



**ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS TO  
BE HELD ON JUNE 8, 2017**

**NOTICE OF MEETING AND  
MANAGEMENT INFORMATION CIRCULAR**

**(unless otherwise noted, information as of April 18, 2017)**



**FOUNDERS ADVANTAGE CAPITAL CORP.**

**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS  
TO BE HELD ON JUNE 8, 2017**

**NOTICE IS HEREBY GIVEN** that an annual and special meeting (the "**Meeting**") of the holders ("**Shareholders**") of Class "A" common shares ("**Common Shares**") of Founders Advantage Capital Corp. (the "**Corporation**") will be held at the offices of Bennett Jones LLP, 4500, 855 - 2nd Street S.W., Calgary, Alberta, on June 8, 2017 at the hour of 10:00 a.m. (Calgary time) for the following purposes:

1. to receive and consider the consolidated financial statements of the Corporation for the fifteen-month financial year ended December 31, 2016 and the report of the auditors thereon;
2. to elect seven (7) directors of the Corporation for the ensuing year, namely Stephen Reid, James Bell, Peter McRae, J.R. Kingsley Ward, Anthony Lacavera, Ron Gratton and Gary Mauris;
3. to appoint KPMG LLP as the auditors of the Corporation for the ensuing year and to authorize the directors of the Corporation to fix the remuneration of such auditors;
4. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution, as more particularly set out in the accompanying management information circular (the "**Information Circular**"), approving, ratifying and confirming the amended and restated stock option plan of the Corporation; and
5. to transact such other business as may properly be brought before the Meeting or any adjournment or postponement thereof.

Shareholders are referred to the Information Circular dated April 18, 2017 which accompanies this notice for more detailed information with respect to the matters to be considered at the Meeting.

The directors have fixed April 12, 2017 as the record date for the Meeting. Shareholders of record at the close of business on April 12, 2017 are entitled to notice of and to attend the Meeting or any adjournment or adjournments thereof and to vote thereat or at any adjournment thereof, except to the extent that a holder of record has transferred any Common Shares after that date and the new holder of such Common Shares establishes proper ownership and requests, not later than ten days before the Meeting, to be included on the list of Shareholders eligible to vote 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.

**If you are a registered Shareholder and are unable to attend the Meeting in person, please date and sign the enclosed form of proxy and return it in the envelope provided. To be valid, all proxies must be received by Computershare Investor Services Inc., the transfer agent of the Corporation, at Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1 or by fax within North America to 1-866-249-7775, and outside North America to (416) 263-9524 at least 48 hours (excluding Saturdays, Sundays and holidays) prior to the Meeting (namely, by 10:00 a.m., Calgary time, on June 6, 2017) or any adjournment thereof. If you are not a registered Shareholder and receive these materials through your broker or through another intermediary, please complete and return the voting instruction form in accordance with the instructions provided to you by your broker or intermediary.**

Dated at the City of Calgary, in the Province of Alberta, this 18th day of April, 2017.

**BY ORDER OF THE BOARD OF  
DIRECTORS**

(signed) "*James Bell*"

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Chief Operating Officer and Director

**FOUNDERS ADVANTAGE CAPITAL CORP.**

**MANAGEMENT INFORMATION CIRCULAR**

for the annual and special meeting of holders of common shares to  
be held on June 8, 2017

(unless otherwise noted, information as of April 18, 2017)

**GENERAL PROXY MATTERS**

**Solicitation of Proxies**

This management information circular (the "**Information Circular**") is dated April 18, 2017 and is furnished in connection with the solicitation by or on behalf of the management of Founders Advantage Capital Corp. (the "**Corporation**") of proxies from holders ("**Shareholders**") of Class "A" common shares of the Corporation ("**Common Shares**") for use at the annual and special meeting of the Shareholders (the "**Meeting**") to be held on June 8, 2017 at 10:00 a.m. (Calgary time) at the offices of Bennett Jones LLP, 4500, 855 - 2nd Street S.W., Calgary, Alberta and at any adjournment or adjournments thereof for the purposes set out in the accompanying notice of the annual and special meeting (the "**Notice of Meeting**").

**The solicitation of proxies is made on behalf of the management of the Corporation.** Any solicitation will be primarily by mail but may also be by telephone, email, facsimile or in person by directors, officers or employees of the Corporation (who will not be additionally compensated). The costs incurred in the preparation of the form of proxy, Notice of Meeting and this Information Circular and the solicitation of proxies will be borne by the Corporation. All currency amounts expressed herein, unless otherwise indicated, are expressed in Canadian dollars.

**Appointment and Revocation of Proxies**

The persons named in the accompanying form of proxy are directors and/or officers of the Corporation. **Shareholders desiring to appoint some other person (who is not required to be a Shareholder of the Corporation) to represent him or her at the Meeting may do so either by inserting such person's name in the blank space provided in the form of proxy and deleting the names printed thereon or by completing another proper form of proxy.** Such Shareholder should notify the nominee of his appointment, obtain his consent to act as proxy and instruct him on how the Common Shares are to be voted.

A proxy will not be valid for the Meeting or any adjournment thereof unless it is signed by the Shareholder or by his attorney authorized in writing or, if the Shareholder is a corporation, it is executed under corporate seal or by a duly authorized officer or attorney of such corporation and delivered to Computershare Investor Services Inc., the transfer agent of the Corporation, at Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1 or by fax within North America to 1-866-2497775, and outside North America to (416) 263-9524 at least 48 hours (excluding Saturdays, Sundays and holidays) prior to the Meeting (namely, by 10:00 a.m. (Calgary time) on June 6, 2017) or any adjournment thereof.

A Shareholder who has given a proxy may revoke it in any manner permitted by law, including by instrument in writing executed by the Shareholder or by his attorney authorized in writing or, if the

Shareholder is a corporation, executed by a duly authorized officer or attorney of such corporation, and deposited with Computershare Investor Services Inc. at the address specified above at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof or with the Chair of the Meeting on the day of the Meeting or any adjournment thereof. No instrument appointing a proxy shall be valid after the expiration of twelve 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.

#### **Advice to Beneficial Holders of Common Shares**

**The information set out in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold their Common Shares in their own name.** Shareholders who do not hold shares in their own name (referred to in this Information Circular as "**Beneficial Shareholders**") should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares 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 names of the Shareholder's broker or an agent of that broker. In Canada, the majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms). Shares held by brokers or their agents or 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 the broker's clients. The Corporation does not know for whose benefit the Common Shares registered in the name of CDS & Co. are held. Therefore, Beneficial Shareholders cannot be recognized at the Meeting for the purposes of voting the Common Shares in person or by proxy except as set forth below. **Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person well in advance of the Meeting in order to have their Common Shares voted.**

In accordance with the requirements of National Instrument 54-101 ("**NI 54-101**") of the Canadian Securities Administrators, the Corporation has distributed copies of the Notice of Meeting, Information Circular and form of proxy (collectively, the "**Meeting Materials**") to the clearing agencies and intermediaries for onward distribution to the Beneficial Shareholders. The Corporation intends to pay for delivery of the Meeting Materials to objecting beneficial holders (as defined in NI 54-101), and as a result objecting beneficial holders will receive the Meeting Materials from their broker or other intermediary. Intermediaries are required to forward the Meeting Materials to Beneficial Shareholders unless a Beneficial Shareholder has waived the right to receive them. Very often, intermediaries will use service companies to forward the Meeting Materials to Beneficial Shareholders.

Applicable regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of a shareholder meeting. Every broker and other intermediary 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 voting instruction form supplied to a Beneficial Shareholder by its broker and other intermediary is similar to the form of proxy provided to registered Shareholders by the Corporation. However, its purpose is limited to instructing the registered Shareholder (the broker or other intermediary) on how to vote on behalf of the Beneficial Shareholder. The majority of brokers and other intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically prepares a machine-readable voting instruction

form which is mailed to Beneficial Shareholders with a request that the Beneficial Shareholders return the forms to Broadridge or otherwise communicate voting instructions to Broadridge (i.e. by way of the Internet or telephone). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder receiving a Broadridge voting instruction form cannot use that form to vote Common Shares directly at the Meeting. The voting instruction form must be returned to Broadridge or voting instructions communicated to Broadridge well in advance of the Meeting in order to have the Common Shares voted.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his broker or other intermediary, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered Shareholder and vote the Common Shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and vote their Common Shares as proxyholder for the registered Shareholder should contact their broker or other intermediary well in advance of the Meeting.**

#### **Voting of Proxies**

All Common Shares represented at the Meeting by a properly executed proxy will be voted on any ballot that may be called for and, where a choice with respect to any matter to be acted upon has been specified in the proxy, the Common Shares represented by the proxy will be voted or withheld from voting in accordance with such specification. **In the absence of any such specification or instruction, the management designees named in the form of proxy will vote in favour of all of the matters set out in the Notice of Meeting.**

**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 any other matters which may properly come before the Meeting.** As of the date hereof, management of the Corporation is not aware of any such amendments or variations or of any other matters to be presented for action at the Meeting. If, however, amendments, variations or other matters properly come before the Meeting, the persons designated in the form of proxy will vote thereon in accordance with their judgment pursuant to the discretionary authority conferred by such proxy with respect to such matters.

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

The record date for the purpose of determining holders of Common Shares entitled to notice of, and to vote at, the Meeting is April 12, 2017. Only Shareholders of record on that date are entitled to receive notice of the Meeting and to vote thereat on the basis of one vote for each Common Share held, except to the extent that a registered Shareholder has transferred the ownership of any Common Shares, subsequent to April 12, 2017, and the transferee of such Common Shares produces properly endorsed share certificates, or otherwise establishes that he or she owns the Common Shares and demands, not later than ten days before the Meeting, that his or her name be included on the list of Shareholders before the Meeting, in which case, the transferee shall be entitled to vote his or her Common Shares at the Meeting. The transfer registers for the Common Shares will not be closed.

The Corporation has an authorized capital consisting of an unlimited number of Common Shares and an unlimited number of Class B preferred shares (the "**Preferred Shares**"). As of April 18, 2017, there are 38,128,606 Common Shares issued and outstanding as fully paid and non-assessable and no Preferred Shares issued and outstanding.

The bylaws of the Corporation provide that a quorum for the purposes of conducting a Shareholder meeting is constituted if two persons holding or representing by proxy not less than five percent of the issued Common Shares entitled to vote at the Meeting are present in person or are represented by proxy.

Any registered Shareholder at the close of business on April 12, 2017 who either personally attends the Meeting or who completes and delivers a proxy will be entitled to vote or have his Common Shares voted at the Meeting. However, a person appointed under the form of proxy will be entitled to vote the Common Shares represented by that form of proxy only if it is effectively delivered in the manner set out under the heading "Appointment and Revocation of Proxies".

As of April 18, 2017, to the knowledge of the directors and executive officers of the Corporation, no persons or companies beneficially own, or control or direct, directly or indirectly, 10% or more of the issued and outstanding Common Shares.

## **BUSINESS OF THE MEETING**

### **Particulars of Matters to be Acted Upon**

The following items of business will be presented to the Shareholders at the Meeting:

1. to receive and consider the consolidated annual financial statements of the Corporation for the fifteen-month financial year ended December 31, 2016 and the report of the auditors thereon;
2. to elect seven (7) directors of the Corporation for the ensuing year, namely Stephen Reid, James Bell, Peter McRae, J.R. Kingsley Ward, Anthony Lacavera, Ron Gratton and Gary Mauris;
3. to appoint KPMG LLP as the auditors of the Corporation for the ensuing year and to authorize the directors of the Corporation to fix the remuneration of such auditors;
4. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution, as more particularly set out in the accompanying Information Circular, approving, ratifying and confirming the amended and restated stock option plan of the Corporation (the "**Option Plan**"); and
5. to transact such other business as may properly be brought before the Meeting or any adjournment or postponement thereof.

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

### **Financial Statements and Auditor's Report**

The consolidated financial statements of the Corporation for the fifteen-month financial year ended December 31, 2016, together with the report of the auditors thereon, were mailed to all registered Shareholders of the Corporation as well as to all Beneficial Shareholders who requested to receive a copy.

The Corporation is providing, concurrent with this Information Circular, a request form to all registered and Beneficial Shareholders of the Corporation for use by Shareholders to request a copy of the Corporation's annual financial statements and related management's discussion and analysis ("**MD&A**") and/or interim financial statements and related MD&A. Shareholders must complete and return the

request form or provide a written request to the Corporation in order to receive the financial statements and MD&A from the Corporation. Shareholders are encouraged to send the request form, together with the completed form of proxy, in the addressed envelope to the Corporation c/o Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1 or to return the request form to the Corporation in accordance with the return instructions provided thereon.

### **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 out in the table below.

The Articles of the Corporation provide that the board of directors of the Corporation (the "**Board**") shall have a minimum of three and a maximum of fifteen directors. The number of directors of the Corporation has been fixed at seven by resolution of the Board. The following are the nominees proposed for election as directors of the Corporation at the Meeting, to serve until the next annual meeting of Shareholders or until their successors are duly elected or appointed.

The following table sets out, for all persons proposed to be nominated for election as directors: (a) their name, province or state and country of residence; (b) all positions and offices with the Corporation now held by them; (c) their present principal occupations, businesses or employments; (d) periods during which they have served as directors of the Corporation; and (e) the number of Common Shares beneficially owned, or controlled or directed, directly or indirectly, by each proposed director. Additional information concerning the following proposed directors' prior principal occupations over the last five years is included in their biographical information following the table below.

<b>Name and Jurisdiction of Residence</b>	<b>Present Position with the Corporation and Principal Occupation</b>	<b>Director since</b>	<b>Common Shares beneficially owned or controlled</b>
<b>Stephen Reid</b> Alberta, Canada	President, Chief Executive Officer and Director of the Corporation (February, 2016 to present)	February 23, 2016 to present	2,132,140 <sup>(4)</sup>
<b>James Bell</b> Alberta, Canada	General Counsel and Corporate Secretary of the Corporation (April, 2016 to present) and Chief Operating Officer of the Corporation (November, 2016 to Present)  Director of the Corporation (February, 2016 to present)	February 23, 2016 to present	81,263
<b>Peter C. McRae</b> <sup>(1)(2)(3)</sup> Ontario, Canada	Director of the Corporation (April, 2015 to present) Chairman of Freedom International Brokerage Company (December, 2015 to present)	April 9, 2015 to present	99,005
<b>J.R. Kingsley Ward</b> <sup>(1)(2)(3)</sup> Ontario, Canada	Director of the Corporation (April, 2016 to present)  Chairman and Managing Partner of VRG Capital Corp. (2011 to present); President of Vimy Ridge Group Ltd. (January, 1991 to present)	April 16, 2016 to present	774,166

<b>Anthony Lacavera</b> Ontario, Canada	Director of the Corporation (April, 2016 to present) Chairman of Globalive Capital Inc. (1998 to present)	April 16, 2016 to present	1,207,381
<b>Ron Gratton</b> <sup>(1)(2)(3)</sup> Alberta, Canada	Director of the Corporation (April, 2016 to present) President of Strathdale Investment Management Ltd., a private investment company (2010 to present) and Chartered Accountant	April 16, 2016 to present	90,000
<b>Gary Mauris</b> British Columbia, Canada	Director of the Corporation (June, 2016 to present) President and CEO of Dominion Lending Centres (2006 to present).	June 20, 2016 to present	2,522,952

Notes:

- (1) Member of the Audit Committee.
- (2) Member of the Compensation Committee.
- (3) Member of the Corporate Governance Committee.
- (4) A total of 952,380 of these Common Shares are subject to an escrow agreement dated February 23, 2016 among the Corporation, Stephen Reid and Computershare Trust Company of Canada (the "**Reid Escrow Agreement**"), and will be released from escrow if and when the Corporation achieves cumulative earnings before income tax, depreciation and amortization of not less than \$15 million, derived from investments made by the Corporation subsequent to February 23, 2016 (the "**Escrow Release Condition**"). Mr. Reid retains the right to vote such shares while they remain in escrow.

The biographies of the nominees above are as follows:

*Stephen Reid, President & Chief Executive Officer and Director, Age 57*

Mr. Reid has been the President, Chief Executive Officer and a Director of the Corporation since February, 2016. Mr. Reid served as Senior Vice President of Business Development of Alaris Royalty Corp. from July, 2008 until March, 2015. His role with Alaris was to create and build relationships with all sources of investment leads. In 2004, Mr. Reid co-founded Alaris IGF Corp., the general partner of Alaris Income Growth Fund L.P., which invested in a diversified portfolio of private businesses in exchange for royalties or distributions from the portfolio companies, with the principal objective of generating stable and predictable cash flows for dividend payments to its securityholders. From 2004 to 2008, Mr. Reid oversaw the business development efforts of Alaris IGF Corp. and increased the company's presence among the advisory referral networks across North America. In July 2008, Alaris Royalty Corp. acquired 100% of the issued and outstanding units of Alaris Income Growth Fund L.P. and all of the outstanding shares of Alaris IGF Corp.

*James Bell, Chief Operating Officer, General Counsel and Director, Age 42*

Mr. Bell has been a Director of the Corporation since February, 2016. He became General Counsel and Corporate Secretary for the Corporation in April, 2016 and Chief Operating Officer of the Corporation in November, 2016. Mr. Bell is a corporate and securities lawyer with over 16 years of experience. Mr. Bell has served as General Counsel for Olympia Financial Group Inc. and its wholly-owned subsidiary Olympia Trust Company (a non-deposit taking trust company) for six years prior to joining the Corporation and was a partner of an international law firm prior thereto. In addition, Mr. Bell serves as a director, audit committee member and chair of the compensation committee of Paramount Resources Ltd. (a publicly traded energy company). Mr. Bell graduated from the University of Saskatchewan with a Bachelor of Laws degree in 1999.

*Peter C. McRae, Director, Age 70*

Mr. McRae is a Chartered Accountant and a graduate of the Director's Education Program of the Institute of Corporate Directors with an ICD.D designation. He is currently the Chairman, and between 1994 and 2015 was the President and CEO, of Freedom International Brokerage Company, Canada's largest interdealer broker. Mr. McRae's earlier career involved four years in Abu Dhabi as a financial administrator for an engineering firm before joining the investment dealer Wood Gundy, first in the Treasurer's office in Toronto, and subsequently as a bond trader in New York. Mr. McRae was the Chair of both Ryan Gold Corp. and Corona Gold Corp. until their acquisition by Oban Mining Corp. in August, 2015. He is currently a member of the audit committee of Focused Capital Corp.

*J.R. Kingsley Ward, Director, Age 53*

Mr. Ward is currently the chairman and managing partner of VRG Capital Corp. and prior to that was the President of VRG Capital from 1992 to 2011. Mr. Ward began his career at the Vimy Ridge Group Ltd., a Toronto based holding company with a portfolio of investments primarily in the healthcare industry. In 1992, VRG Capital, a division of Vimy Ridge Group Ltd., was formed to develop merchant banking initiatives for Vimy Ridge Group Ltd. Mr. Ward has over 25 years of experience in initiating, structuring, and monetizing private equity investments. Mr. Ward's business career includes being a founder and director of Clarus Securities, an institutional investment dealer and Chairman of Nucro Technics, a pharmaceutical contract support organization. He was a founder and former Director of IPEC (now Flint Energy Services) and was a founder and former Chairman of Pareto Corporation, a marketing services company until its sale in 2011. He is a past Director of PLM Group, a commercial printing and direct marketing company. Mr. Ward holds a Bachelor of Commerce from the University of Windsor and a Bachelor of Arts from Queens University.

*Anthony Lacavera, Director, Age 43*

Mr. Lacavera is the Chairman and founder of Globalive Capital Inc., a diversified investment company. Prior thereto, Mr. Lacavera was the founder and Chairman of the Board of WIND Mobile and was the founder and former Chairman of Yak Communication Corp. Mr. Lacavera has also served as the Chief Executive Officer of Globalive Communications Corp. from February 1998 until September, 2015, Chief Executive Officer of WIND Mobile, a division of Globalive Wireless Management Corp., from January 2012 until October 2014 and the Chief Executive Officer of Yak Communications (Canada) Corp. from January 2008 until December 2011. Mr. Lacavera holds a Bachelor of Science degree from the University of Toronto.

*Ron Gratton, Director, Age 61*

Mr. Gratton is the President of Strathdale Investment Management Ltd., a private investment firm. He is also a director of the McCaig family office, which administers the McCaig family's investment in the Trimac group of companies. From 2000 until 2010, Mr. Gratton was a senior tax partner with PricewaterhouseCoopers LLP. Prior thereto, he held senior roles with Coopers & Lybrand as well as various public and private companies. Mr. Gratton is a Chartered Accountant and holds a Bachelor of Commerce degree from the University of Calgary.

*Gary Mauris, Director, Age 48*

Mr. Mauris is the co-founder of Dominion Lending Centres and has been the President and Chief Executive Officer since its formation in 2006. He is also Chief Executive Officer of Mortgage Centre

Canada and Chairman of Mortgage Architects, both of which are wholly-owned operating subsidiaries of DLC. Mr. Mauris has been a licensed mortgage broker in the Province of British Columbia since 2006.

**Unless otherwise instructed, the persons named in the enclosed form of proxy intend to vote FOR the election of the nominees set out above.** Management does not contemplate that any of the nominees will be unable to serve as a director. However, if that should occur for any reason prior to the Meeting, the persons designated in the enclosed form of proxy reserve the right to vote for other nominees in their discretion.

#### *Cease Trade Orders, Bankruptcies and Sanctions*

No proposed director is, at the date of this Information Circular, or has been within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation) that: (a) was subject to an order while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or (b) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer. For purposes of the foregoing, an "**order**" means a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days.

No proposed director is, at the date of this Information Circular, or has been within 10 years before the date of this Information Circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No proposed director has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

#### **Appointment and Remuneration of Auditors**

On March 31, 2016, the Board appointed KPMG LLP, Chartered Accountants ("**KPMG**") of 3100, 205 – 5th Avenue S.W. Calgary, Alberta, as the auditors of the Corporation to hold office until the close of the next annual meeting of the Shareholders at a remuneration to be fixed by the directors of the Corporation (which change was subsequently approved by Shareholders of the Corporation on May 16, 2016).

**Management recommends that the Shareholders vote in favour of the appointment of KPMG as the Corporation's auditors for the ensuing year and grant the directors the authority to determine the remuneration to be paid to the auditor. Unless otherwise instructed, the persons named in the enclosed form of proxy intend to vote FOR the appointment of KPMG, to act as the Corporation's auditors until the close of its next annual general meeting and also intend to vote FOR the resolution to authorize the directors to fix the remuneration to be paid to the auditors.**

## **Approval of Stock Option Plan**

The Option Plan was last approved and ratified at the annual and special meeting of Shareholders held on May 16, 2016. The Option Plan is a "rolling" stock option plan that restricts the number of stock options that may be granted to a maximum of 10% of the issued and outstanding Common Shares at the time of the option grant and is subject to the policies of the TSXV. Pursuant to the policies of the TSXV, a "rolling" stock option plan must be submitted yearly for Shareholder approval at an issuer's annual shareholder meeting.

At the Meeting, Shareholders will be asked to consider a resolution to approve the Option Plan, the full text of which is attached hereto as Schedule "A" to this Information Circular.

Under the Option Plan, the aggregate number of Common Shares that may be reserved for issuance to directors, officers, key employees and, subject to the terms and conditions of the Option Plan, consultants of the Corporation and its affiliates, shall not exceed 10% of the issued and outstanding Common Shares, less any Common Shares reserved for issuance under stock options granted under Share Compensation Arrangements (as defined in the Option Plan).

The following is a summary of the material terms of the Option Plan.

### *Eligible Persons*

"Eligible Persons" include officers, directors and employees of the Corporation, as well as Consultants and Management Corporation Employees (as such terms are defined in Policy 4.4 of the TSXV).

### *Number of Securities Issuable*

The aggregate number of Common Shares that may be reserved for issuance under the Option Plan shall not exceed 10% of the issued and outstanding Common Shares, less any Common Shares reserved for issuance under stock options granted under Share Compensation Arrangements.

### *Exercise Price*

The exercise price of options will be determined from time to time by the Board but will not be less than the Discounted Market Price (as defined in Policy 1.1 of the TSXV).

### *Participation Limit*

The grant of options under the Option Plan will be subject to the following conditions: (a) not more than 2% of the outstanding Common Shares may be issuable to any one Consultant or any Eligible Person conducting investor relations activities in any 12-month period; (b) not more than 5% of the outstanding Common Shares may be issuable to any one individual in any 12-month period, unless the Corporation has obtained disinterested Shareholder approval; and (c) not more than an aggregate of 10% of the outstanding Common Shares may be issuable to insiders in any 12-month period, unless the Corporation has obtained disinterested Shareholder approval. The participation limits set out above include any Common Shares issuable pursuant to any other Share Compensation Arrangement of the Corporation.

### *Vesting*

Options shall vest and become fully exercisable as determined by the Board when the Option is granted. Options granted to optionees performing investor relations activities pursuant to the Option Plan shall vest

and become fully 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 than: (a) 1/4 of the Options on the date which is three months from the date of grant; (b) 1/4 of the Options on the date which is six months from the date of grant; (c) 1/4 of the Options on the date which is nine months from the date of grant; and (d) 1/4 of the Options on the date which is 12 months from the date of grant. On a Sale Transaction (as defined in the Option Plan) of the Corporation, the Board may, in its sole discretion, deal with the Options in the manner it deems fair and reasonable subject to certain conditions set out in the Option Plan, and the Board may, among other actions, compel optionees to exercise their Options within 30 days of the Sale Transaction, failing which the optionees' right to exercise such Options lapses.

#### *Term of Options*

The Board shall determine the term of any Option granted pursuant to the Option Plan provided that Options granted under the Option Plan will have a maximum term of 10 years from their date of grant.

#### *Extension of Expiry Period*

If an Option that has been previously granted is set to expire during a period in which trading in securities of the Corporation by the Option holder is restricted by a black-out, the expiry date of the Option will be extended to 10 business days after the trading restrictions are lifted.

#### *Termination of Exercise Right*

No Option may be exercised after an optionee has left the employ or service of the Corporation except as follows: (a) in the event of an optionee's death, any vested Option held by the optionee at the date of death will be exercisable by the optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death and the date of expiration of the term otherwise applicable to such Option; (b) in the event of the termination of an optionee due to disability, any vested Option held by the optionee at the date of termination will be exercisable until the earlier of one year after the date of termination and the date of expiration of the term otherwise applicable to such Option; (c) subject to the above and the terms of any agreement approved by the Board, vested Options will expire on the earlier of (i) one year after the date the optionee ceases to be employed by, provide services to, or be a director or officer of, the Corporation, or such later date as determined by the Board, and (ii) the date of expiration of the term otherwise applicable to such Option, and any unvested Options will immediately terminate without right to exercise same; and (d) if an optionee is dismissed for cause, such optionee's Options may not be exercised following the date upon which dismissal occurred. In each of (a), (b) and (c) above, the Board may, in its discretion, resolve that all of the unvested Options on that date of termination shall vest immediately on such date

#### *No Assignment*

Subject to the provisions of the Option Plan, all Options will be exercisable only by the optionee to whom they are granted and will not be assignable or transferable and all benefits, rights and Options may be exercised only by the optionee.

#### *Administration*

The Option Plan will be administered by the Board which, generally speaking, will determine which persons will receive grants of Options, the number of Common Shares to be optioned, the terms of

exercise and vesting, the Option exercise price and the duration of the exercise period. The Board may also delegate its powers under the Option Plan to one or more committees of the Board.

#### *Amendments Requiring Shareholder Approval*

Shareholder approval is required for the following amendments to the Option Plan:

- (a) a material increase in the benefits under the Option Plan;
- (b) an increase in the number of Common Shares Issuable under the Option Plan (except any increase resulting automatically from an increase in the number of Common Shares outstanding); or
- (c) a material modification in the requirement as to eligibility for participation in the Option Plan.

#### *General Amendments*

Subject to the requirements of applicable law and the policies of the TSXV requiring Shareholder or other approval, the Option Plan provides that the Board may amend, suspend, terminate, or discontinue the Option Plan or revoke or alter any action taken under the Option Plan, except that the Board may not undertake any such action if it were to adversely alter or impair an Option previously granted (unless as a result of a change in the policies of the Exchange) unless it first obtains the written consent of all optionees.

#### *Proposed Resolution*

The text of the ordinary resolution to be considered at the Meeting will be substantially as follows:

"RESOLVED, as an ordinary resolution of the shareholders of the Corporation (the "**Shareholders**"), that:

- (a) The amended and restated stock option plan (the "**Option Plan**") substantially in the form attached as Schedule "A" to the management information circular of the Corporation dated April 18, 2017 is hereby approved, ratified and confirmed.
- (b) Notwithstanding that this ordinary resolution has been duly passed by the Shareholders, the board of directors of the Corporation (the "**Board**") may revoke this resolution at any time and determine not to proceed with implementing the Option Plan as contemplated hereby if such revocation is considered desirable by the Board without further approval of the Shareholders.
- (c) Any director or officer of the Corporation is hereby authorized and directed, acting for, in the name of and on behalf of the Corporation, to execute or cause to be executed, under the seal of the Corporation or otherwise and to deliver or to cause to be delivered, all such other deeds, documents, instruments and assurances and to do or cause to be done all such other acts as in the opinion of such director or officer of the

Corporation may be necessary or desirable to carry out the terms of the foregoing."

The resolution respecting the approval of the Option Plan will require the affirmative vote of a majority of the votes cast on such resolution at the Meeting by the Shareholders, whether in person or by proxy.

**Management of the Corporation recommends that Shareholders vote in favour of the resolution to approve the Option Plan. Unless otherwise instructed, the persons named in the enclosed form of proxy intend to vote FOR the resolution to approve the Option Plan.**

## **OTHER BUSINESS**

Management is not aware of any other business to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if any other matter properly comes before the Meeting, the accompanying form of proxy confers discretionary authority to vote with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters that may properly come before the Meeting.

## **EXECUTIVE COMPENSATION**

### **Compensation Discussion and Analysis**

On February 23, 2016, the Corporation completed the acquisition of Advantage Investments (Alberta) Ltd. from Stephen Reid (the "**Advantage Acquisition**") and adopted a new investment model. As part of the Advantage Acquisition, Mr. Reid was appointed President and Chief Executive Officer of the Corporation and Mr. Bezanson resigned as Interim Chief Executive Officer and was appointed as the Executive Vice President, Capital Markets of the Corporation. In addition, on March 8, 2016, Mr. Michael Matishak was appointed as Chief Financial Officer of the Corporation and Mr. Vincenzo Chiofalo agreed to resign as Chief Financial Officer effective upon Mr. Matishak's appointment. Mr. Bell was appointed General Counsel and Corporate Secretary on April 25, 2016 and Mr. Darren Prins replaced Mr. Matishak as Chief Financial Officer on June 1, 2016.

The following compensation discussion and analysis outlines the design, provisions and total value of the Corporation's executive and director compensation for the fifteen-month financial year ending December 31, 2016. For the purposes of the following discussion and analysis, the term "Named Executive Officers" means individuals who were acting as, or were acting in a capacity similar to, a chief executive officer or chief financial officer and the most highly compensated executive officer whose total compensation exceeded \$150,000 per annum. The named executive officers (the "**Named Executive Officers**" or "**NEOs**") for the Corporation for the fifteen-month financial year ended December 31, 2016, include: Stephen Reid (President and CEO), Allan Bezanson (Executive Vice-President and former Interim CEO), Darren Prins (Chief Financial Officer), James Bell (General Counsel and Chief Operating Officer), Michael Matishak (former Chief Financial Officer) and Vincenzo Chiofalo (former Chief Financial Officer).

The main objective of the current compensation program is to reward Named Executive Officers and directors for their contributions to the achievements of the Corporation. The Corporation's pay-for-performance philosophy seeks to align the interests of Named Executive Officers and directors with the interests of the Corporation's shareholders. At the same time, a key component of the Corporation's compensation approach is the development and maintenance of a framework for executive compensation

which is competitive, and allows for the Corporation to attract, retain and motivate qualified high performing executives.

The following list highlights some of the key features of the Corporation's compensation program that seek to ensure that the actions of the NEOs are aligned with the interests of Shareholders. These features are described in more detail elsewhere in this "Compensation Discussion and Analysis" or in other sections of this Information Circular:

- Compensation is performance based with an emphasis on long-term incentive awards. Approximately 95% of the President and CEO's compensation was variable or "at risk" (with the variable or "at risk" portion of compensation for the other 'current' NEOs ranging from approximately 62% to 77% of their total compensation).
- Stock options generally (i) vest over two years; and (ii) cannot be re-priced without Shareholder approval.
- The Corporation does not award any large perquisites, and does not have any pension plans or other post-retirement obligations.
- A policy is in place prohibiting the hedging of the Corporation's securities by officers and directors.
- No loans can be made to the Corporation's executives for any purpose (including the purchase of Common Shares).
- The Corporation's compensation program is regularly reviewed by the Compensation Committee (which is comprised exclusively of independent directors) to ensure it is competitive and consistent with the executive compensation programs of the Corporation's peer group, and does not encourage excessive risk taking by NEOs.

The alignment of interests between the Corporation's executives and shareholders is further strengthened by the fact that current NEOs collectively own or control, directly or indirectly, approximately 18% of the outstanding Common Shares.

### **Compensation Philosophy**

The Corporation's current pay-for-performance compensation philosophy is intended to provide a link between an executive's total direct compensation and both the Corporation's business performance and the Named Executive Officer's own individual performance. Philosophically, the amount that a Named Executive Officer could earn depends to a significant degree upon how well the business performs overall and how the Named Executive Officer performs in his or her specific area. The Corporation's compensation philosophy is to:

- establish compensation opportunities that resemble those of an entrepreneur; and
- provide a type of compensation which has the ability to fluctuate up or down depending on the value of the Common Shares.

### **Compensation Plan Elements**

The Corporation's compensation policies are designed to recognize and reward individual performance as well as to provide a competitive level of compensation. The Corporation's current compensation plan consists of the following elements:

- Base salary;

- Cash bonuses;
- Stock options issued pursuant to the Option Plan; and
- benefits and perquisites.

The Corporation previously had a Deferred Share Unit Plan (“DSU Plan”) for non-employee directors but such DSU Plan was terminated effective April, 4, 2017.

A description of each element and its purpose is described below.

#### *Base Salary*

The purpose of the base salary is to provide executives with a minimum amount of compensation that is not linked directly to profitability and that is commensurate with the individual’s experience and responsibilities.

#### *Cash Bonuses*

Incentive bonuses are a short-term compensation element, designed to reward Named Executive Officers on an annual basis.

#### *Stock Options*

The intent of the Option Plan is to recognize the contributions of the Corporation’s officers and employees who are responsible for the Corporation’s management and growth, and to directly align their interests with those of shareholders. Option grants under the Option Plan are the primary long-term compensation awarded to executives and employees.

NEOs are eligible for grants of Options when they commence employment with the Corporation and thereafter on an annual basis. Options generally vest over an extended period to help ensure that the NEOs, as well as its other officers and eligible employees, all feel a responsibility to manage the Corporation’s assets and operations with a view to the long-term health and growth of the Corporation.

#### *Benefits and Perquisites*

In addition to the compensation elements set out above, the Named Executive Officers are also entitled to certain perquisites, such as paid monthly parking and health plan coverage.

### **Compensation Governance**

The Corporation has a Compensation Committee that reviews and provides recommendations to the Board in respect of compensation matters relating to the Board and the Named Executive Officers. The Compensation Committee is currently comprised entirely of independent directors, being Messrs. Ward (Chair), Gratton and McRae.

The Committee's primary duties and responsibilities are to:

- consider and make recommendations to the Board regarding the compensation strategy and objectives of the Corporation;
- consider and make recommendations to the Board related to annual bonus and advance bonus payments;



<b>James Bell</b> General Counsel and Chief Operating Officer	2016	159,375	100,000 <sup>(9)</sup>	540,974 <sup>(10)</sup>	150,000	Nil	Nil	Nil	950,349
	2015	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Michael Matishak</b> Former Chief Financial Officer	2016	84,556	Nil	Nil	Nil	Nil	Nil	40,000 <sup>(11)</sup>	124,556
	2015	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Vincenzo Chiofalo</b> Former Chief Financial Officer	2016	60,254	Nil	Nil	Nil	Nil	Nil	15,000 <sup>(12)</sup>	75,254
	2015	52,159	N/A	N/A	Nil	Nil	Nil	Nil	52,159
	2014	Nil	N/A	N/A	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) On February 23, 2016, pursuant to the Advantage Acquisition, the Corporation acquired all of the shares of a private corporation owned by Stephen Reid, the President and Chief Executive Officer and a director of the Corporation, in consideration for the assumption of \$350,000 of debt and the issuance of 952,380 common shares, which shares are held in escrow until the Escrow Release Condition provided for in the Reid Escrow Agreement is satisfied.
- (2) On February 23, 2016, 445,019 options were granted to acquire common share at an exercise price of \$3.00 per share. The options had an estimated grant date fair value of \$1.83 per options calculated using the Black Scholes option valuation model, using the following grant date assumptions: grant date stock price, \$2.55, expected life of option, 5 years; volatility, 100%; risk free interest rate, 0.64%; dividends, 0%. On July 7, 2016, 300,000 options were granted to acquire common shares at an exercise price of \$4.40 per share. The options had an estimated grant date fair value of \$3.00 per options calculated using the Black Scholes option valuation model, using the following grant date assumptions: grant date stock price, \$4.40, expected life of option, 3-5 years; volatility, 100%; risk free interest rate, 0.56%; dividends, 0%, forfeiture rate, 2.67%.
- (3) 6,849 DSUs were granted on July 15, 2015 at an effective price of \$2.40 per share. 60,417 DSUs were granted on July 22, 2015 in connection with the Corporation's return of capital on July 7, 2015 at an effective price of \$2.40 per share.
- (4) On February 23, 2016, 200,000 options were granted to acquire common share at an exercise price of \$3.00 per share. The options had an estimated grant date fair value of \$1.83 per options calculated using the Black Scholes option valuation model, using the following grant date assumptions: grant date stock price, \$2.55, expected life of option, 5 years; volatility, 100%; risk free interest rate, 0.64%; dividends, 0%. On July 7, 2016, 100,000 options were granted to acquire common shares at an exercise price of \$4.40 per share. The options had an estimated grant date fair value of \$3.00 per options calculated using the Black Scholes option valuation model, using the following grant date assumptions: grant date stock price, \$4.40, expected life of option, 3-5 years; volatility, 100%; risk free interest rate, 0.56%; dividends, 0%, forfeiture rate, 2.67%.
- (5) \$125,000 was paid to Mr. Bezanson in connection with his resignation as Interim Chief Executive Officer of the Corporation effective February 23, 2016.
- (6) 66,667 DSUs were granted June 1, 2014 at an effective price of \$1.20 per share.
- (7) 96,667 options were granted to acquire common shares at an exercise price of \$2.40 per share. The options granted have an estimated grant date fair value of \$209,767 calculated using the Black Scholes option valuation model, using the following grant date assumptions: grant date stock price, \$2.17, expected life of option, 10 years; volatility, 125%; risk free interest rate, 3%; dividends, 0%.
- (8) 200,000 Options were granted on July 7, 2016 to acquire common shares at an exercise price of \$4.40 per common share. The options had an estimated grant date fair value of \$3.00 per options calculated using the Black Scholes option valuation model, using the following grant date assumptions: grant date stock price, \$4.40, expected life of option, 3-5 years; volatility, 100%; risk free interest rate, 0.56%; dividends, 0%, forfeiture rate, 2.67%.
- (9) 43,290 DSUs were granted on February 23, 2016 at an effective price of \$2.31 per share.
- (10) On February 23, 2016, 98,893 options were granted to acquire common share at exercise price of \$3.00 per share. The options had an estimated grant date fair value of \$1.83 per options calculated using the Black Scholes option valuation model, using the following grant date assumptions: grant date stock price, \$2.55, expected life of option, 5 years; volatility, 100%; risk free interest rate, 0.64%; dividends, 0%. On July 7, 2016, 120,000 Options were granted to acquire shares at an exercise price of \$4.40 per common share. The options had an estimated grant date fair value of \$3.00 per options calculated using the Black Scholes option valuation model, using the following grant date assumptions: grant date stock price, \$4.40, expected life of option, 3-5 years; volatility, 100%; risk free interest rate, 0.56%; dividends, 0%, forfeiture rate, 2.67%.
- (11) Mr. Matishak ceased employment with the Corporation on July 21, 2016 and received severance of \$40,000.
- (12) Mr. Chiofalo ceased employment with the Corporation on March 8, 2016 and received severance of \$15,000.

## **Narrative Discussion - Employment Agreements, Termination and Change of Control Benefits**

### *Stephen Reid*

The Corporation entered into an employment agreement with Stephen Reid effective February 23, 2016, pursuant to which Mr. Reid is employed as the President and Chief Executive Officer of the Corporation at \$250,000 per annum. In the event of termination without cause at any time, Mr. Reid is entitled to the continuation of his base salary and benefits (if any) for a period equal to 18 months. In addition, if Mr. Reid's employment is terminated by the Corporation for any reason other than cause, all of his Options will vest immediately. In the event Mr. Reid terminates his employment for "Good Reason", which includes any reduction in Mr. Reid's base salary without his consent, any reduction of his title, authority or responsibilities or any other act or omission that constitutes constructive dismissal at common law, he is entitled to receive the same entitlements as if he had been terminated without cause.

If, at any time within 12 months following a "Change of Control", Mr. Reid's employment is terminated without cause or if he terminates his employment for Good Reason, he is entitled to an amount equal to 24 months of his base salary and benefits continuation (if any) for the equivalent period. A "Change of Control" is defined as:

- (a) the acquisition by any person of:
  - (i) shares or rights or options to acquire shares of the Corporation or securities which are convertible into shares of the Corporation or any combination thereof such that after the completion of such acquisition such person would be entitled to exercise 50% or more of the votes entitled to be cast at a meeting of the Shareholders; or
  - (ii) shares or rights or options to acquire shares, or their equivalent, of any material subsidiary of the Corporation or securities which are convertible into shares of the material subsidiary or any combination thereof such that after the completion of such acquisition such person would be entitled to exercise 50% or more of the votes entitled to be cast at a meeting of the shareholders of the material subsidiary; or
- (b) as a result of or in connection with: (i) a contested election of directors; or (ii) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Corporation or any of its affiliates and another corporation or other entity, the nominees named in any management information circular of the Company for election to the Board shall not constitute a majority of the Board.

### *Allan Bezanson*

The Corporation entered into an employment agreement with Allan Bezanson effective February 23, 2016, pursuant to which Mr. Bezanson is employed as the Executive Vice President, Capital Markets of the Corporation at a rate of \$200,000 per annum. In the event of termination without cause, Mr. Bezanson is entitled to the continuation of his base salary and benefits (if any) for a period equal to 18 months. In addition, if Mr. Bezanson's employment is terminated by the Corporation for any reason other than cause, all of his Options will vest immediately. In the event Mr. Bezanson terminates his employment for "Good Reason", which includes any reduction in Mr. Bezanson's base salary without his

consent or any other act or omission that constitutes constructive dismissal at common law, he is entitled to receive the same entitlements as if he had been terminated without cause.

*Darren Prins*

The Corporation entered into an employment agreement with Darren Prins effective June 1, 2016, pursuant to which Mr. Prins is employed as the Chief Financial Officer of the Corporation at a rate of \$225,000 per annum. In the event of termination without cause, Mr. Prins is entitled to the greater of: (i) \$300,000; or (ii) the continuation of his base salary and benefits (if any) for a period equal to 12 months. In the event Mr. Prins terminates his employment for "Good Reason", which includes any reduction in Mr. Prins' base salary without his consent or any other act or omission that constitutes constructive dismissal at common law, he is entitled to receive the same entitlements as if he had been terminated without cause.

If at any time within 12 months following a Change of Control (as defined above), Mr. Prins' employment is terminated without cause, or if he terminates his employment for Good Reason, Mr. Prins shall be entitled to receive, and the Corporation shall pay, the greater of: (i) an amount equal to 12 months of base salary and benefits continuation (if any) for the equivalent period; or (ii) the minimum notice or pay in lieu of notice, severance pay (if applicable), benefit continuation (if applicable) and other minimum entitlements required by the Alberta Employment Standards Code, as amended.

*James Bell*

The Corporation entered into an employment agreement with James Bell effective April 25, 2016, pursuant to which Mr. Bell is employed as General Counsel of the Corporation at a rate of \$225,000 per annum. In the event of termination without cause, Mr. Bell is entitled to the greater of: (i) \$400,000; or (ii) the continuation of his base salary and benefits (if any) for a period equal to 12 months. In the event Mr. Bell terminates his employment for "Good Reason", which includes any reduction in Mr. Bell's base salary without his consent or any other act or omission that constitutes constructive dismissal at common law, he is entitled to receive the same entitlements as if he had been terminated without cause.

If at any time within 12 months following a Change of Control (as defined above), Mr. Bell's employment is terminated without cause, or if he terminates his employment for Good Reason, Mr. Bell shall be entitled to receive, and the Corporation shall pay, the greater of: (i) an amount equal to 18 months of base salary and benefits continuation (if any) for the equivalent period; or (ii) the minimum notice or pay in lieu of notice, severance pay (if applicable), benefit continuation (if applicable) and other minimum entitlements required by the Alberta Employment Standards Code, as amended.

*Michael Matishak*

The Corporation entered into an employment agreement with Michael Matishak effective March 8, 2016, pursuant to which Mr. Matishak was employed as the Chief Financial Officer of the Corporation at a rate of \$225,000 per annum. Mr. Matishak transitioned from Chief Financial Officer to Senior Vice President, Special Projects on June 1, 2016. Effective July 21, 2016, 2016, Mr. Matishak ceased employment with the Corporation and received severance of \$40,000.

*Vincenzo Chiofalo*

The Corporation entered into a consulting agreement to retain the services of Mr. Chiofalo as Chief Financial Officer effective June 2015 at a rate of \$200.00 per hour . Effective March 8, 2016, 2016, Mr. Chiofalo ceased employment with the Corporation and received severance of \$15,000.

### Incentive Plan Awards

#### *Outstanding Option-based Awards and Share-based Awards*

The following table sets forth for each Named Executive Officer all option-based and share-based awards outstanding at the end of the most recently completed fiscal year ended December 31, 2016, including awards granted before the most recently completed fifteen-month financial year ended December 31, 2016.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised Options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)(2)</sup> (\$)	Number of shares or units of shares that have not vested (\$)	Market or payout value of share-based awards that have not vested (\$) <sup>(2)</sup>	Market or payout value of vested share-based awards not paid out or distributed (\$) <sup>(2)</sup>
Stephen Reid	445,019 300,000	\$3.00 \$4.40	Feb 23, 2021 Jul 7, 2021	\$400,517 Nil	952,380 <sup>(3)</sup>	\$3,714,282 <sup>(3)</sup>	Nil
Allan Bezanson	96,667 200,000 100,000	\$2.40 \$3.00 \$4.40	Jul 15, 2025 Feb 23, 2021 Jul 7, 2021	\$145,000 \$180,000 Nil	Nil Nil Nil	Nil Nil Nil	\$259,997 <sup>(4)</sup> \$26,711 <sup>(4)</sup> \$235,622 <sup>(4)</sup>
Darren Prins	200,000	\$4.40	Jul 7, 2021	Nil	Nil	N/A	N/A
James Bell	98,893 120,000	\$3.00 \$4.40	Feb 23, 2021 Jul 7, 2021	\$89,004 Nil	Nil	N/A	\$168,854 <sup>(5)</sup>
Michael Matishak	Nil	N/A	N/A	N/A	Nil	N/A	N/A
Vincenzo Chiofalo	Nil	N/A	N/A	N/A	Nil	N/A	N/A

Notes:

- (1) Unexercised "in-the-money" Options refer to the options in respect of which the market value of the underlying securities as at the financial year end exceeds the exercise or base price of the Option.
- (2) The closing price of the Common Shares on the TSXV on December 31, 2016 was \$3.90.
- (3) On February 23, 2016, pursuant to the Advantage Acquisition, the Corporation acquired all of the shares of a private corporation owned by Stephen Reid, the President and Chief Executive Officer and a director of the Corporation, in consideration for the assumption of \$350,000 of debt and the issuance of 952,380 Common Shares, which shares are to be held in escrow until the Escrow Release Condition provided for in the Reid Escrow Agreement is satisfied.
- (4) Represents DSUs held by Mr. Bezanson. Mr. Bezanson redeemed all of his DSUs effective January 12, 2017.
- (5) Represents DSUs held by Mr. Bell. Mr. Bell redeemed all of his DSUs effective April 3, 2017.

#### *Incentive Plan Awards – Value Vested or Earned During the Year*

Name	Option-based awards — Value vested during the year (\$)	Share-based awards — Value vested during the year (\$)	Non-equity incentive plan compensation — Value earned during the year (\$)
Stephen Reid	Nil	Nil	Nil

Allan Bezanson	18,367 <sup>(1)</sup>	Nil	Nil
Darren Prins	Nil	Nil	\$50,000
James Bell	Nil	100,000 <sup>(2)</sup>	\$150,000
Michael Matishak	N/A	N/A	N/A
Vincenzo Chiofalo	N/A	N/A	N/A

Notes:

(1) One-half of these options vested on the date of grant and one-half vested on April 30, 2016.

(2) 43,290 DSUs were granted on February 23, 2016 at an effective price of \$2.31 per share.

### Pension Plan Benefits

The Corporation does not have a defined benefit plan or defined contribution plan. The Corporation's DSU Plan was terminated effective April 4, 2017.

### Termination and Change of Control Benefits

Other than as disclosed above, the Corporation has no compensatory plan or arrangement in respect of compensation received or that may be received by the Named Executive Officers in the Corporation's most recently completed or current fiscal year to compensate such Named Executive Officers in the event of the termination of employment (resignation, retirement, change of control) or in the event of a change in responsibilities following a change of control.

## DIRECTOR COMPENSATION

During the most recently completed fifteen-month financial year ended December 31, 2016, the Corporation had eight (8) directors who were not also Named Executive Officers: Kingsley Ward, Peter McRae, Ron Gratton, Anthony Lacavera, Gary Mauris, John Williamson (former director), John Hawkrigg (former director) and Courtenay Wolfe (former director and former Executive Chair).

### Director Compensation Table

During the fifteen-month financial year ended December 31, 2016, there were significant changes to the Corporation's Board of Directors which resulted in changes in the manner in which the Board members are compensated. Under the former Board, the Corporation adopted a DSU Plan for non-employee directors, whereby each non-employee director of the Corporation received an annual grant of DSUs that vest immediately upon grant that were paid out in cash or Common Shares at the sole discretion of the Corporation, when a participant ceases to be a director of the Corporation. Under the current Board, the Director compensation policy has been changed, whereby Directors receive fixed cash amounts for Board and Committee work and also receive a grant of stock options.

The following table sets forth compensation provided to the directors who were not also Named Executive Officers in the most recently completed fifteen-month financial year ended December 31, 2016.

Name	Fees Earned (\$)	Share-based Awards (\$)(1)	Option-based Awards (\$)(2)	Non-equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
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Kingsley Ward	\$35,167	Nil	\$300,000 <sup>(3)</sup>	Nil	Nil	Nil	\$335,167
Peter McRae	\$33,250	Nil	\$300,000 <sup>(3)</sup>	Nil	Nil	Nil	\$333,250
Ron Gratton	\$27,417	Nil	\$300,000 <sup>(3)</sup>	Nil	Nil	Nil	\$327,417
Anthony Lacavera	\$21,500	Nil	\$300,000 <sup>(3)</sup>	Nil	Nil	Nil	\$321,500
Gary Mauris	Nil	Nil	\$300,000 <sup>(3)</sup>	Nil	Nil	Nil	\$300,000
John Williamson	Nil	Nil	Nil	Nil	Nil	Nil	Nil
John Hawkrigg	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Courtenay Wolfe	\$84,000	Nil	\$243,999 <sup>(4)</sup>	Nil	Nil	\$350,000 <sup>(5)</sup>	\$677,999

Notes:

- (1) "Share-Based Award" means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, Common Share equivalent units and stock.
- (2) "Option-Based Award" means an award under an equity incentive plan of options, including, for greater certainty, stock options, share appreciation rights and similar instruments that have option-like features.
- (3) Messrs. Ward, McRae, Gratton, Lacavera and Mauris were each granted 100,000 stock options on July 7, 2016 with an exercise price of \$4.40 per share. The options had an estimated grant date fair value of \$3.00 per options calculated using the Black Scholes option valuation model, using the following grant date assumptions: grant date stock price, \$4.40, expected life of option, 3-5 years; volatility, 100%; risk free interest rate, 0.56%; dividends, 0%, forfeiture rate, 2.67%.
- (4) On February 23, 2016, 133,333 options were granted to acquire common share at an exercise price of \$3.00 per common share. The options had an estimated grant date fair value of \$1.83 per options calculated using the Black Scholes option valuation model, using the following grant date assumptions: grant date stock price, \$2.55, expected life of option, 5 years; volatility, 100%; risk free interest rate, 0.64%; dividends, 0%.
- (5) \$350,000 was paid to Ms. Wolfe in connection with her resignation as Executive Chair of the Corporation effective February 23, 2016.

### Narrative Discussion – Director Compensation

On June 1, 2016, the Board approved the payment of the following cash compensation amounts for the independent Board members:

- \$30,000 annual honorarium for serving as an independent director;
- \$1,000 per meeting for each Board or Committee meeting;
- \$15,000 annual honorarium for the Chairman of the Board;
- \$15,000 annual honorarium for the Chairman of the Audit Committee;
- \$5,000 annual honorarium for the Chairman of both the Compensation Committee and the Corporate Governance Committee.

On July 7, 2016, each of Messrs. Ward, McRae, Gratton, Lacavera and Mauris were granted 100,000 stock options at an exercise price of \$4.40 per share. The options have a five (5) year term and vest as follows: one-third on grant; one-third on July 7, 2017; and one-third on July 7, 2018.

### Incentive Plan Awards

#### *Outstanding Option-based Awards and Share-based Awards*

The following table sets forth for each director who was not also a Named Executive Officer, all option-based and share-based awards outstanding at the end of the most recently completed fifteen-month financial year ended December 31, 2016, including awards granted before the most recently completed fifteen-month financial year ended December 31, 2016.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised Options (#)	Option exercise price <sup>(1)</sup> (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$) <sup>(1)</sup>
Kingsley Ward	100,000	\$4.40	July 7, 2021	Nil	Nil	N/A	N/A
Peter McRae	100,000	\$4.40	July 7, 2021	Nil	Nil	N/A	\$81,249 <sup>(2)</sup>
Ron Gratton	100,000	\$4.40	July 7, 2021	Nil	Nil	N/A	N/A
Anthony Lacavera	100,000	\$4.40	July 7, 2021	Nil	Nil	N/A	N/A
Gary Mauris	100,000	\$4.40	July 7, 2021	Nil	Nil	N/A	N/A
John Williamson	Nil	N/A	N/A	Nil	Nil	N/A	\$560,617 <sup>(3)</sup>
John Hawkrigg	Nil	N/A	N/A	Nil	Nil	N/A	\$576,869 <sup>(4)</sup>
Courtenay Wolfe	96,667 133,333	\$2.40 \$3.00	July 15, 2025 Feb 23, 2021	\$145,000 \$120,000	Nil	N/A	\$522,331 <sup>(5)</sup>

Notes:

- (1) The closing price of the Common Shares on the TSXV on December 31, 2016 was \$3.90.
- (2) Represent DSUs held by Mr. McRae. Mr. McRae redeemed all of his DSUs effective April 3, 2017.
- (3) Represent DSUs held by Mr. Williamson. Mr. Williamson redeemed all of his DSUs effective January 4, 2017.
- (4) Represent DSUs held by Mr. Hawkrigg. Mr. Hawkrigg redeemed all of his DSUs effective April 3, 2017.
- (5) Represent DSUs held by Ms. Wolfe. Ms. Wolfe redeemed all of her DSUs effective April 3, 2017.

*Incentive Plan Awards – Value Vested or Earned During the Year*

Name	Option-based awards — Value vested during the year (\$)	Share-based awards — Value vested during the year (\$)	Non-equity incentive plan compensation — Value earned during the year (\$)
Kingsley Ward	Nil	Nil	Nil
Peter McRae	Nil	Nil	Nil
Ron Gratton	Nil	Nil	Nil
Anthony Lacavera	Nil	Nil	Nil
Gary Mauris	Nil	Nil	Nil
John Williamson	Nil	Nil	Nil
John Hawkrigg	Nil	Nil	Nil
Courtenay Wolfe	18,367 <sup>(1)</sup>	Nil	Nil

Notes:

- (1) On July 15, 2015, 96,667 options were granted to acquire common share at an exercise price of \$2.40 per share. The options had an estimated grant date fair value of \$2.17 per options calculated using the Black Scholes option valuation model, using the following grant date assumptions: grant date stock price, \$2.10, expected life of option, 10 years; volatility, 125%; risk free interest rate, 3.0%; dividends, 0%.

## Other Compensation

Other than as disclosed herein, the Corporation did not pay any other compensation to executive officers or directors (including personal benefits and securities or properties paid or distributed which compensation was not offered on the same terms to all full time employees) during the last completed financial year other than benefits and perquisites which did not amount to \$10,000 or greater per individual.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Option Plan is operated in accordance with the policies of the TSXV and permits the Board to grant Options to directors, officers, employees and consultants of the Corporation and its affiliates.

The following table sets forth information with respect to the Option Plan as at the Corporation's most recently completed fifteen-month financial year ended December 31, 2016. Reference should be made to the Corporation's audited annual financial statements for the fifteen-month financial year ended December 31, 2016 for more detailed disclosure relating to the Options granted, exercised and outstanding.

Equity Compensation Plan Information			
Plan Category	Number of securities to be issued upon exercise of outstanding Options, warrants and rights	Weighted-average exercise price of outstanding Options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
Equity compensation plans approved by shareholders	3,812,860	\$3.59	1,024,474
Equity Compensation plans not approved by shareholders	Nil	Nil	Nil
Totals	3,812,860	\$3.59	1,024,474

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors or executive officers of the Corporation, or any associates or affiliates of such persons, have been indebted to the Corporation at any time during or since the fiscal year ended September 30, 2015.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed herein, none of the directors, executive officers, or principal Shareholders of the Corporation, nor any associate or affiliate of the foregoing, have any material interest, direct or indirect, in any transaction since the commencement of the Corporation's fifteen-month financial year ended December 31, 2016, or in any proposed transaction that has materially affected or that would materially affect the Corporation or any of its subsidiaries, except as disclosed herein.

Courtenay Wolfe, a former director of the Corporation, is a director and the Chair of the board of directors of Vital Alert Communication Inc. ("**Vital**"). On December 23, 2015, the Corporation made an equity investment (the "**Vital Investment**") of US\$2.0 million cash in Vital. The Vital Investment resulted in the Corporation acquiring 25,999,568 voting preferred shares in the capital of Vital (which represented 18.56% and 16.67% of the voting shares of Vital on a undiluted and fully-diluted basis, respectively).

On February 23, 2016, pursuant to the Advantage Acquisition, the Corporation acquired all of the shares of a private corporation owned by Stephen Reid, the President and Chief Executive Officer and a director of the Corporation, in consideration for the assumption of \$350,000 of debt and the issuance of 952,380 Common Shares, which shares are to be held in escrow until the Escrow Release Condition provided for in the Reid Escrow Agreement is satisfied.

On June 3, 2016, the Corporation completed the acquisition of a 60% interest in Dominion Lending Centres ("**DLC**") for aggregate consideration of \$88.1 million from the Corporation (the "**DLC Transaction**"), which was satisfied by the issuance of 4,761,905 Common Shares, having a price of \$5.60 on the date the transaction closed (compared to \$2.625 per share on the date the transaction was announced) and a cash payment of \$61.4 million. Gary Mauris, the President and Chief Executive Officer of DLC became a director of the Corporation subsequent to completion of the DLC Transaction.

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

There is no material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or Named Executive Officer of the Corporation or any associate or affiliate of such persons, in any matter to be acted on.

#### **CORPORATE GOVERNANCE**

The Corporation is subject to National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**") and National Policy 58-201 – *Corporate Governance Guidelines* ("**NP 58-201**"). NI 58-101 requires issuers 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 prescribes certain requirements in relation to audit committees. Copies of the Audit Committee Charter, Compensation Committee Charter and Corporate Governance Charter are available on the Corporation's website at [www.advantagecapital.ca](http://www.advantagecapital.ca).

#### **Board of Directors**

The Board of Directors oversees the management of the business and affairs of the Corporation. The Board's mandate includes the adoption and implementation of the Corporation's strategies and plans. The Board reviews the results and performance of management's actions and plans. The Board evaluates management and assesses whether management has developed and maintained adequate information systems and controls and is fulfilling the Corporation's responsibilities for communications with its stakeholders.

The Board of Directors currently comprises seven (7) members, all of which are nominated for re-election at the meeting.

NP 58-201 suggests that the board of directors of a public company should be constituted with a majority of individuals who qualify as "independent" directors. An "independent" director is a director who is

independent of management and does not have any material relationship with the Corporation which could be reasonably expected to interfere with the exercise of the director's independent judgment, other than interests and relationships arising from shareholding. Of the proposed director nominees, Kingsley Ward, Peter McRae, Ron Gratton and Anthony Lacavera are considered by the Board of Directors to be "independent" within the meaning of NP 58-201. Stephen Reid and James Bell, as current management of the Corporation, and Gary Mauris, as current management of a subsidiary of the Corporation (being DLC), are considered to be "non-independent".

The Board has a policy requiring that an in camera meeting of independent directors be held in connection with all Board meetings.

The Board has appointed Kingsley Ward as Chairman. Mr. Ward is independent" based on the definition in NP 58-201.

### **Directorships**

The following table sets out the current directors of the Corporation who are presently directors of any other reporting issuers (or the equivalent):

<b>Name</b>	<b>Name of Reporting Issuer</b>	<b>Name of Trading Market</b>	<b>Position</b>
James Bell	Paramount Resources Ltd.	TSX	Director
Anthony Lacavera	Trilogy International Partners Inc.	TSX	Director
Peter McRae	Focused Capital Corp.	TSXV	Director
J.R. Kingsley Ward	Data Group Ltd.	TSX	Director

### **Board Mandate**

The complete text of the mandate of the Board is attached as Schedule "B" to this circular.

### **Position Descriptions**

Written position descriptions have not been formalized for the NEOs.

The Board oversees the management of the Corporation through a productive working relationship with the President and Chief Executive Officer and other senior management, who formulate and execute long term strategic, financial and organizational goals for the Corporation. The Chair of the Board is appointed by the Board to convene meetings, set agendas and provide information to ensure that the Board satisfies its obligations to the Corporation and Shareholders. The Chair maintains a liaison and communication with all members of the Board and committee chairs to coordinate input and optimize effectiveness of the Board and its committees.

The President and Chief Executive Officer provides overall effective leadership and vision for the Corporation to grow value responsibly, in a profitable and sustainable manner, in the best interests of the Corporation and its Shareholders.

The President and Chief Executive Officer serves as external spokespersons and principal liaisons for the Corporation, including effectively managing relations with external stakeholders and ensuring timely disclosure of material information. The President and Chief Executive Officer ensures development and

implementation of a strategic plan for the Corporation to maximize shareholder value; provide general supervision and management of the day-to-day affairs of the Corporation consistent with decisions of the Board; appoint and monitors senior management and staff; and ensure that appropriate controls are established and maintained to satisfy disclosure and financial reporting requirements.

### **Orientation and Continuing Education**

New directors are provided with a director's package containing pertinent information about the Corporation, its business and operations and the role of the Board, its committees and its directors. Directors are provided with ongoing education on the Corporation's operations by way of management presentations. Directors maintain the skill and knowledge necessary to meet their obligations as directors through a combination of their existing education and experience as business persons and managers, service as directors of other public issuers and advice from the Corporation's legal counsel, auditors and other advisors.

Mr. McRae, is a graduate of the Directors Education Program established by the Institute of Corporate Directors and holds an ICD.D designation. Mr. Bell completed the Canadian Securities Course in January 2014 and the Partners, Directors and Senior Officers course in February 2014.

### **Ethical Business Conduct**

The Board has adopted the code for its directors, officers, consultants and employees, which can be viewed on the Corporation's website. The Code states basic principles to guide the affairs of the Corporation. The Corporation is to conduct its business and affairs honestly and with integrity, using high ethical standards with a view to the best interests of the Corporation as a whole and to enhance shareholder value. The Code requires compliance with accounting requirements and accuracy of records, mandates compliance with laws in each jurisdiction in which the Corporation carries on its business, addresses conflicts of interest, requires compliance with the Corporation's policies, prohibits discrimination, intimidation and harassment, promotes safety and protection of the environment, promotes respect and enhancement of the economic and social situations of communities in which the Corporation conducts its operations, discourages payments to public officials as well as the giving and receipt of gifts or other personal benefits, and promotes the observance of high ethical standards with companies and individuals with which the Corporation does material business.

Members of the Board ensure that they and management set an example by conducting the Corporation's business and dealings with the highest ethical standards. Through management, the Board ensures that employees and consultants are made aware of, and comply with, the Code. Individuals who breach the Code may be subject to disciplinary action including dismissal.

### **Nomination of Directors**

The Corporation's Corporate Governance Committee is responsible for proposing new nominees to the Board. This committee recommends to the Board policies and processes designed to provide for effective and efficient governance, including but not limited to policies for the election and re-election of Board members. The Corporate Governance Committee will, among other things, develop and recommend to the Board a statement of the competencies and personal attributes currently needed on the Board, to be used as a guideline for recruitment and election of Board members, conduct a "gap analysis" to identify succession planning/recruitment needs, develop and regularly update a list of potential Board members regardless of whether a current vacancy exists, oversee a process for vetting the fitness of prospective nominees, develop and oversee a plan for enhancing Board diversity, and evaluate the performance of individual Board members eligible for re-election.

## **Majority Voting Policy**

The Board has adopted a majority voting policy which provides that any nominee for director at any uncontested election of directors of the Corporation, with respect to whom the number of votes cast in favour of the election of such nominee to the Board does not exceed the number of votes "withheld" from such nominee's election, is required to submit his or her resignation to the Board for consideration promptly following the said Shareholders' meeting. Upon receipt of the resignation, the Board will consider whether or not to accept the resignation and will reach a determination no later than 90 days following the date of the said Shareholders' meeting. Any director who has tendered such a resignation will not participate in any meeting of the Board or a committee of the Board at which his or her resignation is considered. The Board will accept such a resignation absent exceptional circumstances. The Corporation will issue a news release disclosing the Board's determination promptly following its decision to accept or reject the resignation. In the event that the Board determines to reject the resignation, the news release announcing the Board's decision to reject the resignation will include a full statement as to the reasons for the Board's decision.

## **Other Board Committees**

The Corporation has the following Board Committees:

- Audit Committee (Peter McRae (Chair), Kingsley Ward and Ron Gratton)
- Compensation Committee (Kingsley Ward (Chair), Peter McRae and Ron Gratton)
- Corporate Governance Committee (Ron Gratton (Chair), Kingsley Ward and Peter McRae)

## **Assessments**

The Board has implemented a process for which the Corporate Governance Committee is responsible for assessing the effectiveness of the Board, its committees and the contribution of individual directors. The process is conducted annually and involves each Director completing an evaluation of their own performance, the performance of the Board as a whole and the performance of their peers. The results from these evaluations are then reviewed by the Corporate Governance Committee and summarized for the whole Board.

## **Director Term Limits and Other Mechanisms for Board Renewal**

The Corporation has not adopted formal term limits or a formal retirement policy for its directors. The Corporation does not feel term limits are necessary in order to achieve Board renewal. The Corporation believes that setting term limits for directors may be counter-productive as some directors build more knowledge about the business of the Corporation over time. To have fixed term limits for directors could result in significant knowledge loss at the Board level to the detriment of Shareholders. As such, the Corporation does not feel Board entrenchment is a risk that requires a formal policy.

## **Policies and Information Regarding the Representation of Women on the Board**

The Board has not adopted a written policy relating to the identification and nomination of women directors, as it believes that the interests of the Corporation are best served by ensuring that new directors are identified and selected from the widest possible group of potential candidates, without any restrictions or preferences relating to gender or other criteria. The Board feels that having written policies governing the selection of Board nominees could unduly restrict the Board's ability to select the most capable candidates. The Corporation is committed to ensuring that its Board at all times has the required range of

skills, knowledge, experience and perspectives to achieve its business objectives. Notwithstanding the above, the Corporation attributes much of its success to the many women it employs (and has employed) and is seeking to add a woman to the Board going forward once it identifies a candidate possessing the required skills and knowledge.

The level of representation of women on the Board is considered in identifying and nominating candidates for election or re-election to the Board but it is not a deciding factor for the reasons noted above. The Corporation would like to have a more gender diverse Board but it also needs to consider the cost of additional Board members and the additional value added.

The Corporation's position with respect to the representation of women in executive officer positions is the same as its position with respect to the representation of women on the Board. It believes that people should be hired and promoted based on their professional qualifications, accomplishments and merit. Accordingly, the level of representation of women in executive officer positions is not considered in making executive officer appointments.

The Board has not adopted a target regarding women on the Board or in executive officer positions for the reasons set out above. The Board feels that adopting such a target could unduly restrict the Corporation's ability to identify and select the most qualified people.

The Corporation does not currently have any directors who are women but does have two (2) women within its management group (representing 22% of the management group).

#### **Audit Committee Information and Relationship with Auditors**

The Audit Committee is a committee of the Board which assists the Board in fulfilling its responsibility for oversight of the financial reporting process. The Audit Committee is also responsible for managing, on behalf of the Shareholders, the relationship between the Corporation and the external auditor.

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

##### *Charter*

The text of the Corporation's Audit Committee charter is attached as a schedule to the Corporation's Annual Information Form and is also available for review on the Corporation's website.

##### *Composition of the Audit Committee*

The Audit Committee currently consists of Peter C. McRae (Chair), Ron Gratton and Kingsley Ward, all of whom are independent members, as defined in NI 52-110, and all members are financially literate.

##### *Relevant Education and Experience*

The education and experience of each of the present Audit Committee members that is relevant to the performance of his responsibilities as an Audit Committee member is as follows:

##### Peter C. McRae

Mr. McRae is a Chartered Accountant, and a graduate of the Director's Education Program of the Institute of Corporate Directors with an ICD.D designation. He is currently the Chairman, and between 1994 and

2015, was the President and CEO, of Freedom International Brokerage Company, Canada's largest InterDealer Broker. Mr McRae's earlier career involved four years in Abu Dhabi as a Financial Administrator for an engineering firm before joining the investment dealer Wood Gundy in Toronto and subsequently as a bond trader in New York.

#### Ron Gratton

Mr. Gratton is the President of Strathdale Investment Management Ltd., a private investment firm. He is also a director of the McCaig family office, which administers the McCaig family's investment in the Trimac group of companies. From 2000 until 2010, Mr. Gratton was a senior tax partner with PricewaterhouseCoopers LLP. Prior thereto, he held senior roles with Coopers & Lybrand as well as various public and private companies.

#### J.R. Kingsley Ward

Mr. Ward is currently the chairman and managing partner of VRG Capital Corp. and prior to that was the President of VRG Capital from 1992 to 2011. Mr. Ward began his career at the Vimy Ridge Group Ltd., a Toronto based holding company with a portfolio of investments primarily in the healthcare industry. In 1992, VRG Capital, a division of Vimy Ridge Group Ltd., was formed to develop merchant banking initiatives for Vimy Ridge Group Ltd. Mr. Ward has over 25 years of experience in initiating, structuring, and monetizing private equity investments. Mr. Ward's business career includes being a founder and director of Clarus Securities, an institutional investment dealer and Chairman of Nucro Technics, a pharmaceutical contract support organization. He was a founder and former Director of IPEC (now Flint Energy Services) and was a founder and former Chairman of Pareto Corporation, a marketing services company until its sale in 2011. He is a past Director of PLM Group, a commercial printing and direct marketing company. Mr. Ward holds a Bachelor of Commerce from the University of Windsor and a Bachelor of Arts from Queens University.

#### *Reliance on Certain Exemptions*

Since the commencement of the Corporation's most recently completed fifteen-month financial year ended December 31, 2016, it has not relied on the exemption in section 2.4 (*De Minimus Non-audit Services*) or an exemption granted under Part 8 (*Exemptions*) from NI 52-110. The Corporation is a "venture issuer" as defined in NI 52-110 and has relied on the exemption contained in section 6.1 of NI 52-110, which exempts it from the requirements of Part 3 (*Composition of Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

#### *Audit Committee Oversight*

The Board has adopted all recommendations of the Audit Committee with respect to the nomination or compensation of an external auditor.

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

If non-audit services to be performed by the external auditor are expected to exceed 5% in aggregate of the total fees that are expected to be paid to the external auditor during the fiscal year, they must be preapproved by the Audit Committee or by an independent member of the Audit Committee to whom the Audit Committee has delegated authority to grant such pre-approval.

All non-audit services to be performed by the external auditor that are not reasonably expected to exceed 5% in aggregate of the total fees expected to be paid to the external auditor during the fiscal year are deemed by the Audit Committee to have been pre-approved.

All non-audit services that were not recognized as non-audit services at the time of engagement must be brought to the attention of the Audit Committee, or an independent member of the Audit Committee to whom the Audit Committee has delegated authority to grant such pre-approvals, for approval prior to the completion of the audit.

*External Auditor Service Fees*

The aggregate fees billed by the Corporation's external auditors in the fifteen-month financial year ended December 31, 2016 and the twelve-month financial year ended September 30, 2015 for audit and other services is set forth below.

Year Ended	Audit Fees <sup>(1)</sup>	Audit-Related Fees <sup>(2)</sup>	Tax Fees <sup>(3)</sup>	All Other Fees <sup>(4)</sup>
2016	\$519,000	\$66,000	\$47,710	\$340,000
2015	\$104,897	\$10,379	\$18,756	\$Nil

Notes:

- (1) The aggregate fees billed by the Corporation's auditor for audit fees.
- (2) 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 statements and are not disclosed in the "Audit Fees" column.
- (3) The aggregate fees billed for professional services rendered by the Corporation's auditor for tax compliance, tax advice, and tax planning.
- (4) The aggregate fees billed for professional services rendered by the Corporation's auditor in relation to private placements, prospectus filings and the filing of business acquisition reports.

**AUDITORS**

The auditors of the Corporation are KPMG, located at 3100, 205 – 5th Avenue SW Calgary, Alberta, T2P 4B9. KPMG was first appointed as auditors of the Corporation on March 31, 2016.

**ADDITIONAL INFORMATION**

Additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com). Additional financial information is contained in the Corporation's comparative financial statements and in the audited financial statements and accompanying management discussion and analysis for the most recently completed fifteen-month financial year ended December 31, 2016. Copies of additional information and the Corporation's financial statements and management discussion and analysis may be obtained upon written request made to the Corporation at its principal office in Calgary, Alberta at Suite 232, 2031 – 33rd Avenue S.W., Calgary, Alberta, by facsimile to the Corporation at (403) 455-9659 or by email to [jbell@advantagecapital.ca](mailto:jbell@advantagecapital.ca). The Corporation may require payment of a reasonable charge if the request for information is made by a person or company that is not a security holder of the Corporation.

**SCHEDULE "A"**  
**FOUNDERS ADVANTAGE CAPITAL CORP.**

**AMENDED AND RESTATED**  
**STOCK OPTION PLAN**

**PART 1 - INTRODUCTION**

**1.1 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, key 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.

**1.2 Definitions**

- (a) “**Affiliate**” has the meaning ascribed thereto in the *Business Corporations Act* (Alberta) as amended from time to time.
- (b) “**Blackout Period**” means a period during which the Corporation prohibits Optionees from exercising their Options.
- (c) “**Board**” means the board of directors of the Corporation.
- (d) “**Consultant**” has the meaning ascribed to such term in Policy 4.4.
- (e) “**Corporation**” means Founders Advantage Capital Corp. a corporation duly incorporated under the laws of the Province of Alberta, and its Affiliates, if any.
- (f) “**Discounted Market Price**” has the meaning ascribed to such term in Policy 1.1.
- (g) “**Eligible Person**” means an officer or director of the Corporation (“**Executive**”) or an employee of the Corporation (“**Employee**”) or a Management Company Employee or a Consultant.
- (h) “**Exchange**” means the TSX Venture Exchange.
- (i) “**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.
- (j) “**Exercise Price**” means the price at which an Option may be exercised as determined in accordance with section 2.03.

- (k) “**Insider**” means an insider as defined in the *Securities Act* (Ontario), 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.
- (l) “**Investor Relations Activities**” has the meaning ascribed to such term in Policy 1.1.
- (m) “**Management Company Employee**” has the meaning ascribed to such term in Policy 4.4.
- (n) “**Material Information**” has the meaning ascribed to such term in Policy 1.1.
- (o) “**Notice**” has the meaning ascribed to such term in section 2.11.
- (p) “**Option**” means an option granted under the terms of the Plan.
- (q) “**Option Certificate**” means the certificate, substantially in the form set out as Schedule “A” hereto, evidencing an Option.
- (r) “**Option Period**” means the period during which an option may be exercised.
- (s) “**Optioned Shares**” means Shares that may be issued in the future to an Eligible Person upon the exercise of an Option.
- (t) “**Optionee**” means 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) “**Sale Transaction**” means a transaction to acquire all of the Shares or substantially all of the assets of the Corporation, whether effected through an acquisition for cash or securities, and whether structured as a purchase, amalgamation, merger, arrangement, reorganization or other business combination.
- (z) “**Share Compensation Arrangement**” means any Option under this Plan but also includes any other stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares to an Eligible Person.

(aa) “**Shares**” means the common shares of the Corporation.

(bb) “**Successor Optionee**” has the meaning ascribed to such term in subsection 2.10(a).

## **PART 2 - SHARE OPTION PLAN**

### **2.1 Participation**

Options shall be granted only to Eligible Persons.

### **2.2 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.

### **2.3 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.

### **2.4 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 shall be as set forth in the Option Certificate issued in respect of such Option.

### **2.5 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 Optioned Shares, unless and until certificates for such Optioned 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 Optioned Shares in a book-entry system under the terms of the Plan.

## **2.6 Exercise of Options**

Except as set forth in section 2.10, no Option may be exercised unless the Optionee is at the time of such exercise:

- (a) 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;
- (b) 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
- (c) 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.

The exercise of any Option will be contingent upon receipt by the Corporation of cash payment of the full Exercise Price of the Optioned Shares being purchased by 5:00 p.m. (EST) 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 Optioned Shares to be purchased pursuant to the exercise of the Option.

## **2.7 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.

**2.8 Restrictions on Grant of Options**

The granting of Options shall be subject to the following conditions:

- (a) the number of Shares issuable to any one Consultant in any 12 month period pursuant to this Plan, when combined with all of the Company's other Share Compensation Arrangements, may not exceed two (2%) percent of the Outstanding Issue;
- (b) the number of Shares issuable in the aggregate to Eligible Persons conducting Investor Relations Activities in any 12 month period pursuant to this Plan, when combined with all of the Company's other Share Compensation Arrangements, may not exceed an aggregate of two (2%) percent of the Outstanding Issue;
- (c) unless the Corporation has obtained disinterested shareholder approval, the number of Shares issuable to any one individual in any 12 month period pursuant to this Plan, when combined with all of the Company's other Share Compensation Arrangements, may not exceed five (5%) percent of the Outstanding Issue;
- (d) unless the Corporation has obtained disinterested shareholder approval, the number of Shares issuable to Insiders at any point in time pursuant to this Plan, when combined with all of the Company's other Share Compensation Arrangements, may not exceed an aggregate of ten (10%) percent of the Outstanding Issue;

- (e) unless the Corporation has obtained disinterested shareholder approval, the number of Shares issuable to Insiders in any 12 month period pursuant to this Plan, when combined with all of the Company's other Share Compensation Arrangements, may not exceed an aggregate of ten (10%) percent of the Outstanding Issue; and
- (f) unless the Corporation has obtained disinterested shareholder approval, the Corporation shall not decrease the Exercise Price of 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.

## **2.9 Lapsed Options**

If Options are surrendered, terminated or expire without being exercised in whole or in part, new Options may be granted covering the Optioned 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, or while an Executive (other than a director of the Corporation), 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 the other provisions of this section 2.10 and any agreement approved by the Board, Options granted to any Optionee which have vested pursuant to section 2.07 shall expire on the earlier of (i) the date that is one (1) year following the date the Optionee ceases to be an Executive, Employee, Consultant or Management Company Employee, or such later date as determined by the Board and (ii) the date of expiration of the term otherwise applicable to such Option, and all unvested Options shall immediately terminate without right to exercise same unless the Board, in its discretion, resolves that all of the Options held by an Optionee on the date the Optionee ceases to be an Executive, Employee, Consultant or Management Company Employee 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 date upon which termination occurred.

## **2.11 Termination**

Notwithstanding any vesting schedule determined in accordance with section 2.07 or any other provision of the Plan (including section 2.12), in the event that the Corporation or its shareholders receive and accept an offer of a Sale Transaction, the Board may, in its sole discretion, deal with the Options issued under the Plan in the manner it deems fair and reasonable in light of the circumstances of the Sale Transaction provided all Optionees to whom Options have been granted under the Plan and remain outstanding are treated similarly. In this regard, in the event of a proposed Sale Transaction, the Board may, in its sole discretion, by written notice (the “**Notice**”) to any Optionee, accelerate the vesting of some or all the Options such that such Options become immediately fully vested. In such circumstances, the Board may by written notice compel the Optionee to exercise his Options within 30 days of the date of such written notice to exercise, failing which the Optionee’s right to purchase Optioned Shares under such Options lapses. In addition, and without limiting the generality of the foregoing, in connection with a Sale Transaction, the Board may, without any action or consent required on the part of any such Optionee,

(i) deem any or all Options (vested or unvested) under the Plan to have been exercised and the Optioned Shares to have been tendered to the Sale Transaction, (ii) apply a portion of the Optionee’s proceeds from the closing of the Sale Transaction to the Exercise Price payable by that Optionee for the exercise of his or her Options, (iii) cancel the Options and pay to an Optionee the amount that the Optionee would have received, after deducting the Exercise Price of the Options, had the Options been exercised, (iv) exchange Options, or any portion of them, for options to purchase shares in the capital of the acquiror or any corporation which results from an amalgamation, merger or similar transaction involving the Corporation made in connection with the Sale Transaction, or (v) take such other actions, and combinations of the foregoing actions, as it deems fair and reasonable under the circumstances.

If the proposed Sale Transaction is not completed within 180 days after the date of Notice, any affected Optionee, within a period of 10 days following the 180-day period, may elect to cancel an exercise pursuant to the Notice. In respect of any Optionee who makes this election, the Corporation

will return to the Optionee all rights under such Optionee's Options as if no exercise had been effected, subject to the appropriate adjustment of accounts to the position that would have existed had there been no exercise of Options.

The Board may at any time terminate the Plan with respect to Shares not being, at that time, Optioned Shares, and the Board may at any time amend any provision of the Plan subject to obtaining the necessary approval of the Exchange and any other applicable regulatory authorities, provided that any such amendment shall not adversely affect or impair any Option previously granted to an Optionee under the Plan, without its consent.

## **2.12 Adjustment in Shares Subject to the Plan**

The number of Shares subject to an Option will be subject to adjustment in the events and in the manner following:

- (a) in the event of a subdivision of Shares as constituted on the date hereof, at any time while an Option is in effect, into a greater number of Shares, the Corporation will thereafter deliver at the time of purchase of Optioned Shares hereunder, in addition to the number of Optioned Shares in respect of which the right to purchase is then being exercised, such additional number of Shares as result from the subdivision without an Optionee making any additional payment or giving any other consideration therefor;
- (b) in the event of a consolidation of the Shares as constituted on the date hereof, at any time while an Option is in effect, into a lesser number of Shares, the Corporation will thereafter deliver and an Optionee will accept, at the time of purchase of Optioned Shares hereunder, in lieu of the number of Optioned Shares in respect of which the right to purchase is then being exercised, the lesser number of Shares as result from the consolidation;
- (c) in the event of any change of the Shares as constituted on the date hereof, at any time while an Option is in effect, the Corporation will thereafter deliver at the time of purchase of Optioned Shares hereunder the number of shares of the appropriate class resulting from the said change as an Optionee would have been entitled to receive in respect of the number of Shares so purchased had the right to purchase been exercised before such change;
- (d) in the event of a capital reorganization, reclassification or change of outstanding equity shares of the Corporation, a consolidation, merger or amalgamation of the Corporation with or into any other company or a sale of the property of the Corporation as or substantially as an entirety at any time while an Option is in effect, an Optionee will thereafter have the right to purchase and receive, in lieu of the Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option, the kind and amount of shares and other securities, cash and property receivable upon such capital reorganization, reclassification, change, consolidation, merger, amalgamation or sale which the holder of a number of Shares equal to the number of Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option

would have received as a result thereof. The subdivision or consolidation of Shares at any time outstanding will not be deemed to be a capital reorganization or a reclassification of the capital of the Corporation for the purposes of this subsection 2.12(d);

- (e) an adjustment will take effect at the time of the event giving rise to the adjustment, and the adjustments provided for in this section 2.12 are cumulative;
- (f) the Corporation will not be required to issue fractional shares in satisfaction of its obligations hereunder. Any fractional interest in a Share that would, except for the provisions of this subsection 2.12(f), be deliverable upon the exercise of an Option will be cancelled and not be deliverable by the Corporation; and
- (g) if any questions arise at any time with respect to the Exercise Price or number of Optioned Shares deliverable upon exercise of an Option in any of the events set out in this section 2.12, such questions will be conclusively determined by the Corporation's auditors, or, if they decline to so act, any other firm of Chartered Accountants, in Toronto, Ontario (or in the city of the Corporation's principal executive office) that the Corporation may designate and who will have access to all appropriate records and such determination will be binding upon the Corporation and all Optionees.

### **2.13 Hold Period**

All Options and any Optioned 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 Optioned Shares issued on the exercise of Options may be subject to resale restrictions contained in National Instrument 45-102 – *Resale of Securities* which would apply to the first trade of the Shares.

### **2.14 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.

### **2.15 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**

### **3.1 Number of Shares**

The aggregate number of Shares that may be reserved for issuance, from time to time, under the Plan shall not exceed ten (10%) percent of the total Outstanding Issue, less any Shares reserved for issuance under share options granted under Share Compensation Arrangements other than this Plan.

### **3.2 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.

### **3.3 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.

### **3.4 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.

### **3.5 Administration of the Plan and Powers of the Board**

The Board shall be responsible for the general administration of the Plan and the proper

execution of its provisions, the interpretation of the Plan and the determination of all questions arising hereunder. Without limiting the generality of the foregoing, the Board has the power to:

- (a) allot Shares for issuance in connection with the exercise of Options;
- (b) grant Options hereunder;
- (c) subject to section 3.07, amend, suspend, terminate or discontinue the Plan, or revoke or alter any action taken in connection therewith, except that no general amendment or suspension of the Plan will, without the written consent of all Optionees, alter or impair any Option previously granted under the Plan unless as a result of a change in the policies of the Exchanges;
- (d) delegate all or such portion of its powers hereunder as it may determine to one or more committees of the Board, either indefinitely or for such period of time as it may specify, and thereafter each such committee may exercise the powers and discharge the duties of the Board in respect of the Plan so delegated to the same extent as the Board is hereby authorized so to do; and
- (e) in its sole discretion amend the Plan (except for previously granted and outstanding Options) to reduce the benefits that may be granted to Eligible Persons (before a particular Option is granted) subject to the other terms hereof.

### **3.6 Income Taxes**

As a condition of and prior to participation in the Plan, if requested by the Board, an 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.

### **3.7 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.

### **3.8 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.

### **3.9 Interpretation**

The Plan will be governed by and construed in accordance with the laws of the Province of Ontario 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"**

**FOUNDERS ADVANTAGE CAPITAL CORP.**

**STOCK OPTION PLAN**

**OPTION CERTIFICATE**

This Certificate is issued pursuant to the provisions of the Founders Advantage Capital Corp. (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 \$ \_\_\_\_\_per Share (the "**Exercise Price**").

Subject to the provisions of the Plan:

- (a) the effective date of the grant of the Option is \_\_\_\_\_ ;
- (b) the Option Period expires at 5:00 p.m. (EST) on \_\_\_\_\_ ; and
- (c) the Options shall vest as follows \_\_\_\_\_ ;

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. (EST) 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.

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 \_\_\_\_\_, \_\_\_\_\_.

**FOUNDERS ADVANTAGE CAPITAL CORP.**

Per:

\_\_\_\_\_  
Authorized Signatory

**FOUNDERS ADVANTAGE CAPITAL CORP.**

**STOCK OPTION PLAN**

**EXERCISE NOTICE**

**TO: Founders Advantage Capital Corp. (the "Corporation")**

The undersigned, 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.

The undersigned 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 undersigned to be mailed to the undersigned at the following address:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

By executing this Exercise Notice, the undersigned 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.

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

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

**SCHEDULE "B"**  
**FOUNDERS ADVANTAGE CAPITAL CORP.**  
**BOARD CHARTER**

In accordance with the recommendation of the Corporate Governance Committee (the "Committee") the board of directors (the "Board") of Founders Advantage Capital Corp. (the "Corporation") wishes to formalize the guidelines pursuant to which the Board fulfills its obligations to the Corporation. The Board acknowledges the Corporate Governance Guidelines set forth in National Policy 58-201 ("NP 58-201") and the overriding objective of promoting appropriate behaviour with respect to all aspects of the Corporation's business. In consultation with the Committee, the Board will review and modify its mandate, as applicable, to reflect changes to the business environment, industry standards on matters of corporate governance, additional standards which the Board believes may be applicable to the Corporation's business, the location of the Corporation's business and its shareholders and the adoption and implementation of relevant laws and policies.

These guidelines are intended to be flexible and to provide direction to the Board in conjunction with its legal obligations and mandate from the shareholders to oversee and direct the affairs of the Corporation.

**GENERAL BOARD RESPONSIBILITIES**

As recommended by the provisions of NP 58-201, the Board explicitly acknowledges responsibility for the stewardship of the Corporation, including responsibility for the following:

1. to the extent feasible, satisfying itself as to the integrity of the Chief Executive Officer ("CEO") and other executive officers and ensuring that the CEO and other executive officers create a culture of integrity throughout the Corporation;
2. adopting a strategic planning process for the Corporation which takes into account, among other things, the opportunities and risks of that business and monitoring performance against those plans;
3. identifying the principal risks of the Corporation's business and ensuring the implementation of appropriate risk management systems; adopting policies and processes to identify business risks; addressing what risks are acceptable to the Corporation and ensuring that systems and actions are put in place to manage them;
4. in consultation with the CEO and the Committee, developing a succession plan for senior management of the Corporation;
5. approving the Corporation's policies and mandates, including, without limitation, this mandate of the Board, the mandates for the audit committee, compensation committee and corporate governance committee, the whistleblower policy, the code of business conduct and the corporate disclosure policy;
6. ensuring that appropriate processes, controls and systems are in place for the management of the business and affairs of the Corporation and addressing applicable legal and regulatory compliance matters regarding the Corporation's financial and other disclosure, including the integrity of the internal control framework;
7. approving capital and operating plans and monitoring performance against those plans;
8. developing an approach to corporate governance, including developing a set of corporate governance principles and guidelines that are specifically applicable to the Corporation;

9. developing measures for receiving feedback from shareholders and other stakeholders on the business of the Corporation and other matters whether through investor relations, the CEO or other mechanics independent of management;
10. developing guidelines with respect to expectations and responsibilities of directors;
11. developing clear position descriptions for the chair of the Board and the chair of each board committee;
12. together with the CEO, developing a clear position description for the CEO, which includes delineating management's responsibilities;
13. developing or approving the corporate goals and objectives that the CEO is responsible for meeting;
14. in consultation with the Committee, establishing and maintaining an orientation program for new directors and a continuing education program for all directors; and
15. conducting regular assessments to determine whether the Board, its committees and individual directors are contributing and functioning effectively.

#### **COMPOSITION OF THE BOARD**

##### *1. Criteria for the Board*

The majority of the Board shall be "independent" of the Corporation, within the meaning of section 1.4 of National Instrument 52-110 *Audit Committees*. The Board is responsible for making the determination of whether a director is independent. It will be the responsibility of the Committee to implement a process for assessing the effectiveness of the Board, its committees and each individual Board member and the Committee shall review with the Board, on an annual basis, the results of its assessment.

##### *2. Size of the Board*

The size of the Board shall enable its members to effectively and responsibly discharge their responsibilities to the Corporation and to the shareholders of the Corporation. The demands upon the Board will likely evolve with the future growth and development of the Corporation. The size of the Board should be considered over time and within the context of the development of the business of the Corporation, the formation of committees, the workload and responsibilities of the Board and the required expertise and experience of members of the Board.

##### *3. Operation*

The Board will in each year appoint a chairman of the Board (the "Chair"). The Board retains the responsibility of managing its own affairs including selecting its Chair and nominating candidates for election to the Board upon recommendation of the Committee, constituting committees of the Board and determining compensation for the directors upon recommendation of the Governance Committee. 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.

## **LEGAL REQUIREMENTS**

1. The Board is responsible for meeting the Corporation's legal requirements and for properly preparing, approving and maintaining the Corporation's documents and records.
2. 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.
3. 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.

## **BOARD COMMITTEES**

The Board shall, at this time, have the following standing committees, each of which must report to the Board:

1. Audit Committee;
2. Corporate Governance Committee; and
3. Compensation Committee.

- The responsibilities of the foregoing committees shall be as set forth in the mandates for these committees as prescribed from time to time by the Board.
- The Board Committees shall be comprised of a sufficient number of "independent" directors so as to comply with applicable laws.
- Appointment of members to standing committees shall be the responsibility of the Board, having received the recommendation of the Committee, based upon consultations with the members of the Board. In this regard, consideration should be given to rotating committee members from time to time and to the special skills of particular directors. Committee chairs will be selected in accordance with the mandates of such committees. The committee chairs will be responsible for determining the agenda of meetings of their respective committees and for ensuring compliance with their committee mandates.
- The Board shall regularly assess the effectiveness of each of the standing committees. An assessment should consider, among other things, the mandate of each standing committee and the contribution of each member thereof.
- The Board may constitute additional standing committees or special committees with special mandates as may be required or appropriate from time to time. In appropriate circumstances, the committees of the Board shall be authorized to engage independent advisors as may be necessary in the circumstances.
- In discharging his or her obligations, an individual director may engage outside advisors, at the expense of the Corporation, in appropriate circumstances and subject to the approval of the Committee.

#### **SELECTION OF NEW DIRECTORS & CHAIR OF THE BOARD**

The Board will ultimately be responsible for nominating and appointing new directors and for the selection of its Chair. However, initial responsibility for identifying and nominating Board members shall reside with the Committee.

The process of identifying and recommending new directors shall be the responsibility of the Committee, following consultation with members of the Board at large.

Invitations to join the Board should be extended by the Chair.

New members of the Board should be provided with an orientation and education program as to the nature of the business of the Corporation, current issues, strategies and responsibilities of directors.

#### **BOARD EXPECTATIONS OF SENIOR MANAGEMENT AND ACCESS TO SENIOR MANAGEMENT**

Management is responsible for the day to day operation of the Corporation.

Upon invitation of the Board, members of management shall attend Board meetings in order to expose directors to key members of the management team, to provide reports in their specific areas of expertise and provide additional insight into matters being considered by the Board. The Board will typically schedule a portion of each meeting as a meeting solely of the independent directors.

#### **REPORTING AND COMMUNICATION**

The Board has the responsibility to:

1. verify that the Corporation has in place policies and programs to enable the Corporation to communicate effectively with its shareholders, other stakeholders and the public generally;
2. verify that the financial performance of the Corporation is reported to shareholders, other security holders and regulators on a timely and regular basis;

3. verify that the financial results of the Corporation are reported fairly and in accordance with generally accepted accounting principles recognized by the Canadian Institute of Chartered Accountants;
4. verify the timely reporting of any other developments that have a significant and material impact on the value of the Corporation in accordance with the Corporation's Disclosure Policy; and
5. report annually to shareholders on its stewardship of the affairs of the Corporation for the preceding year.

#### **MONITORING AND ACTING**

The Board has the responsibility to:

1. review and approve the Corporation's financial statements and oversee the Corporation's compliance with applicable audit, accounting and reporting requirements;
2. verify that the Corporation operates at all times within applicable laws and regulations to the highest ethical and moral standards;
3. approve and monitor compliance with significant policies and procedures by which the Corporation operates;
4. recommend to shareholders the appointment of the Corporation's external auditor, pursuant to the recommendation of the Audit Committee, and in consultation with the Audit Committee, set the external auditor's compensation;
5. monitor the Corporation's progress towards its goals and objectives and work with management to revise and alter its direction in response to changing circumstances;
6. 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
7. verify that the Corporation has implemented appropriate internal controls and management information systems.

#### **MANAGING RISK**

The Board has the responsibility to:

1. identify and understand the principal risks of the Corporation's business, to achieve a proper balance between risks incurred and the potential return to shareholders, and to ensure that appropriate systems are in place which effectively monitor and manage those risks with a view to the long-term viability of the Corporation;
2. review and assess the adequacy of the Corporation's risk management policies, systems, controls and procedures with respect to the Corporation's principal business risks; and
3. review the amount and terms of any insurance to be obtained or maintained by the Corporation with respect to risks inherent in its operations and potential liabilities incurred by the directors or officers in the discharge of their duties and responsibilities.

**OTHER ACTIVITIES**

The Board may exercise or delegate any other powers consistent with this mandate, the Corporation's articles and by-laws, the ABCA and any other governing laws, as the Board deems necessary or appropriate.

**MEETING PROCEDURES**

The members of the Board, the Corporate Secretary and a secretary to the meeting should be invited to any regularly constituted meeting of the Board. Officers or other persons shall attend by invitation only and for those elements of the meetings where their input is sought by the directors.

Adopted by the Board of the Corporation on May 16, 2016

