awards are non-assignable and non-transferable. Certificates representing Share Awards will not be issued by the Company.

5.6 Participation to be Determined by Board; No Additional Rights

The participation of any Participant in the Plan shall be determined by resolution of the Board or the Committee, if such authority is delegated thereto. Nothing in this Plan shall be construed to provide the Participant with any rights whatsoever to participate or to continue participation in this Plan, or to compensation or damages in lieu of participation. The Company does not assume responsibility for the personal income tax liability or other tax consequences for the Participants and they are advised to consult with their own tax advisors.

No person has any right to compensation or damages for any loss in relation to this Plan, including any loss in relation to:

- (a) any loss or reduction of rights or expectations under the Plan in any circumstances (including termination of employment for any reason); and
- (b) any exercise of discretion or a decision taken in relation to a grant of Share Awards or to the Plan, or any failure to exercise discretion or make a decision.

5.7 No Shareholder Rights

Under no circumstances shall Share Awards be considered Shares or other securities of the Company, nor shall they entitle any Participant to exercise voting rights or any other rights attaching to the ownership of Shares or other securities of the Company, nor shall any Participant be considered the owner of Shares by virtue of the award of Share Awards. A Participant will acquire rights to Shares in respect of Share Awards only upon the allotment and issuance to the Participant of such Shares in accordance with this Plan.

5.8 Fractions

No fractional Share will be issued pursuant to an award granted hereunder. The number of Shares issuable upon payment of any award granted under this Plan will be rounded down to the nearest whole number of Shares. No payment or other adjustment will be made with respect to the fractional Share so disregarded.

5.9 Unfunded and Unsecured Plan

Unless otherwise determined by the Board, the Plan shall be unfunded and the Company will not secure its obligations under the Plan. To the extent any Participant or his or her estate holds any rights by virtue of a grant of Share Awards under the Plan, such rights (unless otherwise determined by the Board) shall be no greater than the rights of an unsecured creditor of the Company.

5.10 Market Fluctuations

No amount will be paid to, or in respect of, a Participant under the Plan to compensate for a downward fluctuation in the price of Shares, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose. The Company makes no representations or warranties to Participants with respect to the Plan or the Shares whatsoever. In seeking the benefits of participation in the Plan, a Participant agrees to accept all risks associated with a decline in the market price of Shares.

5.11 Participant Information

Each Participant shall provide the Company with all information (including personal information) required by the Company in order to administer the Plan. Each Participant acknowledges that information required by the Company in order to administer the Plan may be disclosed to other third parties in connection with the administration of the Plan. Each Participant consents to such disclosure and authorizes the Company to make such disclosure on the Participant's behalf.

5.12 Indemnification

Every director of the Company will at all times be indemnified and saved harmless by the Company from and against all costs, charges and expenses whatsoever, including any income tax liability arising from any such indemnification, that such director may sustain or incur by reason of any action, suit or proceeding, taken or threatened against the director, otherwise than by the Company, for or in respect of any act done or omitted by the director in respect of administering this Plan, such costs, charges and expenses to include any amount paid to settle such action, suit or proceeding or in satisfaction of any judgment rendered therein.

5.13 Effective Date of the Plan

This Plan shall be effective as of March 24, 2023.

5.14 Governing Law

The Plan shall be governed by, and interpreted in accordance with, the laws of the Province of Alberta and the laws of Canada applicable therein, without regard to principles of conflict of laws.

APPROVED by the Board the 24th day of March, 2023.

APPROVED by the **[disinterested]** shareholders of the Company (pursuant to the policies of the Exchange) this [●]th day of [●], 2023.

**SCHEDULE A
SHARE AWARD INCENTIVE PLAN
FORM OF AWARD NOTICE FOR RESTRICTED SHARE AWARDS**

The Company hereby grants the following award to the Participant named below in accordance with and subject to the terms, conditions and restrictions of this Award Notice, together with the provisions of the Share Award Incentive Plan of the Company (the "**Plan**"):

Name and Address of Participant: _____

Participant IS / IS NOT (select one) a U.S. Taxpayer (as defined in the Plan).

Date of Grant: _____

Total Number of RSAs: _____

1. The terms and conditions of the Plan are hereby incorporated by reference as terms and conditions of this notice and all capitalized terms used herein, unless expressly defined in a different manner, have the meanings ascribed thereto in the Plan.
2. The Participant acknowledges and agrees that her or she has received the Plan and has read and understands the terms of the Plan and agrees to be bound by the terms and conditions of the Plan and the Award Notice. If the agreement and acknowledgement by the Participant at the end of this Award Notice is not received by the Company within fifteen (15) days of the delivery of this Award Notice, the Company shall not credit any RSAs to the Participant's account, unless waived by the Committee, in its sole discretion.
3. Subject to any acceleration in vesting as provided in the Plan, each RSA vests as follows:

[100%]	[First anniversary of the Date of Grant]
---------------	---
4. No fractional Share will be issued upon exercise of a vested RSA pursuant to an award granted hereunder. The number of Shares issuable upon payment of any award granted under the Plan will be rounded down to the nearest whole number of Shares. No payment or other adjustment will be made with respect to the fractional Share so disregarded.
5. Each notice relating to an award of RSAs, including the acknowledgement in this Award Notice, must be in writing and signed by the Participant or the Participant's legal representative. All notices to the Company must be delivered to the Chief Financial Officer of the Company. Any notice given by either the Participant or the Company is not binding on the recipient thereof until received.
6. When the issuance of Shares upon exercise of vested RSAs may, in the opinion of the Company, conflict or be inconsistent with any applicable law or any regulations of any regulatory authority having jurisdiction, the Company reserves the right to refuse to issue such Shares for so long as such conflict or inconsistency remains outstanding.
7. As a condition to settling the RSAs in accordance with the Plan, the Company has the right to withhold all applicable taxes. The Company does not assume responsibility for the personal income or other tax consequences of the Participant and has advised the Participant to consult with its own tax advisor.

8. Participant's rights in respect of the RSAs are conditioned on the receipt to the full satisfaction of the Committee of any required consents or documentation that the Committee may determine to be necessary or advisable to administer the Plan.
9. The Company may affix to certificates for Shares issued pursuant to this Award Notice any legend that the Committee determines to be necessary or advisable (including to reflect any restrictions to which you may be subject under any applicable securities laws) and may advise the transfer agent to place a stop order against any legended Shares.
10. The Committee shall have full discretion with respect to any actions to be taken or determinations to be made in connection with RSAs under this Award Notice, and its determination shall be final, binding and conclusive.
11. The Company and the Participant represent that the Participant is a director, officer or bona fide employee or consultant of the Company, as applicable.
12. For absolute certainty, by accepting and executing this Notice, the Participant specifically represents, warrants and acknowledges that he or she has read and understood the terms and conditions set out in 5.6 of the Plan which (i) state that a Participant shall have no entitlement to damages or other compensation whatsoever arising from, in lieu of, or related to not receiving any RSAs which would have vested or been granted after their Termination Date including but not limited to damages in lieu of notice at common law; and (ii) have the effect that no period of contractual or common law reasonable notice that exceeds the Participant's minimum statutory notice period under applicable employment standards legislation (if any), shall be used for the purposes of calculating a Participant's entitlement under the Plan. By accepting and executing this Notice, the Participant further waives any eligibility to receive damages or payment in lieu of any forfeited RSAs under the Plan that would have vested or accrued during any contractual or common law reasonable notice period that exceeds a Participant's minimum statutory notice period under the applicable employment standards legislation (if any).
13. By signing below, I acknowledge that I have received a copy of the Plan and that my execution of the Notice is done freely and voluntarily, without inducement or duress, having had an opportunity to review, make inquiries, and seek independent legal advice as to the terms and conditions of the Notice and the Plan.

THE HEMPSHIRE GROUP, INC.

By: _____
 Authorized Signatory

Agreed to and Acknowledged by the Participant, this ____ day of _____, 20 ____.

 Name: **[Insert name of Participant]**

SCHEDULE B
SHARE AWARD INCENTIVE PLAN
FORM OF AWARD NOTICE FOR PERFORMANCE SHARE AWARDS

The Company hereby grants the following award to the Participant named below in accordance with and subject to the terms, conditions and restrictions of this Award Notice, together with the provisions of the Share Award Incentive Plan of the Company (the "**Plan**"):

Name and Address of Participant: _____

Participant IS / IS NOT (select one) a U.S. Taxpayer (as defined in the Plan).

Date of Grant: _____

Total Number of PSAs: _____

1. The terms and conditions of the Plan are hereby incorporated by reference as terms and conditions of this Notice and all capitalized terms used herein, unless expressly defined in a different manner, have the meanings ascribed thereto in the Plan.
2. The Participant acknowledges and agrees that he or she has received the Plan and has read and understands the terms of the Plan and agrees to be bound by the terms and conditions of the Plan and the Award Notice. If the agreement and acknowledgement by the Participant at the end of this Award Notice is not received by the Company within 15 days of the delivery of this Award Notice, the Company shall not credit any PSAs to the Participant's account, unless waived by the Committee, in its sole discretion.
3. Subject to any acceleration in vesting as provided in the Plan, each PSA vests **[on the third anniversary of the date of grant]**.
4. The Adjustment Factor for the PSAs is determined as follows:
5. The Adjustment Factor for performance between the numbers set out above is interpolated on a straight line basis.
6. No fractional Share will be issued upon exercise of a vested PSA pursuant to an award granted hereunder. The number of Shares issuable upon payment of any award granted under the Plan will be rounded down to the nearest whole number of Shares. No payment or other adjustment will be made with respect to the fractional Share so disregarded.
7. Each notice relating to an award of PSAs, including the acknowledgement in this Award Notice, must be in writing and signed by the Participant or the Participant's legal representative. All notices to the Company must be delivered to the Chief Financial Officer of the Company. Any notice given by either the Participant or the Company is not binding on the recipient thereof until received.
8. When the issuance of Shares upon the vesting of PSAs may, in the opinion of the Company, conflict or be inconsistent with any applicable law or any regulations of any regulatory authority having jurisdiction, the Company reserves the right to refuse to issue such Shares for so long as such conflict or inconsistency remains outstanding.

9. As a condition to settling the PSAs in accordance with the Plan, the Company has the right to withhold all applicable taxes. The Company does not assume responsibility for the personal income or other tax consequences of the Participant and has advised the Participant to consult with its own tax advisor.
10. Participant's rights in respect of the PSAs are conditioned on the receipt to the full satisfaction of the Committee of any required consents or documentation that the Committee may determine to be necessary or advisable to administer the Plan.
11. The Company may affix to certificates for Shares issued pursuant to this Award Notice any legend that the Committee determines to be necessary or advisable (including to reflect any restrictions to which you may be subject under any applicable securities laws) and may advise the transfer agent to place a stop order against any legended Shares.
12. The Committee shall have full discretion with respect to any actions to be taken or determinations to be made in connection with PSAs under this Award Notice, and its determination shall be final, binding and conclusive.
13. The Company and the Participant represent that the Participant is a director, officer or bona fide employee or consultant of the Company, as applicable.
14. For absolute certainty, by accepting and executing this Notice, the Participant specifically represents, warrants and acknowledges that he or she has read and understood the terms and conditions set out in 5.6 of the Plan which (i) state that a Participant shall have no entitlement to damages or other compensation whatsoever arising from, in lieu of, or related to not receiving any PSAs which would have vested or been granted after their Termination Date including but not limited to damages in lieu of notice at common law; and (ii) have the effect that no period of contractual or common law reasonable notice that exceeds the Participant's minimum statutory notice period under applicable employment standards legislation (if any), shall be used for the purposes of calculating a Participant's entitlement under the Plan. By accepting and executing this Notice, the Participant further waives any eligibility to receive damages or payment in lieu of any forfeited PSAs under the Plan that would have vested or accrued during any contractual or common law reasonable notice period that exceeds a Participant's minimum statutory notice period under the applicable employment standards legislation (if any).
15. By signing below, I acknowledge that I have received a copy of the Plan and that my execution of the Notice is done freely and voluntarily, without inducement or duress, having had an opportunity to review, make inquiries, and seek independent legal advice as to the terms and conditions of the Notice and the Plan.

THE HEMPSHIRE GROUP, INC.

By: _____
 Authorized Signatory

Agreed to and Acknowledged by the Participant, this ____ day of _____, 20 ____.

Name: _____ **[Insert name of Participant]**

SCHEDULE "C"

Board Mandate

(Please see attached.)

The Hampshire Group, Inc.
BOARD OF DIRECTORS MANDATE

1. GENERAL

The board of directors (the "**Board**") of The Hampshire Group, Inc. (the "**Corporation**") is responsible for the stewardship of the Corporation's affairs and the activities of management of the Corporation in the conduct of day to day business, all for the benefit of its shareholders.

The primary responsibilities of the Board are:

- (a) to maximize long term shareholder value;
- (b) to approve the strategic plan of the Corporation;
- (c) to ensure that processes, controls and systems are in place for the management of the business and affairs of the Corporation and to address applicable legal and regulatory compliance matters;
- (d) to maintain the composition of the Board in a way that provides an effective mix of skills and experience to provide for the overall stewardship of the Corporation;
- (e) to ensure that the Corporation meets its obligations on an ongoing basis and operates in a safe and reliable manner; and
- (f) to monitor the performance of the management of the Corporation to ensure that it meets its duties and responsibilities to its shareholders.

2. COMPOSITION AND OPERATION

The number of directors shall be not less than the minimum and not more than the maximum number specified in the Corporation's articles and shall be set from time to time within such limits by resolutions of the shareholders of the Corporation or of the Board as may be permitted by law. Directors are elected to hold office for a term of one year. The Board will in each year appoint a chairperson of the Board (the "**Chair**").

The Board operates by delegating certain of its authorities to management and by reserving certain powers to itself. The Board retains the responsibility of managing its own affairs including selecting the Chair, nominating candidates for election to the Board, constituting committees of the Board and determining compensation for the directors. Subject to the articles and by-laws of the Corporation and the *Business Corporations Act* (Alberta) (the "**ABCA**"), the Board may constitute, seek the advice of, and delegate certain powers, duties and responsibilities to, committees of the Board.

3. MEETINGS

The Board shall have a minimum of four regularly scheduled meetings per year. Special meetings are called as necessary. Occasional Board trips are scheduled, if possible, in conjunction with regular Board meetings, to offer directors the opportunity to visit sites and facilities at different operational locations. A quorum for a meeting of the Board shall consist of a simple majority of the members of the Board.

The Board will schedule executive sessions where directors meet with or without management participation at each regularly-scheduled meeting of the Board.

4. SPECIFIC DUTIES

(a) Oversight and Overall Responsibility

In fulfilling its responsibility for the stewardship of the affairs of the Corporation, the Board shall be specifically responsible for:

- (i) providing leadership and direction to the Corporation and management with the view to maximizing shareholder value. Directors are expected to provide creative vision, initiative and experience in the course of fulfilling their leadership role;
- (ii) satisfying itself as to the integrity of the chief executive officer (the "**CEO**") and other senior officers of the Corporation and ensuring that a culture of integrity is maintained throughout the Corporation;
- (iii) approving the significant policies and procedures by which the Corporation is operated and monitoring compliance with such policies and procedures, and, in particular, compliance by all directors, officers and employees with the provisions of the Corporation's Code of Business Conduct and Ethics;
- (iv) reviewing and approving material transactions involving the Corporation, including material investments by the Corporation and material capital expenditures by the Corporation;
- (v) approving budgets, monitoring operating performance and ensuring that the Board has the necessary information, including key business and competitive indicators, to enable it to discharge this duty and take any remedial action necessary;
- (vi) establishing methods by which interested parties may communicate directly with the Chair or with the independent directors as a group and cause such methods to be disclosed;
- (vii) developing written position descriptions for the Chair and for the chair of each Board committee; and
- (viii) making regular assessments of the Board and its individual members, as well as the effectiveness and contributions of each Board committee.

(b) Legal Requirements

- (i) The Board has the oversight responsibility for meeting the Corporation's legal requirements and for properly preparing, approving and maintaining the Corporation's documents and records.
- (ii) The Board has the statutory responsibility to:
 - A. manage the business and affairs of the Corporation;
 - B. act honestly and in good faith with a view to the best interests of the Corporation;
 - C. exercise the care, diligence and skill that responsible, prudent people would exercise in comparable circumstances; and

- D. act in accordance with its obligations contained in the ABCA and the regulations thereto, the articles and by-laws of the Corporation and other relevant legislation and regulations.
- (iii) The Board has the statutory responsibility for considering the following matters as a full Board which in law may not be delegated to management or to a committee of the Board:
- A. any submission to the shareholders of a question or matter requiring the approval of the shareholders;
 - B. the filling of a vacancy among the directors or in the office of auditor;
 - C. the appointment of additional directors;
 - D. the issuance of securities except in the manner and on the terms authorized by the Board;
 - E. the declaration of dividends;
 - F. the purchase, redemption or any other form of acquisition of shares issued by the Corporation, except in the manner and on the terms authorized by the Board;
 - G. the payment of a commission to any person in consideration of such person's purchasing or agreeing to purchase shares of the Corporation from the Corporation or from any other person, or procuring or agreeing to procure purchasers for any shares of the Corporation;
 - H. the approval of management proxy circulars;
 - I. the approval of any financial statements to be placed before the shareholders of the Corporation at an annual general meeting; and
 - J. the adoption, amendment or repeal of any by-laws of the Corporation.

(c) Independence

The Board shall have the responsibility to:

- (i) implement appropriate structures and procedures to permit the Board to function independently of management (including, without limitation, through the holding of meetings at which non-independent directors and management are not in attendance, if and when appropriate);
- (ii) implement a system which enables an individual director to engage an outside advisor at the expense of the Corporation in appropriate circumstances; and
- (iii) provide an orientation and education program for newly appointed members of the Board.

(d) Strategy Determination

The Board shall:

- (i) adopt and annually review and, where appropriate, provide recommendations with respect to a strategic planning process and corporate strategic plan, which takes into account, among other things, the opportunities and risks of the Corporation's business; and
- (ii) annually review operating and financial performance results relative to established strategy, budgets and objectives.

(e) Managing Risk

The Board has the responsibility to:

- (i) identify and understand the principal risks of the Corporation's business;
- (ii) achieve a proper balance between risks incurred and the potential return to shareholders; and
- (iii) ensure that appropriate systems are in place which effectively assess, monitor, mitigate, manage and report those risks with a view to the long-term viability of the Corporation.

(f) Appointment, Training and Monitoring of Senior Management

The Board shall:

- (i) appoint the CEO and other senior officers of the Corporation, approve their compensation and monitor and assess the CEO's performance against a set of mutually agreed corporate objectives directed at maximizing shareholder value;
- (ii) ensure that a process is established that adequately provides for succession planning including the appointment, training and monitoring of senior management;
- (iii) establish limits of authority delegated to management; and
- (iv) develop a written position description for the CEO.

(g) Reporting and Communication

The Board has the responsibility to:

- (i) verify that the Corporation has policies and programs in place to enable the Corporation to communicate effectively with its shareholders, other stakeholders and the public generally, if required by applicable laws;
- (ii) verify that the financial performance of the Corporation is reported to shareholders and, if applicable, other security holders and regulators on a timely and regular basis;
- (iii) verify that the financial results of the Corporation are reported fairly and in accordance with International Financial Reporting Standards from time to time;

- (iv) verify the timely reporting of any other developments that have a significant and material impact on the value of the Corporation;
- (v) report annually to shareholders on its stewardship of the affairs of the Corporation for the preceding year; and
- (vi) develop appropriate measures for receiving stakeholder feedback.

(h) Monitoring and Acting

The Board has the responsibility to:

- (i) verify that the Corporation operates at all time within applicable laws and regulations to the highest ethical and moral standards;
- (ii) approve and monitor compliance with significant policies and procedures by which the Corporation operates;
- (iii) monitor the Corporation's progress towards its goals and objectives and to work with management to revise and alter its direction in response to changing circumstances;
- (iv) take such action as it determines appropriate when the Corporation's performance falls short of its goals and objectives or when other special circumstances warrant; and
- (v) verify that the Corporation has implemented appropriate internal control and management information systems.

(i) Other Activities

The Board may perform any other activities consistent with this mandate, the articles and by-laws of the Corporation and any other governing laws as the Board deems necessary or appropriate including, but not limited to:

- (i) preparing and distributing the schedule of Board meetings for each upcoming year;
- (ii) calling meetings of the Board at such time and such place and providing notice of such meetings to all members of the Board in accordance with the by-laws of the Corporation; and
- (iii) ensuring that all regularly-scheduled Board meetings and committee meetings are properly attended by directors. Directors may participate in such meetings by conference call if attendance in person is not possible.

(j) Code of Business Conduct and Ethics

The Board shall be responsible to adopt a "Code of Business Conduct and Ethics" for the Corporation which shall address:

- (i) conflicts of interest;
- (ii) the protection and proper use of the Corporation's investments and opportunities;
- (iii) the confidentiality of information;

- (iv) fair dealing with various stakeholders of the Corporation;
- (v) compliance with laws, rules and regulations; and
- (vi) the reporting of any illegal or unethical behaviour.

(k) Whistleblowing Policy

The Board shall be responsible to adopt a "Whistleblowing Policy" for the Corporation which shall address:

- (i) procedures for receiving and addressing complaints and concerns;
- (ii) confidentiality and the anonymity of complainants;
- (iii) prohibition against retaliation;
- (iv) maintenance of a log of all complaints and concerns received; and
- (v) complaints and submission of concerns reports.

(l) Audits, Internal Accounting Standards and Practices and Financial Reporting

The Board shall have the responsibility to:

- (i) review and approve the Corporation's financial statements and oversee the Corporation's compliance with applicable audit, accounting and reporting requirements. The process should include but not be limited to:
 - A. reviewing changes in accounting principles, or in their application, which may have a material impact on the current or future years' financial statements;
 - B. reviewing significant management judgments and estimates that may be material to financial reporting including alternative treatments and their impacts;
 - C. reviewing the presentation and impact of any significant risks and uncertainties that may be material to financial reporting including alternative treatments and their impacts;
 - D. reviewing accounting treatment of significant, unusual or non-recurring transactions;
 - E. reviewing adjustments raised by the external auditors, whether or not included in the financial statements;
 - F. reviewing unresolved differences between management and the external auditors;
 - G. determining through inquiry if there are any related party transactions and ensure the nature and extent of such transactions are properly disclosed; and

- H. reviewing all financial reporting relating to risk exposure including the identification, monitoring and mitigation of business risk and its disclosure;
- (ii) satisfy itself that adequate procedures are in place for the review of the Corporation's disclosure of financial information from the Corporation's financial statements and periodically assess the adequacy of those procedures;
- (iii) satisfy itself with respect to the Corporation's internal control over financial reporting and information systems. The process should include but not be limited to:
 - A. inquiring as to the adequacy and effectiveness of the Corporation's system of internal controls over financial reporting and review the evaluation of internal controls over financial reporting by external auditors;
 - B. establishing procedures for the confidential, anonymous submission by employees of the Corporation of concerns relating to accounting, internal control over financial reporting, auditing or Code of Business Conduct and Ethics matters and periodically review a summary of complaints and their related resolution; and
 - C. establishing procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters;
- (iv) review management's process for the certification of annual and interim financial reports in accordance with required securities legislation;
- (v) ascertain compliance with covenants under loan agreements;
- (vi) review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and external auditors of the Corporation;
- (vii) review the Corporation's compliance with all legal and regulatory requirements as it pertains to financial reporting, taxation, internal control over financial reporting and any other area the Board considers to be appropriate; and
- (viii) authorize investigations of any financial activity of the Corporation and to communicate directly with the internal and external auditors. All employees are to cooperate as requested by the Board.

With respect to the appointment of external auditors, the Board shall:

- (i) be directly responsible for overseeing the work of the external auditors engaged for the purpose of issuing an auditors' report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditors regarding financial reporting;
- (ii) review the terms of engagement of the external auditors, including the appropriateness and reasonableness of the auditors' fees;
- (iii) review and evaluate annually the external auditors' performance, and periodically (at least every five years) conduct a comprehensive review of the external auditors;

- (iv) determine the appointment of external auditors and the compensation of the external auditors;
- (v) when there is to be a change in auditors, determine selection process and participate in such process, including to review and assess the qualifications and independence of external auditors, review the issues related to the change and the information to be included in the required notice to securities regulators of such change;
- (vi) review and approve any non-audit services to be provided by the external auditors' firm and consider the impact on the independence of the auditors; between scheduled meetings, the chair of the Board is authorized to approve all audit related services and non-audit services provided by the external auditors for individual engagements with estimated fees of \$25,000 and under; and shall report all such approvals to the Board at its next scheduled meeting;
- (vii) inquire as to the independence of the external auditors and obtain, at least annually, a formal written statement delineating all relationships between the external auditors and the Corporation as contemplated by *Independence Standards Board Standard No. 1 – Independence Discussions with Audit Committees*;
- (viii) review the Annual Report of the Canadian Public Accountability Board ("**CPAB**") concerning audit quality in Canada and discuss implications for the Corporation;
- (ix) review any reports issued by CPAB regarding the audit of the Corporation;
- (x) discuss with the external auditors, without management being present, the quality of the Corporation's financial and accounting personnel, the completeness and accuracy of the Corporation's financial statements and elicit comments of senior management regarding the responsiveness of the external auditors to the Corporation's needs;
- (xi) review with the external auditors (and the internal auditor if one is appointed by the Corporation) their assessment of the internal control over financial reporting of the Corporation, their written reports containing recommendations for improvement of internal control over financial reporting and other suggestions as appropriate, and management's response and follow-up to any identified weaknesses; and
- (xii) review and approve annually with the external auditors their plan for their audit and, upon completion of the audit, their reports upon the financial statements of the Corporation and its subsidiaries.

(m) Human Resources and Compensation

The Board shall review and, as appropriate, approve:

- (i) the overall human resource policies, trends and/or organizational issues including in respect of recruitment, performance management, compensation, benefit programs, resignations/terminations, training and development, succession planning and organizational planning and design;
- (ii) compensation, including cash compensation consisting of salary and bonuses and other compensation awarded for all the Corporation's staff including the officers of the Corporation;

- (iii) executive compensation disclosure prior to the Corporation publicly disclosing this information; and
- (iv) employment contracts or other major agreements for the Corporation's employees.

(n) Corporate Governance and Nominating

The Board shall:

- (i) develop and periodically review the Corporation's approach to corporate governance matters;
- (ii) review reports concerning the Corporation's corporate governance practices as required by any regulatory authority;
- (iii) act as a forum for concerns of individual directors, including the performance of management or individual members of management or the performance of the Board or individual members of the Board;
- (iv) develop and periodically review structures and procedures designed to ensure that the Board can function independently of management;
- (v) determine and recommend the appropriate size of the Board, its composition of members between independent directors and non-independent directors and minimum holdings of common shares for each director, if any;
- (vi) develop a process for considering the skills and competencies of the Board as a whole and its individual members, to seek new members for the Board from time to time and consider and recommend the annual nomination of directors for election by shareholders;
- (vii) undertake an annual performance review and evaluation of each director and in the process ensure each Board member is aware of the contribution they are expected to make including the amount of time and energy expected of each director;
- (viii) prospectively recruit and recommend new members to fill Board vacancies as required. New members should have competencies, skills and personal qualities that complement existing Board members in carrying out the Board's mandate;
- (ix) review and recommend as to the acceptance of any offer to resign of any director of the Board;
- (x) develop and periodically review orientation and education programs for new directors;
- (xi) review compensation for directors of the Corporation and any other arrangements pursuant to which monies are payable to a director or a party related to a director;
- (xii) review the directors and officers' insurance policy including appropriate coverage levels;
- (xiii) periodically review and monitor the Corporation's communication policy with a view to determining whether the Corporation is communicating effectively with shareholders, other stakeholders, the investment community and the public generally, if required by applicable laws;

- (xiv) establish a process for direct communications with shareholders and other stakeholders, including through the whistleblower policy;
- (xv) review and consider the engagement at the expense of the Corporation of professional and other advisors by any individual director when so requested by any such director; and
- (xvi) review such other matters of a corporate governance nature from time to time.

5. BOARD COMMITTEES

The Board may establish committees as it deems appropriate and delegate to such committees such authority permitted by its by-laws and applicable law, and as the Board sees fit. The purpose of the Board committees is to assist the Board in discharging its responsibilities. Notwithstanding the delegation of responsibilities to a Board committee, the Board is ultimately responsible for matters assigned to the committees for determination. Except as may be explicitly provided in the charter of a particular committee or a resolution of the Board, the role of a Board committee is to review and make recommendations to the Board with respect to the approval of matters considered by the committee.

6. DIRECTOR ACCESS TO MANAGEMENT

The Corporation shall provide each director with complete access to the management of the Corporation, subject to reasonable advance notice to the Corporation and reasonable efforts to avoid disruption to the Corporation's management, business and operations. Prior to any director of the Corporation initiating a discussion with any employee of the Corporation, including management, such director shall have the obligation to provide notice to the Chair, the CEO and the CFO that the director intends on initiating such a discussion.

7. DIRECTOR COMPENSATION

The Board will determine and review the form and amount of compensation to directors.