

## **CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

This Management Information Circular includes certain statements and information that constitute “forward-looking statements”, and “forward-looking information” under applicable securities laws (“forward-looking statements” and “forward-looking information” are collectively referred to herein as “forward-looking statements”, unless otherwise stated). Forward-looking statements appear in a number of places in this Management Information Circular and include statements and information regarding the intent, beliefs or current expectations of the Corporation’s officers and directors. Such forward-looking statements involve known and unknown risks and uncertainties that may cause the Corporation’s actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this Management Information Circular, words such as “believe”, “anticipate”, “estimate”, “project”, “intend”, “expect”, “may”, “will”, “plan”, “should”, “would”, “contemplate”, “possible”, “attempts”, “seeks” and similar expressions, are intended to identify these forward-looking statements. Forward-looking statements may relate to the Corporation’s future outlook and anticipated events or results and may include statements regarding the Corporation’s future business strategy, plans and objectives. The Corporation has based these forward-looking statements largely on its current expectations and projections about future events. These forward-looking statements were derived utilizing numerous assumptions, and while the Corporation considers these assumptions to be reasonable, based on information currently available, such assumptions may prove to be incorrect. Accordingly, you are cautioned to not put undue reliance on these forward-looking statements. Forward-looking statements should not be read as a guarantee of future events or results.

Forward-looking statements speak only as of the date such statements are made. Except as required by applicable law, the Corporation assumes no obligation to update or to publicly announce the results of any change to any forward-looking statement contained or incorporated by reference herein to reflect actual results, future events or developments, changes in assumptions or changes in other factors affecting the forward-looking statements. If the Corporation updates any one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements. You should not place undue importance on forward-looking statements and should not rely upon these statements as of any other date. All forward-looking statements contained in this Management Information Circular are expressly qualified in their entirety by this cautionary statement

**POOL SAFE INC. (FORMERLY POUNDER VENTURE CAPITAL CORP.)  
MANAGEMENT INFORMATION CIRCULAR**

**SOLICITATION OF PROXIES**

**THIS MANAGEMENT INFORMATION CIRCULAR IS PROVIDED IN CONNECTION WITH THE SOLICITATION BY MANAGEMENT AND THE BOARD OF DIRECTORS OF POOL SAFE INC. (THE “CORPORATION”) of proxies from the holders of common shares (the “Common Shares”) for the annual general and special meeting of the shareholders of the Corporation (the “Meeting”) to be held on Friday, June 30, 2017 at 10:00 a.m. (Toronto time) at the offices of ABRAHAMS LLP, Barristers & Solicitors, 488 Huron Street, Toronto, Ontario M5R 2R3, or at any adjournment thereof for the purposes set out in the accompanying notice of meeting (“Notice of Meeting”).**

Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone, facsimile or other proxy solicitation services. In accordance with National Instrument 54-101 *Communications With Beneficial Owners of Securities of a Reporting Issuer* (“NI 54-101”), arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the non-objecting beneficial owners of the Common Shares held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by the Corporation. Management of the Corporation does not intend to pay for intermediaries to forward to objecting beneficial owners under NI 54-101 the proxy-related materials, and in the case of an objecting beneficial owner, the objecting beneficial owner will not receive the materials unless the objecting beneficial owner’s intermediary assumes the cost of delivery.

**RECORD DATE**

May 30<sup>th</sup>, 2017 is the record date (the “Record Date”) for the Meeting. Only holders of Common Shares of record at the close of business on the Record Date are entitled to vote such Common Shares at the Meeting on the basis of one vote for each Common Share held except to the extent that (a) a registered holder has transferred the ownership of any Common Shares subsequent to the Record Date; and (b) the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that he owns the Common Shares, and demands not later than seven (7) days before the day of the Meeting that his name be included in the list of persons entitled to vote at the Meeting, in which case the transferee will be entitled to vote his Common Shares at the Meeting.

**APPOINTMENT AND REVOCATION OF PROXIES**

**The persons named (the “Management Designees”) in the enclosed instrument of proxy (“Instrument of Proxy”) have been selected by the directors of the Corporation and have indicated their willingness to represent as proxy the shareholder who appoints them. A shareholder has the right to designate a person (whom need not be a shareholder) other than the Management Designees to represent him or her at the Meeting. Such right may be exercised by inserting in the space provided for that purpose on the Instrument of Proxy the name of the person to be designated and by deleting therefrom the names of the Management Designees, or by completing another proper form of proxy and delivering the same to the transfer agent of the Corporation. Such shareholder should notify the nominee of the appointment, obtain the nominee’s consent to act as proxy and should provide instructions on how the shareholder’s Common Shares are to be voted. The nominee should bring personal identification with him or her to the Meeting. In any case, the form of proxy should be dated and executed by the shareholder or an attorney authorized in writing, with proof of such authorization attached (where an attorney executed the proxy form).**

A proxy will not be valid for the Meeting or any adjournment thereof unless it is completed and delivered to the Corporation’s transfer agent, TSX Trust Company, 200 University Avenue, Suite 300, Toronto, Ontario M5H 4H1, at least forty-eight (48) hours, excluding Saturdays, Sundays and holidays in the city of Toronto, before the Meeting or any adjournment thereof. Late proxies may be accepted or rejected by the Chairman of the Meeting in his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy.

A shareholder who has given a proxy may revoke it as to any matter upon which a vote has not already been cast pursuant to the authority conferred by the proxy. In addition to revocation in any other manner permitted by law, a proxy may be revoked by depositing an instrument in writing executed by the shareholder or by his authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized, either at the registered office of the Corporation or with TSX Trust Company, 200 University Avenue, Suite 400, Toronto, Ontario M5H 4H1, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof at which the proxy is to be used, or by depositing the instrument in writing with the Chairman of such Meeting on the day of the Meeting, or at any adjournment thereof. In addition, a proxy may be revoked personally by the shareholder, attending the Meeting and voting his shares.

### **ADVICE TO BENEFICIAL SHAREHOLDERS**

These shareholder materials are being sent to both registered and non-registered owners of the Common Shares. If you are a non-registered owner, and the issuer or its agent has sent these materials directly to you, your name and address and information about your holdings of Common Shares, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. **The information set forth in this section is of significant importance to many shareholders, as a substantial number of shareholders do not hold Common Shares in their own name.** Shareholders who hold their Common Shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their Common Shares in their own name (referred to in this Management Information Circular as “**Beneficial Shareholders**”) 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 Common Shares will be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, those Common Shares will, in all likelihood, *not* be registered in the shareholder’s name. Such Common Shares will more likely be registered under the name 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 The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers (or their agents or nominees) on behalf of a broker’s client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker’s clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the Instrument of Proxy provided directly to registered shareholders by the Corporation. However, its purpose is limited to instructing the registered shareholder (i.e. the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. (“**Broadridge**”) in Canada. Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). 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 who receives a Broadridge voting instruction form cannot use that form to vote Common Shares directly at the Meeting. The voting instruction forms must be returned to Broadridge (or instructions respecting the voting of Common Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Common Shares voted. If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the Common Shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered shareholder, should enter their own names in the blank space on the VIF provided to them and return the same to their broker (or the broker’s agent) in accordance with the instructions provided by such broker.**

All references to shareholders in this Management Information Circular and the accompanying Instrument of Proxy and Notice of Meeting are to registered shareholders unless specifically stated otherwise.

## **THE CORPORATION**

The Corporation was incorporated by a Certificate of Incorporation issued pursuant to the provisions of the *Canada Business Corporations Act* (the “**CBCA**”) on October 27, 2011. The records and registered office of the Corporation are located at Unit 14, 401 Magnetic Drive, North York, Ontario, Canada, M3J 3H9.

Effective November 29, 2016, 2570184 Ontario Inc. (“**Pounder Subco**”), a wholly-owned subsidiary of the Corporation and Pool Safe Inc. (“**PSI**”) entered into a definitive agreement (the “**Definitive Agreement**”) pursuant to which the Corporation would complete its qualifying transaction (the “**Qualifying Transaction**”) in accordance with the terms and conditions of Policy 2.4 – “*Capital Pool Companies*” (the “**Policy**”) of the TSX Venture Exchange (the “**TSXV**”).

Pursuant to the terms of the Definitive Agreement, on April 18, 2017, PSI, the Corporation and Pounder Subco completed a three-cornered amalgamation (the “**Amalgamation**”) whereby PSI and Pounder Subco amalgamated to form a new entity (“**Amalco**”). Immediately prior to the Amalgamation, the Corporation completed a share consolidation whereby its outstanding common shares and options were consolidated on a 4:1 basis (the “**Share Consolidation**”). The Corporation’s name was also changed to “Pool Safe Inc”. The name change and Share Consolidation were approved by shareholders of the Corporation at the shareholder’s meeting held on December 19, 2016. In addition, PSI completed its concurrent financing (the “**Concurrent Financing**”) with the Amalgamation, raising gross proceeds of approximately \$1.25 million through the sale of 247,268 units of PSI (each a “**PSI Unit**”) at a price of \$3.17 per PSI Unit and the sale of 147,448 subscription receipts (each a “**Subscription Receipt**”) at a price of \$3.17 per Subscription Receipt. Each PSI Unit consisted of one common share in the capital of PSI (a “**PSI Share**”) and one half of one warrant to purchase one PSI Share at a price of \$5.00 for a period of two years from the date of issuance (each whole warrant, a “**PSI Warrant**”). In connection with the completion of the Qualifying Transaction, the Subscription Receipts converted on a one-for-one basis into a total of 147,448 PSI Units. Following the Share Consolidation and Concurrent Financing, as part of the Amalgamation, security holders of PSI received securities of the Corporation on a 1:28 basis. Since the Amalgamation, Amalco has continued to carry on the business and operations of PSI as a wholly-owned subsidiary of the Corporation.

On April 19, 2017, the Corporation announced that it had completed its qualifying transaction. Final acceptance of the Qualifying Transaction by the TSXV was received April 21, 2017. The Corporation ceased to exist as a CPC and began trading as a Tier 2 Industrial Issuer on the TSXV on April 24, 2017, under the symbol “POOL”.

Additional details regarding the Business Combination and Pool Safe Inc. are disclosed in a Filing Statement, which is filed on the Corporation’s profile on SEDAR at [www.sedar.com](http://www.sedar.com). The Corporation also made an announcement via press release dated April 19, 2017, which is also filed on the Corporation’s profile on SEDAR.

## **VOTING OF PROXIES**

Each shareholder may instruct his proxy how to vote his Common Shares by completing the blanks on the Instrument of Proxy. All Common Shares represented at the Meeting by properly executed proxies will be voted or withheld from voting (including the voting on any ballot), and where a choice with respect to any matter to be acted upon has been specified in the Instrument of Proxy, the Common Shares represented by the proxy will be voted in accordance with such specification. **In the absence of any such specification as to voting on the Instrument of Proxy, the Management Designees, if named as proxy, will vote in favor of the matters set out therein. In the absence of any specification as to voting on any other form of proxy, the Common Shares represented by such form of proxy will be voted in favor of the matters set out therein.**

**The enclosed Instrument of Proxy confers discretionary authority upon the Management Designees, or other persons named as proxy, with respect to amendments to or variations of matters identified in the Notice of Meeting and any other matters which may properly come before the Meeting. As of the date hereof, the Corporation is not aware of any amendments to, variations of or other matters which may come before the Meeting. In the event that other matters come before the Meeting, then the Management Designees intend to vote in accordance with the judgment of management of the Corporation.**

## QUORUM

The by-laws of the Corporation provide that a quorum of shareholders is present at a meeting of shareholders of the Corporation if at least two holders of not less than five (5%) percent of the outstanding voting securities of the Corporation entitled to vote at the Meeting are present in person or by proxy.

## INTERESTS OF CERTAIN PERSONS AND COMPANIES IN MATTERS TO BE ACTED UPON

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

## VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Corporation is authorized to issue an unlimited number of Common Shares without nominal or par value and an unlimited number of preferred shares, issuable in series. Each holder of Common Shares is entitled to one vote per whole Common Share held. As at May 24, 2017, the effective date of this Management Information Circular (the "**Effective Date**"), 54,295,763 Common Shares are issued and outstanding as fully paid and non-assessable. No other shares are issued or outstanding.

In accordance with the provisions of the CBCA, the Corporation will prepare a list of the holders of Common Shares on the Record Date. Each holder of Common Shares named on the list will be entitled to vote the Common Shares shown opposite, his, her or its name on the list at the Meeting.

To the knowledge of the directors and the executive officers of the Corporation, as at the Effective Date, no person or company beneficially owns, directly or indirectly, or controls or directs, carrying 10% or more of the voting rights attached to any class of voting securities of the Corporation except as follows:

<u>Name</u>	<u>Number of Common Shares Owned or Controlled at the Effective Date</u>	<u>Percent of Outstanding Common Shares</u>
David Berger	23,813,216	43.9%
Stephen Green	8,237,136	15.2%

## PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the Board of Directors (the "**Board**") of the Corporation, the only matters to be brought before the meeting are those matters set forth in the accompanying Notice of Meeting.

### **1. Report and Financial Statements**

The Board of the Corporation has approved all of the information in the audited financial statements of the Corporation for the year ended December 31, 2016.

### **2. Fixing the Number of Directors**

The term of office of each of the present directors expires at the Meeting. At the Meeting, shareholders will be asked to consider passing an ordinary resolution fixing the number of directors of the Corporation to be elected at five (5) members. In order for the resolution to be effective, it must be approved by the affirmative vote of a majority of the votes cast in respect thereof by shareholders present in person or by proxy at the Meeting. **Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote proxies in the accompanying form in favour of setting the number of directors to be elected at the Meeting at five (5).**

### 3. Election of Directors

The shareholders will be asked to consider a resolution electing the directors of the Corporation to hold office until the next annual meeting of shareholders. The persons nominated are, in the opinion of management, qualified to direct the activities of the Corporation until the next annual meeting of the shareholders of the Corporation. All nominees have indicated their willingness to stand for election. The Corporation does not contemplate that any of such nominees will be unable to serve as directors; however, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, proxies held by Management Designees will be voted for another nominee in their discretion unless the shareholder has specified in his or her form of proxy that his or her Common Shares are to be withheld from voting in the election of directors. Each director elected will hold office until the next annual meeting of shareholders or until his successor is duly elected or appointed, all as the case may be, unless his office is earlier vacated in accordance with the constating of the Corporation or the provisions of the CBCA to which the Corporation is subject.

The following sets forth the name of each of the persons proposed to be nominated for election, all positions and offices in the Corporation presently held by such nominees, the nominees' municipality and province or country of residence, principal occupation at the present time and during the preceding five years, the period during which the respective nominees have served as directors, and the number and percentage of Common Shares beneficially owned by the nominees, directly or indirectly, or over which control or direction is exercised, as of the Effective Date.

<b>Name, Residence and Position with the Corporation</b>	<b>Principal Occupation during the past five years</b>	<b>Director Since</b>	<b>Number of Shares Owned</b>
David Berger Toronto, ON, Canada Chief Executive Officer and Director	Mr. Berger was formerly the Director of Operations of Kiddie Ride Entertainment Limited, a company he founded to create fun and exciting amusement rides for children, located in shopping malls across southern Ontario. Prior to Kiddie Ride, Mr. Berger held the position of Managing Director at Jodami Enterprises Limited, an engineering company that provided plumbing and electrical supplies across the Greater Toronto Area.	April 19, 2017	23,813,216
Steven Mintz Toronto, ON, Canada Chief Financial Officer and Director	Mr. Mintz is the President and a Director of 22 Capital Corp., and a Director of Portage Biotech Inc., and Mooncor Oil & Gas Corp. He has been a chartered accountant for 19 years. Since 2007, Mr. Mintz has been active as the President, Chief Financial Officer and a director of a private venture capital company.	September 17, 2009	592,464

Steven Glaser Toronto, ON, Canada Chief Operating Officer and Director	Mr. Glaser is a financial service executive with a diverse background in corporate finance, communications and governance for both domestic and international private and public companies. He holds a Bachelor of Administrative Studies, as well as an M.B.A. in finance. Mr. Glaser joined the Corporation pursuant to the successful Qualifying Transaction between the Corporation and PSI.	N/A	70,000
D. Campbell Deacon Toronto, ON, Canada Director	Since August 2007, Mr. Deacon has been the Chairman and a Director of Deacon & Company Inc. In addition, he is non-Executive Chairman of Echelon Wealth Securities, an independent investment dealer with offices across Canada. He has been involved as a director and/or officer in a number of domestic and international public and private companies over the past 30 years, including UTS Energy Corporation, Scandinavian Minerals Limited and Deacon Barclays de Zoete Wedd Limited. He is currently a Director of PetroMaroc Corporation, an independent oil and gas exploration/development company whose operations are based in Morocco. Mr. Deacon holds a Bachelor of Arts degree from the University of Guelph.	September 17, 2009	161,196
Mohammed Alhadi Acton, ON, Canada Director	Mr. Alhadi is the Chief Executive Officer of Alawwal Properties Corp., an Investment Advisory Services Company with strong ties and established relationships within the Middle East, Southeast Asia and North Africa. Before becoming CEO at Alawwal Properties, he was a VP of Wealth Management for Alawwal Capital Co., where he managed portfolios of the firm's major clients, with assets of over \$250 million. Prior to 2014 Mr. Alhadi held the position of VP, Head of Investment and Corporate Finance for Alawwal Capital Co. Mr. Alhadi holds a Bachelor's Degree in Management from King Fahd University.	April 19, 2017	441,560

In order for the resolution appointing the aforementioned individuals to be effective, it must be approved by the affirmative vote of a majority of the votes cast in respect thereof by shareholders present in person or by proxy at the Meeting. **Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote for the election of the directors as set forth above.**

*Corporate Cease Trade Orders, Penalties or Bankruptcies*

Other than as disclosed below, no proposed director:

1. is, as at the Effective Date, or has been, within 10 years before the Effective Date, a director, chief executive officer or chief financial officer of any company that,
  - (i) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
  - (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer, or
  - (iii) is, as at the Effective Date, or has been within 10 years before the date of this Management Information Circular, a director or executive officer of any company that, while the proposed director was acting in that capacity, or within a year of the proposed director 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, state the fact; or

2. has, within the 10 years before the Effective Date, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director, except:

On March 26, 2012, Azure Dynamics Corporation ("**Azure**") filed a voluntary petition in the Supreme Court of British Columbia for an Initial Order under the *Companies' Creditors Arrangement Act* (the "**CCAA**") seeking a stay of proceedings while Azure and its subsidiaries pursue restructuring alternatives under CCAA protection. On that date Azure also filed a voluntary petition under Chapter 15 title 11 of the United States Bankruptcy Code to seek recognition and enforcement in the United States of the Initial Order requested in the CCAA proceedings. D. Campbell Deacon was Chairman of the board of directors of Azure from April 2001 until April 2012,

On January 7, 2009, the principal secured lender to CPI Plastics Group Limited ("**CPI**") demanded immediate repayment of all CPI's credit facilities and applied for the court appointment of an interim receiver over all of CPI's assets. Receivership proceedings with respect to CPI commenced on January 8, 2009. D. Campbell Deacon was a director of CPI from September 1998 until December 2008.

On May 5, 2016, May 9, 2016 and May 12, 2016, each of the Ontario Securities Commission, the Manitoba Securities Commission and British Columbia Securities Commission issued a cease trade order against the Corporation for failure to file its annual financial statements (the "**Orders**"). The Orders were revoked on June 7, 2016 and June 8, 2016 upon the Corporation filing its annual financial statements. Mr. Mintz and Mr. Deacon were directors of the Corporation and the time of the Orders.

#### **4. Appointment of Auditor**

Wasserman Ramsay Chartered Accountants has acted as the Corporation's auditor since the completion of the Qualifying Transaction. Management of the Corporation proposes that Wasserman Ramsay Chartered Accountants, be appointed as auditor of the Corporation to hold office until the earlier of the next annual meeting of shareholders or their removal by the Corporation, at a remuneration to be fixed by the Audit Committee of the Board of the Corporation. Approval of the re-appointment of the auditors will require a majority of the votes cast in respect thereof by shareholders present in person or by proxy at the Meeting. **Unless otherwise directed, it is the intention of the Management Designees to vote the proxies in favour of an ordinary resolution to appoint the firm of Wasserman Ramsay Chartered Accountants as the auditors of the Corporation and to authorize the Audit Committee of the Board to fix the remuneration of Wasserman Ramsay Chartered Accountants.**

#### **5. Re-approval of Stock Option Plan**

The stock option plan of the Corporation (the "**Plan**") was previously approved by shareholders of the Corporation on December 19, 2016. The purpose of the Plan is to advance the interests of the Corporation by encouraging the directors, officers, employees and consultants of the Corporation and of its subsidiaries and affiliates, if any, to acquire Common Shares thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation and furnishing them with additional incentives in their efforts on behalf of the Corporation in the conduct of its affairs. The policies of the TSXV require that stock option plans which reserve for issuance up to 10% of a listed corporation's shares be re-approved annually by the shareholders of the listed corporation; such approval is being sought at the Meeting.

The Plan complies with the policies of the TSXV. The Plan includes limitations on the maximum number of Common Shares issuable under the Plan, a "black-out" provision and an amendment provision in accordance with the policies of the TSXV.

Under the Plan, the Board may, from time to time, grant options to purchase Common Shares to certain directors, officers, employees and consultants of the Corporation and of its subsidiaries and affiliates. The maximum number of Common Shares issuable under the Plan and all other security based compensation arrangements of the Corporation is 10% of the Common Shares outstanding from time to time, subject to the following additional limitations:

1. the aggregate number of Common Shares reserved for issuance to any one person under the Plan, together with all other security based compensation arrangements of the Corporation, must not exceed five (5%) percent of the then outstanding Common Shares (on a non-diluted basis);
2. in the aggregate, no more than 10% of the issued and outstanding Common Shares (on a non-diluted basis) may be reserved at any time for insiders under the Plan, together with all other security based compensation arrangements of the Corporation;
3. the number of securities of the Corporation issued to insiders, within any one year period, under all security based compensation arrangements, cannot exceed 10% of the issued and outstanding Common Shares;
4. options shall not be granted if the exercise thereof would result in the issuance of more than two (2%) percent of the issued Common Shares of the Corporation in any 12 month period to any one (1) consultant of the Corporation (or any of its subsidiaries); and
5. options shall not be granted if the exercise thereof would result in the issuance of more than two (2%) percent of the issued Common Shares of the Corporation in any 12 month period to persons employed to provide investor relations activities. Options granted to consultants performing investor relations activities will contain vesting provisions such that vesting occurs over at least 12 months with no more than one-quarter ( $\frac{1}{4}$ ) of the options vesting in any three (3) month period.

The Plan includes a black-out provision. Pursuant to the policies of the Corporation respecting restrictions on trading, there are a number of periods each year during which directors, officers and certain employees are precluded from trading in the Corporation's securities. These periods are referred to as "black-out periods". A black-out period is designed to prevent a person from trading while in possession of material information that is not yet available to other shareholders. The TSXV recognizes these black-out periods might result in an unintended penalty to employees who are prohibited from exercising their options during that period because of their company's internal trading policies. As a result, the TSXV provides a framework for extending options that would otherwise expire during a black-out period. The Plan includes a provision that should an option expiration date fall within a black-out period or immediately following a black-out period, the expiration date will automatically be extended for 10 business days following the end of the black-out period.

Based on the policies of the TSXV, the Plan specifies the types of amendments to the Plan and the options granted thereunder that can be made by the Board without the approval of the shareholders. The Plan allows the Board to terminate or discontinue the Plan at any time without the consent of the option holders provided that such termination or discontinuance shall not alter or impair any option previously granted under the Plan. The only amendments to the Plan that would be subject to shareholder approval are amendments that would:

- a) reduce the exercise price of an option held by an insider of the Corporation;
- b) extend the expiry date of an option held by an insider of the Corporation (subject to such date being extended by virtue of the black-out provision noted above);
- c) amend the limitations on the maximum number of Common Shares reserved or issued to insiders;
- d) increase the maximum number of Common Shares issuable pursuant to the Plan; or
- e) amend the amendment provisions of the Plan.

The shareholders will be asked to consider, and if thought fit, approve an ordinary resolution approving the Plan as the Corporation's stock option plan. In order for the resolution approving the Plan to be effective, it must be approved by the affirmative vote of a majority of the votes cast in respect thereof by shareholders present in person or by proxy at the Meeting. **In the absence of contrary direction, the Management Designees intend to vote proxies in the accompanying form in favour of this ordinary resolution.** The text of the ordinary resolution which management intends to place before the Meeting for the approval of the Plan is as follows:

**“BE IT RESOLVED, as an ordinary resolution of the shareholders of Pool Safe Inc. (the “Corporation”) that:**

- 1. the stock option plan of the Corporation as substantially described in the Corporation’s information circular dated May 24<sup>th</sup>, 2017 (the “Plan”) be and is hereby approved as the stock option plan of the Corporation;**
- 2. the form of the Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the shareholders of the Corporation;**
- 3. all issued and outstanding stock options previously granted are hereby continued under and governed by the Plan;**
- 4. the shareholders of the Corporation hereby expressly authorize the Board to revoke this resolution before it is acted upon without requiring further approval of the shareholders in that regard; and**
- 5. any one (or more) director or officer of the Corporation is authorized and directed, on behalf of the Corporation, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to this ordinary resolution.”**

#### **OTHER BUSINESS**

While there is no other business other than that business mentioned in the Notice of Meeting to be presented for action by the shareholders at the Meeting, it is intended that the proxies hereby solicited will be exercised upon any other matters and proposals that may properly come before the Meeting or any adjournment or adjournments thereof, in accordance with the discretion of the persons authorized to act thereunder. The enclosed Instrument of Proxy confers discretionary authority upon the persons authorized to act thereunder to vote on any modifications or amendments concerning the businesses mentioned in the Notice of Meeting or any other business in accordance with his best judgment.

#### **GENERAL**

**Unless otherwise directed, it is management’s intention to vote proxies in favor of all of the ordinary resolutions set forth herein.** All ordinary resolutions require, for the passing of the same, a simple majority of the votes cast at the Meeting in person or by proxy by the holders of Common Shares.

#### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information of the Corporation’s most recently completed financial year is provided in the Corporation’s financial statements and management discussion and analysis, which are available on SEDAR. A shareholder may contact the Corporation by mail or fax at: Unit 14, 401 Magnetic Drive, North York, Ontario, M3J 3H9, Phone: (416) 630-2444, Attention: Chief Executive Officer, to obtain a copy of the Corporation’s most recent financial statements and management discussion and analysis.

#### **BOARD APPROVAL**

The contents and the sending of this Management Information Circular have been approved by the Board of the Corporation.

## EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

For the period ended December 31, 2016, the Corporation had not yet completed the Qualifying Transaction pursuant to the Policy. The Policy prohibits the remuneration of directors and officers of a capital pool company (a “CPC”) prior to the completion of a Qualifying Transaction. Accordingly, Thomas Patterson and Steven Mintz, being the sole executive officers of the Corporation, as a CPC, were not paid any compensation during the financial period ended December 31, 2016. During the period ended December 31, 2016, the Corporation did not grant options to any executive or director.

On April 19, 2017, the Corporation completed the Qualifying Transaction. Following completion of the Qualifying Transaction, the following executive officers and directors were appointed:

- David Berger (Director and Chief Executive Officer);
- Steven Mintz (Director and Chief Financial Officer);
- Steven Glaser (Chief Operating Officer and Corporate Secretary);
- Mohammed Alhadi (Director); and
- D. Campbell Deacon (Director).

The following provides a discussion of all significant elements of the compensation to be awarded to, earned by, paid to, or payable to Named Executive Officers of the Corporation, to the extent that it has been determined.

This discussion describes the Corporation’s compensation scheme for each person who acted as Chief Executive Officer (“CEO”), Chief Financial Officer (“CFO”) and the three most highly compensated executive officers (or three most highly compensated individuals acting in a similar capacity), other than the CEO and the CFO, whose compensation was more than \$150,000 during the financial year ended December 31, 2016 (each a “Named Executive Officer” or “NEO” and collectively the “Named Executive Officers” or “NEOs”). There were two such NEOs during the financial year ended December 31, 2016. This section will address the Corporation’s executive compensation philosophy and objectives and provide a review of the process the Board intends to undertake in deciding how to compensate the Corporation’s Named Executive Officers.

### Oversight and Description of Director and NEO Compensation

The following compensation discussion and analysis is intended to provide information relating to the objectives and processes of the Corporation’s executive compensation program and to discuss the decision-making process relating to compensation.

As a Capital Pool Company, the Corporation was prohibited from payments of any kind, directly or indirectly, to its NEOs or directors until the completion of a Qualifying Transaction unless otherwise permitted by the TSXV.

The Board currently acts as compensation and human committee (the “Compensation and HR Committee”), which is comprised of all directors. The Compensation and HR Committee is responsible for ensuring that the Corporation has in place an appropriate plan for executive compensation and for making recommendations to the Board with respect to the compensation of the Corporation’s executive officers. The mandate of the Compensation and HR Committee was adopted by the Board on April 19, 2017 and is attached as Schedule “A” hereto.

The primary objective of the Corporation’s executive compensation program is to recruit, retain and motivate top quality individuals at the executive level. The program is designed (a) to assist the Corporation in reaching its potential by achieving long term goals and success and (b) to encourage and reward its NEOs in connection with the ongoing development of the Corporation and its operations.

The Board believes that executive compensation should be fair and reasonable and be determined, in part, based on industry standard for similar positions in other comparable issuers. Compensation paid to the NEOs is determined on the basis set forth in the above paragraph and is paid to the NEOs in order to motivate and reward their performance. Grants of incentive stock options to NEOs are entirely at the discretion of the Board, with reference to the same factors set forth above that inform decisions with respect to base salary. Previous option grants are taken into account when considering new grants.

The Corporation generally endorses the concept that executive compensation should meet the following objectives:

- to align the interests of executive officers with the short and long term interests of shareholders;
- to link executive compensation to the performance of the Corporation and the individual; and,
- to compensate executive officers at a level and in a manner that ensures the Corporation is capable of attracting, motivating, retaining, and inspiring individuals with exceptional skills.

Compensation of the NEO in the financial year ended December 31, 2016 was made up of the following elements: (i) base salary/consulting fees, and (ii) stock options granted on a discretionary basis by the Board, as set out above. The context within which the Corporation's current executive compensation was established is relevant to understanding its current compensation program:

- as a Capital Pool Company, the Corporation was prohibited from payments of any kind, directly or indirectly, to its NEOs or directors until the completion of a Qualifying Transaction unless otherwise permitted by the TSXV;
- as a Capital Pool Company, the Corporation was evaluating potential transactions and other strategic alternatives find a Qualifying Transaction;
- the Corporation had generated no operating revenues in the financial year ended December 31, 2016; and
- the Corporation has limited resources to expend on typical compensation elements.

The Corporation has no pension or group benefits plans and does not offer its NEOs any perquisites or personal benefits.

#### Summary of Compensation of Named Executive Officers

The following table sets forth for the years ended December 31, 2016, and December 31, 2015, information concerning the total compensation paid to the Corporation's NEOs.

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation <sup>(1)</sup> (\$)	Total compensation (\$)
Thomas A. Patterson President, Chief Executive Officer and Director	2016	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil
Steven Mintz, Chief Financial Officer and Director	2016	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil

## **Incentive Plan Awards**

### **Outstanding share-based awards and option-based awards**

The Corporation may grant stock options pursuant to the Plan for its directors, officers, full-time employees and consultants, where such stock options are approved by the directors of the Corporation. Stock options granted pursuant to the Plan may not exceed a term of five years, and are granted at an option price and on other terms which the directors determine are appropriate, subject to terms of the Plan and TSXV rules. The exercise period for the options (not to exceed five years), the vesting of options and the exercise price of the options are determined by the Board from time to time.

No share-based or option-based awards were outstanding for the year ended December 31, 2016 to any NEO. No share-based or option-based awards have been awarded to any NEO subsequent to December 31, 2016.

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

No option-based awards or share-based awards were granted, vested or earned during the most recently completed financial year to any Named Executive Officer.

## **Retirement Plans**

The Corporation has no formal pension, retirement compensation or other long term incentive plans in place for its directors, officers or employees.

## **Employment Agreements**

The Corporation did not have any employment contracts in place with its Named Executive Officers during the financial year ended December 31, 2016.

## **Compensation of Directors**

The Corporation did not compensate directors on a per meeting fee or retainer basis and there is no formal compensation plan in place for the directors (other than stock options previously granted upon closing of the Corporation's initial public offering) given the Corporation's previous status as a Capital Pool Company.

As at December 31, 2016, the Corporation had three (3) directors who were not also Named Executive Officers of the Corporation. No stock options were granted to directors of the Corporation who were not Named Executive Officers during the financial years ended December 31, 2016 and no options were exercised during the financial year ended December 31, 2016. No stock options have been granted to directors of the Corporation who were not Named Executive Officers, subsequent to December 31, 2016.

No compensation, share-based awards or option-based awards to paid to any directors who were not also Named Executive Officers for the year ended December 31, 2016.

## **Narrative Discussion**

No new options were granted to existing directors during the financial year ended December 31, 2016.

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

No option-based awards or share-based awards were granted, vested or earned during the most recently completed financial year to any director.

The following table sets forth securities of the Corporation that are authorized for issuance under equity compensation plans as at the end of the Corporation's most recently completed financial year.

<b>Plan Category</b>	<b>Number of Common Shares to be issued upon exercise of outstanding options, warrants and rights</b>	<b>Weighted average exercise price of outstanding options, warrants and rights</b>	<b>Number of Common Shares remaining available for issuance under equity compensation plans (excluding outstanding securities reflected in Column 1)</b>
Equity compensation plans approved by securityholders	519,769	\$0.10	Nil
Equity compensation plans not approved by securityholders	Nil	N/A	N/A
Total	519,769	\$0.10 per Common Share	195,000 <sup>(1)</sup>

**Note:**

1. The aggregate number of Common Shares that may be reserved for issuance under the Plan shall not exceed 10% of the Corporation's issued and outstanding Common Shares.

The following table sets forth securities of the Corporation that are authorized for issuance under equity compensation plans as at the Effective Date.

<b>Plan Category</b>	<b>Number of Common Shares to be issued upon exercise of outstanding options, warrants and rights</b>	<b>Weighted average exercise price of outstanding options, warrants and rights</b>	<b>Number of Common Shares remaining available for issuance under equity compensation plans (excluding outstanding securities reflected in Column 1)</b>
Equity compensation plans approved by securityholders	129,942	\$0.40	5,299,634 <sup>(1)</sup>
Equity compensation plans not approved by securityholders	Nil	N/A	N/A
Total	129,942	\$0.40	5,299,634 <sup>(1)</sup>

**Note:**

1. The aggregate number of Common Shares that may be reserved for issuance under the Plan shall not exceed 10% of the Corporation's issued and outstanding Common Shares. Upon the completion of the Qualifying Transaction on April 18<sup>th</sup>, 2017, the number of Common Shares outstanding increased from 7,147,690 (1,786,923 after adjustment for consolidation of shares) to 54,295,763.

**MANAGEMENT CONTRACTS**

During the most recently completed financial year, no management functions of the Corporation were to any degree performed by a person or company other than the directors or executive officers (or the companies controlled by them, either directly or indirectly) of the Corporation.

**INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS**

No director, executive officer, or former director, or executive officer of the Corporation nor any of their associates or affiliates, is, or has been at any time since the beginning of the last completed financial year, indebted to the Corporation nor has any such person been indebted to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Corporation.

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

Other than as disclosed below, the Corporation is not aware of any material interests, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or executive officer, proposed nominee for election as a director or any shareholder holding more than 10% of the voting rights attached to the Common Shares or any associate or affiliate of any of the foregoing in any transaction in the preceding financial year or any proposed or ongoing transaction of the Corporation which has or will materially affect the Corporation.

On September 9, 2016, the Corporation received an unsecured loan in the amount of \$50,000 from 2151089 Ontario Inc. The principal amount bears interest at a rate of 10% per annum. On October 24, 2016, the Corporation received a second unsecured loan in the amount of \$50,000, from 2151089 Ontario Inc. The principal amount bears interest at a rate of 10% per annum. 2151089 Ontario Inc. is wholly owned by Carolyn Berger, who is the spouse of David Berger, a Director and the President of the Corporation. Ms. Berger and Mr. Berger reside at 331 Cortleigh Blvd, Toronto, Ontario.

On November 9, 2016, the Corporation received an unsecured loan in the amount of \$40,000 from Steven Mintz. The principal amount bears interest at a rate of 3% per annum. Steven Mintz is a Director and the Chief Financial Officer of the Corporation. Mr. Mintz resides at 10 Burton Road, Toronto, Ontario.

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

No director or executive officer of the Corporation or any proposed nominee of management of the Corporation for election as a director of the Corporation, nor any associate or affiliate of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting.

## **AUDIT COMMITTEE**

Under National Instrument 52-110 *Audit Committees* (“**NI 52-110**”), the Corporation is required to include in this Management Information Circular the disclosure required under Form 52-110F2. The disclosure required by Form 52-110F2 is set out below.

### **Audit Committee Charter and Terms of Reference**

#### ***Mandate***

The primary function of the Audit Committee (the “**Committee**”) is to assist the Board in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Corporation to regulatory authorities and shareholders, the Corporation’s systems of internal controls regarding finance and accounting and the Corporation’s auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Corporation’s policies, procedures and practices at all levels. The Committee’s primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor the Corporation’s financial reporting and internal control system and review the Corporation’s financial statements.
- Review and appraise the performance of the Corporation’s external auditors.
- Provide an open avenue of communication among the Corporation’s auditors, financial and senior management and the Board.

#### ***Composition***

The Committee shall be comprised of at least three directors as determined by the Board, the majority of whom shall be free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee.

At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices within a reasonable period of time following his/her appointment to the Audit Committee. For the purposes of the Corporation's Charter, the definition of "financially literate" is the ability to read and understand a balance sheet, an income statement and a cash flow statement. The definition of "accounting or related financial management expertise" is the ability to analyze and interpret a full set of financial statements, including the notes attached thereto, in accordance with Canadian generally accepted accounting principles.

The members of the Committee shall be elected by the Board at its first meeting following the Meeting. Unless a Chair is elected by the full Board, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

### ***Meetings***

The Committee shall meet at least twice annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee should meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

### ***Responsibilities and Duties***

To fulfill its responsibilities and duties, the Committee shall:

#### Documents/Reports Review

1. Review and update this Charter annually.
2. Review the Corporation's financial statements, MD&A and any annual and interim earnings press releases before the Corporation publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

#### External Auditors

1. Review annually, the performance of the external auditors who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Corporation.
2. Obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Corporation, consistent with Independence Standards Board Standard 1.
3. Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the auditors.
4. Take, or recommend that the full Board take, appropriate action to oversee the independence of the external auditors.
5. Recommend to the Board the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval and the compensation of the external auditors.
6. At each meeting, consult with the external auditors, without the presence of management, about the quality of the Corporation's accounting principles, internal controls and the completeness and accuracy of the Corporation's financial statements.
7. Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation.
8. Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
9. Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Corporation's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
  - (i) the aggregate amount of all such non-audit services provided to the Corporation constitutes not more than five percent of the total amount of revenues paid by the Corporation to its external auditors during the fiscal year in which the non-audit services are provided;
  - (ii) such services were not recognized by the Corporation at the time of the engagement to be non-audit services; and

- (iii) such services are promptly brought to the attention of the Committee by the Corporation and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee’s first scheduled meeting following such approval such authority may be delegated by the Committee to one or more independent members of the Committee.

***Financial Reporting Processes***

1. In consultation with the external auditors, review with management the integrity of the Corporation’s financial reporting process, both internal and external.
2. Consider the external auditors’ judgments about the quality and appropriateness of the Corporation’s accounting principles as applied in its financial reporting.
3. Consider and approve, if appropriate, changes to the Corporation’s auditing and accounting principles and practices as suggested by the external auditors and management.
4. Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
5. Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
6. Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
7. Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
8. Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
9. Review certification process.
10. Establish a procedure for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters and periodically assess the adequacy of these procedures.

***Other***

The Committee will review any related party transactions.

**Audit Committee Composition**

The following are the members of the Audit Committee, as at the date hereof:

Steven Mintz	Not independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>
Mohammed Alhadi	Independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>
D. Campbell Deacon	Independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>

**Note:**

1. As defined by NI 52-110.

The independent directors of the Corporation do not hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance, but have held informal meetings where such persons have not been present. To facilitate open and candid discussion among the independent directors, the independent directors may hold *in camera* sessions at Board meetings. The independent directors may in future consider holding regularly scheduled meetings at which non-independent directors and members of management are not in attendance.

Currently, the Board is satisfied that it exercises its responsibilities for independent oversight of management. The ability to establish ad hoc committees comprised of a majority of independent directors provides the Board with the ability to meet independently of management whenever deemed necessary or appropriate and the chair of each such ad hoc committee provides leadership for such committee.

### **Audit Committee Oversight**

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

### **Relevant Education and Experience**

All of the members of the Audit Committee have been either directly involved in the preparation of the financial statements, filing of the quarterly and annual financial statements, dealing with the auditors, or as a member of the audit committee. All members have the ability to read, analyze, and understand the complexities surrounding the issuance of financial statements. The following sets out the education and experience of each member of the Audit Committee relevant to the performance of his duties as a member of the Audit Committee.

Mr. Mintz has been a chartered accountant for over two decades. He attained a Bachelor of Arts in Economics at the University of Toronto in 1989. Mr. Mintz is the President and a Director of 22 Capital Corp., and a Director of Portage Biotech Inc., and Mooncor Oil & Gas Corp. Since 2007 he has been active as the President, Chief Financial Officer and a director of a private venture capital company. Mr. Mintz has been involved as a director in a number of public companies. See "*CORPORATE GOVERNANCE - Directorships*".

Mr. Alhadi is the Chief Executive Officer of Alawwal Properties Corp., an Investment Advisory Services Company with strong ties and established relationships within the Middle East, Southeast Asia and North Africa. Before becoming CEO at Alawwal Properties, he was a VP of Wealth Management for Alawwal Capital Co., where he managed portfolios of the firm's major clients, with assets of over \$250 million. Prior to 2014, Mr. Alhadi held the position of VP, Head of Investment and Corporate Finance for Alawwal Capital Co. Mr. Alhadi holds a Bachelor's Degree in Management from King Fahd University.

Mr. Deacon has been a public company director of both domestic and international organizations since the mid-1970s. During that period he has been a member of numerous audit committees and currently sits on the audit committee of PetroMaroc Corporation. In addition he has been involved in the investment business for more than forty (40) years. During that time he has served as Chairman and Chief Executive Officer of an international investment banking firm and as Chairman of the Investment Dealers Association of Canada, as a Governor of the Canadian Investment Protection Fund and participated as a member of the Listing Committee of the Toronto Stock Exchange. Mr. Deacon has a BA from the University of Guelph. See "*CORPORATE GOVERNANCE - Directorships*".

### **Reliance on Certain Exemptions**

Other than as disclosed below, at no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on an exemption from the provisions of NI 52-110. However, the Corporation is relying upon the exemption in Section 6.1 of NI 52-110, the exemption for TSXV issuers in relation to the requirement that every audit committee member be independent.

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

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described above under the heading "*Audit Committee Charter and Terms of Reference - External Auditors*".

### **External Auditor Service Fees**

The aggregate fees billed by the Corporation's external auditors in the last two (2) financial years for audit and other fees are as follows:

<b>Financial Year Ending</b>	<b>Audit Fees</b>	<b>Audit Related Fees</b>	<b>Tax Fees</b>	<b>All Other Fees</b>
2016	Nil <sup>(1)</sup>	Nil	Nil	\$11,000 <sup>(2)</sup>
2015	\$5,000	\$1,020 <sup>(2)</sup>	Nil	Nil

**Notes:**

- (1) The Corporation has not yet received an invoice from its auditor for the financial year ended December 31, 2016.
- (2) All other fees represent amounts paid for the review of the Filing Statement and procedures performed related to the comfort letter issued to the TSXV.

### **CORPORATE GOVERNANCE**

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Corporation. The Board is committed to sound corporate governance practices which are both in the interest of its shareholders and contribute to effective and efficient decision making.

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("NI 58-101"), the Corporation is required to disclose its corporate governance practices as summarized below in Form 58-101F2.

#### **Board of Directors**

Effective April 19, 2017, the Board was comprised of four (4) members. D. Campbell Deacon, and Mohammed Alhadi are considered independent.

David Berger, the Chief Executive Officer, Steven Glaser, the Chief Operating Officer, and Steven M. Mintz, the Chief Financial Officer, are both members of management and, as a result, are not considered to be independent directors.

An "independent" director is a director who has no direct or indirect material relationship with the Corporation. A material relationship is a relationship, which could, in the view of the Board, reasonably interfere with the exercise of a director's independent judgment. As disclosed above, the Board is comprised of two (2) independent directors. The independent judgment of the Board in carrying out its responsibilities is the responsibility of all directors. The Board of the Corporation facilitates independent supervision of management through meetings of the Board and through frequent informal discussions among independent members of the Board and management. In addition, the Board has free access to the Corporation's external auditors, external legal counsel and to any of the Corporation's officers.

#### **Mandate of the Board of Directors**

#### **INTRODUCTION**

The fundamental responsibilities of the Board of the Corporation are to: (i) identify and understand the risks associated with the business of the Corporation; (ii) appoint and oversee a competent executive team to manage the business of the Corporation, with a view to maximizing shareholder value; and (iii) ensure corporate conduct in an ethical and legal manner via an appropriate system of corporate governance, disclosure processes and internal control. These terms of reference define the role of the Board of the Corporation. The following are the key guidelines governing how the Board will operate to carry out its duties of stewardship and accountability.

## **1. Best Interests of the Company**

The Board is responsible for the management of the business activities of the Corporation. The Board oversees the conduct of business of the Corporation and supervises management, which is responsible for the day-to-day conduct of business. The Board establishes an appropriate system of corporate governance, including practices to ensure the Board functions independently of management.

## **2. Strategy**

Management is responsible for the development of an overall corporate strategy to be presented to the Board. The Board's role is to ensure there is a formal strategic planning process in place and to review and, if it sees fit, endorse the corporate strategy presented by management. The Board then monitors the implementation and execution of the corporate strategy. One Board meeting per year shall be devoted to a review of corporate strategy.

## **3. Principal Risks**

The Board should have a continuing understanding of the principal risks associated with the business of the Corporation. It is the responsibility of management to ensure that the Board and its committees are kept well informed of changing risks. It is important the Board understands and supports the key risk decisions of management, including a comprehension of the appropriate balance between risks and rewards and methods for monitoring and mitigating risks.

## **4. Internal Controls and Communication Systems**

The Board ensures that sufficient internal controls and communication systems are in place to allow it to conclude that management is discharging its responsibilities with a high degree of integrity and effectiveness. The confidence of the Board in the ability and integrity of management is the paramount control mechanism.

## **5. Financial Reporting, Operational Reporting and Review**

The Board ensures that processes are in place to address applicable regulatory, corporate, securities and other compliance matters, including applicable certification requirements regarding the financial, operational and other disclosure of the Corporation.

The Board reviews and approves the financial statements and related MD&A of the Corporation.

The Board approves annual operating and capital budgets and reviews and considers all amendments or departures proposed by management from established strategy, capital and operating budgets or matters of policy which diverge from the ordinary course of business.

The Board reviews operating and financial performance results relative to established strategy, budgets and objectives.

## **6. Disclosure and Communication Policy**

The Board has adopted a policy governing disclosure and communication concerning the affairs of the Corporation.

## **7. The Chair of the Board**

The Board shall appoint a Chair from among its members. The role of the Chair is to act as the leader of the Board, to manage and co-ordinate the activities of the Board and to oversee execution by the Board of this written mandate.

## **8. Committees**

The Board may appoint such committees as it sees fit. Each committee operates according to terms of reference approved by the Board and outlining its duties and responsibilities and the limits of authority delegated to it by the Board. The Board reviews and re-assesses the adequacy of the terms of reference of each committee on a regular basis and, with respect to the Audit Committee, at least once a year.

## **9. Committee Chairs and Committee Members**

The Chair shall annually propose the leadership and membership of each committee. In preparing recommendations, the Chair will take into account the preferences, skills and experience of each director. Committee Chairs and members are appointed by the Board at the first Board meeting after the annual shareholder meeting or as needed to fill vacancies during the year.

Each committee's meeting schedule will be determined by its Chair and members based on the committee's work plan and terms of reference. The committee Chair will develop the agenda for each committee meeting. Each committee will report in a timely manner to the Board on the results of its meetings.

#### **10. Board Meetings and Agendas**

The Board will meet as many times a year as it deems necessary.

The Chair, in consultation with the President, Chief Executive Officer, Chief Financial Officer and the Corporate Secretary, will develop the agenda for each Board meeting. Under normal circumstances, the agenda and the material will be distributed to directors not less than 48 hours before the meeting. All directors are free to suggest additions to the agenda.

#### **11. Information for Board Meetings**

Material distributed to the directors in advance of Board meetings should be concise, yet complete, and prepared in a way that focuses attention on critical issues to be considered. Reports may be presented during Board meetings by directors, management or staff, or by invited outside advisors. Presentations on specific subjects at Board meetings should briefly summarize the material sent to directors, so as to maximize the time available for discussion on questions regarding the material.

It is recognized that under some circumstances, due to the confidential nature of matters to be discussed at a meeting, it would not be prudent or appropriate to distribute written material in advance.

#### **12. Non-Directors at Board Meetings**

The Board appreciates the value of having management team members attend Board meetings to provide information and opinions to assist the directors in their deliberations. The Board, through the Chair, will determine management attendees at Board meetings.

#### **13. Board Relations with Management**

Board policies and guidelines are issued to management for their adherence. Directors may direct questions or concerns on management performance to the Chair, to the President or through Board and committee meetings.

While the Board establishes limits of authority delegated to management, directors must respect the organizational structure of management. A director has no authority to direct any staff member.

#### **14. New Director Orientation**

New directors will be provided with an orientation which will include written information about the duties and obligations of directors and the business and operations of the Corporation, documents from recent Board meetings and opportunities for meetings and discussion with senior management and other directors.

#### **15. Assessing the Board's Performance**

The Board is responsible for annually assessing its overall performance and that of its committees. The objective of this review is to contribute to a process of continuous improvement in the Board's execution of its responsibilities. The review should identify any areas where the directors or management believe that the Board could make a better collective contribution to overseeing the affairs of the Corporation.

#### **16. Board Compensation**

The Board will review director compensation annually.

#### **17. Annual Evaluation of the President and the Chief Executive Officer**

The Board will conduct an annual performance review of the President and the Chief Executive Officer and other executive officers of the Corporation. The results of this performance review will be communicated to the President and the Chief Executive Officer by the Chair. The Board will annually determine the compensation of the Chief Executive Officer and other executive officers.

**18. Outside Advisors for Individual Directors**

Occasionally, a director may need the services of an advisor to assist with matters involving responsibilities as a director. A director who wishes to engage an outside advisor at the expense of the Corporation may do so with the authorization of the Chair of the Board.

**19. Conflict of Interest**

- (a) Directors have a duty to act honestly and in good faith with a view to the best interests of the Corporation and to exercise the care, diligence and skill a reasonably prudent person would exercise in comparable circumstances.
- (b) Directors shall not allow personal interests to conflict with their duties to the Corporation and shall avoid and refrain from involvement in situations of conflict of interest.
- (c) A director shall disclose promptly any circumstances such as an office, property, a duty or an interest, which might create a conflict with that director’s duty to the Corporation.
- (d) A director shall disclose promptly any interest that director may have in an existing or proposed contract or transaction of or with the Corporation.
- (e) The disclosures contemplated in paragraphs (c) & (d) above shall be immediate if the perception of a possible conflict of interest arises during a meeting of the Board or any committee of the Board, or if the perception of a possible conflict arises at another time then the disclosure shall occur at the first Board meeting after the director becomes aware of the potential conflict of interest.
- (f) A director’s disclosure to the Board shall disclose the full nature and extent of that director’s interest either in writing or by having the interest entered in the minutes of the meeting of the Board.
- (g) A director with a conflict of interest or who is capable of being perceived as being in conflict of interest vis-à-vis the Corporation shall abstain from discussion and voting by the Board or committee of the Board on any motion to recommend or approve the relevant contract of transaction unless the contract or transaction is an arrangement by way of security for obligations undertaken by the director for the benefit of the Corporation or one relating primarily to the director’s remuneration or benefits. If the conflict of interest is obvious and direct, the director shall withdraw while the item is being considered.
- (h) Without limiting the generality of “conflict of interest” it shall be deemed a conflict of interest if a director, a director’s relative, a member of the director’s household has a direct or indirect financial interest in, or obligation to, or is a party to a proposed or existing contract or transaction with the Corporation.
- (i) Directors shall not engage in activities or accept appointments or election to office in any organization or association the activities of which are, or may be perceived to be, in conflict with activities of the Corporation or an embarrassment to the Corporation.
- (j) Directors shall not use information obtained as a result of acting as a director for personal benefit or for the benefit of others.
- (k) Directors shall maintain the confidentiality of all information and records obtained as a result of acting as a director.

**20. Terms of Reference Review**

These Terms of Reference shall be reviewed and approved by the Board each year after the annual shareholder meeting of the Corporation.

**Directorships**

The following directors of the Corporation are directors of other reporting issuers:

<u>Name</u>	<u>Name of Reporting Issuer</u>
Steven Mintz	22 Capital Corp. Everton Resources Inc. Portage Biotech Inc. Mooncor Oil & Gas Corp.
D. Campbell Deacon	PetroMaroc Corporation PLC

### **Orientation and Continuing Education**

Given the nature of the business of the Corporation, each member of the board takes it upon himself to keep informed about changes within the Corporation and the regulatory environment through activities including, but not limited to, independent research and updates from counsel.

The introduction and education process will be reviewed on an annual basis by the Board and will be revised as necessary.

### **Ethical Business Conduct**

The Board has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation, the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation.

Under corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In addition, as some of the directors of the Corporation also serve as directors and officers of other companies engaged in similar business activities, directors must comply with the conflict of interest provisions of the CBCA, as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors, which evoke such a conflict.

### **Nomination of Directors**

The Board has not appointed a nominating committee. As a result of the Corporation's size, its stage of development as a recently graduated Capital Pool Company and the limited number of individuals on the Board, the Board considers a nominating committee to be inappropriate at this time.

### **Compensation**

The Board has appointed the Compensation and HR Committee, and its functions are outlined in greater detail above under the heading "*Executive Compensation - Oversight and Description of Director and Neo Compensation*".

### **Other Board of Directors Committees**

The Corporation has no other standing committees at this time other than the Audit Committee, and the Compensation and HR Committee, as discussed above.

### **Assessments**

The Board has not yet implemented a process for assessing its effectiveness. As a result of the Corporation's size, its stage of development and the limited number of individuals on the Board, the Board considers a formal assessment process to be inappropriate at this time. The Board plans to continue evaluating its own effectiveness on an ad hoc basis.

The Board does not formally assess the performance or contribution of individual directors or committee members.

## Schedule "A"

### Compensation and Human Resources Committee

#### COMPOSITION

- The compensation and human resources committee (the "Committee") will be comprised of a minimum of three directors, all of whom must be unrelated directors who are not officers of the Company or any of its affiliates (other than a non-executive Chair).
- The Board of Directors will appoint the members of the Committee annually at the first meeting of the Board after the annual general meeting of shareholders.
- Committee members will be appointed for a one year term and may be reappointed subject to the discretion of the Board having regard to the desire for continuity and for periodic rotation of Committee members.
- One of the members who is not an executive officer or full-time employee shall be appointed Committee Chair by the Board of Directors.

#### AUTHORITY

- The Board of Directors will establish the mandate and define the authority of the Committee.
- The Committee may retain persons having special expertise to assist the Committee in fulfilling its responsibilities.

#### MEETINGS

- The Committee will meet at least twice a year. Meetings will be scheduled to facilitate the annual review of salaries, the award of bonuses, the approval of stock options and shares issuable pursuant to the Company's share purchase plan, if any, and all other aspects relating to compensation and human resource issues affecting the Company all of which will be subject to Board approval. Additional meetings will be held as deemed necessary by the Committee Chair.
- Meetings of the Committee shall be validly constituted if a majority of the members of the Committee are present in person or by telephone conference.

#### REPORTING

- The minutes of all meetings of the Committee will be provided to the Board of Directors. Oral reports by the Chair on recent matters not yet minuted will be provided to the Board at its next meeting. Minutes of all Committee meetings will be subsequently reviewed and approved by the Committee.
- Supporting schedules and information reviewed by the Committee will be available for examination by any director upon request to the Secretary of the Committee.

#### ROLE

- The role of the Committee is to:
  - ensure that the compensation policy and philosophy supports the Company's strategic objectives;
  - ensure that incentive programs are designed to motivate senior managers to achieve or exceed corporate objectives and to enhance shareholder value;

- ensure that the compensation decisions of senior managers are not self-serving and that there is reasonable consistency in the application of the compensation policy. Note: it is not the role of the Committee to examine the details of bonus formulae, or the performance of individuals and related salary increases, except for the five most senior executive officers. The Committee may question apparent gross discrepancies and seek clarification as to how the policy has been applied, but it will leave detailed administration of compensation matters for persons other than the five most senior executive officers.
- review National Policy 58-201 entitled “Corporate Governance Guidelines” a copy of which is attached hereto as Schedule “A” to ensure that the Committee complies with the principles thereof that address compensation and human resource matters including sections 3.15, 3.16 and 3.17 of Schedule B and ensuring that the Company complies with Form 58-101F1 entitled “Corporate Governance Disclosure” a copy of which is attached hereto as part of Schedule A.

## **RESPONSIBILITIES**

- The Committee is responsible for:
  - at the beginning of each fiscal year, setting the envelope for aggregate bonuses for the forthcoming year for all senior executive officers including the approval of all Executive Bonus Plans.
  - setting the compensation of the Chairman of the Board, if any, and the fees to be paid, shares and deferred share units to be owned or options or other rights to be granted to Directors and members of committees of the Board;
  - reviewing the performance of the senior executive officers annually or more frequently if deemed necessary by the Committee. Setting the senior executive officer’s compensation comprising salary, bonus and any other incentive compensation for the senior executive officers. In consultation with the Chief Executive Officer establishing his personal objectives (including corporate objectives) which the Chief Executive Officer is responsible for meeting for the following year;
  - reviewing the performance and approving the compensation, including salaries, bonuses and other incentives, of executive officers of the Company and the heads of each subsidiary or division, on the recommendation of the Chief Executive Officer;
  - developing and documenting the compensation policy and philosophy of the Company and any changes thereto for approval by the Board of Directors to enable the Company to recruit, retain, and motivate performance-oriented executives so that their interests are aligned with the interests of the Company and its shareholders;
  - approving fringe benefit programs on the recommendation of the Chief Executive Officer;
  - establishing and administering incentive compensation programs and monitoring their effectiveness;
  - establishing and administering the stock option program and the share purchase plan and approving amendments thereto, all subject to the approval of the Board of Directors;
  - reviewing the Statement of Executive Compensation required to be prepared under applicable corporate and securities legislation and regulation including the disclosure concerning members of the Committee and settling the reports required to be made by the Committee in any document required to be filed with a regulatory authority and/or distributed to shareholders.
  - at the request of the Chief Executive Officer, reviewing any other matter affecting the hiring, terms of employment and dismissal of employees, including the terms of employment contracts.
- The Chair Board of Directors, in consultation with the Chair of the Committee, will periodically review the effectiveness of the Committee and the performance of each Committee member.