

**GRENVILLE STRATEGIC ROYALTY CORP.**

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

To the shareholders of Grenville Strategic Royalty Corp. (the "**Corporation**"):

**NOTICE IS HEREBY GIVEN** that the Annual and Special Meeting (the "**Meeting**") of the shareholders of the Corporation will be held on June 13, 2017 at 10:30 a.m. (Toronto time) at Fairmont Royal York, 100 Front Street West, Saskatchewan Room, Toronto, Ontario, for the following purposes:

1. to receive the financial statements of the Corporation for the fiscal year ended December 31, 2016, together with the auditor's report thereon;
2. to elect the directors of the Corporation for the ensuing year;
3. to appoint the auditor of the Corporation for the ensuing year and authorize the directors to fix the remuneration of the auditor;
4. to consider and, if deemed appropriate, approve with or without amendment an ordinary resolution approving the stock option plan of the Corporation, as more fully described in the information circular in respect of the Meeting (the "**Circular**"); and
5. to transact such other business as may properly come before the Meeting or any adjournments thereof.

The nature of the business to be transacted at the Meeting is described in further detail in the Circular.

Only shareholders of record of common shares of the Corporation at the close of business on May 9, 2017 (the "**Record Date**") are entitled to notice of and to attend the Meeting or any adjournments thereof and to vote thereat.

Registered shareholders unable to be present at the Meeting are requested to date and sign the enclosed form of proxy and return it to Computershare Investor Services Inc., 8th Floor 100 University Avenue, Toronto, Ontario, not later than 10:30 a.m. (Toronto time) on June 9, 2017 or, if the Meeting is adjourned, not later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the adjourned or postponed meeting.

Non-registered beneficial shareholders should follow the instructions of their intermediaries in order to vote their shares.

DATED as of the 11<sup>th</sup> day of May, 2017.

*"Steven E. Parry"*

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Steven E. Parry  
President and Chief Executive Officer  
Grenville Strategic Royalty Corp.





**GRENVILLE STRATEGIC ROYALTY CORP.**

**Management Information Circular**

**May 11, 2017**

## MANAGEMENT INFORMATION CIRCULAR

### VOTING AND PROXIES

#### Solicitation of Proxies

**This Management Information Circular (the "Information Circular") is furnished in connection with the solicitation by the management of Grenville Strategic Royalty Corp., of proxies to be used at the Annual and Special Meeting of shareholders of the Corporation (the "Meeting"), to be held on June 13, 2017 at the time and place and for the purposes set forth in the Notice of Annual and Special Meeting of shareholders of the Corporation (the "Notice of Meeting") or any adjournment thereof.**

Unless otherwise noted or the context otherwise indicates, references to the "Corporation" and "Grenville" refer to Grenville Strategic Royalty Corp. (formerly Troon Ventures Ltd.), and references to "Grenville Ontario" refer to Grenville Corporation (a successor to Grenville Strategic Royalty Corp., an Ontario corporation), a wholly-owned subsidiary of the Corporation. Unless otherwise indicated, all dollar amounts in this Information Circular are given as of May 11, 2017. All dollar amounts in this Information Circular refer to Canadian dollars, unless otherwise indicated.

Solicitation of proxies will be primarily by mail but may also be by telephone, facsimile or in person by directors, officers and employees of the Corporation who will not be additionally compensated therefor. Brokers, nominees or other persons holding shares in their names for others shall be reimbursed for their reasonable charges and expenses in forwarding proxies and proxy material to the beneficial owners of such shares. The Corporation will assume the costs of solicitation, which are expected to be minimal.

#### Appointment and Revocation of Proxies

The persons named as proxyholders in the enclosed form of proxy are directors and/or officers of the Corporation.

**A shareholder submitting a form of proxy has the right to appoint a person other than the persons indicated in such proxy form to act as his or her proxyholder. To do so, the shareholder must write the name of such person in the appropriate space on the form of proxy.**

To be effective, all forms of proxy must be deposited with Computershare Investor Services Inc. ("**Computershare**"), 8th Floor, 100 University Avenue, Toronto, Ontario, by no later than 10:30 A.M. (Toronto time) on June 9, 2017 or, in the case of any adjournment or postponement of the Meeting, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the adjourned or postponed meeting. A person acting as proxyholder need not be a shareholder of the Corporation.

Late proxies may be accepted or rejected by the Chairman of the Meeting at his or her discretion and the Chairman of the Meeting is under no obligation to accept or reject any particular late proxy. The Chairman of the Meeting may waive or extend the proxy cut-off without notice.

The persons named as proxies will vote or withhold from voting the shares in respect of which they are appointed or vote for or against any particular question, in accordance with the instructions of the shareholder appointing them. In the absence of such instructions, the shares will be voted in favour of all matters identified in the enclosed 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 to other matters which may properly come before the Meeting. At the time of printing of this Information Circular, the management of the Corporation knows of no such amendment, variation or other matter expected to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if any amendments or other matters not known to management should properly come before the

Meeting, the accompanying form of proxy confers discretionary authority upon the persons named therein to vote on such amendments or matters in accordance with their best judgment.

A shareholder giving a proxy may revoke it at all times by a document signed by him or her or by a proxyholder authorized in writing or, if the shareholder is a corporation, by a document signed by an officer or a proxyholder duly authorized, given to Computershare, no later than 10:30 A.M. (Toronto time) on June 9, 2017, or, in the case of any adjournment or postponement of the Meeting, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the adjourned meeting at which the proxy is to be used, or to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof.

### **Advice to Beneficial Holders**

**The information set forth in this section should be reviewed carefully by beneficial shareholders of the Corporation. Shareholders who do not hold their shares in their own name should note that only proxies deposited by shareholders who appear on the records maintained by the Corporation's registrar and transfer agent as registered holders of shares, or the persons they appoint as their proxies, will be recognized and acted upon at the Meeting.**

The information set forth in this section is of significant importance to many shareholders of the Corporation, as a substantial number of shareholders do not hold shares in their own name. Shareholders who do not hold their shares in their own name (referred to herein 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 shares can be recognized and acted upon at the Meeting. If shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those shares will not be registered in the shareholder's name on the records of the Corporation. Such shares will more likely be registered under the names of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as its nominee for many Canadian brokerage firms). Shares held by brokers or their agents or nominees can only be voted 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. Therefore, beneficial shareholders should ensure that instructions respecting the voting of their shares are communicated to the appropriate person.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from beneficial shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions which should be carefully followed by beneficial shareholders in order to ensure that their shares are voted at the Meeting. Often, the form of proxy supplied to a beneficial shareholder by its broker is identical to the form of proxy provided to registered shareholders; however, its purpose is limited to instructing the registered shareholder how to vote on behalf of the beneficial shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically mails a scannable voting instruction form in lieu of the form of proxy. The beneficial shareholder is requested to complete and return the voting instruction form to them by mail or facsimile. Alternatively, the beneficial shareholder can call a toll free telephone number to vote the shares held by the beneficial shareholder or vote via the internet at [www.proxyvote.com](http://www.proxyvote.com). 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 voting instruction form cannot use that voting instruction form to vote shares directly at the Meeting as the voting instruction form must be returned as directed by Broadridge well in advance of the Meeting in order to have the shares voted.

Although a beneficial shareholder may not be recognized directly at the Meeting for the purposes of voting shares registered in the name of his or her broker (or agent of the broker), a beneficial shareholder may attend at the Meeting as proxyholder for a registered shareholder and vote the shares in that capacity.

Beneficial shareholders who wish to attend the Meeting and indirectly vote their shares as proxyholder for a registered shareholder should enter their own names in the blank space on the instrument of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

There are two kinds of beneficial shareholders: those who object to their name being made known to the issuers of securities which they own (called "**OBOs**" for Objecting Beneficial Owners) and those who do not object (called "**NOBOs**" for Non-Objecting Beneficial Owners).

Issuers can request and obtain a list of their NOBOs from Intermediaries via their transfer agents, pursuant to National Instrument 54-101 - *Communication with Beneficial Owners of Securities of Reporting Issuers* and issuers can use this NOBO list for distribution of proxy-related materials directly to NOBOs. The Corporation has decided to take advantage of those provisions of NI 54- 101 that allow it to directly deliver proxy-related materials to its NOBOs. As a result, NOBOs can expect to receive a voting instruction form from the Corporation's transfer agent, Computershare. These voting instruction forms are to be completed and returned to Computershare in the envelope provided or by facsimile. Computershare will tabulate the results of the voting instruction forms received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by voting instruction forms they receive. Alternatively, NOBOs may vote following the instructions on the voting instruction form, by calling a toll free telephone number or via the internet at [www.investorvote.com](http://www.investorvote.com).

**All references to "shareholders" in this Information Circular and the accompanying form of proxy, Notice of Meeting are to registered shareholders unless specifically stated otherwise.**

#### **Voting Shares and Principal Shareholders Thereof**

The authorized share capital of the Corporation consists of an unlimited number of common shares (the "**Common Shares**"). As of May 11, 2017, the Corporation had 106,317,656 Common Shares issued and outstanding. The Corporation's board of directors (the "**Board**") has fixed a record date of May 9, 2017 (the "**Record Date**") to determine shareholders entitled to receive the Notice of Meeting. The failure of any shareholder to receive a copy of the Notice of Meeting does not deprive the shareholder of the right to vote at the Meeting. Only holders of Common Shares as of the Record Date are entitled to vote such Common Shares at the Meeting.

To the knowledge of the directors and executive officers of the Corporation, as at the Record Date no person or company beneficially owns, or controls or directs, directly or indirectly, more than 10% of the issued and outstanding Common Shares.

### **BUSINESS TO BE TRANSACTED AT THE MEETING**

#### **Election of Directors**

Management of the Corporation proposes the six persons named in the table on the following page as candidates for election as directors. Each elected director will remain in office until the next annual meeting of the shareholders or until his or her successor is elected or appointed, unless his or her post is vacated earlier. The candidates proposed by the management of the Corporation have been directors of the Corporation since the dates indicated below.

**Unless instructions are given to abstain from voting with regard to the election of directors, the persons whose names appear on the enclosed form of proxy will vote in favour of the election of each of the six nominees whose names are set out in the table on the following page.**

Management of the Corporation does not foresee that any of the following nominees listed below will be unable or, for any reason, unwilling to perform his or her duties as a director. In the event that the foregoing occurs for any reason, prior to the election, the persons indicated on the enclosed form of proxy reserve the right to vote for another candidate of their choice unless otherwise instructed by the shareholder in the form of proxy to abstain from voting on the election of directors.

In order for the resolution to be passed, approval by the majority of the votes cast by all of the holders of Common Shares, present in person and by proxy at the Meeting, is required.

The enclosed form of proxy allows the holders of Common Shares to direct proxyholders to vote individually for each of the nominees named below as a director of the Corporation. At any meeting where shareholders vote on the election of directors, any individual nominee who receives a greater number of votes "withheld" than votes "for" will be required by the Corporation to tender his or her resignation to the Board promptly following the meeting. The resignation will be effective when accepted by the Board. The Board expects that resignations will be accepted, unless extenuating circumstances warrant a contrary decision. The Corporation will announce the Board's decision (including the reason for not accepting any resignation) by news release within 90 days following the date of the Meeting. Any director who tenders his or her resignation in this situation will not participate in any meeting of the Board where his or her resignation is considered. Management of the Corporation has been informed that each of the proposed nominees listed below is willing to serve as a director if elected.

The following table and notes set out the names of the individuals proposed by management for election as directors of the Corporation, their principal occupation, the date they first became a director of the Corporation and the number of Common Shares of the Corporation beneficially owned, controlled or directed, directly or indirectly, by them as at May 11, 2017.

<b>Steven Parry</b> <sup>(4)(5)</sup>  Toronto, Ontario, Canada  Director Since: February 19, 2014  Age: 61  Not Independent	<b>Principal Occupation (past 5 years)</b>	
	President and Chief Executive Officer of the Corporation since April, 2016. Previously, Executive Chairman of the Corporation from March, 2014 to April, 2016, and managing member of NGEN Mgmt. II, LLC and NGEN III, L.P. from July, 2002 to June, 2014.	
	<b>Current Public Board Membership</b>	
	DIRTT Environmental Solutions Ltd. (TSX:DRT)	
	<b>Common Shares Held</b>	
	Common Shares <sup>(1)(3)</sup>	Total Amount at Risk <sup>(2)</sup>
	3,035,000	\$485,600

<b>Paul De Luca</b> <sup>(5)(6)</sup>  Toronto, Ontario, Canada  Director Since: February 19, 2014  Age: 43  Independent	<b>Principal Occupation (past 5 years)</b>	
	Managing Partner of Owens Wright LLP, law firm.	
	<b>Current Public Board Membership</b>	
	None	
	<b>Common Shares Held</b>	
	Common Shares <sup>(1)(3)</sup>	Total Amount at Risk <sup>(2)</sup>
	450,000 <sup>(7)</sup>	\$72,000

<b>Catherine McLeod-Seltzer</b> <sup>(5)(6)</sup>  West Vancouver, British Columbia, Canada  Director Since: May 23, 2008  Age: 56  Independent	<b>Principal Occupation (past 5 years)</b>	
	Chairman of Bear Creek Mining Corporation since March, 2003. Director of Kinross Gold Corporation and Major Drilling Group International. Previously, Chairman of Pacific Rim Mining Corporation from 1997 to 2013.	
	<b>Current Public Board Membership</b>	
	Bear Creek Mining Corporation (TSXV:BCM) Kinross Gold Corporation (TSX:K; NYSE:KGC) Major Drilling Group International Inc. (TSX:MDI)	
	<b>Common Shares Held</b>	
	Common Shares <sup>(1)(3)</sup>	Total Amount at Risk <sup>(2)</sup>
	2,407,144 <sup>(8)</sup>	\$385,143.04

<b>Vernon Lobo</b> <sup>(6)</sup>  Toronto, Ontario, Canada  Director Since: September 29, 2016  Age: 52  Independent	<b>Principal Occupation (past 5 years)</b>	
	Managing Director of Mosaic Capital Partners LP, a private investment fund, since 2004.	
	<b>Current Public Board Membership</b>	
	AirIQ Inc. (TSXV:IQ) EQ Inc. (TSXV:EQ) TECSYS Inc. (TSX: TCS)	
	<b>Common Shares Held</b>	
	Common Shares <sup>(1)(3)</sup>	Total Amount at Risk <sup>(2)</sup>
	1,003,000 <sup>(9)</sup>	\$160,480

<b>Dan Phaire</b> <sup>(4)</sup>  Toronto, Ontario, Canada  Director Since: September 29, 2016  Age: 42  Independent	<b>Principal Occupation (past 5 years)</b>	
	Former Managing Director with Stifel Nicolaus Canada from 2011 to 2013.	
	<b>Current Public Board Membership</b>	
	OneRoof Energy Group, Inc. (TSXV: ON)	
	<b>Common Shares Held</b>	
	Common Shares <sup>(1)(3)</sup>	Total Amount at Risk <sup>(2)</sup>
	Nil	Nil

<b>Peter Kampian</b> <sup>(4)</sup>  Cambridge, Ontario, Canada  Director Since: November 15, 2016  Age: 58  Independent	<b>Principal Occupation (past 5 years)</b>	
	Chief Financial Officer of Mettrum Health Corp. since October 2014, and Chief Executive Officer of Edge Financial Consulting Services Corp. since July 2009. Previously, Chief Financial Officer of Threshold Power Trust from November 2012 to November 2013 and Chief Operating Officer of Riverbank Power Corporation from August 2011 to October 2012.	
	<b>Current Public Board Membership</b>	
	Red Pine Exploration Inc. (TSXV: RPX)	
	<b>Common Shares Held</b>	
	Common Shares <sup>(1)(3)</sup>	Total Amount at Risk <sup>(2)</sup>
	Nil	Nil

NOTES:

- (1) Common Shares beneficially owned or controlled as at May 11, 2017.
- (2) The value of the Common Shares held by the directors is calculated by multiplying the amount of Common Shares held by the closing price of the Corporation's Common Shares on the TSX Venture Exchange (the "**Exchange**") per Common Share on December 31, 2017, being \$0.16.
- (3) The information as to shares beneficially owned, directly or indirectly, or over which control is exercised is not within the knowledge of the Corporation and has been furnished by the respective individuals.
- (4) Current member of the Corporation's audit committee (the "**Audit Committee**").



- (5) Current member of the Corporation's corporate governance and nominating committee (the "**Corporate Governance and Nominating Committee**").
- (6) Current member of the Corporation's compensation committee (the "**Compensation Committee**").
- (7) These shares are registered in the name of The De Luca Family Trust, of which Mr. De Luca is a trustee.
- (8) 65,478 of these Common Shares are registered in the name of 538800 B.C. Ltd., a private company of which Ms. McLeod-Seltzer holds a one-third interest, and Ms. McLeod-Seltzer exercises control and direction over 54,823 of these Common Shares which are held through a Registered Education Savings Plan. Ms. McLeod-Seltzer also holds convertible unsecured subordinated debentures (the "**Debentures**") in the principal amount of \$100,000, which Debentures are convertible any time prior to the close of business on the earlier of December 31, 2019 and the business day immediately preceding the date specified by the Corporation for redemption of the Debentures into Common Shares at a conversion price of \$0.92 per Common Share, subject to adjustment upon the occurrence of certain events.
- (9) These shares are held in the name of Kilimanjaro Capital Inc., a private company controlled by Mr. Lobo.

There are no contracts, arrangements or understandings between any nominee and any other person (other than the directors and officers of the Corporation acting solely in such capacity) pursuant to which the nominee has been or is to be elected as a director.

As at May 11, 2017, the proposed directors of the Corporation as a group (six persons) owned beneficially or exercised control or direction over 6,895,144 Common Shares, or approximately 6.48% of the outstanding Common Shares.

The following are brief biographies of each of the proposed director nominees:

**Steven Parry**, President and Chief Executive Officer. Mr. Parry previously worked as Managing Member at NGEN Partners, one of the original cleantech funds in the U.S. (founded in 2001). At NGEN, Mr. Parry assisted in raising over \$500,000,000 over three funds and acted as lead investor in highly ranked companies in renewables, powertech, pollution abatement, water and energy efficiency. Notable investments include DIRTT Environmental Solutions (TSX:DRT) (Chairman) and Fallbrook Technologies (Lead Director). Mr. Parry has developed comprehensive experience as a manager, developer and mentor of deal generation teams in both operational and finance organizations. Prior to his career in venture capital, Mr. Parry spent over twenty years as a professional in the resource industry, including engagement as manager for the BHP Billiton junior exploration investment program and CEO/President of two Canadian public companies. He is a recipient of the Canada 125 Medal for his activist work on behalf of Canadian resource communities. Mr. Parry is a dual U.S.-Canadian citizen with a long history of trans-border value creation.

**Paul De Luca**, Director. Paul De Luca is the managing partner of Owens Wright LLP, a law firm in Toronto. Mr. De Luca is experienced in corporate and securities matters, with an emphasis on corporate finance, public and private mergers and acquisitions, corporate governance and venture capital transactions. Mr. De Luca has particular experience in advising public companies in connection with securities law compliance and corporate governance matters, including ongoing advice to boards of directors and special committees as well as extensive transactional experience in all areas of corporate and securities law covering a large spectrum of industries, including technology, renewable energy, mining and financial services. Mr. De Luca is a member of the Law Society of Upper Canada and holds a Bachelor of Laws from Queens University, a Master of Laws from New York University and the ICD.D designation from the Institute of Corporate Directors.

**Catherine McLeod-Seltzer**, Director and Chairman of the Board. Ms. McLeod-Seltzer is also the Chairman of Bear Creek Mining Corporation and a recognized leader in the minerals industry for her ability to create growth-focused companies that generate significant shareholder value. Ms. McLeod-Seltzer partners with successful geological teams and has been instrumental in helping build a number of successful mineral companies in the past 20 years, including Arequipa Resources, Francisco Gold, Miramar Mining, Bear Creek Mining, Stornoway Diamonds and Peru Copper Inc. Ms. McLeod-Seltzer was named Mining Man of the Year by The Northern Miner in 1999 and in 1997 she was given the "Award for Performance" by the Association of Women in Finance. She has also held a position on the

Financial Post's "Power 50" and received Canada's Most Powerful Women Top 100 Award. Ms. McLeod-Seltzer has raised more than \$600,000,000 in working capital for mining exploration in the past 20 years, and been directly involved in more than \$4 billion in corporate transactions in the mining industry. Her leadership and financial expertise, access to capital and respect from the exploration and mining community have been invaluable assets to the companies she is involved in and have created significant wealth for shareholders. Ms. McLeod-Seltzer's directorships in other publicly traded companies include Kinross Gold Corporation and Major Drilling Group International.

**Vernon Lobo**, Director. Mr. Lobo is a founder and Managing Director of Mosaic Capital Partners LP, a private investment fund. Through 22 years in the investment industry, Mr. Lobo has built several companies from start-up to acquisition or public listing, seven of which achieved valuations in excess of \$100 million. Earlier in his career, Mr. Lobo was a consultant with McKinsey & Company and software engineer at Nortel Networks. He holds a BSc in Engineering from the University of Waterloo and an MBA from Harvard where he was a Baker Scholar

**Dan Phaure**, Director. Mr. Phaure has more than 15 years of investment banking, business development and capital markets experience. Mr. Phaure spent 11 years in investment banking most recently as a Managing Director with Stifel Nicolaus Canada. Prior to his time in investment banking, Mr. Phaure was with the equity research group with RBC Capital Markets. In addition, he served as an accountant with Arthur Andersen from 1997 to 2000. Mr. Phaure is a graduate of Wilfrid Laurier University based in Ontario, Canada

**Peter Kampian**, Director. Mr. Kampian, CPA, CA, has a long track record as a financial executive with a number of Canadian public companies. Mr. Kampian was the Chief Financial Officer of Mettrum Health Corp., which was acquired by Canopy Growth Corp in early 2017. Mr Kampian is working with Canopy Growth Corp assisting with the transition and integration of Mettrum. Previously Mr Kampian was involved with several startup businesses in renewable energy including Threshold Power Trust, Riverbank Power Corporation and Oneworld Energy Corporation. Mr Kampian also held the position of Vice President Finance with Superior Energy Management and Chief Financial Officer of Algonquin Income Fund where he led and supported debt and equity capital raising.

To the knowledge of the Corporation and based upon information provided to it by the nominees, within 10 years before the date of this Information Circular, no such nominee was a director, chief executive officer or chief financial officer of any company (including the Corporation) that was subject to 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 and that was issued while the nominee was acting in the capacity as director, chief executive officer or chief financial officer, or was subject to an order that was issued after the nominee ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while the nominee was acting in the capacity as director, chief executive officer or chief financial officer.

For the purposes of the foregoing paragraph, "order" means:

- (a) a cease trade order;
- (b) an order similar to a cease trade order; or
- (c) 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.

Other than as described below, to the knowledge of the Corporation and based upon information provided to it by the nominees, no such nominee is or within 10 years prior to the date of this Information Circular was, a director or executive officer of any company (including the Corporation) that, while the nominee 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.

Mr. Parry was elected as a director of Energy and Power Solutions, Inc. ("**EPS**") in 2007 as the designee of NGEN Partners. EPS provided energy efficiency solutions to the industrial market. In September 2011, EPS filed for bankruptcy protection pursuant to Chapter 11 of the U.S. Bankruptcy Code. Mr. Parry ceased to be a director in June 2011 and, in January 2012, EPS entered into settlement agreements with NGEN Partners to, among other things, release past and current officers, directors, employees and agents of NGEN Partners. In addition, Mr. Parry was elected as a director of Tioga Energy, Inc. ("**Tioga**") and SolFocus, Inc. ("**SolFocus**") as the designee of NGEN Partners. Tioga and SolFocus were providers of photovoltaic solar systems. Tioga and SolFocus conducted an assignment for the benefit of creditors in April 2013 and May 2013, respectively, and Mr. Parry ceased to be director of each upon such assignments.

Mr. Kampian acted as Chief Financial Officer of Oneworld Energy Inc. ("**Oneworld**"), a renewable energy developer of wind and solar projects, from October 2009 to July 2011. In October 2010, Mr. Kampian was appointed to Oneworld's board of directors. In July 2011, Mr. Kampian resigned as Chief Financial Officer of Oneworld and accepted a position with Riverbank Power Corporation. Mr. Kampian resigned as a director of Oneworld in October 2011. In June 2012, Oneworld filed for bankruptcy.

To the knowledge of the Corporation and based upon information provided to it by the nominees, no such nominee within 10 years prior to the date of this Information Circular has 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 such nominee's assets.

No director or executive officer of the Corporation, or, to the knowledge of the Corporation, any shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, has been subject to:

- (a) penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

### **Appointment of Auditors**

A firm of auditors is to be appointed by vote of the shareholders at the Meeting to serve as auditors of the Corporation until the close of the next annual meeting. The Board, upon the recommendation of the Audit Committee, proposes that Goodman & Associates LLP be appointed as auditors of the Corporation and that the directors of the Corporation be authorized to determine their compensation. Goodman & Associates LLP have acted as auditors of the Corporation since February 19, 2014 and as auditors of Grenville Ontario since July 29, 2013.

**Unless instructed to abstain from voting with regard to the appointment of auditors, the persons whose names appear on the enclosed form of proxy will vote in favour of: (i) the appointment of Goodman & Associates LLP as auditors of the Corporation; and (ii) authorizing the directors of the Corporation to determine the compensation of Goodman & Associates LLP in such capacity.**

In order for the resolution to be passed, approval by a majority of the Common Shares voted in respect thereof at the Meeting is required.

The following table indicates the aggregate fees billed to the Corporation by Goodman & Associates LLP, the Corporation's auditors, and by Davidson & Company LLP, the auditors of the Corporation's predecessor, Troon, in respect of the Corporation's 2016 and 2015 fiscal years:

Year	Audit Fees	Audit-Related Fees	Tax Fees	All Other Fees
2016	\$63,000	\$25,500	Nil	Nil
2015	\$60,000	\$22,500 <sup>(1)</sup>	Nil	\$52,084 <sup>(2)</sup>

NOTES:

- (1) Reflects the aggregate of the fees billed to the Corporation by Goodman & Associates LLP in connection with the review of the Corporation's interim financial statements.
- (2) Reflects the fees billed to the Corporation by Goodman & Associates LLP in the amount of \$33,500 in connection with the offering of Common Shares, which was completed on February 26, 2015 (the "**February Offering**"), and the offering of Common Shares, which was completed on May 7, 2015 (the "**May Offering**"), together with the fees billed to the Corporation by Davidson & Company LLP in the amount of \$18,584 in connection with the February Offering and the May Offering.

### Stock Option Plan

The Corporation maintains a 10% "rolling" stock option plan (the "**Stock Option Plan**") in accordance with Policy 4.4 – *Incentive Stock Options* of the Corporate Finance Manual of the Exchange, a copy of which is attached as Schedule "A" to this Information Circular. The Corporation adopted the Stock Option Plan, as amended, on February 19, 2014. The purpose of the Stock Option Plan is to provide incentive to employees, directors, officers, management companies and consultants who provide services to the Corporation and reduce the cash compensation the Corporation would otherwise be required to pay.

In the course of reviewing the Corporation's Stock Option Plan, the Board approved certain housekeeping amendments to the Stock Option Plan which do not require shareholder approval as they were made to conform to the current policies of the Exchange or otherwise to provide for clarification. The Stock Option Plan amendments were made to: (a) confirm that the Exchange Hold Period will apply to all stock option grants to Insiders as well as to any stock option grants made at any discount to the market price; (b) clarify that on the death of an optionee, options held by such optionee may only be exercised for a period of one year following the optionee's death; and (c) remove a clause which permitted the addition of a financial assistance provision to, or amendment of a financial assistance provision in, the Stock Option Plan without shareholder approval.

The Stock Option Plan is administered by the Compensation Committee, or such duly appointed committee of the Board, senior officer or director of the Corporation as may be designated by the Board from time to time. In administering the Stock Option Plan, the Board will, from time to time and in its sole discretion, determine those participants to whom options are granted, determine the terms relating to options, including the number of Common Shares subject to option, the exercise price, the expiration date of each option and any vesting limitations.

The Stock Option Plan provides that the maximum number of Common Shares which may be reserved for issuance to insiders may not exceed 10% of the Common Shares outstanding at the time of grant. In no case will the grant of options under the Stock Option Plan, together with any proposed or previously existing share compensation arrangement, result in (in each case, as determined on the grant date):

- (a) options granted to insiders within a 12 month period exceeding 10% of the issued and outstanding Common Shares of the Corporation unless the Corporation obtains the requisite disinterested shareholder approval;

- (b) granting any one individual, within any twelve-month period, options to acquire more than an aggregate of 5% of the issued and outstanding Common Shares of the Corporation unless the Corporation obtains the requisite disinterested shareholder approval;
- (c) granting to all persons retained by the Corporation to provide investor relations activities, within any twelve-month period, options to acquire more than an aggregate of 2% of the issued and outstanding Common Shares of the Corporation; or
- (d) granting to any one consultant of the Corporation, in any 12 month period, options to acquire more than an aggregate of 2% of the issued and outstanding Common Shares of the Corporation calculated at the date options are granted to any such consultant.

Options granted under the Stock Option Plan have a maximum life period of 10 years after the grant date.

The option exercise price is established by the Board and may not be lower than the market price of the Common Shares at the time of grant.

The Exchange requires that all listed companies with a 10% "rolling" stock option plan, similar to the Stock Option Plan, obtain shareholder approval of the Stock Option Plan on an annual basis.

#### **Resolutions Approving the Corporation's Stock Option Plan**

At the Meeting, shareholders will be asked to consider and, if deemed advisable, approve the following resolution:

**"BE IT RESOLVED THAT:**

1. the Stock Option Plan approved by the Board and as described in the Information Circular of the Corporation dated May 11, 2017, be and is hereby approved;
2. the Corporation be and is hereby authorized to grant options to acquire up to 10% of the issued and outstanding Common Shares in the capital of the Corporation in accordance with the terms of the Stock Option Plan;
3. the board of directors of the Corporation be authorized to make any changes to the Stock Option Plan as may be required by the TSX Venture Exchange; and
4. any one director or officer of the Corporation be and is hereby authorized, for and on behalf of the Corporation, to execute and deliver all documents and do all things as such person may determine to be necessary or advisable to give effect to this resolution, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination."

In order for the resolution to be passed, approval by the majority of the Common Shares voted in respect thereof at the Meeting is required.

**Unless otherwise instructed, the persons named in the enclosed form of proxy intend to vote in favour of the resolution approving the Stock Option Plan.**

## STATEMENT OF CORPORATE GOVERNANCE PRACTICES

### General

The Board is committed to a high standard of corporate governance practices. The Board believes that this commitment is not only in the best interest of shareholders, but that it also promotes effective decision-making at the Board level.

Effective June 30, 2005, the Canadian Securities Administrators adopted National Policy 58-201 - "Corporate Governance Guidelines" (the "**Guidelines**") and National Instrument 58-101 - *Disclosure of Corporate Governance Practices* which requires that each reporting issuer annually disclose its corporate governance practices.

The following disclosure is based on the disclosure requirements of the Guidelines.

### Board Mandate

The Board's responsibility is to supervise and oversee management of the Corporation in accordance with the highest standards of ethical conduct and to act with a view to the best interests of the Corporation and its shareholders. In the discharge of this responsibility, the Board oversees and reviews, directly or through its various committees, the Corporation's results of operations and business initiatives, and identifies and oversees the management of principal business risks affecting the Corporation. The Board is also responsible for reviewing its size and the compensation paid to its members to ensure that the Board can fulfill its duties effectively and that its members are adequately compensated for assuming the risks and carrying out the responsibilities of their positions.

### Current Directorships in Other Issuers

As of the date of this Information Circular, none of the directors are directors of other issuers that are also reporting issuers (or the equivalent) in a territory of Canada or in a foreign territory other than as set out in the table below.

Director	Reporting Issuer
Steven Parry	DIRTT Environmental Solutions Ltd. (TSX:DRT)
Catherine McLeod-Seltzer	Bear Creek Mining Corporation (TSXV:BCM)
	Kinross Gold Corporation (TSX:K; NYSE:KGC)
	Major Drilling Group International Inc. (TSX:MDI)
Dan Phaure	OneRoof Energy Group, Inc. (TSXV: ON)
Vernon Lobo	AirIQ Inc. (TSXV:IQ)
	EQ Inc. (TSXV:EQ)
	TECSYS Inc. (TSX: TCS)
Peter Kampian	Red Pine Exploration Inc. (TSXV: RPX)

### Board Meetings

The attendance of the current directors at formal Board meetings for the 12 months ended December 31, 2016 was as follows:

Name of Director	Board Meetings
William R. Tharp <sup>(1)</sup>	0/4
Steven Parry <sup>(2)</sup>	4/4
Paul De Luca <sup>(3)</sup>	4/4
Catherine McLeod-Seltzer <sup>(4)</sup>	4/4
Andrea Zaradic <sup>(5)</sup>	3/4
Gaston Tano <sup>(6)</sup>	4/4

Name of Director	Board Meetings
Paul B. Sweeney <sup>(7)</sup>	3/4
Vernon Lobo <sup>(8)</sup>	1/4
Dan Phaure <sup>(9)</sup>	1/4
Peter Kampian <sup>(10)</sup>	0/4

NOTES:

- (1) Mr. Tharp was appointed to the Board on February 19, 2014 upon completion of the RTO and resigned from the Board on April 26, 2016.
- (2) Mr. Parry was appointed to the Board on February 19, 2014 upon completion of the RTO.
- (3) Mr. De Luca was appointed to the Board on February 19, 2014 upon completion of the RTO.
- (4) Ms. McLeod-Seltzer was appointed to the Board on May 23, 2008.
- (5) Ms. Zaradic was appointed to the Board on June 6, 2012 and resigned from the Board on November 15, 2016.
- (6) Mr. Tano was appointed to the Board on April 16, 2014 and resigned from the Board on May 1, 2017.
- (7) Mr. Sweeney was appointed to the Board on April 16, 2014 and resigned from the Board on September 29, 2016.
- (8) Mr. Lobo was appointed to the Board on September 29, 2016.
- (9) Mr. Phanure was appointed to the Board on September 29, 2016
- (10) Mr. Kampian was appointed to the Board on November 15, 2016.

The Board conducts in-camera sessions at each Board Meeting, at which no executive directors or members of management are present. The in-camera sessions are intended not only to encourage the Board to fully and independently fulfill its mandate, but also to facilitate the performance of the fiduciary duties and responsibilities of the directors on behalf of the Corporation's shareholders.

### Orientation and Continuing Education

The Board encourages directors to take relevant training programs offered by different regulatory bodies and educational service providers and industry associations, and gives them the opportunity to expand their knowledge about the nature and operations of the Corporation's business. During the year ended December 31, 2016, certain of the Corporation's directors attended continuing education programs and certain of its directors are currently enrolled in such programs.

### Composition and Operation of the Board

The Guidelines recommend that a majority of directors of a listed corporation be "independent" as defined by National Instrument 52-110 - *Audit Committees* ("**NI 52-110**"). An independent director is a director who does not have any direct or indirect material relationship with the issuer. "Material relationship" is defined as a relationship which could, in the view of the Corporation's Board, be reasonably expected to interfere with the exercise of a director's independent judgment. NI 52-110 further sets out certain relationships which are deemed to be material relationships.

The Board currently has six members. Each director is elected annually by the shareholders and serves for a term that will end at the Corporation's next annual meeting. For the upcoming year the Board believes that six directors is a sufficient number to ensure that the Board will be comprised of directors with a broad range of experience and expertise and will be able to function independently of management.

Given the above determinations, the Board has determined that out of the six members of the Board, five of the members (representing approximately 83.33% of the Board) are independent, with Mr. Parry being the only non-independent member of the Board.

Independent Board Members	Year Appointed	Committees			
		Independent	Audit Committee	Corporate Governance and Nominating Committee	Compensation Committee
Steven Parry	2014		✓	✓	
Paul De Luca	2014	✓		Chair	✓
Catherine McLeod-Seltzer	2008	✓		✓	Chair
Vernon Lobo <sup>(1)</sup>	2016	✓			✓

Dan Phaure <sup>(2)</sup>	2016	✓	✓		
Peter Kampian <sup>(3)</sup>	2016	✓	Chair		

NOTES:

- (1) Mr. Lobo was appointed to the Board on September 29, 2016.
- (2) Mr. Phanure was appointed to the Board on September 29, 2016
- (3) Mr. Kampian was appointed to the Board on November 15, 2016.

Additional information for each of the directors can be found under the heading "Election of Directors".

### **Ethical Business Conduct**

A director, in the exercise of his or her functions and responsibilities, must act with complete honesty and good faith in the best interests of the Corporation. He or she must also act in accordance with the applicable laws, regulations and policies. In the event of a conflict of interest, a director is required to declare the nature and extent of any material interest he or she has in any important contract or proposed contract of ours, as soon as he or she has knowledge of the agreement or of the Corporation's intention to consider or enter into the proposed contract. In such circumstances, the director in question shall abstain from voting on the subject.

### **Board Committees**

The Corporation has three committees of the Board, namely, the Audit Committee, the Corporate Governance and Nominating Committee, and the Compensation Committee. The Board does not have any other standing committees.

The Board has not developed a written position description for the committee chairs beyond what is stated in each committee's charter. The committee chairs are expected to supervise the activities of their respective committees and to ensure that such committees are taking all steps necessary to fulfill their respective mandates.

### **Audit Committee**

The members of the Audit Committee are Mr. Kampian, as Chairperson, Mr. Parry and Mr. Phaure. Each of the members of the Audit Committee, other than Mr. Parry, is "independent" for the purposes of NI 52-110. All members of the Audit Committee are "financially literate" for the purposes of NI 52-110.

All three members of the Audit Committee have been senior officers and/or directors of publicly traded companies or have been business executives, in each case with the responsibility of performing financial functions, for a number of years. In these positions, each such director has been responsible for receiving financial information relating to the entities of which they were directors, officers or executives. They have, or have developed, an understanding of financial statements generally and of how statements are used to assess the financial position of a company and its operating results. Each member of the Audit Committee also has a significant understanding of the business in which the Corporation is engaged and has an appreciation for the relevant accounting principles used in the Corporation's business.

Further, each member has the requisite education and experience that has provided the member with:

- an understanding of the accounting principles used by the Corporation to prepare the Corporation's financial statements;
- the ability to assess the general application of the above-noted principles in connection with estimates, accruals and reserves;



- experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements, or experience actively supervising individuals engaged in such activities; and
- an understanding of internal controls and procedures for financial reporting.

The Audit Committee's primary responsibility is to assist the Board in discharging its oversight responsibilities with respect to financial matters and compliance with laws and regulations. The Audit Committee's specific responsibilities with respect to its oversight of financial matters include, among other things: to select, evaluate, monitor the independence of, and recommend an auditor to the Board for appointment or reappointment, as the case may be, by the Corporation's shareholders and make recommendations with respect to the auditor's compensation; to review and determine the auditor's fee and the terms of the auditor's engagement and inform the Board thereof; where the Audit Committee may deem it appropriate, to recommend to the Board that the auditor be terminated; to meet with senior management without the auditor present to discuss the performance of the auditor; to pre-approve any audit services, and any non-audit services permitted under applicable law, to be performed by the auditor; to review and approve the audit plan; to review with senior management and the auditor the annual audited consolidated financial statements, together with the auditor's report thereon and the interim financial statements, before recommending them to the Board, and review with senior management and the auditor the relevant management's discussion and analysis relating thereto; to review other financial reporting and disclosures, including earnings press releases and other press releases disclosing financial information and all other financial statements of the Corporation that require approval by the Board before they are released to the public; to oversee the integrity of the Corporation's financial reporting processes and disclosures, including its internal controls, disclosure controls and procedures and compliance with legal and regulatory requirements, and to report regularly to the Board on such matters; to oversee the Corporation's risk management function; to review with senior management the status of taxation matters; and to review and oversee the Corporation's investment strategies and policies.

The Audit Committee reviews and pre-approves all audit and non-audit services to be provided to the Corporation by its external auditors on an annual basis. Before the appointment of the external auditor for any non-audit service, the Audit Committee considers the compatibility of the service with the auditor's independence.

#### Audit Committee Charter

The responsibilities and duties of the Audit Committee are set out in the committee's charter, the text of which is attached as Schedule "B" to this Information Circular.

#### Audit Committee Oversight

At no time has a recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by the Board.

#### Exemption

The Corporation is a "venture issuer" as defined in NI 52-110 and is relying on the exemption in section 6.1 of NI 52-110 relating to Parts 3 (Composition of Audit Committee) and 5 (Reporting Obligations) of NI 52-110.

### **Corporate Governance and Nominating Committee**

The members of the Corporate Governance and Nominating Committee are Mr. De Luca, as Chairperson, Mr. Parry and Ms. McLeod-Seltzer. All of the members of the Corporate Governance and Nominating Committee, other than Mr. Parry, are independent.

The Corporate Governance and Nominating Committee's principal responsibilities include:

- developing and recommending to the Board criteria for selecting board and committee members;
- establishing procedures for identifying and evaluating director candidates, including nominees recommended by shareholders;
- identifying individuals qualified to become board members;
- recommending to the Board the persons to be nominated for election as directors and to each of the Board's committees;
- reviewing and making recommendations to the Board regarding the appointment and succession of the Corporation's directors and officers;
- developing and recommending to the Board a code of business conduct and ethics and a set of corporate governance guidelines; and
- overseeing the evaluation of the Board, its committees and management.

The Corporate Governance and Nominating Committee regularly reviews the current profile of the Board, including the representation of various areas of expertise, experience and diversity, to ensure that the Board has a sufficient range of skills, expertise and experience to enable it to carry out its duties and responsibilities effectively.

### **Compensation Committee**

The members of the Compensation Committee are Ms. McLeod-Seltzer, as Chairperson, Mr. Lobo and Mr. De Luca, all of whom are independent.

The Compensation Committee's principal responsibilities include:

- acting in an advisory capacity to the Board;
- reviewing and approving corporate goals and objectives relevant to the compensation of the Chief Executive Officer, evaluating the performance of the Chief Executive Officer in light of those corporate goals and objectives and determining (or making recommendations to the Board with respect to) the compensation level of the Chief Executive Officer based on this evaluation;
- making recommendations to the Board with respect to compensation, incentive-compensation plans and equity-based plans of the officers, other than the Chief Executive Officer, and directors;

- reviewing and approving, prior to public disclosure, all public disclosure on executive compensation and produce a report on executive officer compensation for inclusion in the Corporation's management information circular and proxy statement;
- in conjunction with the Corporate Governance and Nominating Committee, overseeing the evaluation of, and report to the Board on, the performance of the management of the Corporation; and
- conducting an annual performance evaluation of the Compensation Committee.

## STATEMENT OF EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

#### Introduction

The information contained under the heading "Compensation Discussion and Analysis" relates to the Corporation's current compensation program, which was adopted by the Board following completion of the transactions contemplated by the business combination agreement between Troon and Grenville Ontario, pursuant to which on February 19, 2014 the Corporation completed a reverse take-over business combination with Grenville Ontario (the "**RTO**").

The purpose of this Compensation Discussion and Analysis is to provide information about the Corporation's philosophy, objectives and processes regarding compensation of the individuals who carried out the roles of the Chief Executive Officer and the Chief Financial Officer of the Corporation at any point during the year ended December 31, 2016 and each of the three most highly compensated executive officers of the Corporation, other than the Chief Executive Officer and Chief Financial Officer, whose total compensation was, individually, more than \$150,000 for the 12 months ended December 31, 2016 (each a "**Named Executive Officer**" and collectively, the "**Named Executive Officers**").

#### Compensation Committee

The administration of the Corporation's compensation practices is handled by the Compensation Committee.

Among other things, the Compensation Committee's role is to ensure that the total compensation paid to the Corporation's executive officers, including the Named Executive Officers, is fair, reasonable and competitive. In the course of reviewing and recommending to the Board the compensation of executive officers other than the Chief Executive Officer, the Compensation Committee annually reviews the performance of the executive officers with the Chief Executive Officer, and the Chief Executive Officer makes recommendations to the Compensation Committee regarding their compensation.

The Compensation Committee will evaluate the performance of the Chief Executive and, based on its evaluation, review and make recommendations to the Board with respect to all direct and indirect compensation, benefits and perquisites (cash and non-cash) for each of the Chief Executive Officer based on such evaluation. The Compensation Committee will also review and make recommendations to the Board with respect to compensation, benefits and perquisites for all other senior executive officers of the Corporation, incentive-compensation plans and equity-based plans, and policies regarding management benefits and perquisites.

Neither the Board nor any committee of the Board has formally established a mechanism to consider the implications of the risks associated with the Corporation's compensation policies and practices. However, the Board and the Compensation Committee inherently consider these risks. The Compensation

Committee reviews and manages the policies and practices of the Corporation and ensures that they are aligned with the interests of the shareholders. The Compensation Committee reviews, among other things, the overall compensation and the annual salary increases of the executive officers of the Corporation while keeping as a reference both the financial performance of the Corporation and the turnover risk for the Corporation. The Board also addresses risk related to compensation policies in the context of compensation mechanisms that are linked to the achievement of certain goals or targets (e.g. short term and long term objectives), both financial and otherwise. The Board is involved in the supervision of key projects and initiatives of the Corporation and the manner in which they are being carried out. Consequently, the Board is in a position where it can control significant risks that may be taken by the Corporation's management and ensures that those risks remain appropriate and that members of management do not expose the Corporation to excessive risks.

Each member of the Compensation Committee has direct experience relevant to compensation matters resulting from their respective current and past backgrounds and/or roles. The members of the Compensation Committee have experience dealing with compensation matters in large and small organizations, including public companies.

The Corporation does not have a policy in place that limits the ability for directors or Named Executive Officers to hedge the shares of the Corporation that they own. However, none of the current directors or Named Executive Officers of the Corporation are hedging any of the shares of the Corporation that they own.

#### Compensation Process

The Corporation has no formal or informal policy or target for allocating compensation between long-term and short-term compensation, between cash and non-cash compensation, or among the different forms of non-cash compensation. Instead, the Board determines subjectively what it believes to be the appropriate level and mix of the various compensation components based on the recommendations of the Compensation Committee.

#### Compensation Objectives

The Corporation's compensation philosophy for Named Executive Officers is designed to attract and retain talented and experienced individuals by paying modest base salaries plus short and long term incentive compensation in the form of cash bonuses, stock options or other suitable long term incentives. In making its determinations regarding the various elements of executive compensation, the Compensation Committee will have access to and will rely on published studies of compensation paid in comparable businesses.

The duties and responsibilities of the Chief Executive Officer are typical of those of a business entity of the Corporation's size in a similar business and include overseeing the activities of all other executives of the Corporation, representing the Corporation, providing leadership and responsibility for achieving corporate goals and implementing corporate policies and initiatives.

The objectives of the Corporation's executive compensation program are as follows:

- to attract, retain and motivate talented executives who create and sustain the Corporation's continued success;
- to motivate and reward executives whose knowledge, skills and performance are critical to the Corporation's success;
- to encourage executives to manage the Corporation's business to meet its long-term objectives;

- to align the interests of the Corporation's executives with the interests of the Corporation's shareholders by motivating executive officers to increase shareholder value and reward executive officers when shareholder value increases; and
- to provide total compensation to executives that is competitive with that paid by other companies of comparable size engaged in similar businesses.

The Corporation believes that its current compensation programs are structured to support the achievement of the foregoing strategic objectives.

Overall, the executive compensation program aims to design executive compensation packages that meet executive compensation packages for executives with similar talents, qualifications and responsibilities at companies with similar financial, operating and industrial characteristics. The Corporation expects to undergo rapid growth and is committed to retaining its key executives for the next several critical years, while at the same time ensuring that executive compensation is tied to specific corporate goals and objectives. The Corporation's executive compensation program has been designed to reward executives for reinforcing the Corporation's business objectives and values, for achieving the Corporation's performance objectives and for their individual performances.

#### Elements of Compensation

The Corporation seeks to achieve the compensation objectives described earlier through different elements of compensation, including salary and both short-term and long-term incentive plans, with the incentives having both equity and non-equity components. The Corporation believes that these various elements are important to effectively achieve the objectives of its executive compensation philosophy.

The elements of the Named Executive Officers' compensation are:

- (a) base salaries;
- (b) annual bonuses; and
- (b) stock option grants.

There is no regulatory oversight of the Corporation's compensation process for the Named Executive Officers.

During the year ended December 31, 2015, the Corporation engaged Gallagher McDowall Associates ("**Gallagher McDowall**"), an outside consulting firm, to provide executive compensation consulting services. Gallagher McDowall provided the Compensation Committee with an analysis of the market competitiveness of the Corporation's executive compensation packages and the design elements comprising such packages. As part of its analysis, Gallagher McDowall conducted a detailed review of the Corporation's executive compensation strategy and long term incentive plan. In addition, a compensation market benchmarking analysis was conducted by Gallagher McDowall for the Corporation's most senior executive positions. As part of its benchmarking and review process, Gallagher McDowall developed a comparator group, comprising 6 companies. The comparator group was reviewed and approved by the Compensation Committee. In determining the comparator group, Gallagher McDowall considered organizations in the broader Canadian financial sector market with similar assets under management, the Canadian executive financial market overall and the Greater Toronto Area financial sector executive market. The Compensation Committee considered the advice from Gallagher McDowall, where appropriate, but also performed its own assessment of competitive compensation requirements to establish the total direct compensation for its executives for the year ended December 31, 2015. It is likely that the Corporation's executive compensation strategy, programs and arrangements for

executives and non-management directors will continue to evolve and be revised in the future as a result of further periodic reviews and assessments by the Compensation Committee and changes in circumstances of the Corporation.

#### Base Salary

The Corporation pays its executive officers a base salary to compensate them for services rendered during a fiscal year. Base salaries are determined for each executive officer based on an evaluation of such officer's experience, skills, knowledge, scope of responsibility and performance. Base salary levels are reviewed and considered annually, and from time to time adjustments may be made to base salary levels based upon promotions or other changes in job responsibility or merit-based increases based on assessments of individual performance.

The base salary review of any executive officer will take into consideration the current competitive market conditions, experience, proven or expected performance, and the particular skills of the executive officer. Base salary is not evaluated against a formal "peer group".

#### Annual Bonuses

Commencing with the 2015 fiscal year, the Corporation provides senior executives (including the Named Executive Officers) with the opportunity to receive cash bonuses based on the achievement of both time-based metrics and pre-determined financial metrics based on the free cash flow of the Corporation available for distribution, which is defined by the Corporation as net cash flow used in operating activities plus royalty agreements acquired, less interest expense, movement in the income tax liability and royalty agreement investment redemption ("**Free Cash Flow**"). The cash bonuses are primarily designed to align the financial interests of the Corporation's executives with the interests of the Corporation's shareholders. See the "Summary Compensation Table" below for details of the cash bonuses paid to the Corporation's Named Executive Officers for the fiscal year ended December 31, 2016.

#### Stock Options

The executive officers are eligible to receive option awards under the Stock Option Plan. The Corporation intends for option awards to be an integral part of its overall compensation program as the Corporation believes that the long-term performance of the Corporation will be enhanced through the use of option awards that reward executive officers for increasing long-term shareholder value. The Corporation also believes that such awards will promote an ownership perspective among its executive officers and encourage executive retention. In determining the number of options to be granted to executive officers, the Compensation Committee takes into account the individual's position, scope of responsibility, ability to affect profits and shareholder value and the value of the options in relation to other elements of the individual executive officer's total compensation, including base salary and cash bonuses.

Commencing with the 2015 fiscal year of the Corporation, all stock options granted to the Chief Executive Officer, and certain other executive officers, vest based on the achievement of both time-based metrics and pre-determined financial metrics based on the Corporation's Free Cash Flow. The Board believes that this financial metric is the one most closely aligned with shareholder interests.

#### Broad-Based Benefits Programs

All full-time employees, including the Corporation's Named Executive Officers, may participate in the Corporation's health and welfare benefit programs, including medical, dental and vision care coverage, disability insurance and life insurance. The Corporation does not intend to provide perquisites or personal benefits to its Named Executive Officers that are not otherwise available to other employees generally.

## Pension Plan Benefits

The Corporation does not have a defined benefits pension plan, a defined contribution plan or a deferred compensation plan.

## **Summary Compensation Table**

As of December 31, 2016, the Corporation had five Named Executive Officers: Steven Parry, Donnacha Rahill, Annie Theriault, Robb McLarty and William Tharp.

The following table sets out the compensation noted below paid or payable to the Named Executive Officers of the Corporation for the fiscal year ended December 31, 2016:

Name and Principal Position	Year Ended	Salary (\$)	Share-based (SARs) Awards (\$)	Option-based Awards (\$) <sup>(1)</sup>	Non-Equity Incentive Plan Compensation		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plan or Bonus (\$)	Long-term Incentive Plan (\$)			
Steven Parry, President and Chief Executive Officer <sup>(4)</sup>	2016	218,750 <sup>(8)</sup>	Nil	Nil	Nil	Nil	Nil	12,513	227,287
	2015	200,000	Nil	160,883	122,325	Nil	Nil	2,289	485,497
	2014	152,873	Nil	34,363	Nil	Nil	Nil	2,192	189,428
Donnacha Rahill, Chief Financial Officer <sup>(2)</sup>	2016	178,750 <sup>(7)</sup>	Nil	165,262	Nil	Nil	Nil	994	345,006
	2015	153,750	Nil	48,265	80,625	Nil	Nil	Nil	282,640
	2014 <sup>(3)</sup>	103,125	Nil	38,658	Nil	Nil	Nil	Nil	141,783
Robb McLarty, Managing Director <sup>(6)</sup>	2016	122,584	Nil	61,809	Nil	Nil	Nil	Nil	184,393
	2015	-	-	-	-	-	-	-	-
	2014	-	-	-	-	-	-	-	-
Annie Theriault, Managing Director <sup>(5) (9)</sup>	2016	272,917	Nil	196,298	Nil	Nil	Nil	7,397	476,612
	2015	108,122	Nil	232,944	103,125	Nil	Nil	572	444,763
	2014	-	-	-	-	-	-	-	-
William R. Tharp, President and Chief Executive Officer <sup>(10)</sup>	2016	85,429	Nil	Nil	Nil	Nil	Nil	682,740 <sup>(11)</sup>	768,169
	2015	200,000	Nil	160,883	122,325	Nil	Nil	2,289	485,497
	2014	152,873	Nil	34,363	Nil	Nil	Nil	2,192	189,428

### NOTES:

- (1) Calculated using Black-Scholes option-pricing model in accordance with IFRS 2 share-based payments.
- (2) Mr. Rahill was appointed Chief Financial Officer of the Corporation on March 25, 2014.
- (3) Of the amount referenced in this row, \$130,533 represents the compensation paid to Mr. Rahill during 2014 in his capacity as Chief Financial Officer of the Corporation and \$11,250 represents the compensation paid to Mr. Rahill during 2014 in his capacity as a consultant of the Corporation prior to his appointment as Chief Financial Officer.
- (4) Mr. Parry was appointed Executive Chairman of the Corporation on March 25, 2014. On April 26, 2016, Mr. Parry assumed the role of President and Chief Executive Officer of the Corporation and stepped down as Executive Chairman.
- (5) Ms. Theriault was appointed Managing Director of the Corporation on June 22, 2015.
- (6) Mr. McLarty was appointed Managing Director of the Corporation on May 16, 2016.
- (7) Mr. Rahill's annual salary was \$235,000 effective from January 1, 2016. Effective April 1, 2016, Mr. Rahill's annual salary was voluntarily and temporarily reduced to \$160,000.
- (8) Mr. Parry's annual salary was \$275,000 effective from January 1, 2016. Effective April 1, 2016 Mr. Parry's annual salary was voluntarily and temporarily reduced to \$200,000.

- (9) Ms. Theriault's annual salary was \$275,000 effective January 1, 2016. Effective December 1, 2016 Ms. Theriault's annual salary was voluntarily and temporarily reduced to \$250,000.
- (10) Mr. Tharp was appointed President and Chief Executive Officer of the Corporation on February 19, 2014 upon completion of the RTO. Mr. Tharp ceased to be President and Chief Executive Officer of the Corporation on April 26, 2016.
- (11) In accordance with the terms of Mr. Tharp's employment agreement, the Corporation paid Mr. Tharp the sum of \$675,000 in connection with his departure from the Corporation.

## Incentive Plan Awards

### Outstanding Share-Based and Option-Based Awards

The following table provides information regarding the option-based awards and share-based awards for each Named Executive Officer of the Corporation outstanding as of December 31, 2016:

<u>Name</u>	<u>Option-based Awards</u>				<u>Share-based Awards</u>		
	<u>Number of securities underlying exercised options (#)</u>	<u>Option exercise price (\$)</u>	<u>Option expiration date</u>	<u>Value of unexercised in-the-money options<sup>(1)(2)</sup> (\$)</u>	<u>Number of shares or units of shares that have not vested (#)</u>	<u>Market or payout value of share-based awards that have not vested (\$)</u>	<u>Market or payout value of vested share-based awards not paid out or distributed (\$)</u>
Donnacha Rahill, Chief Financial Officer <sup>(3)</sup>	225,000	0.50	April 3, 2019	\$2,625	Nil	Nil	Nil
	300,000	0.88	May 26, 2020				
	600,000	0.44	June 3, 2021				
	525,000	0.165	November 18, 2021				
Steven Parry, President and Chief Executive Officer <sup>(4)</sup>	200,000	0.50	April 3, 2019	-	Nil	Nil	Nil
	1,000,000 <sup>(8)</sup>	0.88	May 26, 2020				
Annie Theriault, Managing Director <sup>(5)</sup>	1,500,000	0.87	July 10, 2020	\$2,625	Nil	Nil	Nil
	750,000	0.44	June 3, 2021				
	525,000	0.165	November 18, 2021				
Robb McLarty, Managing Director <sup>(6)</sup>	100,000	0.44	June 3, 2021	\$2,625	Nil	Nil	Nil
	525,000	0.165	November 18, 2021				
William R. Tharp, President and Chief Executive Officer <sup>(7)</sup>	100,000	0.50	April 29, 2017	-	Nil	Nil	Nil

#### NOTES:

- (1) Value of unexercised in-the-money options is calculated by determining the difference between the market value of the securities underlying the options at December 31, 2016.
- (2) "In-the-money options" means the excess of the market value of the Corporation's shares on December 31, 2016 on the Exchange, being \$0.16, over the exercise price of the options.
- (3) Mr. Rahill was appointed Chief Financial Officer of the Corporation on March 25, 2014.
- (4) Mr. Parry was appointed Executive Chairman of the Corporation on March 25, 2014. On April 26, 2016, Mr. Parry assumed the role of President and Chief Executive Officer of the Corporation and stepped down as Executive Chairman.
- (5) Ms. Theriault was appointed Managing Director of the Corporation on June 22, 2015.



- (6) Mr. McLarty was appointed Managing Director of the Corporation on May 16, 2016.
- (7) Mr. Tharp was appointed President and Chief Executive Officer of the Corporation on February 19, 2014 upon completion of the RTO. Mr. Tharp ceased to be President and Chief Executive Officer of the Corporation on April 26, 2016.
- (8) On February 13, 2017, the Corporation announced that Mr. Parry elected to cancel 1,000,000 options that were granted to him as part of his compensation program as Executive Chairman and return such options to the corporate option pool.

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

The following table presents information concerning value vested with respect to option-based awards and share-based awards for each Named Executive Officer of the Corporation during the fiscal year ended December 31, 2016:

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 (\$)
Donnacha Rahill, Chief Financial Officer <sup>(1)</sup>	42,075	Nil	Nil
Steven Parry, President and Chief Executive Officer <sup>(2)</sup>	46,678	Nil	Nil
Annie Theriault, Managing Director <sup>(3)</sup>	86,359	Nil	Nil
Robb McLarty, Managing Director <sup>(4)</sup>	4,814	Nil	Nil
William R. Tharp, President and Chief Executive Officer <sup>(5)</sup>	6,458	Nil	Nil

#### NOTES:

- (1) Mr. Rahill was appointed Chief Financial Officer of the Corporation on March 25, 2014.
- (2) Mr. Parry was appointed Executive Chairman of the Corporation on March 25, 2014. On April 26, 2016, Mr. Parry assumed the role of President and Chief Executive Officer of the Corporation and stepped down as Executive Chairman.
- (3) Ms. Theriault was appointed Managing Director of the Corporation on June 22, 2015.
- (4) Mr. McLarty was appointed Managing Director of the Corporation on May 16, 2016.
- (5) Mr. Tharp was appointed President and Chief Executive Officer of the Corporation on February 19, 2014 upon completion of the RTO. Mr. Tharp ceased to be President and Chief Executive Officer of the Corporation on April 26, 2016.

### **Termination and Change of Control Benefits**

Other than as disclosed below, none of the Named Executive Officers of the Corporation during the year ended December 31, 2016 were entitled to any payments following or in connection with any termination, resignation, retirement, change in control or change in the responsibilities of the Named Executive Officers.

During the year ended December 31, 2016, Messrs. Parry and Tharp and Ms. Theriault were each a party to an executive employment agreement with the Corporation (each, an "**Executive Employment Agreement**") pursuant to which, in the event of a termination without cause: (i) the Corporation will make a payment to such Named Executive Officer equal to all unpaid salary, vacation pay, incentive compensation, and properly incurred expenses, accrued to the termination date; (ii) there will be a continuation of the salary of such Named Executive Officer for a period of: (A) 24 months following the termination date; or (B) six months following the termination date in the case of Ms. Theriault if termination occurred at any time prior to the second anniversary of Ms. Theriault's Executive Employment Agreement; (iii) such Named Executive Officer will be eligible to continue to participate in all benefits, subject to the terms of the applicable plan, for a period of 12 months from the termination date or until the Named Executive Officer obtains alternate coverage under the terms of any new employment or engagement; (iv) such Named Executive Officer's exercise period for any stock options that have vested as of the termination date will be extended for a period of 12 months; and (v) the Corporation will make a payment to such Named Executive Officer equal to the amount of the most

recent award made to such Named Executive Officer under any annual incentive compensation plan of the Corporation (collectively, (i), (ii), (iii), (iv) and (v) are referred to herein as the "**Executive Termination Payment**"). Subsequent to December 31, 2016, the Executive Employment Agreement of each of Mr. Parry and Ms. Theriault were revised whereby the continuation of the salary of each such Named Executive Officer following the termination date was reduced from a period to 24 months following the termination date to a period of 15 months.

Subsequent to December 31, 2016, Mr. Rahill became party to an executive employment agreement with the Corporation pursuant to which, in the event of a termination without cause of Mr. Rahill's employment: (i) the Corporation will make a payment to Mr. Rahill equal to all unpaid salary, vacation pay, incentive compensation, and properly incurred expenses, accrued to the termination date; (ii) there will be a continuation of his salary for a period of 15 months; (iii) Mr. Rahill will be eligible to continue to participate in all benefits, subject to the terms of the applicable plan, for a period of 12 months from the termination date or until he obtains alternate coverage under the terms of any new employment or engagement; (iv) Mr. Rahill's exercise period for any stock options that have vested as of the termination date will be extended for a period of 12 months; and (v) the Corporation will make a payment to him equal to the amount of the most recent award made to Mr. Rahill under any annual incentive compensation plan of the Corporation.

The payments and entitlements referred to above (other than any accrued and unpaid wages and vacation pay, and any statutory termination and severance pay, if applicable) are conditional upon the Named Executive Officer executing and delivering a full and final release of any and all claims arising out of the Named Executive Officer's employment with the Corporation and the termination thereof, other than in respect of any indemnity rights that were expressly provided in writing as part of such Named Executive Officer's position with the Corporation.

Pursuant to the Executive Employment Agreements of each of Mr. Parry and Ms. Theriault, if, within twenty-four (24) months following a Change of Control (as defined below) the Corporation terminates the Named Executive Officer's employment without cause or the Named Executive Officer resigns his employment for Good Reason (as defined below), the Corporation will pay to the Named Executive Officer the Executive Termination Payment as set out above (provided, however, that in such case the amount payable pursuant to (v) above will be an amount equal to the average of the awards (if any) awarded to the Named Executive Officer for the three most recently completed fiscal years of the Corporation under the annual incentive compensation plan of the Corporation, if established, rather than the amount awarded to such Named Executive Officer in respect of the most recently completed fiscal year of the Corporation), and all of the Named Executive Officer's stock options outstanding on the date of such termination or resignation will vest immediately and will remain exercisable until the earlier of: (a) the anniversary of the termination or resignation of the Named Executive Officer; and (b) the expiry of the original terms thereof, in all cases subject to the terms of the Stock Option Plan.

For the purpose of the above headings:

"**Good Reason**" means the occurrence, within 24 months following a Change of Control, of any of the following without the Named Executive Officer's written consent:

- a) a meaningful and detrimental change in the Named Executive Officer's position, title, office, duties or responsibilities from those in effect immediately prior to a Change of Control;
- b) any reduction in the Named Executive Officer's salary; or
- c) a demand by the Corporation that the Named Executive Officer cease working or providing services for remuneration to another person where the Corporation and the Named Executive Officer had previously agreed that the Named Executive Officer could engage in such activities,

provided that a demand that the Named Executive Officer not increase the average monthly hours devoted to such person shall not constitute Good Reason.

**"Change in Control"** means:

- a) the purchase or acquisition of shares of the Corporation and/or securities (the "**Convertible Securities**") convertible into shares of the Corporation or carrying rights to acquire shares of the Corporation, as a result of which a person, group of persons or persons acting jointly or in concert, all of whom act at arm's length to the Named Executive Officer (collectively, the "**Holder**"), beneficially own or exercise control or direction over shares of the Corporation and/or Convertible Securities such that, assuming only the conversion of the Convertible Securities beneficially owned by the Holders, entitle them to cast more than 50% of the votes attaching to all of the shares of the Corporation which may be cast to elect directors of the Corporation;
- b) approval by the Corporation's shareholders of an amalgamation, arrangement, reorganization, merger or other combination of the Corporation with another corporation(s) pursuant to which the shareholders of the Corporation will not immediately thereafter own shares of the successor or continuing company entitling them to cast more than 50% of the votes attaching to all of the shares in the capital of the successor or continuing company which may be cast to elect directors of that company;
- c) approval by the Corporation's shareholders of a sale of all or substantially all of the Corporation's assets to any person acting at arm's length to the Named Executive Officer; or
- d) Incumbent Directors (as defined below) ceasing to constitute a majority of the Board (other than at the instigation or with the support, directly or indirectly, of Mr. Parry).

**"Incumbent Directors"** means any director of the Corporation who was a director of the Corporation immediately prior to the occurrence of the transaction, transactions, elections or appointments giving rise to a Change in Control and any successor to an Incumbent Director who was recommended or elected or appointed to succeed any Incumbent Director by the affirmative vote of the directors of the Corporation, including a majority of the Incumbent Directors then on the Board.

As noted earlier, Mr. Tharp ceased to hold the offices of Chief Executive Officer and President of the Corporation effective as of April 26, 2016. In accordance with the terms of Mr. Tharp's Executive Employment Agreement, the Corporation paid to Mr. Tharp an aggregate amount equal to: (a) his accrued but unpaid salary, vacation pay, incentive compensation, and properly incurred expenses up to April 26, 2016; (b) payment of an amount equal to twenty-four months of Mr. Tharp's annual salary of \$275,000; and (c) payment of an amount equal to Mr. Tharp's most recent cash bonus, being \$125,000.

#### **DIRECTOR COMPENSATION**

The Corporate Governance and Nominating Committee assists the Board with respect to the establishment of the Corporation's compensation program for its directors. The main objectives of the directors' compensation program are to:

- Compensate the directors in a manner that is commensurate with the risks and responsibilities assumed in Board and committee membership, and competitive with other comparable issuers; and
- Align the interest of the directors with the shareholders.

Unlike compensation for the Named Executive Officers, the directors' compensation program is not

designed to pay for performance; rather, directors receive retainers for their services in order to help ensure unbiased decision-making.

Effective March 27, 2014, the Corporation adopted the following compensation program for its independent directors:

- Cash compensation of: (i) \$10,000 per fiscal quarter; and (ii) an additional \$5,000 per fiscal year for the chair of each of the Corporate Governance and Nominating Committee and the Compensation Committee; (iii) an additional \$10,000 per fiscal year for the chair of the Audit Committee; and (iv) an additional \$5,000 per fiscal year for the lead director; and
- Option-based awards comprised of an initial grant of options to purchase 200,000 Common Shares (such grant to be made on or about the date on which the director is first elected as a director of the Corporation), with 25% of the Common Shares issuable on exercise of the options vesting on the date of grant and the remaining Common Shares issuable on exercise of the options vesting in equal portions (25%, 25% and 25%) on each anniversary of the date of grant.

Non-independent directors do not receive any compensation for their services as directors.

### Compensation Table

The following table sets forth information concerning the compensation earned by the non-independent directors for the 12 months ended December 31, 2016.

Name	Fees Earned (\$)	Share-Based Awards (\$)	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
Paul De Luca <sup>(2)</sup>	45,000	Nil	Nil	Nil	Nil	Nil	45,000
Catherine McLeod-Seltzer <sup>(3)</sup>	50,000	Nil	Nil	Nil	Nil	Nil	50,000
Andrea Zaradic <sup>(4)</sup>	40,000	Nil	Nil	Nil	Nil	Nil	40,000
Gaston Tano <sup>(5)</sup>	49,121	Nil	Nil	Nil	Nil	Nil	49,121
Paul B. Sweeney <sup>(6)</sup>	30,879	Nil	Nil	Nil	Nil	Nil	30,879
Vernon Lobo <sup>(7)</sup>	10,222	Nil	15,664	Nil	Nil	Nil	25,886
Dan Phaure <sup>(8)</sup>	10,222	Nil	15,664	Nil	Nil	Nil	25,886
Peter Kampian <sup>(9)</sup>	5,222	Nil	15,664	Nil	Nil	Nil	20,886

#### NOTES:

- (1) Calculated using Black-Scholes option-pricing model in accordance with IFRS 2 share-based payments.
- (2) Mr. De Luca was appointed to the Board on February 19, 2014 upon completion of the RTO.
- (3) Ms. McLeod-Seltzer was appointed to the Board on May 23, 2008. On September 16, 2014, Ms. McLeod-Seltzer was appointed as lead director of the Board. On April 26, 2016, Ms. McLeod-Seltzer was appointed Chairman of the Board and ceased to be lead director.
- (4) Ms. Zaradic was appointed President and Chief Executive Officer of the Corporation on June 16, 2012 and ceased to be President and Chief Executive Officer of the Corporation on February 19, 2014 upon completion of the RTO but remained a director of the Corporation. Ms. Zaradic resigned from the Board on November 15, 2016.
- (5) Mr. Tano was appointed to the Board on April 16, 2014 and resigned from the Board on May 1, 2017.
- (6) Mr. Sweeney was appointed to the Board on April 16, 2014 and resigned on September 29, 2016.
- (7) Mr. Lobo was appointed to the Board on September 29, 2016.
- (8) Mr. Phaure was appointed to the Board on September 29, 2016.
- (9) Mr. Kampian was appointed to the Board on November 15, 2016.
- (10) Effective February 13, 2017, Mr. Lobo will receive additional fees of \$10,000 per annum for acting as Chairman of the Investment Committee of the Corporation.

## Incentive Plan Awards

### Outstanding Share-Based and Option-Based Awards

The following table sets forth information with respect to the outstanding options granted under the Stock Option Plan to the directors of the Corporation as of December 31, 2016.

<u>Name</u>	<u>Option-based Awards</u>				<u>Share-based Awards</u>		
	<u>Number of securities underlying exercised options (#)</u>	<u>Option exercise price (\$)</u>	<u>Option expiration date</u>	<u>Value of unexercised in-the-money options<sup>(1)(2)</sup> (\$)</u>	<u>Number of shares or units of shares that have not vested (#)</u>	<u>Market or payout value of share-based awards that have not vested (\$)</u>	<u>Market or payout value of vested share-based awards not paid out or distributed (\$)</u>
Paul De Luca <sup>(3)</sup>	200,000	0.50	April 3, 2019	Nil	Nil	Nil	Nil
	40,000	0.88	May 26, 2020				
Catherine McLeod-Seltzer <sup>(4)</sup>	200,000	0.50	April 3, 2019	Nil	Nil	Nil	Nil
	40,000	0.88	May 26, 2020				
Andrea Zaradic <sup>(5)</sup>	200,000	0.50	April 3, 2019	Nil	Nil	Nil	Nil
	40,000	0.88	May 26, 2020				
Gaston Tano <sup>(6)</sup>	200,000	0.52	May 26, 2019	Nil	Nil	Nil	Nil
	40,000	0.88	May 26, 2020				
Paul B. Sweeney <sup>(7)</sup>	200,000	0.52	May 26, 2019	Nil	Nil	Nil	Nil
	40,000	0.88	May 26, 2020				
Vernon Lobo <sup>(8)</sup>	200,000	0.165	November 18, 2021	1,000	Nil	Nil	Nil
Dan Phaure <sup>(9)</sup>	200,000	0.165	November 18, 2021	1,000	Nil	Nil	Nil
Peter Kampian <sup>(10)</sup>	200,000	0.165	November 18, 2021	1,000	Nil	Nil	Nil

#### NOTES:

- (1) Value of unexercised in-the-money options is calculated by determining the difference between the market value of the securities underlying the options at December 31, 2016.
- (2) "In-the-money options" means the excess of the market value of the Corporation's shares on December 31, 2016 on the Exchange, being \$0.16, over the exercise price of the options.
- (3) Mr. De Luca was appointed to the Board on February 19, 2014 upon completion of the RTO.
- (4) Ms. McLeod-Seltzer was appointed to the Board on May 23, 2008.
- (5) Ms. Zaradic was appointed President and Chief Executive Officer of the Corporation on June 16, 2012 and ceased to be President and Chief Executive Officer of the Corporation on February 19, 2014 upon completion of the RTO but remained a director of the Corporation. Ms. Zaradic resigned from the Board on November 15, 2016.
- (6) Mr. Tano was appointed to the Board on April 16, 2014 and resigned from the Board on May 1, 2017.
- (7) Mr. Sweeney was appointed to the Board on April 16, 2014 and resigned on September 29, 2016.
- (8) Mr. Lobo was appointed to the Board on September 29, 2016.
- (9) Mr. Phaure was appointed to the Board on September 29, 2016.
- (10) Mr. Kampian was appointed to the Board on November 15, 2016.

Incentive Plan Awards - Value Vested or Earned During the Year

The following table presents information concerning value vested with respect to option-based awards and share-based awards for each non-independent director of the Corporation during the fiscal year ended December 31, 2016:

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 (\$)
Paul De Luca <sup>(1)</sup>	8,066	Nil	Nil
Catherine McLeod-Seltzer <sup>(2)</sup>	8,066	Nil	Nil
Andrea Zaradic <sup>(3)</sup>	8,066	Nil	Nil
Gaston Tano <sup>(4)</sup>	10,452	Nil	Nil
Paul B. Sweeney <sup>(5)</sup>	10,452	Nil	Nil
Vernon Lobo <sup>(6)</sup>	4,267	Nil	Nil
Dan Phaure <sup>(7)</sup>	4,267	Nil	Nil
Peter Kampian <sup>(8)</sup>	4,267	Nil	Nil

NOTES:

- (1) Mr. De Luca was appointed to the Board on February 19, 2014 upon completion of the RTO.
- (2) Ms. McLeod-Seltzer was appointed to the Board on May 23, 2008.
- (3) Ms. Zaradic was appointed President and Chief Executive Officer of the Corporation on June 16, 2012 and ceased to be President and Chief Executive Officer of the Corporation on February 19, 2014 upon completion of the RTO but remained a director of the Corporation. Ms. Zaradic resigned from the Board on November 15, 2016.
- (4) Mr. Tano was appointed to the Board on April 16, 2014 and resigned from the Board on May 1, 2017.
- (5) Mr. Sweeney was appointed to the Board on April 16, 2014 and resigned on September 29, 2016.
- (6) Mr. Lobo was appointed to the Board on September 29, 2016.
- (7) Mr. Phanure was appointed to the Board on September 29, 2016.
- (8) Mr. Kampian was appointed to the Board on November 15, 2016.

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

The following chart details the number of securities to be issued upon the exercise of outstanding stock options issued under the Stock Option Plan, the weighted average exercise price of such options and the number of common shares remaining available for issuance under equity compensation plans of the Corporation as at December 31, 2016.

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))
Equity compensation plans approved by securityholders	10,422,788 Common Shares <sup>(1)</sup>	\$0.5293	206,566 Common Shares <sup>(1)</sup>
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
<b>TOTAL</b>	<b>10,422,788 Common Shares<sup>(1)</sup></b>	<b>\$0.5293</b>	<b>206,566 Common Shares<sup>(1)</sup></b>

NOTE:

- (1) On February 13, 2017, the Corporation announced that Mr. Parry elected to cancel 1,000,000 options that were granted to him as part of his compensation program as Executive Chairman and return such options to the corporate option pool.

As at the date of this Information Circular, the Corporation does not have any equity compensation plan other than the Stock Option Plan.

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

No current or former directors, employees or executive officers of the Corporation or any associate of any such persons were indebted to the Corporation as at December 31, 2016.

None of the current or former directors, employees or executive officers of the Corporation and none of the associates of such persons is or has been indebted to the Corporation or any subsidiary thereof at any time since the beginning of the Corporation's most recently completed fiscal year. Furthermore, none of such persons were indebted to a third party during such period where their indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or a subsidiary thereof.

### **AUDITED FINANCIAL STATEMENTS**

The financial statements of the Corporation for the fiscal year ended December 31, 2016, together with the auditor's report thereon, will be submitted to the Meeting. Receipt at the Meeting of the financial statements and auditor's report will not constitute approval or disapproval of any matters referred to therein.

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

The Corporation provides insurance for the directors and officers of the Corporation against liability incurred by them in their capacities as directors or officers of the Corporation. The Corporation has: (i) a primary insurance policy which provides coverage to a total limit of \$5,000,000, which policy provides for a deductible for each claim of \$50,000; (ii) a first excess coverage policy which provides for excess coverage to a total limit of \$5,000,000; and (iii) a second excess coverage policy which provides for excess coverage to a total limit of \$5,000,000, each of which provides for the protection of the personal liability of the directors and officers. The annual premiums for the directors and officers liability policies is \$19,450 in the aggregate, which is paid in full by the Corporation.

### **TRANSFER AGENT AND REGISTRAR**

The Corporation's transfer agent and registrar for the Common Shares is Computershare Investor Services Inc. at its office at 510 Burrard Street, 3rd Floor, Vancouver, British Columbia V6C 3B9; telephone: 1 (800) 564-6253.

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

Management of the Corporation is not aware of any material interest of any director or executive officer or any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting other than the election of directors.

### **OTHER MATTERS WHICH MAY COME BEFORE THE MEETING**

The management knows of no matters to come before the Meeting other than as set forth in this Information Circular. **HOWEVER, IF OTHER MATTERS WHICH ARE NOT KNOWN TO THE MANAGEMENT SHOULD PROPERLY COME BEFORE THE MEETING, THE ENCLOSED FORM OF PROXY WILL BE USED TO VOTE ON SUCH MATTERS IN ACCORDANCE WITH THE BEST JUDGMENT OF THE PERSONS VOTING THE PROXY.**

### **ADDITIONAL INFORMATION**

No management functions of the Corporation are performed by a person or company other than the directors or executive officers of the Corporation.

### **ADDITIONAL FINANCIAL INFORMATION**

Additional financial information concerning the Corporation, including the Corporation's audited financial statements, the notes thereto, the auditor's report thereon and related management's discussion and analysis for the year ended December 31, 2016, can be found on the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

### **APPROVAL OF BOARD**

The undersigned hereby certifies that the contents and the sending of this Information Circular have been approved by the directors of the Corporation.

The foregoing constitutes full, true and plain disclosure of all material facts relating to the particular matters to be acted upon by the shareholders of the Corporation.

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it is made.

DATED as of the 11<sup>th</sup> day of May, 2017.

*"Steven E. Parry"*

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Steven E. Parry  
President and Chief Executive Officer  
Grenville Strategic Royalty Corp.



## SCHEDULE "A"

### GRENVILLE STRATEGIC ROYALTY CORP. (the "Corporation")

#### 2017 STOCK OPTION PLAN

#### 1. PURPOSE

The purpose of this Plan is to provide an incentive to Eligible Persons, as that term is defined below in Section 2, to acquire a proprietary interest in the Corporation, to continue their participation in the affairs of the Corporation and to increase their efforts on behalf of the Corporation.

#### 2. DEFINITIONS AND INTERPRETATION

In this Plan, the following words have the following meanings:

- (a) "Board" means the board of directors of the Corporation;
- (b) "Blackout Period" means a period of time during which the Corporation prohibits Optionees from exercising the Options;
- (c) "Company" means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual;
- (d) "Consultant" means, in relation to the Corporation, an individual (other than an Employee or a Director of the Corporation) or Company that:
  - (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Corporation or to an affiliate of the Corporation, other than services provided in relation to a distribution;
  - (ii) provides the services under a written contract between the Corporation or the affiliate and the individual or the Company, as the case may be;
  - (iii) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or an affiliate of the Corporation; and
  - (iv) has a relationship with the Corporation or an affiliate of the Corporation that enables the individual to be knowledgeable about the business and affairs of the Corporation;
- (e) "Consultant Company" means a Consultant that is a Company;
- (f) "Corporation" means Grenville Strategic Royalty Corp.;
- (g) "Director" means a director, senior officer or Management Company Employee of the Corporation, or of an unlisted Company seeking a listing on the Exchange, or a director, senior officer or Management Company Employee of the Corporation's subsidiaries or an unlisted Company's subsidiary;
- (h) "Early Expiry Date" means 4:00 pm local time in Toronto on:
  - (i) the date fixed by the Board for early expiry of each Option, which date will be no more than one year from the date on which the Optionee ceases to be an Eligible Person for any reason other than death, disability or cause; or
  - (ii) the date that is 90 days from the date on which the Optionee ceases to be an Eligible Person for any reason other than death, disability or cause, if no date is fixed by the Board under (i) above;

- (i) "Eligible Person" means a person who is a Director, Employee or Consultant of the Corporation or its subsidiary on the Grant Date;
- (j) "Employee" means:
  - (i) an individual who is considered an employee of the Corporation or its subsidiary under the *Income Tax Act* (Canada) (and for whom income tax, employment insurance and CPP deductions must be made at source);
  - (ii) an individual who works full-time for the Corporation or its subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source; or
  - (iii) an individual who works for the Corporation or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source;
- (k) "Exchange" means the TSX Venture Exchange;
- (l) "Expiry Date" means the date so fixed by the Board at the time the Option is awarded;
- (m) "Grant Date" means the date of grant of an Option to an Optionee;
- (n) "Investor Relations Activities" means any activities, by or on behalf of the Corporation or a shareholder of the Corporation, that promote or reasonably could be expected to promote the purchase or sale of securities of the Corporation, but does not include:
  - (i) the dissemination of information provided, or records prepared, in the ordinary course of business of the Corporation:
    - (A) to promote the sale of products or services of the Corporation, or
    - (B) to raise public awareness of the Corporation,that cannot reasonably be considered to promote the purchase or sale of securities of the Corporation;
  - (ii) activities or communications necessary to comply with the requirements of:
    - (A) applicable Securities Laws, or
    - (B) Exchange requirements or the by-laws, rules or other regulatory instruments of any other self-regulatory body or stock exchange having jurisdiction over the Corporation;
  - (iii) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if:
    - (A) the communication is only through the newspaper, magazine or publication, and
    - (B) the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or
  - (iv) activities or communications that may be otherwise specified by the Exchange;

- (o) "Management Company Employee" means an individual, employed by a Person, providing management services to the Corporation, which are required for the ongoing successful operation of the business enterprise of the Corporation, but excluding a person engaged in Investor Relations Activities;
- (p) "Material Change" has the definition prescribed by applicable Securities Laws;
- (q) "Material Fact" has the definition prescribed by applicable Securities Laws;
- (r) "Material Information" means Material Fact and/or Material Change as defined by applicable Securities Laws and Exchange policy;
- (s) "Option" means the option granted to an Optionee under this Plan;
- (t) "Option Certificate" means the option certificate in the form attached as Schedule "A" and issued to an Optionee;
- (u) "Option Period" means the period of time between the Grant Date and the Expiry Date, during which the Option may be exercised subject to any vesting conditions;
- (v) "Option Price" is the price at which the Optionee is entitled, pursuant to the Plan and as described in the Option Certificate, to acquire Option Shares;
- (w) "Option Shares" means the Shares which the Optionee is entitled to acquire pursuant to this Plan and as described in the Option Certificate;
- (x) "Optionee" means an Eligible Person to whom an Option has been granted;
- (y) ""Person" means an individual or a Company;
- (z) "Plan" means this 2017 Stock Option Plan;
- (aa) "Securities Laws" means securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that are applicable to the Corporation; and
- (bb) "Shares" means common shares in the authorized share capital of the Corporation.

The Plan will be interpreted and construed in accordance with the laws of the Province of Ontario.

### **3. ADMINISTRATION**

The Plan will be administered by the Board in accordance with the provisions of the Plan and subject to the rules of the Exchange from time to time, and the Board will have full authority to:

- (a) determine which Eligible Persons will receive a grant of Options;
- (b) set the Option Price;
- (c) grant Options to Eligible Persons in such amounts and on such terms as the Board may determine;
- (d) set the Expiry Date and the Early Expiry Date for each Option provided that the Expiry Date will be a date that is no later than 10 years from the Grant Date (subject to extension where the Expiry Date falls within a Blackout Period);
- (e) impose vesting conditions on Options; and
- (f) interpret the Plan and make such rules and regulations and establish such procedures as it deems appropriate for the administration of the Plan, taking into consideration the recommendations of management of the Corporation.

The interpretation by the Board of any of the provisions of the Plan will be final and conclusive. No member of the Board will be liable for any action or determination in connection with the Plan made or taken in good faith, and each member of the Board will be entitled to indemnification with respect to any such action or determination.

#### 4. OPTIONEES

Optionees must be Eligible Persons (or companies wholly owned by Eligible Persons) who, in the opinion of the Board, are in a position to contribute to the success of the Corporation. If the Optionee is a Company, excluding Optionees that are Consultant Companies, then such Optionee must:

- (i) provide the Exchange with a completed Form 4F- *Certification and Undertaking Required from a Company Granted an Incentive Stock Option* or similar form required by Securities Laws; and
- (ii) not effect or permit any transfer of ownership or option of shares of the Company nor issue further shares of any class in the company to any other individual or entity as long as the Option remains outstanding, except with the written consent of the Exchange.

#### 5. THE OPTION SHARES

- (a) The aggregate number of Option Shares reserved for issuance under the Plan may not exceed 10% of the Corporation's issued and outstanding Shares on any Grant Date (the "**Maximum Number**").
- (b) Options issued prior to the adoption of the Plan will be included in the Maximum Number and will be subject to the terms of the Plan. To the extent of any conflict between the terms of the Plan and any previous terms governing options issued prior to the adoption of the Plan, the terms under the Plan will govern.

#### 6. GRANT OF OPTIONS

Options may be granted by the Board in accordance with the Plan at any time prior to the termination of the Plan. Options granted pursuant to the Plan will be further described in an Option Certificate and will be subject to the following terms and conditions:

##### (a) Option Price

The Option Price will be determined by the Board in its sole discretion, subject to the following:

- (i) if the Shares are listed on the Exchange, the Option Price will not be lower than the last closing price for the Shares as quoted on the Exchange prior to the Grant Date, less any discount permitted by the Exchange, and provided that the Option Price will not be lower than the discounted market price (as defined in the policies of the Exchange); and
- (ii) if the Shares are not listed on the Exchange, the price will be determined by the Board, subject to the rules or policies of any stock exchange or quotation system on which the Shares are listed.

##### (b) Exercise of Options

The Options must be exercised in accordance with the Plan and the Option Certificate and on the terms set out in the resolution of the Board pursuant to which the grant of the Options are authorized. The Corporation will not be required to issue Option Shares in an amount less than a board lot (as defined in the policies of the Exchange), unless such number of Option Shares represents the balance of the Option Shares.

##### (c) Re-issuance of Options

Options which are exercised, cancelled, or expire prior to exercise continue to be issuable under the Plan.

(d) Blackout Period

The Expiry Date of the Options will be automatically extended by the amount of time set out in this subsection in the event that the Expiry Date falls within a Blackout Period and all of the following conditions exist:

- (i) the Blackout Period is formally imposed by the Corporation pursuant to its internal trading policies as a result of the bona fide existence of undisclosed Material Information. For greater certainty, in the absence of the Corporation formally imposing the Blackout Period, the Expiry Date of the Options will not be automatically extended in any circumstances;
- (ii) the Blackout Period expires upon the general disclosure of the undisclosed Material Information; and
- (iii) the Optionee or the Corporation is not subject to a cease trade order (or similar order under Securities Laws) in respect of the Corporation securities.

If the Expiry Date falls within a Blackout Period and all of the above conditions exist, then the Expiry Date of the Options affected by the Blackout Period will be extended by the length of the Blackout Period plus ten (10) Business Days.

(e) Transferability of Option

The Options are all non-transferable and non-assignable.

(f) Other Terms and Conditions

The Option Certificate may contain such other provisions as the Board deems appropriate, provided such provisions are not inconsistent with the Plan and the requirements of the Exchange.

For as long as the Shares of the Corporation are listed on the Exchange, the Corporation will comply with the following requirements:

- (i) the Corporation may not grant, to any one Consultant, Options to acquire more than an aggregate of 2% of the issued and outstanding Shares of the Corporation in any 12 month period, calculated at the date the Options are granted to the Consultant;
- (ii) the Corporation may not grant, to all persons retained to provide Investor Relations Activities, Options to acquire more than an aggregate of 2% of the issued and outstanding Shares of the Corporation in any 12 month period, calculated at the date the Options are granted to any such person. For greater certainty persons retained to provide Investor Relations Activities include any Consultant that performs Investor Relations Activities and any Employee or Director whose role and duties primarily consist of Investor Relations Activities;
- (iii) Options issued to persons retained to provide Investor Relations Activities must vest in stages over 12 months with no more than one-quarter of the Options vesting in any three month period;
- (iv) the approval of the disinterested shareholders of the Corporation will be obtained:
  - (A) for Options granted to any one Person (including to companies wholly-owned by that Person) within a 12 month period to acquire more than 5% of the issued and outstanding Shares of the Corporation, calculated on the date the Options are granted to the Person;
  - (B) for Options which will result in the number of Options granted to insiders within a 12 month period exceeding 10% of the issued and outstanding Shares of the Corporation; and

- (C) for any amendment to or reduction in the Option Price if the Optionee is an insider of the Corporation at the time of the proposed amendment or reduction.

For the purposes of this subsection, the term "insider" has the meaning assigned in the *Securities Act* (Ontario);

- (v) for Options granted to Employees, Consultants or Management Company Employees of the Corporation, the Corporation and the Optionee will be responsible for ensuring and confirming that the Optionee is a bona fide Employee, Consultant or Management Company Employee of the Corporation, as the case may be; and
- (vi) in addition to any resale restrictions under Securities Laws, and any other circumstance for which the Exchange hold period may apply, where Options are granted to Insiders or where the Option Price includes a discount as permitted by the Exchange, the Options and any Option Shares issued on the exercise of such Options must be legended with a four month Exchange hold period commencing on the Grant Date.

## **7. TERMINATION OF OPTIONS**

- (a) All rights to exercise Options will terminate upon the earliest of:

- (i) the Expiry Date; and
- (ii) the date set out in Section 7(b) or (c), as applicable.

- (b) Ceasing to Hold Office

If the Optionee holds his or her Option as a Director and such Optionee ceases to be a Director prior to the end of the Option Period, then the Option will terminate on the Early Expiry Date, unless the Optionee:

- (i) ceases to be a Director as a result of the death or disability of the Optionee, in which case the Option will terminate one year from the date of death or disability of the Optionee;
- (ii) ceases to be a Director:
  - (A) as a result of being convicted in or out of Ontario of an offence in connection with the promotion, formation or management of a corporation or unincorporated business, or of an offence involving fraud; or
  - (B) by order of the British Columbia Securities Commission, the Exchange or any other regulatory body having jurisdiction to so order;
  - (C) where the Director is required to resign as a consequence of ceasing to meet the director qualifications specified in the Business Corporations Act (British Columbia);

in which case, the Option will terminate on the date on which the Optionee ceases to be a Director; or

- (iii) remains an Eligible Person, in which case the Board may, in its discretion, allow the Optionee to retain the Option.

- (c) Ceasing to be Employed

If the Optionee holds his or her option as an Employee, Consultant or Management Company Employee and such Optionee ceases to be an Employee, Consultant or Management Company Employee prior to the end of the Option Period, then the Option will terminate on the Early Expiry Date, unless the Optionee:

- (i) ceases to be an Employee, Consultant or Management Company Employee as a result of the death or disability of the Optionee, in which case the Option will terminate one year from the date of death or disability of the Optionee;

- (ii) ceases to be an Employee, Consultant or Management Company Employee:
  - (A) as a result of the Corporation terminating the Optionee for cause; or
  - (B) by order of the Ontario Securities Commission, the Exchange or any other regulatory body having jurisdiction to so order,in which case, the Option will terminate on the date on which the Optionee ceases to be an Employee, Consultant or Management Company Employee; or
- (iii) remains an Eligible Person, in which case the Board may, in its discretion, allow the Optionee to retain the Option.

(d) Vesting on Termination

Unless otherwise provided by the Board, any options that are unvested on the date that the Corporation provides the Optionee with written notice of termination or the Optionee provides the Corporation with written notice of resignation, will automatically terminate on the date of such notice.

(e) Exercise after Death or Disability of Optionee

In the event of the death of an Optionee, the Optionee's Option must be exercised only by the person or persons to whom the Optionee's rights under the Option will pass by the Optionee's will or the laws of descent and distribution and in any case within one year of the Optionee's death. In the event of the death or disability of an Optionee, the Optionee's Option may be exercised to the extent that the Optionee was entitled to exercise the Option at the date of the Optionee's death or disability.

**8. ADJUSTMENT OF AND CHANGES IN THE OPTION SHARES**

(a) If the Corporation:

- (i) changes its capital structure through stock splits, reverse split, consolidations, recapitalizations, reclassifications, changes in or elimination of par value shares;
- (ii) declares any dividends or makes other distributions to holders of shares;
- (iii) grants any rights to purchase shares at prices substantially below the Option Price as determined in accordance with Section 6(a) to holders of shares of the Corporation; or
- (iv) converts or exchanges its shares for any other securities as a result of a business combination,

then in any such case the Corporation may make such adjustments in the right to purchase granted hereby which are appropriate and reflective of such event, and as may be required to prevent substantial dilution or enlargement of the rights granted to or available for the Optionee hereunder.

- (b) Options for fractional Option Shares resulting from any adjustment in Options pursuant to this Section 8 will be terminated. Any adjustment will be effective and binding on each Optionee for all purposes of the Plan.

**9. CHANGE OF CONTROL**

In the event of:

- (a) a business combination in which the Corporation is not the surviving Company;
- (b) the Shares being converted into securities of another entity or exchanged for other consideration; or
- (c) an offer for fifty percent or more of shares being made by a third party that constitutes a take-over bid as that term is defined in Multilateral Instrument 62-104 of the Canadian Securities Administrators ("MI

62-104") or would constitute a take-over bid as that term is defined in the MI 62-104 but for the fact that the offeree is not in Ontario,

all outstanding Options will immediately vest, provided that the acceleration of vesting provisions required by the Exchange is subject to the prior written consent of the Exchange, and provided that if such transaction does not close, all such Options which remain unexercised will be deemed not to have vested. In addition, the Board may make such arrangements as the Board deems appropriate for the exercise of outstanding Options or continuance of outstanding Options in the surviving Company.

#### **10. PAYMENT**

- (a) Subject as hereinafter provided, the full purchase price for each of the Option Shares will be paid by certified cheque or bank draft in favour of the Corporation upon exercise thereof. An Optionee will have none of the rights of a shareholder in respect of the Option Shares until the shares are issued to such Optionee.
- (b) Upon exercise of an Option, the Optionee shall, upon notification of the amount due and prior to the delivery of the certificates representing the Option Shares, pay to the Corporation by certified cheque or bank draft, such amount as the Corporation shall determine is required to be withheld and remitted to Canada Revenue Agency to satisfy applicable federal and provincial tax and, if applicable, Canada Pension Plan withholding and remittance requirements, or shall make alternative arrangements satisfactory to the Corporation (acting in its sole discretion) in respect of such requirements. Such alternative arrangements for satisfying the withholding and remittance requirements may include, but shall not be limited to, the following:
  - (i) the Corporation may retain and withhold from any payment of cash due or to become due from the Corporation to the Optionee, whether under this Plan or otherwise, the amount of taxes and, if applicable, Canada Pension Plan contributions, required to be withheld or otherwise deducted and remitted by the Corporation to the Canada Revenue Agency in respect of such payment, and shall remit the amount so withheld to the Canada Revenue Agency, as source deductions withheld by it in respect of the issue of the Option Shares; and
  - (ii) the Corporation may deduct from the Option Shares to be issued to the Optionee, a number of Option Shares (the "Cashed-Out Shares") having a market value of not less than the amount of taxes and, if applicable, Canada Pension Plan contributions, required to be withheld or otherwise deducted and remitted by the Corporation to the Canada Revenue Agency in respect of such payment and shall remit to the Canada Revenue Agency the amount (the "Cash-Out Amount") that is equal to the market value of the Cashed-Out Shares, as source deductions withheld by it in respect of the issue of the Option Shares. The Cashed-Out Shares may be retained or sold by the Corporation. In such cases, the Corporation may, at its sole discretion, elect under s. 110(1.1) of the *Income Tax Act* (Canada) not to deduct the Cash-Out Amount in computing its income for any taxation year.

#### **11. SECURITIES LAW AND EXCHANGE REQUIREMENTS**

- (a) No Option will be exercisable in whole or in part, nor will the Corporation be obligated to issue any Option Shares pursuant to the exercise of any such Option, if such exercise and issuance would, in the opinion of counsel for the Corporation, constitute a breach of any applicable laws from time to time, or the rules from time to time of the Exchange. Each Option will be subject to the further requirement that if at any time the Board determines that the listing or qualification of the Option Shares under any securities legislation or other applicable law, or the consent or approval of any governmental or other regulatory body (including the Exchange), is necessary as a condition of, or in connection with, the issue of the Option Shares hereunder, such Option may not be exercised in whole or in part unless such listing, qualification, consent or approval has been effected or obtained free of any conditions not acceptable to the Board.
- (b) By accepting and not returning an Option Certificate within 5 days of receiving it in connection with a grant of Options, an Optionee is deemed to have expressly consented to the disclosure by the Corporation of personal and other information regarding the Optionee to any governmental or other regulatory body (including the Exchange or such other self regulatory body or stock exchange having jurisdiction over the



Corporation). In addition, the Optionee is deemed to have consented to the collection, use and disclosure of personal or other information by such governmental or other regulatory body (including the Exchange or such other self regulatory body or stock exchange having jurisdiction over the Corporation) for such purposes as may be identified by such governmental or other regulatory body, from time to time.

## **12. EFFECTIVENESS AND TERMINATION OF PLAN**

- (a) The Plan will be effective upon the later of:
  - (i) approval of the shareholders of the Corporation, if such approval is required;
  - (ii) approval of the Board;
  - (iii) acceptance by the Exchange; and
  - (iv) acceptance by any other regulatory authority having jurisdiction over the Corporation's securities.
- (b) The Board may terminate the Plan at any time provided that the Corporation adopts a new stock option plan. Upon termination of the Plan, previously granted Options will be governed by the provisions of the Corporation's stock option plan adopted by the Corporation from time to time.

## **13. AMENDMENT OF THE PLAN**

- (a) The Board may from time to time amend the Plan and the terms and conditions of any Option granted thereunder, provided that any amendment, modification or change to the provisions of the Plan will:
  - (i) not adversely alter or impair any Option previously granted, except as permitted by Section 8 or 9;
  - (ii) be subject to any regulatory approvals, where required, including the approval of the Exchange where necessary;
  - (iii) be subject to shareholder approval in accordance with the rules of the Exchange in circumstances where the amendment, modification or change of the Plan and terms and conditions of any Option would amend the:
    - (A) Eligible Persons who may be granted Options under the Plan;
    - (B) method for determining the Exercise Price of the Options;
    - (C) maximum term of the Options under Section 3;
    - (D) expiry and termination provisions relating to the Options under this Plan;
    - (E) limitations under the Plan on the number of Options that may be granted to any one person or category of persons, including insiders, as set out in this Plan;
    - (F) maximum number or percentage, as the case may be, of Shares that may be reserved under the Plan for issuance pursuant to the exercise of the Options; or
    - (G) amend this Section 13; and
  - (iv) not be subject to shareholder approval in circumstances where the amendment, modification or change of the Plan would:
    - (A) be of a "housekeeping nature", including any amendment to the Plan or an Option that is necessary to comply with applicable laws, tax or accounting provisions or the requirements of any regulatory authority or the Exchange, and any amendment to the Plan or an Option to correct or rectify any ambiguity, defective provision, error or omission therein, including amendment to any definitions;

- (B) clarify existing provisions of the Plan that do not have the effect of altering the scope, nature and intent of such provisions;
  - (C) be necessary for the Option to qualify for favourable treatment under applicable tax laws;
  - (D) alter, extend or accelerate any vesting terms or conditions in the Plan or any Option;
  - (E) amend Section 8 or 9; or
- (b) Subject to shareholder approval, the Board may from time to time retroactively amend the Plan and, with the consent of the affected Optionee, retroactively amend the terms and conditions of any Options which have previously been granted.

**14. MISCELLANEOUS**

If there is a discrepancy between the resolution of the Board authorizing the grant of an Option and the Option Certificate, then the board resolution will supersede the Option Certificate and the Option will be as described in the resolution of the Board.

**15. SHAREHOLDER APPROVAL**

This Plan is subject to the approval of the shareholders of the Corporation yearly at each annual general meeting of the Corporation.

**SCHEDULE "A"**  
**GRENVILLE STRATEGIC ROYALTY CORP.**  
**(the "Corporation")**

**STOCK OPTION CERTIFICATE**  
**PURSUANT TO THE 2017 STOCK OPTION PLAN**

This option certificate (this "**Option Certificate**") is issued pursuant to the provisions of the Corporation's 2017 Stock Option Plan as amended or replaced from time to time (the "**Plan**") and evidences that \_\_\_\_\_ (the "**Optionee**") is the holder of an option to purchase up to \_\_\_\_\_ Shares in the Corporation at a purchase price of \$\_\_\_\_\_ per Share.

The Grant Date of this Option is \_\_\_\_\_.

The Expiry Date is \_\_\_\_\_, 20\_\_\_\_\_.

This Option vests on the following terms:

\_\_\_\_\_ *(insert N/A if no vesting terms)*

Other Restrictions:

1. This Option Certificate and the Option evidenced hereby will expire and terminate on the date which is the earlier of the Expiry Date and the date set out in section 7(a)(ii) of the Plan.
2. Subject to early expiry as described in paragraph 1 above and any vesting conditions, this Option may be exercised from the Grant Date until 4:00 p.m. local time in Toronto, Ontario on the Expiry Date, by delivering to the Corporation an Exercise Notice in the form attached as Schedule "B" to the Plan, together with this Option Certificate and a certified cheque or bank draft payable to GRENVILLE STRATEGIC ROYALTY CORP. in an amount equal to the total Option Price of the Shares in respect of which this Option is being exercised; provided that the Optionee will have satisfied the conditions precedent, if any, to the exercise of the Option set out in the Plan.
3. This Option Certificate and the Option evidenced hereby is not assignable, transferable or negotiable except in accordance with the provisions of the Plan. This Option 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 records of the Corporation will prevail. The Company and the Optionee hereby attorn to the jurisdiction of the Courts of Ontario.
4. The exercise of this Option is subject to the terms and restrictions set out in the Plan. Terms have the meaning as set out in the Plan.
5. By accepting and not returning this Option Certificate within 5 days of receiving it, the Optionee expressly consents to the disclosure by the Corporation of personal and other information regarding the Optionee to any governmental or other regulatory body (including the Exchange or such other self-regulatory body or stock exchange having jurisdiction over the Corporation). In addition, the Optionee consents to the collection, use and disclosure of personal or other information by such governmental or other regulatory body (including the Exchange or such other self-regulatory body or stock exchange having jurisdiction over the Corporation) for such purposes as may be identified by such governmental or other regulatory body, from time to time.

Dated this \_\_\_\_\_ day of \_\_\_\_\_.

**GRENVILLE STRATEGIC ROYALTY CORP.**

Per:

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

**SCHEDULE "B"**

**GRENVILLE STRATEGIC ROYALTY CORP.**

**EXERCISE NOTICE**

To: The Board of Directors - Stock Option Plan  
**GRENVILLE STRATEGIC ROYALTY CORP. (the "Corporation")**

The undersigned hereby irrevocably gives notice, pursuant to the Corporation's 2017 Stock Option Plan, of the exercise of the Option to acquire and hereby subscribes for (cross out inapplicable item):

(a) all of the Shares; or (b) \_\_\_\_\_ of the Shares;

which are the subject of the Option Certificate held by the undersigned evidencing the undersigned's Option to purchase said Shares.

Calculation of total Option Price:

(i) number of Shares to be acquired \_\_\_\_\_ Shares

(ii) multiplied by the Option Price per Common Share: \$ \_\_\_\_\_

**TOTAL OPTION PRICE**, enclosed herewith: \$ \_\_\_\_\_

The undersigned hereby:

- (a) tenders herewith a certified cheque, bank draft or wire transfer (circle one) in the amount of \$ \_\_\_\_\_ payable to the Corporation in an amount equal to the total Option Price of the aforesaid Shares, as calculated above, and directs the Corporation to issue the share certificate evidencing said Shares in the name of the undersigned to be mailed to the undersigned at the following address; or
- (b) directs the Company to deliver the share certificate evidencing said Shares to the undersigned's agent in trust for the undersigned at the address listed below against receipt of a check payable to the Corporation in an amount equal to the total Option Price of the aforesaid Shares, as calculated above.

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

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

\_\_\_\_\_  
Signature of Witness

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

\_\_\_\_\_  
Name of Witness (please print)

\_\_\_\_\_  
Name of Optionee (please print)

## SCHEDULE "B"

### GRENVILLE STRATEGIC ROYALTY CORP. (the "Corporation")

#### CHARTER OF THE AUDIT COMMITTEE

##### 1. Objectives

The Audit Committee (the "**Committee**") is appointed by the board of directors (the "**Board**") of Grenville Strategic Royalty Corp. (the "**Corporation**") to assist the Board in fulfilling its oversight responsibilities with respect to financial reporting issues and issues relating to the appointment and review of the auditor for the Corporation.

The Committee acknowledges the corporate governance guidelines issued by the Canadian Securities Administrators in National Instrument 58-101 Disclosure of Corporate Governance Practices ("**NI 58-101**") and National Policy 58-201 Corporate Governance Guidelines ("**NP 58- 201**"), and other regulatory provisions as they pertain to financial reporting and accounting matters. The objective of the Committee is to review, monitor and promote appropriate accounting practices of the Corporation.

The Audit Committee (the "**Committee**") is responsible for assisting the board of directors of the Corporation (the "**Board**") in general oversight and monitoring of:

- (i) the integrity of the Corporation's consolidated financial statements;
- (ii) the Corporation's compliance with applicable legal and regulatory requirements related to financial reporting;
- (iii) the qualifications, independence and performance of the Corporation's auditor;
- (iv) the design and implementation of accounting systems, internal controls and disclosure controls, including the Corporation's written disclosure policy, if any;
- (v) the review and identification of the principal risks facing the Corporation and development of appropriate procedures to monitor and mitigate such risks; and
- (vi) any additional matters delegated to the Committee by the Board.

The Committee's oversight role regarding compliance systems shall not include responsibility for the Corporation's actual compliance with applicable laws and regulations.

The Committee will continuously review and modify this Charter with regards to, and to reflect changes in, the business environment, industry standards on matters of financial reporting and accounting, additional standards which the Committee believes may be applicable to the Corporation's business, the location of the Corporation's business and its shareholders and the application of laws and policies.

##### 2. Composition

The Committee will be comprised of not less than three directors, selected by the Board on the recommendation of the Corporate Governance and Nominating Committee. Unless otherwise permitted by applicable law, each member of the Committee will be both "independent" and "financially literate" within the meaning of applicable securities laws including, without limitation, Multilateral Instrument 52-110 - Audit Committees ("**MI 52-110**").

The members of the Committee shall be appointed or re-appointed by the Board on an annual basis and shall continue as members of the Committee until their successors are appointed or until they cease to be directors of the Corporation. Any member may be removed and replaced at any time by the Board, and will automatically cease to be a member as soon as the member ceases to meet the qualifications set out above. The Board will fill vacancies on the Committee by appointment from among qualified members of the Board. If a vacancy exists on the Committee, the remaining members will exercise all of its powers so long as a quorum remains in office.

Each year, the Board will appoint one member who is qualified for such purpose to be Chairman of the Committee. If, in any year, the Board does not appoint a Chairman of the Committee, the incumbent Chairman of the Committee will continue in office until a successor is appointed.

### **3. Meetings and Minutes**

#### **(a) Scheduling**

The Committee will meet as often as it determines is necessary to fulfill its responsibilities, which in any event will be not less than quarterly. A meeting of the Committee may be called by the auditor, the Chairman of the Committee, the Chairman, the Chief Executive Officer, the Chief Financial Officer or any Committee member.

Meetings will be held at a location in Canada determined by the Chairman of the Committee and notice shall be given in accordance with the provisions of the Corporation's bylaws.

#### **(b) Notice to Auditor**

The auditor is entitled to receive notice of every meeting of the Committee and, at the expense of the Corporation, to attend and be heard thereat and, if so requested by a member of the Committee, shall attend any meeting of the Committee held during the term of office of the auditor.

#### **(c) Agenda**

The Chairman of the Committee will establish the agenda for each meeting. Any member may propose the inclusion of items on the agenda, request the presence of or a report by any member of senior management, or at any meeting raise subjects that are not on the agenda for the meeting.

#### **(d) Distribution of Information**

The Chairman of the Committee will distribute, or cause the officers of the Corporation to distribute, an agenda and meeting materials in advance of each meeting to allow members sufficient time to review and consider the matters to be discussed.

#### **(e) Attendance and Participation**

Each member is expected to attend all meetings. A member who is unable to attend a meeting in person may participate by telephone or teleconference.

A portion of each meeting will be held without management (including management directors) being present.

(f) **Quorum**

Two members will constitute a quorum for any meeting of the Committee.

(g) **Voting and Approval**

At meetings of the Committee, each member will be entitled to one vote and questions will be decided by a majority of votes. In case of an equality of votes, the Chairman of the Committee will not have a second or casting vote in addition to his or her original vote.

(h) **Procedures**

Procedures for Committee meetings will be determined by the Chairman of the Committee or a resolution of the Committee or the Board.

(i) **Transaction of Business**

The powers of the Committee may be exercised at a meeting where a quorum is present in person or by telephone or other electronic means, or by resolution in writing signed by all members entitled to vote on that resolution at a meeting of the Committee.

(j) **Absence of Chairman of the Committee**

In the absence of the Chairman of the Committee at a meeting of the Committee, the members in attendance must select one of them to act as chairman of that meeting.

(k) **Secretary**

The Committee may appoint one of its members or any other person to act as secretary.

(l) **Minutes of Meetings**

A person designated by the Chairman of the Committee at each meeting will keep minutes of the proceedings of the Committee and the Chairman will cause an officer of the Corporation to circulate copies of the minutes to each member on a timely basis.

**4. Scope, Duties and Responsibilities**

The Committee is responsible for performing the duties set out below as well as any other duties at any time required by law to be performed by the Committee or otherwise delegated to the Committee by the Board:

(a) **Appointment and Review of the Auditor**

The auditor is ultimately accountable to the Committee and reports directly to the Committee. Accordingly, the Committee will evaluate and be responsible for the Corporation's relationship with the auditor. Specifically, the Committee will:

- (i) select, evaluate and recommend an auditor to the Board for appointment or reappointment, as the case may be, by the Corporation's shareholders and make recommendations with respect to the auditor's compensation;
- (ii) review and approve the auditor's engagement letter;

- (iii) resolve any disagreements between senior management and the auditor regarding financial reporting;
- (iv) at least annually, obtain and review a report by the auditor describing:
  - (A) the auditor's internal quality-control procedures, including the safeguarding of confidential information;
  - (B) any material issues raised by such procedures, or the review of the auditor by an independent oversight body, such as the Canadian Public Accountability Board, respecting independent audits carried out by the auditor, and the steps taken to deal with any issues raised in any such review;
- (v) meet with senior management not less than quarterly without the auditor present for the purpose of discussing, among other things, the performance of the auditor and any issues that may have arisen during the quarter; and
- (vi) where appropriate, recommend to the Board that the auditor be terminated.

**(b) Confirmation of the Auditor's Independence**

At least annually, and in any event before the auditor issues its report on the annual financial statements, the Committee will:

- (i) review a formal written statement from the auditor describing all of its relationships with the Corporation;
- (ii) discuss the auditor any relationships or services that may affect its objectivity and independence (including considering whether the auditor's provision of any permitted non-audit services is compatible with maintaining its independence);
- (iii) obtain written confirmation from the auditor that it is objective within the meaning of the Rules of Professional Conduct/Code of Ethics adopted by the provincial institute or order of Chartered Accountants to which it belongs and is an independent public accountant within the meaning of the Independence Standards of the Canadian Institute of Chartered Accountants; and
- (iv) confirm that the auditor has complied with applicable rules, if any, with respect to the rotation of certain members of the audit engagement team.

**(c) Pre-Approval of Non-Audit Services**

The approval of the appointment of the auditor for any non-audit service to be provided to the Corporation must be obtained from the Committee in advance; provided that it will not approve any service that is prohibited under the rules of the Canadian Public Accountability Board or the Independence Standards of the Canadian Institute of Chartered Accountants. Before the appointment of the auditor for any non-audit service, the Committee will consider the compatibility of the service with the auditor's independence. The Committee may pre-approve the appointment of the auditor for any non-audit services by adopting specific policies and procedures, from time to time, for the engagement of the auditor for non-audit services.

**(d) Communications with the Auditor**

The Committee has the authority to communicate directly with the auditor and will meet privately with the auditor periodically to discuss any items of concern to the Committee or the auditor.



(e) **Review of the Audit Plan**

The Committee will discuss with the auditor the nature of an audit and the responsibility assumed by the auditor when conducting an audit under generally accepted auditing standards. The Committee will review a summary of the auditor's audit plan for each audit and approve the audit plan with such amendments as it may agree with the auditor.

(f) **Review of Audit Fees**

The Committee will review and determine the auditor's fee and the terms of the auditor's engagement and inform the Board thereof. In determining the auditor's fee, the Committee will consider, among other things, the number and nature of reports to be issued by the auditor, the quality of the internal controls of the Corporation, the size, complexity and financial condition of the Corporation and its subsidiaries and the extent of support to be provided to the auditor by the Corporation.

(g) **Review of Consolidated Financial Statements**

The Committee will review and discuss with senior management and the auditor the annual audited consolidated financial statements, together with the auditor's report thereon and the interim financial statements, before recommending them for approval by the Board. The Committee will also review and discuss with senior management and the auditor management's discussion and analysis relating to the annual audited financial statements and interim financial statements, where applicable. The Committee may also, if it so elects, engage the auditor to review the interim financial statements prior to the Committee's review of such financial statements.

(h) **Review of Other Financial Information**

The Committee will review:

- (i) all earnings press releases and other press releases disclosing financial information, as well as all financial information and written earnings guidance provided to analysts and rating agencies;
- (ii) all other financial statements of the Corporation that require approval by the Board before they are released to the public, including, without limitation, financial statements for use in prospectuses or other offering or public disclosure documents and financial statements required by regulatory authorities; and
- (iii) disclosures made to the Committee by the Chief Executive Officer and Chief Financial Officer during their certification process for applicable securities law filings by the Corporation (where applicable) about any significant deficiencies and material weaknesses in the design or operation of the Corporation's internal controls over financial reporting which are reasonably likely to adversely affect the Corporation's ability to record, process, summarize and report financial information, and any fraud involving senior management or other employees who have a significant role in the Corporation's internal control over financial reporting.

(i) **Oversight of Internal Controls and Disclosure Controls**

The Committee will review periodically with senior management of the Corporation the adequacy of the internal controls and procedures that have been adopted by the Corporation and its subsidiaries to safeguard assets from loss and unauthorized use and to verify the accuracy of the financial records. The Committee

will review any special audit steps adopted in light of material control deficiencies or identified weaknesses.

The Committee will review with senior management of the Corporation the controls and procedures that have been adopted by the Corporation to confirm that material information about the Corporation and its subsidiaries that is required to be disclosed under applicable law or stock exchange rules is disclosed.

**(j) Legal Compliance**

The Committee will review any legal matters that could have a significant effect on the Corporation's financial statements.

**(k) Risk Management**

The Committee will oversee the Corporation's risk management function and, on a quarterly basis, will review a report from senior management describing the major financial, legal, operational and reputational risk exposures of the Corporation and the steps senior management has taken to monitor and control such exposures.

**(l) Taxation Matters**

The Committee will review with senior management the status of taxation matters of the Corporation.

**(m) Employees of the Auditor**

The Committee will review and approve policies for the hiring by the Corporation of any partners and employees and former partners and former employees of the present or former auditor.

**(n) Evaluation of Financial and Accounting Personnel**

The Committee will have direct responsibility to:

- (i) develop a position description for the Chief Financial Officer, setting out the Chief Financial Officer's authority and responsibilities, and present it to the Corporate Governance and Nominating Committee and Board for approval;
- (ii) review and approve the goals and objectives that are relevant to the Chief Financial Officer's compensation and present the same to the Corporate Governance and Nominating Committee and Board for approval;
- (iii) evaluate the Chief Financial Officer's performance in meeting his or her goals and objectives;
- (iv) review and assess the performance of the Corporation's financial and accounting personnel; and
- (v) recommend to the Compensation Committee and Board remedial action where necessary.

**(o) Signing Authority and Approval of Expenses**

The Committee will determine the signing authority of officers and directors in connection with the expenditure and release of funds. The Committee will also review the Chief Executive Officer's and Chief Financial Officer's expense statements. Director expense statements will be reviewed by the Chief

Executive Officer. Where the Chief Executive Officer thinks it advisable, he or she may request that the Committee review director expense statements.

## **5. Complaints Procedure**

The Committee will administer the Corporation's Whistleblower Policy for the receipt, retention and follow-up of complaints received by the Corporation regarding accounting, internal controls, disclosure controls or auditing matters and the confidential, anonymous submission of concerns by employees of the Corporation regarding such matters.

## **6. Reporting**

The Committee will regularly report to the Board on:

- (i) the auditor's independence, engagement and fees;
- (ii) the performance of the auditor and the Committee's recommendations regarding its reappointment or termination;
- (iii) the adequacy of the Corporation's internal controls and disclosure controls;
- (iv) the Corporation's risk management procedures;
- (v) its recommendations regarding the annual and interim financial statements of the Corporation, including any issues with respect to the quality or integrity of the financial statements;
- (vi) its review of any applicable annual and interim management's discussion and analysis;
- (vii) any complaints made under, and the effectiveness of, the Corporation's Whistleblower Policy;
- (viii) the Corporation's compliance with applicable legal and regulatory requirements related to financial reporting; and
- (ix) all other significant matters it has addressed or reviewed and with respect to such other matters that are within its responsibilities, together with any associated recommendations.

## **7. Assessment**

At least annually, the Corporate Governance and Nominating Committee will review the effectiveness of the Committee in fulfilling its responsibilities and duties as set out in this Charter and in a manner consistent with the mandate adopted by the Board.

## **8. Review and Disclosure**

The Committee will review this Charter at least annually and submit it to the Corporate Governance and Nominating Committee together with any proposed amendments. The Corporate Governance and Nominating Committee will review the Charter and submit it to the Board for approval with such further proposed amendments as it deems necessary and appropriate.

## **9. Access to Outside Advisors and Records**

The Committee may retain independent counsel and any outside advisor at any time and has the authority to determine any such advisors' fees and other retention terms. The Committee, and any outside advisors retained by it, will have access to all records and information, relating to the Corporation and all their respective officers, employees and agents which it deems relevant to the performance of its duties.