

CHAR TECHNOLOGIES LTD.

NOTICE

AND

MANAGEMENT INFORMATION CIRCULAR

FOR THE

ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON

MARCH 21, 2019

CHAR TECHNOLOGIES LTD.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT the annual and special meeting (the “**Meeting**”) of the holders of common shares (“**Common Shares**”) of Char Technologies Ltd. (the “**Corporation**”) will be held at Gracious Living Corporation, 7200 Martin Grove Road, Woodbridge, Ontario, L4L 9J3, at 10:00 a.m. (Toronto time) on March 21, 2019, for the following purposes:

1. to receive the Corporation’s audited financial statements for the year ended September 30, 2018 and 2017, together with the auditor’s report thereon;
2. to elect the board of directors (the “**Board**”) of the Corporation for the ensuing year;
3. to appoint the auditors of the Corporation for the ensuing year and to authorize the Board to fix the auditor’s remuneration;
4. to re-approve the incentive stock option plan of the Corporation; and
5. to transact such further and other business as may properly come before the Meeting or any adjournment or adjournments thereof.

The record date for the determination of shareholders entitled to receive notice of and to vote at the Meeting is February 12, 2019 (the “Record Date”). Shareholders of the Corporation whose names have been entered in the register of shareholders at the close of business on that date will be entitled to receive notice of and to vote at the Meeting.

A registered shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting or any adjournment thereof in person are requested to date, execute and return the accompanying form of proxy for use at the Meeting or any adjournment thereof. To be effective, the enclosed proxy must be mailed so as to reach or be deposited with TSX Trust Company, 100 Adelaide Street West, Suite 301, Toronto, Ontario, M5H 4H1, not later than 10:00 a.m. (Toronto time) on Tuesday, March 19th, 2019 or if the Meeting is adjourned not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Ontario) prior to the time set for the Meeting or any adjournment thereof.

The persons named in the enclosed form of proxy are each a director and/or officer of the Corporation. Every shareholder has the right to appoint a person or company (who need not be a shareholder) to represent the shareholder at the Meeting other than the persons designated in the enclosed form of proxy. If the shareholder wishes to appoint a person or company other than the persons whose names are designated in the form of proxy, they may do so by inserting the name of the shareholder’s chosen proxyholder in the space provided in the form of proxy.

The instrument appointing a proxy shall be in writing and shall be executed by the shareholder or his attorney authorized in writing or, if the shareholder is a corporation, by an officer or attorney thereof duly authorized.

DATED at the City of Toronto, in the Province of Ontario, this 12th day of February, 2018.

BY ORDER OF THE BOARD OF DIRECTORS

"Andrew White"

Andrew White
Chief Executive Officer

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CHAR TECHNOLOGIES LTD.

MANAGEMENT INFORMATION CIRCULAR

ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON MARCH 21, 2019

(this information given as of February 12, 2019)

Solicitation of Proxies

This management information circular (the “**Information Circular**”) is provided in connection with the solicitation, by management of Char Technologies Ltd. (the “**Corporation**”), of proxies for the annual and special meeting of shareholders of the Corporation (the “**Meeting**”) to be held on March 21, 2019, at Gracious Living Corporation, 7200 Martin Grove Road, Woodbridge, Ontario, L4L 9J3, at 10:00 a.m. (Toronto time) and at any adjournment thereof.

Proxies will be solicited primarily by mail but may also be solicited personally, by telephone, facsimile or other means of electronic communication by the directors and/or officers of the Corporation at nominal costs. The costs of solicitation by management will be borne by the Corporation.

Pursuant to National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), arrangements have been made with clearing agencies, brokerage houses and other financial intermediaries to forward proxy solicitation materials to the beneficial owners of Common Shares. The cost of any such solicitation will be borne by the Corporation.

Appointment and Revocation of Proxies

The persons named in the enclosed form of proxy represent management of the Corporation. **Every shareholder has the right to appoint a person or company (who need not be a shareholder) to represent the shareholder at the Meeting other than the persons designated in the enclosed form of proxy.** If the shareholder wishes to appoint a person or company other than the persons whose names are designated in the form of proxy, they may do so by inserting the name of the shareholder's chosen proxyholder in the space provided in the form of proxy.

A form of proxy will not be valid for the Meeting or any adjournment thereof unless it is completed by the shareholder or by his attorney authorized in writing and delivered to TSX Trust Company, 100 Adelaide Street West, Suite 301, Toronto, Ontario, M5H 4H1, not later than 10:00 a.m. (Toronto time) on March 19, 2019, or if the Meeting is adjourned not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Ontario) prior to the time set for the Meeting or any adjournment thereof.

In addition to revocation in any other manner permitted by law, a shareholder who has given a proxy may revoke it any time before it is exercised by instrument in writing, executed by the shareholder or by his attorney authorized in writing, and deposited either at the registered office of the Corporation at any time up to and including 10:00 a.m. on the last business day preceding the day of the Meeting or any adjournment thereof at which the proxy is to be used, or with the chairman of the Meeting on the day of the Meeting or any adjournment thereof.

A shareholder attending the Meeting has the right to vote in person and, if he or she does so his or her proxy is nullified with respect to the matters such person votes upon and any subsequent matters thereafter to be voted upon at the Meeting or any adjournment thereof.

Voting of Proxies

The persons named in the enclosed form of proxy are each a director and/or officer of the Corporation, and have indicated their willingness to represent as proxy the shareholder who appoints them. Each shareholder may instruct his proxy how to vote his shares by marking the appropriate box(es) on the proxy form. The shares represented by the enclosed form of proxy will be voted or withheld from voting in accordance with the instructions of the shareholder, on any ballot that may be called for and, if the shareholder has specified a choice with respect to any matter to be acted on, the shares will be voted accordingly. **In the absence of such direction, the shares will be voted in favour of:**

1. receiving the Corporation's audited financial statements for the year ended September 30, 2018 and 2017, together with the auditor's report thereon;
2. electing the persons proposed herein as directors of the Corporation for the ensuing year;
3. appointing DMCL LLP as the auditors of the Corporation until the next annual meeting of the shareholders and authorizing the directors to fix the remuneration of the auditors;
4. re-approving the Corporation's incentive stock option plan (the "**Plan**"); and
5. transacting such further and other business as may properly come before the Meeting or any adjournment or adjournments thereof.

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 OR OTHER MATTERS THAT MAY PROPERLY COME BEFORE THE MEETING.

At the time of printing of this Information Circular, the directors and senior officers of the Corporation know of no such amendment, variation or other matters to come before the Meeting other than the matters referred to in the Notice of Meeting and this Information Circular. If any matters which are not now known to the directors and senior officers of the Corporation should properly come before the Meeting, the persons named in the accompanying form of proxy will vote on such matters in accordance with their best judgment.

Notice and Access

The Corporation has elected not to send proxy-related materials to registered holders or Beneficial Holders (as hereinafter defined) of the Common Shares using the notice-and-access delivery procedures defined under NI 54-101 and National Instrument 51-102 – *Continuous Disclosure Obligations*.

Advice to Beneficial Shareholders

The information in this section is of significant importance to public shareholders of the Corporation since most public 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**") are advised that only proxies from shareholders of record can be recognized and voted upon at the Meeting. If shares are listed in the account statement provided to the shareholder by a broker, then in almost all cases those shares will not be registered in the shareholder's name. Such shares are more likely held under the name of the broker or a broker's agent clearing house. Applicable corporate law provides that Beneficial Shareholders may request that the Beneficial Shareholder or the Beneficial Shareholder's nominee be appointed as the proxyholder for such shares. 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 which acts as nominee for many Canadian brokerage firms). Shares held by brokers or their nominees can only be voted (for or against or withheld, as applicable) upon the instructions of the Beneficial Shareholder. Without specific instructions, the brokers/nominees are prohibited from voting shares for their clients. Therefore, each Beneficial

Shareholders should ensure that voting instructions are communicated to the appropriate person held in advance of the Meeting.

The Corporation does not know whom the shares registered to CDS & Co. are held for. Therefore, Beneficial Shareholders cannot be recognized by the Corporation at the Meeting. In order to ensure that their shares are voted at the Meeting, Beneficial Shareholders should carefully follow the return instructions provided by their brokers. Often, the form of proxy supplied to Beneficial Shareholders by their brokers is identical to that provided to registered shareholders, however, its purpose is limited to instructing the brokers/registered shareholder how to vote on behalf of the Beneficial Shareholder. The majority of the brokers now delegate the job of obtaining instructions from clients and voting shares according to their client's instructions to a third party such as a corporation named Broadridge Financial Solutions, Inc. ("**Broadridge**") in Canada. Such intermediary typically mails proxy instruction forms to the Beneficial Shareholders and asks Beneficial Shareholders to return these proxy instruction forms to the sender, which may be by mail, by internet or by telephone. The sender then tabulates the results of all instructions received and then votes the shares to be voted at the Meeting according to the instructions received. A Beneficial Shareholder receiving a proxy instruction form from cannot use that proxy instruction form to vote shares at the Meeting. The proxy instruction form must be returned to the sender 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 Common Shares registered in the name of his broker (or an agent of the broker), a Beneficial Shareholder may attend at 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 proxy instruction form provided to them and return the same in accordance with the instructions provided, well in advance of the Meeting.

All references to shareholders in this Information Circular and the accompanying proxy and Notice are to shareholders of record unless specifically stated otherwise. Where documents are stated to be available for review or inspection, such items will be shown upon request to registered shareholders that produce proof of their identity.

Distribution of Securityholder Materials to Non-Objecting Beneficial Owners

These securityholder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Corporation (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions or form of proxy delivered to you.

Interest of Certain Persons in Matters to be Acted Upon

No person who has been a director or an officer of the Corporation at any time since the beginning of its last completed financial year or any associate of any such director or officer has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the meeting, except as disclosed in this Information Circular.

Voting Shares and Principal Shareholders

The Corporation is authorized to issue an unlimited number of common shares (the "**Common Shares**"). As of the date of this Information Circular 45,102,314 Common Shares were issued and outstanding. Each Common Share entitles the holder to one vote on all matters to come before the Meeting. No group of

shareholders has the right to elect a specified number of directors nor are there cumulative or similar voting rights attached to the Common Shares of the Corporation.

The directors of the Corporation have fixed February 12, 2019 as the record date (the **"Record Date"**) for determination of the persons entitled to receive notice of the Meeting. Shareholders of record as of the Record Date are entitled to vote their Common Shares except to the extent that they have transferred the ownership of any of their shares after the Record Date, and the transferees of those shares produce properly endorsed share certificates or otherwise establish that they own the shares, and demand, not later than ten (10) days before the Meeting, that their name be included in the shareholder list before the Meeting, in which case the transferees are entitled to vote their shares at the Meeting.

To the knowledge of the management of the Corporation, as of the date of this Information Circular, the only persons or companies beneficially owned, directly or indirectly, or exercised control or direction over, voting shares of the Corporation carrying more than ten percent (10%) of the voting rights attached to all shares of the Corporation are James Sbrolla who holds 5,396,606 shares representing approximately 12.0% of the voting rights attached to the outstanding shares of the Corporation (on a non-diluted basis) and Andrew White who holds 4,870,000 shares representing approximately 10.8% of the voting rights attached to the outstanding shares of the Corporation (on a non-diluted basis).

As at the date of this Information Circular, the directors and officers of the Corporation, as a group, own beneficially, directly or indirectly, and exercise control or discretion 34.3% of the outstanding shares of the Corporation.

Statement of Executive Compensation

The purpose of this section of the Information Circular is to disclose all compensation paid, payable, awarded, granted, given otherwise provided, directly or indirectly, by the Corporation, or a subsidiary of the Corporation, to each Named Executive Officer or NEO (as defined herein) in accordance with Form 51-102F6 - *Statement of Executive Compensation* ("**Form 51-102F6**").

Interpretation

National Instrument 51-102 - *Continuous Disclosure Obligations* ("**NI 51-102**") defines "**Executive Officer**" to mean, for a reporting issuer, an individual who is,

- (a) the chair, vice-chair, or president;
- (b) a vice-president in charge of a principal business unit, division or function including sales, finance or production, or
- (c) performing a policy-making function in respect of the issuer. Form 51-102F6 further defines the following:
 - (i) "**Chief Executive Officer**" or "**CEO**" means each individual who served as chief executive officer of the Company or acted in a similar capacity during the most recently completed financial year;
 - (ii) "**Chief Financial Officer**" or "**CFO**" means each individual who served as chief financial officer of the Company or acted in a similar capacity during the most recently completed financial year;
 - (iii) "**Named Executive Officers**" or "**NEOs**" means the following individuals:
 - A. each CEO;

- B. each CFO;
- C. each of the Company's three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers at the end of the most recently completed financial year and whose total salary and bonus exceeds \$150,000; and
- D. any additional individuals for whom disclosure would have been provided under (iii) except that the individual was not serving as an officer of the Company at the end of the most recently completed financial year end.

Unless otherwise stated, "**dollars**" or "**\$**" means Canadian dollars.

Named Executive Officers

The NEOs at the end of the most recently completed financial year-end are as follows:

- Andrew White, Chief Executive Officer;
- John Nicholson, President and Chief Operating Officer ("**COO**"); and
- Cindy Davis, Chief Financial Officer.

Compensation Discussion and Analysis

Compensation Discussion and Analysis describes, in accordance with NI 51-102, the compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Corporation, to each NEO. Disclosure is required to be made in relation to each Named Executive Officer, being individuals who served as the Corporation's Chief Executive Officer or Chief Financial Officer and each of the Corporation's most highly compensated executive officers or those acting in a similar capacity whose total compensation exceeded \$150,000 at the end of the most recently completed financial year. This section also identifies the objectives and material elements of compensation awarded to the NEOs and the reasons for the compensation. For a complete understanding of the executive compensation program, this Compensation Discussion and Analysis should be read in conjunction with the Summary Compensation Table and other executive compensation-related disclosure included in this Information Circular.

Elements of Executive Compensation

The executive compensation program consists primarily of the following elements: base salary, and long-term equity incentive compensation.

Base Salaries

The base salaries of executive officers are an important part of their total compensation package and are intended to reflect their respective positions, duties and responsibilities. Base salary is a visible and stable fixed component of the compensation program. On a prospective basis, the Corporation intends to continue to evaluate the mix of base salary, short-term cash-based incentive compensation and long-term incentive compensation to appropriately align the interests of executive officers with those of shareholders.

Equity-Based Compensation

Stock options are designed to motivate executives and directors to achieve positive business results and align their interests with those of the shareholders. Participants benefit only if the market value of the Corporation's Common Shares at the time of a stock option exercise is greater than the exercise price of

the stock options at the time of the relevant grant. Stock options vest in such manner as the board of directors (the “**Board of Directors**” or the “**Board**”) may determine.

The following table sets forth information in respect of the Corporation’s equity compensation plans under which equity securities of the Corporation are authorized for issuance, aggregated in accordance with all equity plans previously approved by the Corporation’s shareholders and all equity plans not approved by the Corporation’s shareholders as at September 30, 2018.

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights (#) (a)	Weighted-average Exercise Price of Outstanding Options, Warrants and Rights (\$) (b)	Number of Securities remaining available for Future Issuance under Equity Compensation Plans (excluding securities reflected in column (a)) (#) (c)
Equity compensation plans approved by security holders	2,030,000	0.19	2,372,969
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	2,030,000	0.19	2,372,969 ⁽¹⁾

Notes:

(1) Based on the figure that is 10% of the issued and outstanding Common Shares that were available for issuance under the Plan as at September 30th, 2018. As at such date there were 44,029,695 Common Shares issued and outstanding.

How the Corporation Determines Compensation

There is no compensation committee (or other Board committee performing equivalent functions) for the Corporation. The Corporation’s executive compensation decisions are administered by the Board as a whole. The Board has discretion to make decisions or to consult its own external advisors regarding compensation. The Board believes it is important to follow appropriate corporate governance practices in carrying out its responsibilities with respect to the executive compensation.

Stock Option Granting Process

The Board makes all decisions regarding individual stock option awards for all recipients pursuant to the Plan. Directors make award recommendations to the Board and the Board as a whole reviews the appropriateness of the stock option grant recommendations and accepts or adjusts these recommendations.

See “Particulars of Matters to be Acted Upon – Approval of Stock Option Plan” for a summary of the Plan which is attached to this Information Circular as Schedule “A”.

Summary Compensation Table

The following table sets out the annual and long term compensation for each of the NEOs during the financial year ended September 30, 2018 for each of the Corporation's three most recently completed financial years since September 30, 2016.

Name and Principal Position	Year Ended Sep 30	Salary(\$)	Share-based awards (\$)	Option-based awards (\$) ⁽¹⁾	Non-equity incentive plan compensation		Pension Value (\$)	All other Compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Andrew White, CEO	2018	85,000	nil	16,500	nil	nil	nil	nil	101,500
	2017	78,125	nil	nil	nil	nil	nil	nil	78,125
	2016	36,885	nil	52,280	nil	nil	nil	nil	89,165
Cindy Davis, CFO ⁽²⁾	2018	nil	nil	3,300	nil	nil	nil	24,000	27,300
	2017	nil	nil	2,736	nil	nil	nil	24,000	26,736
	2016	nil	nil	nil	nil	nil	nil	7,681	7,681
John Nicholson, President and COO ⁽³⁾	2018	nil	nil	8,250	nil	nil	nil	75,000	83,250
	2017	nil	nil	nil	nil	nil	nil	60,000	60,000
	2016	nil	nil	32,675	nil	nil	nil	25,000	57,675

Notes:

- ⁽¹⁾ The amount represents the value of stock options granted to the respective NEO. The methodology used to calculate these amounts was the Black-Scholes valuation method. This is consistent with the accounting values used in the Corporation's financial statements. The dollar value with in this column represents the total value ascribed to the stock options. The actual value of the options to the individual when exercised will depend on the market value of the stock at the time of exercise.
- ⁽²⁾ Mrs. Davis was appointed as Chief Financial Officer effective June 8, 2016. Compensation is paid to Marrelli Support Services Inc. ("**Marrelli Co.**"), a corporation of which Mrs. Davis is a senior employee. Under the terms of the agreement, a monthly fee of \$2,000 is paid to Marrelli Co. for Mrs. Davis' services as Chief Financial Officer.
- ⁽³⁾ Mr. Nicholson is President and Chief Operations Officer. Compensation is paid as a monthly fee of \$5,000 to Merko-Nicholson Inc., a corporation which Mr. Nicholson controls.

Incentive Plan Awards

Incentive stock options to purchase up to 1,320,000 Common Shares were granted to the NEOs and directors of the Corporation on August 25th, 2016, January 27th, 2017 and January 19th, 2018. The total number of Common shares reserved for issuance upon the exercise of stock options cannot exceed 10% of the Common Shares of the Corporation issued and outstanding from time to time. The allocation of the option grants was approved by the Board of Directors of the Corporation.

Outstanding share-based awards and option-based awards as at September 30, 2018

The following table sets forth all share based and option-based awards for the NEOs as at September 30, 2018.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised option (#)	Option exercise price	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Andrew White, CEO	400,000	\$0.1725	August 25, 2021	15,000	nil	nil	nil
	100,000	\$0.22	January 18, 2023	nil	Nil	Nil	nil
John Nicholson, President and COO	250,000	\$0.1725	August 25, 2021	9,375	nil	nil	nil
	50,000	\$0.22	January 18, 2023	Nil	Nil	Nil	Nil
Cindy Davis, CFO	20,000	\$0.18	January 27, 2022	600	nil	nil	nil
	20,000	\$0.22	January 18, 2023	Nil	Nil	Nil	Nil

Note:

⁽¹⁾ The value of unexercised in-the-money options is calculated as the difference between the closing price of the Corporation's common shares on the TSX Venture Exchange (the "**Exchange**") on September 28, 2018 of \$0.21, the last day prior to September 30, 2018 that trading information about the Corporation's common shares was available, and the underlying option exercise price, multiplied by the number of options outstanding. This value has not been, and may never be, realized by the director.

Incentive Plan Awards - Value Vested or Earned during the Financial Year

The following table sets forth all the incentive plan awards vested or earned for the NEOs as at September 30, 2018.

Name (a)	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 (\$)
Andrew White, CEO	16,500	nil	nil

John Nicholson, President and COO	8,250	nil	nil
Cindy Davis, CFO	3,300	nil	nil

Pension Plan Benefits

The Corporation does not have any pension plans that provide for payments or benefits at, following, or in connection with retirement or provide for retirement or deferred compensation plans.

Management Contracts

The Corporation has a management contract in place for Andrew White and has entered into independent contractor agreements with John Nicholson and Cindy Davis. The services of John Nicholson are provided through Merko-Nicholson Inc., a company which Mr. Nicholson controls. Pursuant to the agreement, the Corporation pays Merko-Nicholson Inc. for monthly services at a rate of \$5,000 per month plus HST. The agreement is open and the scope of the services provided thereunder can be revisited and altered at any time by management without penalty. Mrs. Davis was appointed as Chief Financial Officer of the Corporation on June 8, 2016. Pursuant to the agreement, a monthly fee of \$2,000 is paid to Marrelli Support Services Inc. ("**Marrelli Co.**"), a corporation of which Mrs. Davis is a senior employee, for Mrs. Davis' services as Chief Financial Officer.

Termination and Change of Control Benefits

No NEO shall be provided payment under any contract agreement, plan, or arrangement following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Corporation or a change in the NEO's responsibilities.

Director Compensation

No cash compensation was paid to the directors of the Corporation in their capacity as directors during the financial year ended 2018. The directors are eligible to receive stock options to purchase Common Shares of the Corporation.

Director Compensation Table

No Compensation was paid to the non-management directors during or in respect of the year ended September 30, 2018.

Outstanding Share-based Awards and Option-Based Awards as at September 30, 2018

The following table sets forth all share based awards for the directors as at September 30, 2018.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Ian Anderson	75,000	0.18	January 27, 2022	4,500	nil	nil	nil
	75,000	0.22	January 18, 2023	nil	nil	nil	nil
Lyle Clarke	75,000	0.18	January 27, 2022	4,500	nil	nil	nil
	75,000	0.22	January 18, 2023	nil	nil	nil	nil
James Sbrolla	75,000	0.18	January 27, 2022	4,500	nil	nil	nil
	75,000	0.22	January 18, 2023	nil	nil	nil	nil
William White	75,000	0.18	January 27, 2022	4,500	nil	nil	nil
	75,000	0.22	January 18, 2023	nil	nil	nil	nil
Eric Beutel	75,000	0.18	January 27, 2022	4,500	nil	nil	nil
	75,000	0.22	January 18, 2023	nil	nil	nil	nil
Enzo Macri	75,000	0.18	January 27, 2022	4,500	nil	nil	nil
	75,000	0.22	January 18, 2023	nil	nil	nil	nil

Note:

⁽¹⁾

The value of unexercised in-the-money options is calculated as the difference between the closing price of the Corporation's common shares on the Exchange on September 28, 2018 of \$0.21, the last day prior to September 30, 2018 that trading information about the Corporation's common shares was available, and the underlying option exercise price, multiplied by the number of options outstanding. This value has not been, and may never be, realized by the director.

Incentive Plan Awards - Value Vested or Earned during the Financial Year

No incentive plan awards were vested or earned during the financial year ended September 30, 2018.

Particulars of Matters to be Acted Upon

To the knowledge of the Corporation's directors, the only matters to be placed before the Meeting are those set forth in the accompanying Notice of Meeting relating to: (i) the receipt of the Corporation's audited financial statements for the year ended September 30, 2018 and 2017; (ii) the election of the board of directors of the Corporation for the ensuing year; (iii) the appointment of the auditors of the Corporation for the ensuing year and to authorize the Board to fix the auditor's remuneration; (iv) the re-approval of the Corporation's incentive stock option plan; and (v) transacting such further and other business as may properly come before the Meeting or any adjournment or adjournments thereof.

Election of Directors

Pursuant to the Corporation's constating documents, the board of directors may be comprised of up to ten (10) directors to be elected annually. Management proposes the re-election of six (6) directors. The following table and the notes thereto state the names of all the persons proposed to be nominated by management for election as directors, all other positions and offices with the Corporation now held by them, their principal occupations or employments, the period or periods of service as directors of the Corporation and the approximate number of voting securities of the Corporation beneficially owned, directly or indirectly, or over which control or direction is exercised by each of them as of the date hereof.

Name, Position, Province of Residence	Principal Occupation	Year Elected or Appointed Director	Common Shares Owned or Controlled
William White ⁽¹⁾ <i>Florida, U.S.A</i>	Partner, CBW Associates (business consultants) since January, 2009. Prior thereto President, Dupont.	October 2013	581,780
Eric Beutel ⁽¹⁾ <i>Ontario, Canada</i>	Vice President, Oakwest Corporation Limited (investment holding company)	March 2014	1,385,272
Ian Anderson ⁽¹⁾ <i>Ontario, Canada</i>	President, CKF Inc. (foam packaging and molded pulp product company) since June, 2009.	October 2013	943,809
James Sbrolla <i>Ontario, Canada</i>	Self-employed, Environmental Business Consultants	October 2013	5,396,606 ⁽²⁾
Lyle Clarke ⁽¹⁾ <i>Ontario, Canada</i>	President & CEO, Lyle Clarke & Associates. Prior thereto Executive Vice President at Stewardship Ontario	October 2013	523,809
Enzo Macri <i>Ontario, Canada</i>	President, Gracious Living Group	March 2014	964,026

Notes:

- (1) Indicates member of the Audit Committee.
- (2) James Sbrolla holds 5,396,606 shares representing approximately 11.9% of the voting rights attached to the outstanding shares of the Corporation (on a non-diluted basis).

William White - Chairman and Director:

Mr. White, currently a director of the Corporation, retired as the President of DuPont Canada in 2008 after 34 years with the El duPont de Nemours and Company. He joined Woodland Biofuels as COO in 2012. He is a director with Thermal Energy Corp. He was a past Chairman and director of Afexa Life Sciences, Helix BioPharma Corp. and director with Progressive Waste Management Solutions. He chairs the advisory board for the Schulich Center of Excellence for Responsible Business, a director with BioIndustrial Innovation Canada and a past Director of MaRS Discovery District. He received his Institute of Corporate Directors (ICD.D) certification in 2012. He is a graduate of Purdue University with a BSME where he chairs the Advisory Board of Mechanical Engineering

Eric Beutel – Director:

Eric Beutel, currently a director of the Corporation, is Vice President of Oakwest Corporation Limited, a Toronto based investment holding company. Eric is currently a director of The Equitable Group (EQB-T), the parent company of The Equitable Bank. Eric is also a board member of In-Touch Survey Systems (INX-V). Mr. Beutel has been in the investment industry for over thirty years. He holds an MBA degree from the University of Ottawa.

Ian Anderson – Director:

Ian Anderson, currently a director of the Corporation, is the President of CKF Inc., since June 2009. Before accepting this role, he was Executive Vice President and Chief Operating Officer. CKF Inc. is a foam packaging and molded pulp product company with five manufacturing locations across Canada. Prior to joining CKF Inc., Ian spent 30 years in the can-making industry, managing plants and businesses across the Americas and the U.K. Most recently, he was Vice President of Operations for Crown Metal Packaging Canada Inc. Ian served on the board of Stewardship Ontario, serves on the board of International Molded Fiber Association and is an active member of Foodservice Packaging Institute and Canadian Plastics Industry Association. Ian is the Vice Chair, Canadian Manufacturers and Exporters, Nova Scotia. Ian is a graduate of the Business Administration program at Mohawk College of Applied Arts & Technology, and he is a graduate of Institute of Corporate Director's Program at the Rotman School of Business at the University of Toronto, and the Queens University Finance for the Non-Financial Manager Program.

James Sbrolla – Director:

James Sbrolla, currently a director of the Corporation, is a veteran of the financial and environmental industries. His career has been focused primarily on public and private companies in the clean-technology sector. He is Chairman of Environmental Business Consultant and serves on other boards including Actual Media and HR Logic. James is also an Entrepreneur in Residence in the Business Accelerator Program at RIC Centre and MaRS. In this mentorship role, he coaches entrepreneurs and technology developers through the process of commercialization. He also is a qualified expert for the Investment Accelerator Fund and sits on the Ontario Centres of Excellence funding panel as a Cleantech domain expert. He has conducted due diligence for institutional investors and other organizations. A widely-published and often quoted journalist in business media, James has written on a variety of topics including a multi-national study on finance, the environment and sustainable development. James is a graduate of the University of Western Ontario and Wilfrid Laurier University ("WLU") and in 2011 graduated from the Institute of Corporate Director's Program at the Rotman School of Business at the University of Toronto. He is also past faculty at WLU.

Lyle Clarke – Director:

Lyle is currently a director of the Corporation and is President of Lyle Clarke & Associates, a consultancy providing strategic advice and leadership to start-ups, SMEs and Accelerators, primarily in the CleanTech sector. Lyle has broad experience providing executive leadership, organizational innovation and strategic change management through his consultancy and a variety of prior executive appointments. He is Chair

of eTracks Tire Management Systems, a member of the Spark and SOAN Angel networks, and the College of Reviewers for the Ontario Centres of Excellence. He is also a Volunteer Advisor at the Research Innovation and Commercialization (RIC) Centre in Mississauga. Past board appointments include Switchable Solutions Inc., Stewardship Ontario, and Waste Diversion Ontario, and he has served on the advisory committees for Fielding Environmental and Blue Zone Technologies. He is also a voluntary board director/Vice President of Ontario Nature.

Enzo Macri – Director:

Enzo Macri is the principal owner and co-founder of Gracious Living Corporation, with over twenty-eight (28) years of hands on involvement and experience in all aspects of the company's business including product conceptualization, development, manufacturing, sales & shipping/distribution.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE ELECTION OF THE ABOVE-NAMED NOMINEES, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT THE SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF. MANAGEMENT HAS NO REASON TO BELIEVE THAT ANY OF THE NOMINEES WILL BE UNABLE TO SERVE AS A DIRECTOR BUT, IF A NOMINEE IS FOR ANY REASON UNAVAILABLE TO SERVE AS A DIRECTOR, PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE REMAINING NOMINEES AND MAY BE VOTED FOR A SUBSTITUTE NOMINEE UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF THE ELECTION OF DIRECTORS.

To the knowledge of the Corporation no director of the Corporation (a) is, as at the date of this Information Circular, or has been, within ten (10) years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company, including the Corporation, that, (i) 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 issued while the director was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) 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 issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer, (b) is, as at the date of this Information Circular, or has been within 10 years before the date of this Information Circular, a director or executive officer of any company, including the Corporation, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, state the fact; or (c) has, within the ten (10) years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director.

Audited Financial Statements

The financial statements for the financial year ended September 30, 2018 and 2017 and the report of the auditors thereon previously made available to shareholders and posted on SEDAR at www.sedar.com will be submitted to the meeting of shareholders. Receipt at such meeting of the auditors' report and the Corporation's financial statements for this financial period will not constitute approval or disapproval of any matters referred to therein.

Appointment of Auditors

Shareholders are being asked to re-appoint DMCL LLP to act as auditors of the Corporation until the next annual meeting of shareholders and to authorize the board of directors of the Corporation to fix the remuneration of the auditor. DMCL LLP were first appointed as auditors for the Corporation on December 12th, 2018.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPOINTMENT OF DMCL LLP, AS AUDITORS OF THE CORPORATION TO HOLD OFFICE UNTIL THE NEXT ANNUAL MEETING OF SHAREHOLDERS AND THE AUTHORIZATION OF THE DIRECTORS TO FIX THE AUDITORS' REMUNERATION UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF THE APPOINTMENT OF DMCL LLP.

Special Business

Re-Approval of Stock Option Plan

Pursuant to Policy 4.4 – Incentive Stock Options (“**Policy 4.4**”) of the Exchange (as defined above), all Exchange listed companies are required to receive annual approval for a rolling stock option plan. The Plan was first adopted by the directors of the Corporation on November 13, 2013, amended December 3, 2013 and made effective after the Corporation’s initial public offering on January 7, 2014. The Plan was most recently approved by the shareholders of the Corporation on March 27, 2018. 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 in the share capital of the Corporation, thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation and furnishing them with additional incentive in their efforts on behalf of the Corporation in the conduct of its affairs. A copy of the Plan is attached as Schedule “A” to this Information Circular.

In summary, the terms of the Plan authorize the Board to grant stock options to optionees on the following terms:

The number of Common Shares which may be reserved for issuance under the Plan may not at any time exceed 10% of the issued and outstanding shares of the Corporation. No single Participant may be granted options to purchase a number of Common Shares equaling more than 5% of the issued Common Shares of the Corporation in any one twelve month period unless the Corporation has obtained disinterested shareholder approval in respect of such grant and meets applicable Exchange requirements. The option price of any Common Shares cannot be less than the greater of: (i) \$0.10 and (ii) the market price of the shares, less any allowable discount (“**Discounted Market Price**”). Options granted under the Plan may be exercised during a period not exceeding ten (10) years, subject to earlier termination upon the termination of the optionee’s employment, upon the optionee ceasing to be an employee, senior officer, director or consultant of the Corporation or any of its subsidiaries, as applicable, or upon the optionee retiring, becoming permanently disabled or dying. The options are non-transferable. The Plan contains provisions for adjustment in the number of shares issuable thereunder in the event of a subdivision, consolidation, reclassification or change of the Common Shares, a merger or other relevant changes in the Corporation’s capitalization. The Plan does not contain any provision for financial assistance by the Corporation in respect of options granted.

Management recommends the approval of the Plan. To be effective, the Plan must be approved by not less than a majority of the votes cast by the holders of Common Shares present in person, or represented by proxy, at the Meeting.

UNLESS OTHERWISE INDICATED, THE PERSONS DESIGNATED AS PROXY HOLDERS IN THE ACCOMPANYING FORM OF PROXY WILL VOTE THE COMMON SHARES REPRESENTED BY SUCH FORM OF PROXY, PROPERLY EXECUTED, FOR THE APPROVAL OF THE PLAN.

Accordingly, the shareholders of the Corporation will be asked to consider and, if deemed appropriate, to pass with or without variation, an ordinary resolution, subject to such amendments, variations or additions as may be approved at the Meeting, to approve the Plan attached to this Information Circular as Schedule “A”.

Audit Committee

National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”) requires that certain information regarding the audit committee of a “venture issuer” (as that term is defined in NI 52-110) be included in this Information Circular sent to shareholders in connection with this annual Meeting.

Audit Committee Charter

The Corporation's Audit Committee is governed by an audit committee charter (the “**Audit Committee Charter**”). A copy of the Audit Committee Charter is attached to this Information Circular as Schedule “B”.

Composition of the Audit Committee

The current members of the Audit Committee are Lyle Clarke, William White, Ian Anderson and Eric Beutel. Each member is “independent” and each member is “financially literate” within the meaning of NI 52-110.

Relevant Education and Experience

Each Audit Committee member has education and experience that is relevant to the performance of his responsibilities as an Audit Committee member. The education or experience of each member provides them with:

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

A description of each Audit Committee member's education and experience is provided in the “Election of Directors” section of this Information Circular.

Audit Committee Oversight

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

Pre-Approval Policies and Procedures

The Audit Committee must, prior to the provision of services, approve any non-audit services to be provided to the Corporation and/or any of its subsidiaries by the independent auditor of the Corporation and the fees associated with those services.

Audit Fees

The following table provides detail in respect of audit, audit related, tax and other fees paid by the Corporation to the external auditors for professional services provided to the Corporation and its subsidiaries:

	Year ended September 30, 2018
Audit fees paid	\$45,000
Audit-related fees	\$39,500
Tax fees	\$7,500
Other fees	\$2,500

Audit Fees: Audit fees were paid for professional services rendered by the auditors for the audit of the Corporation's annual financial statements as well as services provided in connection with statutory and regulatory filings.

Audit-Related Fees: Audit-related fees were paid for professional services rendered by the auditors and were comprised primarily of the review of quarterly financial statements and prospectus-related services.

Tax Fees: Tax fees were paid for tax compliance, tax advice and tax planning professional services. These services included reviewing tax returns and assisting in responses to government tax authorities.

All Other Fees: Fees such as those payable for professional services which include accounting advice and advice related to relocating employees.

Exemption

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

Corporate Governance

The Corporation's disclosure of corporate governance practices pursuant to National Instrument 58-101 – *Disclosure of Corporate Governance Practices ("NI 58-101")* is set out below in the form required by Form 58-101F2 – *Corporate Governance Disclosure (Venture Issuers)*.

Board of Directors

The Board of Directors is responsible for the stewardship of the Corporation and for the supervision of management to protect shareholder interests. The Board oversees the development of the Corporation's strategic plan and the ability of management to continue to deliver on the corporate objectives.

The Board is currently composed of six (6) directors, all of whom are standing for re-election. The Board believes that six (6) are all independent directors. The Corporation does not have any shareholder who qualifies as a "significant shareholder", being a shareholder with the ability to exercise a majority of the votes for the election of the Board.

All of the current directors of the Corporation are standing for re-election. The Board consists William White, Eric Beutel, Ian Anderson, James Sbrolla, Lyle Clarke and Enzo Macri.

Directorships

The following directors are also directors of the reporting issuers listed below:

Director or Proposed Nominee	Reporting Issuer	Exchange
Eric Beutel ⁽¹⁾	In-Touch Survey Systems Ltd.	TSXV
	Equitable Group Inc.	TSX
William White ⁽¹⁾	Thermal Energy Corp.	TSXV

Notes:

⁽¹⁾ Members of the Audit Committee.

Orientation and Continuing Education

The Corporation does not have an orientation and education program for new board members. Prospective board members are invited to the Corporation's annual general meeting, and the presentation and discussion of the Corporation's business thereat provides a sufficient overview of the Corporation's risk factors and strategic objectives.

Ethical Business Conduct

The entire Board is responsible for developing the Corporation's approach to governance issues. The Board has reviewed this Corporate Governance disclosure and concurs that it accurately reflects the Corporation's activities.

Nomination of Directors

The entire Board is responsible for proposing new nominees to the Board. They select individuals with the desired background and qualifications, taking into account the needs of the Board at the time. A majority of directors must agree to any new nominees to encourage an objective nomination process.

Other Board Committees

The Corporation has no other committees other than the Audit Committee.

Assessments

The Board does not feel it is necessary to establish a committee to assess the effectiveness of individual Board members. Each Board member has considerable experience in the guidance and management of public companies and this is sufficient to meet the current needs of the Corporation.

Indebtedness of Directors and Officers

There is not as of the date hereof, and has not been since the beginning of the Corporation's last completed financial year, any indebtedness owing to the Corporation by the directors and senior officers of the Corporation or any of their associates or affiliates. There is not as of the date hereof, and has not been since the beginning of the Corporation's last completed financial year, any indebtedness owed to another entity, which is subject to a guarantee, support agreement, letter of credit, other similar arrangements or understanding provided by the Corporation or any of its subsidiaries.

Interest of Informed Persons in Material Transactions

Other than as disclosed in this Information Circular, no “informed person” (as such term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations*) of the Corporation or any associate or affiliate of the foregoing has any material interest, direct or indirect, in any transaction in which the Corporation has participated since the commencement of the Corporation’s most recently completed financial year or in any proposed transaction which has materially affected or will materially affect the Corporation.

Other Business

Management is not aware of any matters to come before the meeting other than those set out in the Notice of Meeting. If other matters come before the Meeting it is the intention of the individuals indicated in the form of proxy to vote the same in accordance with their best judgment in such matters.

Additional Information

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. The Company’s financial information is provided in the Company’s comparative financial statements and related management discussion and analysis for its most recently completed financial year and may be viewed on the SEDAR website at the location noted above. Shareholders of the Company may request copies of the Company’s financial statements and related management discussion and analysis by contacting the Secretary of the Corporation at 2425 Matheson Boulevard East, 8th Floor Mississauga, Ontario L4W 5K4.

Approval and Certification

The contents of this Information Circular, and the sending thereof to each director of the Corporation, to the auditor of the Corporation, to the shareholders of the Corporation, and to the appropriate governmental agencies have been approved by the directors of the Corporation.

DATED at the City of Toronto, in the Province of Ontario, this 12th day of February, 2019.

CHAR TECHNOLOGIES LTD.

“Andrew White”

Andrew White
Chief Executive Officer

SCHEDULE A

STOCK OPTION PLAN

CHAR TECHNOLOGIES LTD.

UPDATED STOCK OPTION PLAN

1. **INTERPRETATION:** for the purposes of this Plan, the following terms shall have the following meanings:

- (a) **“affiliated entity”** means, for the Company, a person or company that controlled by the Company or that is controlled by the same person or company that controls the Company;
- (b) **“associate”** when used to indicate a relationship with a person or company, means
 - (i) an issuer of which the person or company beneficially owns or controls, directly or indirectly, voting securities entitling the person or company to more than 10% the voting rights attached to outstanding voting securities of the issuer,
 - (ii) any partner of the person or company
 - (iii) any trust or estate in which the person or company has a substantial beneficial interest or in respect of which the person or company serves a trustee or in a similar capacity
 - (iv) in the case of a person, a relative of that person, including
 - (i) a spouse of that person, or
 - (ii) a relative of that person’s spouse if the relative has the same home as that person;
- (c) **“Board”** means the board of directors of the Company;
- (d) **“Company”** means CHAR Technologies Ltd.;
- (e) **“Completion of the Qualifying Transaction”** means the date the Final Exchange Bulletin is issued by the Exchange;
- (f) **“Consultant”** means, for the Company, a person or company, other than an employee, senior officer, or director of the Company that
 - (i) is engaged to provide services to the Company or an affiliated entity of the Company, other than services provided in relation to a distribution,
 - (ii) provides the services under written contract with the Company or an affiliated entity of the Company, and
 - (iii) spends or will spend a significant amount of time and attention on the affairs and business of the Company or an affiliated entity of the Company

and includes, for an individual consultant, a company of which the individual consultant is an employee or shareholder, and a partnership of which the individual consultant is an employee or partner;

(g) **"CPC"** means a corporation:

(i) that has filed and obtained a receipt for a preliminary prospectus from securities regulatory authorities in compliance with Exchange Policy 2.4 Capital Pool Companies, and

(ii) in regard to which the Final Exchange Bulletin has not yet been issued;

(h) **"Discounted Market Price"** means, the Market Price less a discount, which shall not exceed the amount set forth below, subject to a minimum price of \$0.05 for share issuances and a minimum exercise price of \$0.10 for Warrants and incentive stock options:

Closing Price	Discount
Up to \$0.50	25%
Up to \$0.51 to \$2.00	20%
Above \$2.00	15%

(i) **"Eligible Person"** means,

(i) an employee, senior officer, director or Consultant of the Company or of an affiliated entity of the Company;

(j) **"Exchange"** means the TSX Venture Exchange;

(k) **"Final Exchange Bulletin"** means the Exchange Bulletin issued following closing of the Qualifying Transaction and the submission of all required documentation;

(l) **"Insider"** is used in relation to the Company, mean

(i) a director or senior officer of the Company

(ii) every director or senior officer of a company that is itself an insider or subsidiary of the Company,

(iii) any person or company who beneficially owns , directly, voting securities of the Company or who exercises control or direction over voting securities of the Company or a combination of both carrying more than 10% of the voting rights attaching to all voting securities to the Company for the time being outstanding other than voting securities held by the person or company as an underwriter in the course of a distribution, or

(iv) the Company itself if it holds any of its own securities;

(m) **"Investor Relations Activities"** means any activities or communications, by or on behalf of the issuer or a security holder of the issuer, that promote or could reasonably be expected to promote the purchase or sale of securities of the issuer, but does not include

(i) the dissemination of information or preparation of records in the ordinary course of the business of the issuer:

(i) to promote the sale of products or services of the issuer, or

- (ii) to raise public awareness of the issuer

that cannot reasonably be considered to promote the purchase or sale of securities of the issuer, or

- (ii) activities or communications necessary to comply with the requirements of:

- (i) securities legislation or securities directions of any jurisdiction of Canada or the securities laws of any foreign jurisdiction governing the issuer, and the policies, notices, instruments and blanket orders in force from time to time that are applicable to an issuer.

- (ii) any exchange or market on which the issuer's securities trade, the by-laws, rules or other regulatory instruments of any other self regulatory body or exchange having jurisdiction over the issuer; or

- (iii) communications by a publisher of, or writer for, a newspaper, a magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchase of it, if:

- (i) the communication is only through the newspaper, magazine, or publication, and

- (ii) 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.

- (n) **"Market Price"** shall have the meaning ascribed to such term in Section 7(a);

- (o) **"Option"** means an option to purchase Shares granted to an Eligible Person pursuant to the terms of the Plan;

- (p) **"Participant"** means Eligible Persons to whom Options have been granted;

- (q) **"Plan"** means this Stock Option Plan of the Company;

- (r) **"Qualifying Transaction"** means a transaction as defined in Exchange Policy 2.4 Capital Pool Companies;

- (s) **“Related Person”** for the Company, means:
 - (i) a director or senior officer of the Company or of an affiliated entity of the Company,
 - (ii) an associate of a director or senior officer of the Company or of an affiliated entity of the Company,
 - (iii) a permitted assign of a director or senior officer of the Company or of an affiliated entity of the Company;
- (t) **“Resulting Issuer”** means the Company as it may exist upon completion of its Qualifying Transaction and issuance of the Final Exchange Bulletin;
- (u) **“Share Compensation Arrangement”** means any stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares, including a share purchase from treasury which is financially assisted by the Company by way of a loan, guarantee or otherwise;
- (v) **“Shares”** means the common shares of the Company;
- (w) **“Senior officer”** means,
 - (i) a chair or vice-chair of the board of directors, the president, a vice president, the secretary, the treasurer or the general manager of a company or any other individual who performs functions for the Company similar to those normally performed by an individual occupying any such office, and
 - (ii) each of the five highest paid employees of the Company, including any individual referred to in clause (i);
- (x) **“Subsidiary”** a company is a subsidiary of another company if,
 - (i) it is controlled by,
 - (i) that other, or
 - (ii) that other and one or more companies each of which is controlled by that other, or
 - (iii) two or more companies each of which is controlled by that other, or
 - (ii) it is subsidiary of a company that is that other’s subsidiary;

Words importing the singular number only shall include the plural and vice versa and words importing the masculine shall include the feminine.

This Plan and all matter which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

2. **PURPOSE:** The purpose of this Plan is to encourage ownership of the Shares by employees, directors, senior officers and Consultants of the Company and its Subsidiaries, who are primarily responsible for the management and profitable growth of its business and to advance the interests of the Company by providing additional incentive for superior performance by such persons and to enable the Company and its Subsidiaries to attract and retain valued employees, directors, senior officers, and Consultants.

3. **ADMINISTRATION:** The Plan shall be administered by the Board. Subject to the limitations of the Plan, the Board shall have the authority:

- (a) to grant options to purchase Shares to Eligible Persons;
- (b) to determine the terms, limitations, restrictions and conditions respecting such grants;
- (c) to interpret the Plan and to adopt, amend and rescind such administrative guidelines and other rules and regulations relating to the Plan as it shall from time to time deem advisable, and
- (d) to make all other determinations and to take all other actions in connection with the implementation and administration of the Plan as it may deem necessary or advisable.

The Board's guidelines, rules, regulations, interpretations and determinations shall be conclusive and binding upon the Company and all other persons.

4. **SHARES SUBJECT TO THE PLAN:** The maximum number of Shares which may be reserved and set aside for issue under this Plan shall not exceed ten percent (10%) of the number of issued and outstanding shares, from time to time, provided that the Board shall have the right, from time to time, to increase such maximum number subject to the approval of the shareholders of the Company.

Any Shares subject to an Option which for any reason is cancelled or terminated without having been exercised shall again be available for grants under the Plan. No fractional Shares shall be issued, and the Board may determine the manner in which fractional share value shall be treated.

5. **PARTICIPATION:** Options shall be granted under the Plan only to Eligible Persons designated from time to time by the Board and shall be subject to the approval of such regulatory authorities as may have jurisdiction.

6. **LIMITS WITH RESPECT TO RELATED PERSONS AND OTHERS:**

- (a) The maximum number of Shares which may be reserved for issuance to Related Persons under the Plan shall not exceed 10% of the Shares outstanding at the time of the grant (on a non-diluted basis) less the aggregate number of Shares reserved for issuance to Related Persons under any other Share Compensation Arrangement, unless the Company obtained the requisite disinterested shareholder approval and Exchange approval.
- (b) The maximum number of Shares which may be issued to Related Persons under the Plan within a twelve month period shall not exceed 10% of the Shares outstanding at the time of the issuance (on a non-diluted basis), unless the Company obtained the requisite disinterested shareholder approval.
- (c) The maximum number of Shares which may be reserved for issuance to any one Related Person under the Plan shall not exceed 5% of the Shares outstanding at the time of the grant (on a non-diluted basis) less the aggregate

number of Shares reserved for issuance to the Related Person under any other Share Compensation Arrangement, unless the Company obtained the requisite disinterested shareholder approval.

- (d) The maximum number of Shares which may be issued to any one Individual under the Plan within a twelve month period shall not exceed 5% of the Shares outstanding at the time of the issuance (on a non-diluted basis), unless the Company obtained the requisite disinterested shareholder approval.
- (e) The maximum number of Shares which may be issued to any one Consultant under the Plan within a twelve month period shall not exceed 2% of the Shares outstanding at the time of issuance (on a non-diluted basis).
- (f) The aggregate maximum number of Shares which may be issued to all employees and consultants conducting Investors Relations Activities under the Plan within a twelve month period shall not exceed in the aggregate 2% of the Shares outstanding at the time of the issuance (on a non-diluted basis).

7. **TERMS AND CONDITIONS OF OPTIONS:** The terms and conditions of each option granted under the Plan (an "Option") shall include the following, as well as such other provisions, not inconsistent with the Plan, as may be deemed advisable by the Board including those contained in any stock option agreement entered into between the Company and a Participant:

- (a) *Option Price:* The option price of any Shares in respect of which an Option may be granted shall be fixed by the Board but shall be not less than the Discounted Market Price of the Shares at the time the Option is granted. For the purpose of this subparagraph 7(a), "Market Price" shall be deemed to be the closing price as reported by the TSX Venture Exchange upon which the Shares are listed or other published market upon which the Shares are quoted or traded, on the day immediately preceding the day upon which the Option is granted, or if not so traded, the average between the closing bid and asked prices thereof as reported for the day immediately preceding the day upon which the Option is granted. In the resolution allocating any Option, the Board may determine that the date or dates of the vesting of the Option shall be a future date or dates determined in the manner specified in such resolution. The Board may also determine that the option price per share may escalate at a specified rate dependent upon the date on which any Option may be exercised by the Participant.
- (b) *Payment:* The full purchase price of Shares purchased under an Option shall be paid in cash or certified funds upon the exercise thereof, and upon receipt of payment in full, but subject to the terms of the Plan, the number of Shares in respect of which the Option is exercised shall be duly issued as fully paid and non-assessable. A holder of an Option shall have none of the rights of a shareholder until the Shares are issued to him.
- (c) *Term of Option:* Options may be granted under this Plan exercisable over a period not exceeding five (5) years. Each Option shall be subject to earlier termination as provided in subparagraph 7(e).

- (d) *Exercise of Option:* Subject to the provisions contained in subparagraph 7(e), no Option may be exercised unless the Participant is then an Eligible Person. This Plan shall not confer upon the Participant any right with respect to continuation of employment by the Company. Absence on leave approved by an officer of the Company or of any Subsidiary authorized to give such approval shall not be considered an interruption of employment for any purpose of the Plan. Subject to the provisions of the Plan, an Option may be exercised from time to time by delivery to the transfer agent of the Company at Toronto of written notice of exercise specifying the number of Shares with respect to which the Option is being exercised and accompanied by payment in full of the purchase price of the Shares then being purchased.
- (e) *Termination of Options:* Any Option granted pursuant hereto, to the extent not validly exercised, will terminate on the earlier of the following dates:
- (i) the date of expiration specified in the Option agreement or in the resolution of the Board granting such Option, as the case may be, being not more than five (5) years after the date upon which the Option was granted;
 - (ii) ninety (90) days after the Participant ceases to be an Eligible Person, other than by reason of retirement, permanent disability or death. Without limitation, and for greater certainty only, this provision will apply regardless of whether the Participant was dismissed with or without cause and regardless of whether the Participant received compensation in respect of dismissal or was entitled to a period of notice of termination which would otherwise have permitted a greater portion of the Option to vest with the Participant;
 - (ii) one hundred and eighty (180) days after the date of the death of the Participant during which period the Option may be exercised by the Participant's legal representative or the person or persons to whom the deceased Participant's rights under the Option shall pass by will or the applicable laws of descent and distribution, and only to the extent the Participant would have been entitled to exercise the Option on the date of death;
 - (iii) thirty (30) days after the Participant who is involved in Investor Relations Activities ceases to be employed to provide Investor Relations Activities, other than by reason of retirement, permanent disability or death. Without limitation, and for greater certainty only, this provision will apply regardless of whether the Participant was dismissed with or without cause and regardless of whether the Participant received compensation in respect of dismissal or was entitled to a period of notice of termination which would otherwise have permitted a greater portion of the Option to vest with the Participant;
 - (iv) ninety (90) days after termination of the Participant's employment by reason of permanent disability or retirement under any retirement plan of the Company or any Subsidiary, during which ninety (90) day period the Participant may exercise the Option to the extent he was entitled to exercise it at the time of such termination, provided that if the Participant shall die within such ninety (90) day period, then such right shall be extended to ninety (90) days following the date of death of the Participant and shall be exercisable only by the persons described in clause 7(e)(iii) hereof and only to the extent therein set forth; and

- (v) notwithstanding clauses 7(e)(ii), (iii), (iv), and (v), in respect of a Participant who is an Eligible Person immediately prior to completion by the Company of its Qualifying Transaction, the later of (i) 12 months after the completion of the Qualifying Transaction; and (ii) the earlier of, the applicable date set out in clauses 7(e)(i), (ii), (iii), (iv) and (v), as the case may be.
- (f) *Nontransferability of Stock Option:* No Option shall be transferable and assignable by the Participant other than by will or the laws of descent and distribution and such Option shall be exercisable during his lifetime only by the Participant.
- (g) *Bona Fide Grant:* The Company shall make all necessary representations to the applicable regulatory authority and to any stock exchanges on which the Shares are listed that, any Options granted under this Plan shall be to a bona fide Eligible Person.
- (h) *Applicable Laws or Regulations:* The Plan, the grant and exercise of Options hereunder and the Company's obligation to sell and deliver Shares upon exercise of Options shall be subject to all applicable federal, provincial and foreign laws, rules and regulations, the rules and regulations of any stock exchange on which the Shares are listed for trading and to such approvals by any regulatory or governmental agency as may, in the opinion of counsel to the Company, be required. The Company shall not be obligated by any provision of the Plan or the granting of any Option hereunder to issue or sell Shares in violation of such laws, rules and regulations or any condition of such approvals. No Option shall be granted and no Shares issued or sold hereunder where such grant, issue or sale would require registration of the Plan or the Shares under the securities laws of any foreign jurisdiction and any purported grant of any Option or issue or sale of Shares hereunder in violation of this provision shall be void. In addition, the Company shall have no obligation to issue any Shares pursuant to the Plan unless such Shares shall have been duly listed, upon official notice of issuance, with all stock exchanges on which the Shares are listed for trading. Shares issued and sold to Participants pursuant to the exercise of Options may be subject to limitations on sale or resale under applicable securities laws.

8. ADJUSTMENTS IN SHARES SUBJECT TO THE PLAN:

- (a) *Subdivisions and Redivisions:* In the event of any subdivision or redivision or subdivisions or redivisions of the Shares at any time while any Option is outstanding into a greater number of Shares, the Company shall thereafter deliver at the time of exercise of any Option, in lieu of the number of Shares in respect of which such Option is then being exercised, such greater number of Shares as would result from said subdivision or redivision or subdivisions or redivisions had such Option been exercised before such subdivision or redivision or subdivisions or redivisions without the Participant making any additional payment or giving any other consideration therefor.
- (b) *Consolidations:* In the event of any consolidation or consolidations of the Shares at any time while any Option is outstanding into a lesser number of Shares, the Company shall thereafter deliver, and the Participant shall accept, at the time of exercise of any Option, in lieu of the number of Shares in respect of which such Option is then being exercised, such lesser number of Shares as would result from such consolidation or consolidations had such Option been exercised before such consolidation or consolidations.
- (c) *Reclassifications/Changes:* In the event of any reclassification or change or reclassifications or changes of the Shares at any time while any Option is outstanding, the Company shall thereafter deliver at the time of exercise of any Option hereunder the number of securities of the Company of the appropriate class or classes resulting from said reclassification or change or reclassifications or changes as the Participant would have been entitled to

receive in respect of the number of Shares in respect of which such Option is then being exercised had such Option been exercised before such reclassification or change or reclassifications or changes.

- (d) *Other Capital Reorganizations:* In the event of any capital reorganization of the Company at any time while any Option is outstanding, not otherwise covered in this section 8 or a consolidation, amalgamation or merger with or into any other entity or the sale of the properties and assets as or substantially as an entirety to any other entity, the Participant if he has not exercised his Option prior to the effective date of such reorganization, consolidation, amalgamation, merger or sale, upon the exercise of such Option thereafter, shall be entitled to receive and shall accept in lieu of the number of Shares then subscribed for by him but for the same aggregate consideration payable therefor, the number of other securities or property or of the entity resulting from such merger, amalgamation or consolidation or to which such sale may be made, as the case may be, that the Participant would have been entitled to receive on such capital reorganization, consolidation, amalgamation, merger or sale if, on the record date or the effective date thereof, he had been the registered holder of the number of Shares so subscribed for.
- (e) *Stock Dividends:* If the Company at any time while any Option is outstanding shall pay any stock dividend or stock dividends upon the Shares, the Company will thereafter deliver at the time of exercise of any Option in addition to the number of Shares in respect of which such Option is then being exercised, such additional number of securities of the appropriate class as would have been payable on the Shares so purchased if such Shares had been outstanding on the record date for the payment of such stock dividend or dividends.
- (f) *No Fractional Shares:* The Company shall not be obligated to issue fractional Shares in satisfaction of its obligations under the Plan or any Option and the Participant will not be entitled to receive any form of compensation in lieu thereof.
- (g) *Rights Offerings:* If at any time the Company grants to its shareholders the right to subscribe for and purchase *pro rata* additional securities or of any other corporation or entity, there shall be no adjustments made to the number of Shares or other securities subject to the Options in consequence thereof and the Options shall remain unaffected.
- (h) *Adjustments Cumulative:* The adjustment in the number of Shares issuable pursuant to Options provided for in this section 8 shall be cumulative.
- (i) *Plan Deemed Amended:* On the happening of each and every of the foregoing events, the applicable provisions of the Plan and each of them shall, *ipso facto*, be deemed to be amended accordingly and the Board shall take all necessary action so as to make all necessary adjustments in the number and kind of securities subject to any outstanding Options (and the Plan) and the exercise price thereof.

9. **EXCHANGE RESTRICTIONS ON OPTIONS GRANTED WHILE THE COMPANY IS A CPC:**

- (a) Options granted by the Company while it is a CPC may only entitle the holder to acquire common shares of the Company ("Shares"). Options may only be granted to a director or officer of the Company, and where permitted by applicable securities legislation, a technical consultant whose particular industry expertise is required to evaluate a proposed Qualifying Transaction, or a company, all of whose securities are owned by such a director, officer or technical consultant. The total number of Shares reserved under option for issuance by the Company while it is a CPC may not exceed 10% of the Shares to be outstanding as at the closing of the Company's initial public offering.
- (b) While a CPC the Company is prohibited from granting Options to any person providing Investor Relations Activities, promotional or market-making services.
- (c) No Option granted may be exercised before Completion of the Qualifying Transaction unless the Participant agrees in writing to deposit the Shares acquired into escrow until the issuance of the Final Exchange Bulletin.
- (d) Options granted to any Participant that does not continue as a director, officer, technical consultant or employee of the Resulting Issuer, have a maximum term of the later of 12 months after the Completion of the Qualifying Transaction and 90 days after the Participant ceases to become a director, officer, technical consultant or employee of the Resulting Issuer.

10. **AMENDMENT AND TERMINATION OF PLAN AND OPTIONS:** Subject in all cases to the approval of all stock exchanges and regulatory authorities having jurisdiction over the affairs of the Company, the Board may from time to time amend or revise the terms of the Plan (or any Option granted thereunder) or may terminate the Plan (or any Option granted thereunder) at any time provided however that no such action shall, without the consent of the Participant, in any manner adversely affect a Participant's rights under any Option theretofore granted under the Plan. In the event the Shares are listed on the TSX Venture Exchange, the approval of the disinterested shareholders of the Company must be obtained for any reduction in the exercise price of Options granted under the Plan, if the Participant is an Insider of the Company at the time of the proposed amendment.

11. **EFFECTIVE DATE AND DURATION OF PLAN:** The Plan becomes effective on the date of its adoption by the Board and Options may be granted immediately thereafter. The Plan shall remain in full force and effect until such time as the Board shall terminate the Plan, and for so long thereafter as Options remain outstanding in favour of any Participant.

12. **DATES:**

- (a) Date of adoption by the Board: March 31, 2016

SCHEDULE B

AUDIT COMMITTEE CHARTER

CLEANTEACH CAPITAL INC.

AUDIT COMMITTEE CHARTER

I PURPOSE

The Audit Committee (the “**Committee**”) is appointed by the Board of Directors (the “**Board**”) of Cleantech Capital Inc. (the “**Corporation**”) to assist the Board in fulfilling its oversight responsibilities relating to financial accounting and reporting process and internal controls for the Corporation. The Committee’s primary duties and responsibilities are to:

- **conduct such reviews and discussions with management and the external auditors relating to the audit and financial reporting as are deemed appropriate by the Committee;**
- **assess the integrity of internal controls and financial reporting procedures of the Corporation and ensure implementation of such controls and procedures;**
- **ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel;**
- **review the quarterly and annual financial statements and management’s discussion and analysis of the Corporation’s financial position and operating results and report thereon to the Board for approval of same;**
- **select and monitor the independence and performance of the Corporation’s external auditors, including attending at private meetings with the external auditors and reviewing and approving all renewals or dismissals of the external auditors and their remuneration; and**
- **provide oversight to related party transactions entered into by the Corporation.**

The Committee has the authority to conduct any investigation appropriate to its responsibilities, and it may request the external auditors as well as any officer of the Corporation, or outside counsel for the Corporation, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee. The Committee shall have unrestricted access to the books and records of the Corporation and has the authority to retain, at the expense of the Corporation, special legal, accounting, or other consultants or experts to assist in the performance of the Committee’s duties.

The Committee shall review and assess the adequacy of this Charter annually and submit any proposed revisions to the Board for approval.

In fulfilling its responsibilities, the Committee will carry out the specific duties set out in Part IV of this Charter.

II AUTHORITY OF THE AUDIT COMMITTEE

The Committee shall have the authority to:

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for advisors employed by the Committee; and
- (c) communicate directly with the internal and external auditors.

III COMPOSITION AND MEETINGS

1. The Committee and its membership shall meet all applicable legal, regulatory and listing requirements, including, without limitation, those of the Ontario Securities Commission ("OSC"), the TSX Venture Exchange, the *Canadian Business Corporations Act* and all applicable securities regulatory authorities.
2. The Committee shall be composed of three or more directors as shall be designated by the Board from time to time. The members of the Committee shall appoint from among themselves a member who shall serve as Chair.
3. A majority of the members of the Committee shall not be officers or employees of the Corporation or any of its affiliates.
4. The Committee shall meet at least quarterly, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements. A minimum of two and at least 50% of the members of the Committee present either in person or by telephone shall constitute a quorum.
5. If within one hour of the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the next business day following the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one hour of the time appointed for such adjourned meeting, such meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the second adjourned meeting a quorum as hereinbefore specified is not present, the quorum for the adjourned meeting shall consist of the members then present.
6. If and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.
7. The time and place at which meetings of the Committee shall be held, and procedures at such meetings, shall be determined from time to time by the Committee. A meeting of the Committee may be called by letter, telephone, facsimile, email or other communication equipment, by giving at least 48 hours notice, provided that no notice of a meeting shall be necessary if all of the members are present either in person or by means of conference telephone or if those absent have waived notice or otherwise signified their consent to the holding of such meeting.

8. Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.
9. The Committee shall keep minutes of its meetings which shall be submitted to the Board. The Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at any meeting.
10. The Committee may invite such officers, directors and employees of the Corporation and its subsidiaries as the Committee may see fit, from time to time, to attend at meetings of the Committee.
11. Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose. All decisions or recommendations of the Committee shall require the approval of the Board prior to implementation.

The Committee members will be elected annually at the first meeting of the Board following the annual general meeting of shareholders.

IV RESPONSIBILITIES

A Financial Accounting and Reporting Process and Internal Controls

1. The Committee shall review the annual audited financial statements to satisfy itself that they are presented in accordance with applicable generally accepted accounting principles ("GAAP") and report thereon to the Board and recommend to the Board whether or not same should be approved prior to their being filed with the appropriate regulatory authorities. The Committee shall also review the interim financial statements. With respect to the annual audited financial statements, the Committee shall discuss significant issues regarding accounting principles, practices, and judgments of management with management and the external auditors as and when the Committee deems it appropriate to do so. The Committee shall satisfy itself that the information contained in the annual audited financial statements is not significantly erroneous, misleading or incomplete and that the audit function has been effectively carried out.
2. The Committee shall review any internal control reports prepared by management and the evaluation of such report by the external auditors, together with management's response.
3. The Committee shall be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, management's discussion and analysis and interim earnings press releases, and periodically assess the adequacy of these procedures.

4. The Committee shall review management's discussion and analysis relating to annual and interim financial statements and any other public disclosure documents, including interim earnings press releases, that are required to be reviewed by the Committee under any applicable laws before the Corporation publicly discloses this information.
5. The Committee shall meet no less frequently than annually with the external auditors and the Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Corporation in charge of financial matters, to review accounting practices, internal controls and such other matters as the Committee, Chief Financial Officer or, in the absence of a Chief Financial Officer, the officer of the Corporation in charge of financial matters, deem appropriate.
6. The Committee shall inquire of management and the external auditors about significant risks or exposures, both internal and external, to which the Corporation may be subject, and assess the steps management has taken to minimize such risks.
7. The Committee shall review the post-audit or management letter containing the recommendations of the external auditors and management's response and subsequent follow-up to any identified weaknesses.
8. The Committee shall ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel.
9. The Committee shall establish procedures for:
 - (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and
 - (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
10. The Committee shall provide oversight to related party transactions entered into by the Corporation.

B Independent Auditors

1. The Committee shall recommend to the Board the external auditors to be nominated, shall set the compensation for the external auditors, provide oversight of the external auditors and shall ensure that the external auditors report directly to the Committee.
2. The Committee shall be directly responsible for overseeing the work of the external auditors, including the resolution of disagreements between management and the external auditors regarding financial reporting.
3. The Committee shall pre-approve all audit and non-audit services not prohibited by law to be provided by the external auditors in accordance with the terms of this charter.
4. The Committee shall monitor and assess the relationship between management and the external auditors and monitor, support and assure the independence and objectivity of the external auditors.

5. The Committee shall review the external auditors' audit plan, including the scope, procedures and timing of the audit.
6. The Committee shall review the results of the annual audit with the external auditors, including matters related to the conduct of the audit.
7. The Committee shall obtain timely reports from the external auditors describing critical accounting policies and practices, alternative treatments of information within GAAP that were discussed with management, their ramifications, and the external auditors' preferred treatment and material written communications between the Corporation and the external auditors.
8. The Committee shall review fees paid by the Corporation to the external auditors and other professionals in respect of audit and non-audit services on an annual basis.
9. The Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former auditors of the Corporation.
10. The Committee shall monitor and assess the relationship between management and the external auditors and monitor and support the independence and objectivity of the external auditors.

C Other Responsibilities

The Committee shall perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate.

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