**ATLAS ENGINEERED PRODUCTS LTD.**

#102 – 2551 Aulds Rd., Nanaimo, BC V9T 6K2

## 1. NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual general meeting of the shareholders of Atlas Engineered Products Ltd. (the "Company") will be held at the Vancouver Convention Centre, East Meeting Room 16, 1055 Canada Pl, Vancouver, BC V6C 0C3 on Friday, November 8, 2019 at 10:00 a.m. (PST) for the following purposes:

1. to receive the audited financial statements of the Company for the financial seven-month year ended December 31, 2018 together with the auditor's report thereon;

2. to fix the number of directors at five (5);

3. to elect directors for the ensuing year;

4. to appoint PricewaterhouseCoopers as the auditors of the Company for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditors;

5. to consider, and if thought fit, to pass an ordinary resolution approving and ratifying the Company's 10% rolling stock option plan as more particularly described in the accompanying Information Circular;

6. to transact such other business as may be properly brought before the Meeting or any adjournment thereof.

All shareholders are entitled to attend and vote at the Meeting in person or by proxy. The Board of Directors (the "**Board**") requests that all shareholders who will not be attending the Meeting in person read, date and sign the accompanying proxy and deliver it to Computershare Investor Services Inc. ("**Computershare**"). If a shareholder does not deliver a proxy to Computershare, Attention: Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, by 10:00 a.m. (Vancouver, British Columbia time) on **November 6, 2019** (or before 48 hours, excluding Saturdays, Sundays and holidays before any adjournment of the meeting at which the proxy is to be used) then the shareholder will not be entitled to vote at the Meeting by proxy. Only shareholders of record at the close of business on **Tuesday, October 1, 2019** will be entitled to vote at the Meeting.

An information circular and a form of proxy accompany this notice.

DATED at Vancouver, British Columbia, the 10th day of October 2019.

**ON BEHALF OF THE BOARD**

*/s/ Dirk Maritz*

Dirk Maritz
Chief Executive Officer and President

**ATLAS ENGINEERED PRODUCTS LTD.**

#102 – 2551 Aulds Rd Nanaimo, BC V9T 6K2

**INFORMATION CIRCULAR**
(as at October 10, 2019 except as otherwise indicated)

Atlas Engineered Products Ltd. (the “Company”) is providing this Information Circular and a form of proxy in connection with management’s solicitation of proxies for use at the annual general and special meeting (the “Meeting”) of the Company to be held on Friday, November 8, 2019 and at any adjournments. Unless the context otherwise requires, when we refer in this Information Circular to the Company, its subsidiaries are also included. The Company will conduct its solicitation by mail and officers and employees of the Company may, without receiving special compensation, also telephone or make other personal contact. The Company will pay the cost of solicitation. All amounts referred to as $ or dollars means Canadian currency, unless otherwise indicated.

## APPOINTMENT OF PROXYHOLDER

The purpose of a proxy is to designate persons who will vote the proxy on a shareholder’s behalf in accordance with the instructions given by the shareholder in the proxy. The persons whose names are printed in the enclosed form of proxy are officers or directors of the Company (the "Management Proxyholders").

**A shareholder has the right to appoint a person other than a Management Proxyholder, to represent the shareholder at the Meeting by striking out the names of the Management Proxyholders and by inserting the desired person’s name in the blank space provided or by executing a proxy in a form similar to the enclosed form. A proxyholder need not be a shareholder.**

## VOTING BY PROXY

**Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting.** Shares represented by a properly executed proxy will be voted or be withheld from voting on each matter referred to in the Notice of Meeting in accordance with the instructions of the shareholder on any ballot that may be called for and if the shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly.

**If a shareholder does not specify a choice and the shareholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.**

**The enclosed form of proxy also gives discretionary authority to the person named therein as proxyholder with respect to amendments or variations to matters identified in the Notice of the Meeting and with respect to other matters which may properly come before the Meeting.** At the date of this Information Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

## COMPLETION AND RETURN OF PROXY

Completed forms of proxy must be deposited at the office of the Company’s registrar and transfer agent, Computershare Investor Services Inc., Proxy Dept., 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

## NON-REGISTERED HOLDERS

**Only shareholders whose names appear on the records of the Company as the registered holders of shares or duly appointed proxyholders are permitted to vote at the Meeting.** Most shareholders of the Company are "non-registered" shareholders because the shares they own are not registered in their names but instead registered in the name of a nominee (a “Nominee”) such as a brokerage firm through which they purchased the shares; bank, trust company, trustee or administrator of self-administered RRSP's, RRIF's, RESP's and similar plans; or clearing agency such as The Canadian Depository for Securities Limited and in the United Stated, under the name Cede & Co., as nominee for the Depository Trust Company (which acts as a brokerage depository for many U.S. firms and custodial banks). If you purchased your shares through a broker, you are likely a non-registered holder.

In accordance with securities regulatory policy, the Company has distributed copies of the Meeting materials, being the Notice of Meeting, this Information Circular and the Proxy, to the Nominees for distribution to non-registered holders.

Nominees are required to forward the Meeting materials to non-registered holders to seek their voting instructions in advance of the Meeting. Shares held by Nominees can only be voted in accordance with the instructions of the non-registered holder. The Nominees often have their own form of proxy, mailing procedures and provide their own return instructions. If you wish to vote by proxy, you should carefully follow the instructions from the Nominee in order that your shares are voted at the Meeting.

If you, as a non-registered holder, wish to vote at the Meeting in person, you should appoint yourself as proxyholder by writing your name in the space provided on the request for voting instructions or proxy provided by the Nominee and return the form to the Nominee in the envelope provided. Do not complete the voting section of the form as your vote will be taken at the Meeting.

Non-registered holders who have not objected to their Nominee disclosing certain ownership information about themselves to the Company are referred to as "non-objecting beneficial owners" ("**NOBOs**"). Those non-registered holders who have objected to their Nominee disclosing ownership information about themselves to the Company are referred to as "objecting beneficial owners" ("**OBOs**").

In accordance with the requirements of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") of the Canadian Securities Administrators, the Company has elected to send the Meeting materials directly to NOBOs.

If the Company or its agent has sent these materials directly to you (instead of through a Nominee), your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Nominee holding on your behalf. By choosing to send these materials to you directly, the Company (and not the Nominee holding on your behalf) has assumed responsibility for (i) delivering these materials to you and (ii) executing your proper voting instructions.

The Company does not intend to pay for Nominees to deliver the Meeting materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary* to OBOs. As a result, OBOs will not receive the Meeting materials unless their Nominee assumes the costs of delivery.

The Company is not sending the Meeting materials to shareholders using "notice-and-access", as defined under NI 54-101.

## REVOCABILITY OF PROXY

In addition to revocation in any other manner permitted by law, a shareholder, his attorney authorized in writing or, if the shareholder is a corporation, a corporation under its corporate seal or by an officer or attorney thereof duly authorized, may revoke a proxy by instrument in writing, including a proxy bearing a later date. The instrument revoking the proxy must be deposited at the registered office of the Company, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or with the chairman of the Meeting on the day of the Meeting.

## VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue an unlimited number of Common Shares without par value (the "shares"), of which 45,990,930 shares are issued and outstanding, and an unlimited number of Class B Preferred Shares, of which no shares are issued and outstanding. Persons who are registered shareholders at the close of business on October 1, 2019 (the “Record Date”) will be entitled to receive notice of and vote at the Meeting and will be entitled to one vote for each share held.

To the knowledge of the directors and executive officers of the Company, except as disclosed below, as of the Record Date, no person beneficially owns, controls or directs, directly or indirectly, shares carrying 10% or more of the voting rights attached to all shares of the Company.

| *Name* | *Number of Common Shares Owned or Controlled at the Record Date* | *Percentage of Outstanding Common Shares at the Record Date* |
|---|---|---|
| **Mohammad Hadi Abassi** | 7,568,059 | 16.45% |
| **Miko Malberg** | 8,187,500 | 17.8% |

## EXECUTIVE COMPENSATION

### Named Executive Officers

"Named Executive Officer" or "NEO" means: (a) the Company's CEO, (b) the Company's CFO, (c) each of the three most highly compensated executive officers of the Company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than $150,000; and (d) each individual who would be a NEO under (c) above but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

During the seven-month financial year ended December 31, 2018, the Company had the following NEOs: Dirk Maritz, Chief Executive Officer ("**CEO**"), Mohammad Hadi Abassi, Former Chief Executive Officer ("**Former CEO**") and current Executive Vice President of Strategic Business Development ("**EVP Strategic Business Development**"), Guy Champagne, Former President ("**Former President**"), William Woods, Chief Financial Officer ("**CFO**"), and Roy Dondale, Former Vice President Operations ("**Former VP Operations**").

## COMPENSATION DISCUSSION AND ANALYSIS

### Compensation Discussion and Analysis

<u>Significant Elements</u>

The significant elements of compensation awarded to the NEOs are management fees and stock options. The Company does not presently have a long-term incentive plan for its NEOs. There is no policy or target regarding allocation between cash and non-cash elements of the Company's compensation program. The Board of Directors is solely responsible for determining compensation to be paid to the Company's NEOs. In addition, the Board of Directors reviews annually the total compensation package of each of the Company's executives on an individual basis.

*Cash Salary*

In setting compensation rates for NEOs, the Company compares the amounts paid to them with the amounts paid to executives in comparable positions at other comparable corporations. The Company's compensation payable to the NEOs is based upon, among other things, the responsibility, skills and experience required to carry out the functions of each position held by each Named Executive Officer and varies with the amount of time spent by each Named Executive Officer in carrying out his or her functions on behalf of the Company.

In addition, NEOs are eligible under the Company's stock option plan (the "**Stock Option Plan**") to receive grants of stock options. The Stock Option Plan is an important part of the Company's long-term incentive strategy for its officers, permitting them to participate in any appreciation of the market value of its shares over a stated period of time. The Stock Option Plan is intended to reinforce commitment to long-term growth in profitability and shareholder value. The size of stock option grants to NEOs is dependent on each officer's level of responsibility, authority and importance to the Company and the degree to which such officer's long-term contribution to the Company will be key to its long-term success.

The Board has not proceeded to a formal evaluation of the implications of the risks associated with the Company's compensation policies and practices. Risk management is a consideration of the Board when implementing its compensation program, and the Board does not believe that the Company's compensation program results in unnecessary or inappropriate risk taking including risks that are likely to have a material adverse effect on the Company.

The Company's NEOs and directors are not permitted to purchase financial instruments, including for greater certainty, prepaid variable forward contracts, equity swaps, collars or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

**Share-Based and Option-Based Awards**

The Company does not grant share-based awards. The Board is responsible for granting options to the NEOs. Stock option grants are designed to reward the NEOs for success on a similar basis as the shareholders of the Company, but these rewards are highly dependent upon the volatile stock market, much of which is beyond the control of the NEOs. When new options are granted, the Board takes into account the previous grants of options, the number of stock options currently held, position, overall individual performance, anticipated contribution to the Company's future success and the individual's ability to influence corporate and business performance. The purpose of granting such stock options is to assist the Company in compensating, attracting, retaining and motivating the officers, directors and employees of the Company and to closely align the personal interest of such persons to the interest of the shareholders.

The exercise price of the stock options granted is generally determined by the market price at the time of grant, less any allowable discount.

## SUMMARY COMPENSATION TABLE

Set out below is a summary of compensation paid or accrued during the Company's three most recently completed financial years to the Company's NEOs.

**Summary Compensation Table**

| *Name and principal position* | *Year* | *Salary ($)* | *Share-based awards ($)*[1] | *Option-based awards ($)*[2][3] | *Non-equity incentive plan compensation ($)* | | *Pension value ($)* | *All other compensation ($)* | *Total compensation ($)* |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | *Annual incentive plans* | *Long-term incentive plans* | | | |
| Dirk Maritz [4]<br>***CEO*** | Dec 31, 2018<br>May 31, 2018<br>May 31, 2017 | 59,135<br>N/A<br>N/A | N/A<br>N/A<br>N/A | N/A<br>N/A<br>N/A | N/A<br>N/A<br>N/A | N/A<br>N/A<br>N/A | N/A<br>N/A<br>N/A | 2,000<br>N/A<br>N/A | 61,135<br>N/A<br>N/A |
| Mohammad Hadi Abassi [5]<br>***EVP Strategic Business Development and Former CEO*** | Dec 31, 2018<br>May 31, 2018<br>May 31, 2017 | 162,533<br>187,500<br>N/A | N/A<br>N/A<br>N/A | 61,162<br>142,693<br>N/A | N/A<br>N/A<br>N/A | N/A<br>N/A<br>N/A | N/A<br>N/A<br>N/A | N/A<br>13,500<br>N/A | 223,695<br>343,693<br>N/A |

| Name and principal position | Year | Salary ($) | Share-based awards ($)[1] | Option-based awards ($)[2][3] | Non-equity incentive plan compensation ($) | | Pension value ($) | All other compensation ($) | Total compensation ($) |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | Annual incentive plans | Long-term incentive plans | | | |
| Guy Champagne[6] ***Former President*** | Dec 31, 2018<br>May 31, 2018<br>May 31, 2017 | 84,000<br>62,000<br>N/A | N/A<br>N/A<br>N/A | 35,012<br>96,462<br>N/A | N/A<br>N/A<br>N/A | N/A<br>N/A<br>N/A | N/A<br>N/A<br>N/A | 84,000<br>N/A<br>N/A | 203,012<br>158,462<br>N/A |
| William Woods[7] ***CFO*** | Dec 31, 2018<br>May 31, 2018<br>May 31, 2017 | 33,333<br>19,872<br>N/A | N/A<br>N/A<br>N/A | 26,335<br>6,612<br>N/A | N/A<br>N/A<br>N/A | N/A<br>N/A<br>N/A | N/A<br>N/A<br>N/A | N/A<br>N/A<br>N/A | 59,668<br>26,484<br>N/A |
| Roy Dondale[8] ***Former VP Operations*** | Dec 31, 2018<br>May 31, 2018<br>May 31, 2017 | 66,666<br>99,750<br>N/A | N/A<br>N/A<br>N/A | N/A<br>28,538<br>N/A | N/A<br>N/A<br>N/A | N/A<br>N/A<br>N/A | N/A<br>N/A<br>N/A | 191,667<br>N/A<br>N/A | 258,333<br>128,288<br>N/A |

Notes:

(1) Share Based Awards means an award under an equity incentive plan of equity based instruments that do not have option like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units and stock.

(2) Option Based Awards mean an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights, and similar instruments that have option like features.

(3) The Company uses the Black-Scholes option pricing model for determining fair value of stock options issued at grant date. The Black-Scholes option valuation is determined using the expected life of the stock option, expected volatility of the Share price, expected dividend yield, and risk-free interest rate. The key assumptions are as follows: risk free rate of 1.60%, expected life of five years, expected volatility of 132% and expected dividend of Nil.

(4) Mr. Dirk Maritz was appointed as CEO and President of the Company on November 5, 2018. The Company entered into an employment agreement with Mr. Maritz dated November 5, 2018 for a salary of $375,000 per year. As part of the employment agreement, Mr. Maritz received a car allowance of $1,000 per month ($12,000 annually).

(5) Mr. Mohammad Hadi Abassi was appointed CEO of the Company on November 9, 2017. The Company entered into a management consulting agreement with Mr. Abassi dated September 1, 2017 for a salary of $250,000 per year. As part of the management service agreement, Mr. Abassi received a car allowance of $1,500 per month ($18,000 annually) and 500,000 stock options were granted to him on November 8, 2017. On September 1, 2018, Mr. Abassi and the Company entered into an amended management consulting agreement, pursuant to which Mr. Abassi is paid a monthly consulting fee of $24,000. Mr. Abassi ceased to act as the Company's CEO effective November 5, 2018 and was appointed as EVP Strategic Business Development.

(6) Mr. Guy Champagne was appointed President of the Company on May 30, 2017. Mr. Champagne ceased to act as the Company's President effective November 5, 2018.

(7) Mr. William Woods was appointed as CFO of the Company on April 16, 2018. Mr. Woods was paid a salary of $200,000 per year. Mr. Woods ceased to act as the CFO of the Company on May 15, 2019.

(8) Mr. Roy Dondale was paid a base consulting fee of $120,000 per year, with performance incentives worth up to an additional $30,000 per year. As of June 1, 2018, the consulting agreement was amended to include a consulting fee of $200,000 per year. Mr. Dondale ceased to act as the Company's VP Operations effective September 30, 2018.

## INCENTIVE PLAN AWARDS

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

The Company does not have any share-based awards held by a NEO. The following table sets forth the outstanding option-based awards held by the NEOs of the Company at the end of the Company's most recently completed seven-month financial year ended December 31, 2018:

| | ***Option-based Awards*** | | | | ***Share-based Awards*** | |
|---|---|---|---|---|---|---|
| ***Name*** | ***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 that have not vested (#)*** | ***Market or payout value of share-based awards that have not vested ($)*** |
| Dirk Maritz<br>***CEO*** | Nil | N/A | N/A | N/A | N/A | N/A |
| Mohammad Hadi Abassi<br>***EVP Strategic Business Development and Former CEO*** | 500,000 | $0.49 | November 8, 2022 | Nil | N/A | N/A |
| Guy Champagne<br>***Former President*** | 166,666<br>123,333 | $0.49<br>$0.65 | November 8, 2022<br>April 18, 2023 | Nil<br>Nil | N/A<br>N/A | N/A<br>N/A |
| William Woods<br>***CFO*** | 100,000 | $0.55 | April 18, 2023 | Nil | N/A | N/A |

Notes:

(1) "In-the-Money Options" means the excess of the market value of the Company's shares on December 31, 2018 over the exercise price of the options. The market price for the Company's common shares on December 31, 2018 was $0.36.

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

The following table sets forth details of the value vested or earned for all incentive plan awards during the most recently completed financial year by each NEO:

| ***Name*** | ***Option-based awards - Value vested during the year[(1)] ($)*** | ***Share based awards – Value vested during the year ($)*** | ***Non-equity incentive plan compensation - Value earned during the year ($)*** |
|---|---|---|---|
| Dirk Maritz<br>***CEO*** | Nil | N/A | Nil |
| Mohammad Hadi Abassi [(2)]<br>***EVP Strategic Business Development and Former CEO*** | Nil | N/A | Nil |
| Guy Champagne [(3)]<br>***Former President*** | Nil | N/A | Nil |
| William Woods[(4)]<br>***CFO*** | Nil | N/A | Nil |
| Roy Dondale[(5)]<br>***Former VP Operations*** | Nil | N/A | Nil |

(1) The value of option-based awards is the product of the number of common shares issuable on the exercise of the option on the vesting date multiplied by the difference between the exercise price and the closing market price for the common shares on the vesting date.

(2) Mohammad Hadi Abassi was granted 500,000 stock options on November 8, 2017 at an exercise price of $0.49, expiring November 8, 2022. 1/3 of the options vest six months after the date of grant; 1/3 of the options vest 12 months after the date of grant and 1/3 of the options vest 18 months after the date of grant, expiring November 8, 2022.

(3) Guy Champagne was granted 250,000 stock options on November 8, 2017 at an exercise price of $0.49, expiring November 8, 2022 (the "November 2017 Options"). The 1/3 of the November 2017 Options vest six months after the date of grant; 1/3 vest 12 months after the date of grant, and 1/3 vest 18 months after the date of grant. Mr. Champagne was granted options for an additional 370,000 common shares on April 18, 2018 at an exercise price of $0.65 per share, expiring April 18, 2023 (the "April 2018 Options"). The 1/3 of the April 2018 Options vest six months after the date of grant; 1/3 vest 12 months after the date of grant; and 1/3 vest 18 months after the date of grant. Due to termination effective November 30, 2018, all unvested awards were forfeited immediately. The remaining vested awards were forfeited 90 days from the termination date.

(4) William Woods was granted options for 100,000 stock options on April 18, 2018 at an exercise price of $0.55, expiring April 18, 2023. 1/3 of the options granted to Mr. Wood vest 6 months after the grant date, 1/3 vest 12 months after the grant date and 1/3 vest 18 months after the grant date. Due to termination all unvested awards were forfeited subsequent to the fiscal year end, and the remaining vested awards were forfeited 90 days after termination.

(5) Roy Dondale was granted 100,000 stock options on November 8, 2017 at an exercise price of $0.49, expiring November 8, 2022. 1/3 of the options vest six months after the date of grant; 1/3 of the options vest 12 months after the date of grant and 1/3 of the options vest 18 months after the date of grant. Due to termination effective September 30, 2018, all unvested and vested awards were forfeited by December 31, 2018.

## PENSION BENEFITS

The Company does not have a pension plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement.

## TERMINATION AND CHANGE OF CONTROL BENEFITS (WHETHER VOLUNTARY, INVOLUNTARY OR CONSTRUCTIVE), RESIGNATION, RETIREMENT A CHANGE IN CONTROL OF THE COMPANY OR A CHANGE IN AN NEOS RESPONSIBILITIES.

The Company has a management consulting agreement with its EVP Strategic Business Development and Former CEO, Mohammad Hadi Abassi, pursuant to which Mr. Abassi is paid a consulting fee of $24,000 per month for a term expiring on August 31, 2021. Notwithstanding that Mr. Abassi no longer acts as the Company's CEO, under the terms of his consulting agreement, the Company is required to continue to pay Mr. Abassi his consulting fee for the remainder of the agreement's term.

Under the terms of his management services agreement with the Company, the Company's former President, Guy Champagne, was entitled to six months notice of any termination of his agreement for any reason other than just cause. Mr. Champagne ceased to act as the Company's President effective November 5, 2018.

Under the terms of his employment with the Company, Mr. Woods was entitled to 6 months severance if his employment is terminated within one year of his engagement. Thereafter Mr. Woods was entitled to 12 months severance. Mr. Woods ceased to act as the Company's CFO on May 15, 2019.

Mr. Dondale ceased to act for the Company effective September 15, 2018. Pursuant to the terms of his management services agreement, Mr. Dondale was entitled to 12 months severance.

Under the terms of the Company's agreement with Mr. Dirk Maritz, the Company's current CEO and President, Mr. Maritz is entitled to 12 months severance, plus one additional month of severance for each year served, up to a maximum of 18 months severance.

The Company has no other contract, agreement, plan or arrangement that provides for payments to a Named Executive Officer, at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of the Company or a change in the NEOs responsibilities.

## DIRECTOR COMPENSATION

Other than compensation paid to the NEOs, and except as noted below, no compensation was paid to directors in their capacity as directors of the Company or its subsidiaries, in their capacity as members of a committee of the Board or of a committee of the board of directors of its subsidiaries, or as consultants or experts, during the Company's most recently completed seven-month financial year ended December 31, 2018.

Set out below is a summary of compensation paid or accrued during the Company's most recently completed financial year to the Company's directors, other than the NEOs previously disclosed:

**Director Compensation Table**

| *Name* | *Fees earned ($)* | *Share based awards ($)* | *Option-based awards ($)* | *Non-equity inventive plan compensation ($)* | *Pension value ($)* | *All other compensation ($)* | *Total ($)* |
|---|---|---|---|---|---|---|---|
| Greg Smith | Nil. | Nil | 22,791 | Nil | Nil | Nil | 22,791 |
| Kevin Smith | Nil. | Nil | 31,674 | Nil | Nil | Nil | 31,674 |
| Don Hubbard | Nil. | Nil | 22,791 | Nil | Nil | Nil | 22,791 |

**Narrative Discussion**

The Company to date has not paid its directors any fees for acting as directors of the Company. Directors currently are compensated solely through the grant of stock options.

**Outstanding Share-Based Awards and Option-Based Awards Held by Directors**

The Company does not have any share-based awards held by a director. The following table sets forth details of all awards granted to directors of the Company which are outstanding at the end of the most recently completed seven-month financial year ended December 31, 2018.

| | ***Option-based Awards*** | | | |
|---|---|---|---|---|
| ***Name*** | ***Number of securities underlying unexercised options (#)*** | ***Option exercise price ($)*** | ***Option Expiration date*** | ***Value of unexercised in-the-money options ($)*** |
| Greg Smith [(1)] | 100,000<br>50,000 | $0.49<br>$0.60 | November 8, 2022<br>February 5, 2023 | Nil<br>Nil |
| Kevin Smith[(2)] | 150,000 | $0.60 | February 5, 2023 | Nil |
| Don Hubbard [(3)] | 100,000<br>50,000 | $0.49<br>$0.60 | November 8, 2022<br>February 5, 2023 | Nil<br>Nil |

Notes:

(1) Greg Smith was granted 100,000 stock options on November 8, 2017 at an exercise price of $0.49, expiring November 8, 2022. 1/3 of the options vest six months after the date of grant; 1/3 of the options vest 12 months after the date of grant and 1/3 of the options vest 18 months after the date of gran. Mr. Smith was granted an additional 50,000 stock options on February 5, 2018 at an exercise price of $0.60, expiring February 5, 2023. 1/3 of the options vest six months after the date of grant; 1/3 of the options vest 12 months after the date of grant and 1/3 of the options vest 18 months after the date of grant.

(2) Kevin Smith was granted 150,000 stock options on February 5, 2018 at an exercise price of $0.60, expiring February 5, 2023. 1/3 of the options vest six months after the date of grant; 1/3 of the options vest 12 months after the date of grant and 1/3 of the options vest 18 months after the date of grant.

(3) Don Hubbard was granted 100,000 stock options on November 8, 2017 at an exercise price of $0.49, expiring November 8, 2022. 1/3 of the options vest six months after the date of grant; 1/3 of the options vest 12 months after the date of grant and 1/3 of the options vest 18 months after the date of gran. Mr. Hubbard was granted an additional 50,000 stock options on February 5, 2018 at an exercise price of $0.60, expiring February 5, 2023. 1/3 of the options vest six months after the date of grant; 1/3 of the options vest 12 months after the date of grant and 1/3 of the options vest 18 months after the date of grant.

**Value Vested or Earned for Incentive Plan Awards During the Most Recently Completed Financial Year**

| ***Name*** | ***Option-based awards - Value vested during the year ($)*** | ***Share based awards – Value vested during the year ($)*** | ***Non-equity incentive plan compensation - Value earned during the year ($)*** |
|---|---|---|---|
| Greg Smith | Nil | N/A | Nil |
| Kevin Smith | Nil | N/A | Nil |
| Don Hubbard | Nil | N/A | Nil |

## EQUITY COMPENSATION PLAN INFORMATION

The following table sets out those securities of the Company which have been authorized for issuance under equity compensation plans, as at the end of the most recently completed seven-month financial year ended December 31, 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 the security holders | 2,369,999 | $0.53 | 2,229,094 |
| Equity compensation plans not approved by the security holders | Nil | Nil | Nil |
| **Total** | 2,369,999 | $0.53 | 2,229,094 |

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the current or former directors, executive officers, employees of the Company, the proposed nominees for election to the Board, or their respective associates or affiliates, are or have been indebted to the Company since the beginning of the most recently completed financial year of the Company.

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

No director or executive officer of the Company or any proposed nominee of Management of the Company for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, since the beginning of the Company's last financial year in matters to be acted upon at the Meeting, other than the election of directors, the appointment of auditors and the confirmation of the Stock Option Plan.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed below, none of the persons who were directors or executive officers of the Company or a subsidiary at any time during the Company's last completed financial year, the proposed nominees for election to the Board, any person or company who beneficially owns, directly or indirectly, or who exercises control or direction over (or a combination of both) more than 10% of the issued and outstanding common shares of the Company, nor the associates or affiliates of those persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction or proposed transaction which has materially affected or would materially affect the Company.

<u>Acquisition of Coastal Windows Ltd.</u>

On October 1, 2018, the Company acquired Coastal Windows Ltd. ("Coastal") from the Company's EVP Strategic Business Development and Former CEO, Mohammad Hadi Abassi. To acquire Coastal, the Company agreed to pay Mr. Abassi a total of $650,000, consisting of 869,565 common shares having an agreed value of $400,000 and $125,001 in cash issued and paid on closing, and an additional $124,999 payable within 30 days after closing. Mr. Abassi was the sole shareholder of Coastal.

Lease of Atlas Nanaimo Premises

The Company's EVP Strategic Business Development and Former CEO, Mohamed Hadi Abassi is a 50% owner of a company that owns the land and building leased by the Company's wholly owned subsidiary, Atlas Building Systems Ltd., in Nanaimo, B.C. Total lease payments for this facility during the fiscal year ended December 31, 2018 was $515,635.

## MANAGEMENT CONTRACTS

Other than as disclosed elsewhere in this Circular, no management functions of the Company are to any substantial degree performed by a person or company other than the directors or NEOs of the Company.

## AUDIT COMMITTEE

The Company is required to have an audit committee (the "**Audit Committee**") comprised of not less than three directors, a majority of whom are not officers, control persons or employees of the Company or an affiliate of the Company.

### Audit Committee Charter

The text of the Audit Committee's charter is attached as Schedule "A" to this Circular.

### Composition of Audit Committee and Independence

The Company's current Audit Committee consists of our entire board of directors: Dirk Maritz, Mohammad Hadi Abassi, Don Hubbard, Greg Smith and Kevin Smith. National Instrument 52-110 *Audit Committees*, ("**NI 52-110**") provides that a member of an audit committee is "independent" if the member has no direct or indirect material relationship with the Company, which could, in the view of the Company's Board, reasonably interfere with the exercise of the member's independent judgment. Of the Company's current Audit Committee members, Greg Smith, Don Hubbard and Kevin Smith are considered independent. All of the Audit Committee members are "financially literate, as defined in NI 52-110, as all have the industry experience necessary to understand and analyze financial statements of the Company, as well as the understanding of internal controls and procedures necessary for financial reporting.

### Relevant Education and Experience

**Dirk Maritz** – Mr. Maritz is a charismatic and visionary leader and change agent with over 15 years of proven experience as a CEO, VP and Director in large, complex, multi-industry companies. Mr. Maritz is the current CEO of the Company. Mr. Maritz joined the Company from SMS Equipment Inc. (Canada) where he served since 2012. His most recent role with SMS Equipment in Canada demonstrated his ability to lead a highly complex and diverse multi-territory business, operate at the highest levels and significantly impact markets through consolidation and disruption strategies, break into new accounts and markets, and take advantage of technology and product innovation. His previous roles as President & CEO with Tradelander & Fridgetech Services operating throughout Africa add further credence to his strengths as a leader who drives growth while building high performance teams that deliver profits, excellence in customer satisfaction, and operational excellence. In eight short years, he positioned these organizations to be industry and market leaders in their markets, growing revenues exponentially while improving bottom-line from break-even to a business rendering a 40%+ return on capital employed.

**Mohammad Hadi Abassi –** Mr. Abassi is a highly successful entrepreneur and community leader. Mr. Abassi is the founder and former President and CEO of the Company, and is the Company's current Executive Vice President of Strategic Business Development. Mr. Abassi established Atlas Engineered Products Ltd. in 1999 to manufacture roof trusses at its Nanaimo manufacturing facility to services customers on Vancouver Island. And established Coastal Windows in 2003 as a dealer and then subsequently a manufacture of customer doors and windows. He was former General Sales Manager of Starline Windows and prior to that the General Manager of Columbia Taping Tools. Mr. Abassi holds a mechanical engineering degree from Swindon Technical College. As a community leader, Mr. Abassi has been nominated citizen of the year on three occasions, was nominated by the Government of Canada to carry the

Olympic torch and established the Vancouver Island Raiders football club in 2005. Since 2005, Vancouver Island Raiders have become a force within Canadian junior football.

**Don Hubbard** – Mr. Hubbard is an accomplished businessman and community leader. He is currently the President and CEO of Hubbard Consulting Ltd. and owner, partner and manager of RCR Mining LLP. Mr. Hubbard was the former Board Chair of the Vancouver Island Health Authority. Mr. Hubbard is formerly the General Manager of Lafarge North West Division and Island operations which merged with Hub City Paving in which Mr. Hubbard held many senior operation positions with Hub City Paving.

**Greg Smith-** Mr. Greg Smith is a seasoned capital markets veteran who held senior positions in investment banking before recently transitioning to private equity with the acquisition of one of the largest HVAC companies in Western Canada. Mr. Smith also held the position of Portfolio Manager for Phillips, Hagar & North & Executive Director, Canadian Securitization Group, CIBC World Markets in Toronto for close to ten years. Mr. Smith, currently serves as President & Director of Broadway Refrigeration & Air Conditioning Co. Ltd. and Omega Mechanical Ltd. who collectively have over 150 employees. Mr. Smith earned an MBA from Dalhousie University and is a Chartered Financial Analyst and has served in advisory positions to multiple private and public ventures. He is currently serving as Chairman of Lite Access Technologies (TSX-V: LTE) and a director of ImmunoPrecise Technologies Ltd. (TSX-V: IPA).

**Kevin Smith** is Executive Vice-President and CFO for the Intracorp Group of Companies, a real estate development company with headquarters in Vancouver and with operations across North America. Prior to joining Intracorp, Mr. Smith served as the Executive Vice-President & Chief Financial Officer at Whistler Blackcomb Holdings Inc. During his time there he successfully led Whistler Blackcomb through an initial public offering (IPO) on the Toronto Stock Exchange in 2010 to create Whistler Blackcomb as a separate, publicly traded company from Intrawest. As a strategic leader at Whistler Blackcomb Holdings, he was responsible for all financial, legal, information technology, public company reporting, debt financing, commercial operations, investor relations, budgeting, cash management, tax planning & strategic business planning. Prior to Whistler Blackcomb, Mr. Smith spent twelve years at Intrawest, holding several senior finance roles. Mr. Smith is a CPA, CA and holds a Bachelor of Science degree from The University of British Columbia.

**Audit Committee Oversight**

Since the commencement of the Company’s most recently completed financial year, the Audit Committee of the Company has not made any recommendations to nominate or compensate an external auditor which were not adopted by the Board.

**Reliance on Certain Exemptions**

Since the commencement of the Company’s most recently completed financial year, the Company has not relied on:

(a) the exemption in section 2.4 (De Minimis Non-audit Services) of NI 52-110; or

(b) an exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemptions).

**Pre-Approval Policies and Procedures**

The Audit Committee has not adopted any specific policies and procedures for the engagement of non-audit services.

**Audit Fees**

The aggregate fees billed by the Company’s external auditor in the last two fiscal years.

| *Financial Year Ended* | *Audit Fees ($)(1)* | *Audit Related Fees ($)(2)* | *Tax Fees ($)(3)* | *All Other Fees ($)(4)* |
|---|---|---|---|---|
| December 31, 2018 | 118,650 | 22,491 | 15,750 | 1,050 |
| May 31, 2018 | 50,000 | Nil | Nil | Nil |

Notes:

(1) "Audit fees" include aggregate fees billed by the Company's external auditor in each of the last two fiscal years for audit fees.

(2) "Audited related fees" include the aggregate fees billed in each of the last two fiscal years for assurance and related services by the Company's external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under "Audit fees" above. Audit related fees are amounts charged by the Company's external auditor for travel and for incidentals relating to the audit and review of the Company's financial statements.

(3) "Tax fees" include the aggregate fees billed in each of the last two fiscal years for professional services rendered by the Company's external auditor for tax compliance, tax advice and tax planning.

(4) "All other fees" include the aggregate fees billed in each of the last two fiscal years for products and services provided by the Company's external auditor, other than "Audit fees", "Audit related fees" and "Tax fees" above.

(5) Wolridge Mahon Collins Barlow LLP were appointed as the Company's auditors on July 27, 2017. PricewaterhouseCoopers ("PwC") was appointed as the Company's auditor on November 16, 2018.

**Exemption in Section 6.1**

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

## CORPORATE GOVERNANCE DISCLOSURE

National Instrument 58-101, Disclosure of Corporate Governance Practices, requires all reporting issuers to provide certain annual disclosure of their corporate governance practices with respect to the corporate governance guidelines (the "**Guidelines**") adopted in National Policy 58-201. These Guidelines are not prescriptive, but have been used by the Company in adopting its corporate governance practices. The Board and Management consider good corporate governance to be an integral part of the effective and efficient operation of Canadian corporations. The Company's approach to corporate governance is set out below.

**Board of Directors**

Management is nominating five individuals to the Board, each of whom are current directors of the Company.

The Guidelines suggest that the board of directors of every reporting issuer should be constituted with a majority of individuals who qualify as "independent" directors under NI 52-110, which provides that a director is independent if he or she has no direct or indirect "material relationship" with the Company. "Material relationship" is defined as a relationship which could, in the view of the Company's Board, reasonably interfere with the exercise of a director's independent judgement, including persons who are employees or executive officers of the Company or who have been employees or executive officers of the Company within the last three years. All of the current members of the Board are considered "independent" within the meaning of NI 52-110, except for Mohammad Hadi Abassi, who is the EVP Strategic Business Development and Former CEO of the Company, and Dirk Maritz, who is the Company's current CEO and President.

The Board has a stewardship responsibility to supervise the management of and oversee the conduct of the business of the Company, provide leadership and direction to Management, evaluate Management, set policies appropriate for the business of the Company and approve corporate strategies and goals. The day-to-day management of the business and affairs of the Company is delegated by the Board to the CEO. The Board will give direction and guidance through the CEO to Management and will keep Management informed of its evaluation of the senior officers in achieving and complying with goals and policies established by the Board.

The Board recommends nominees to the shareholders for election as directors, and immediately following each annual general meeting appoints an Audit Committee and the Audit Committee chairperson. The Board establishes and periodically reviews and updates the committee mandates, duties and responsibilities, elects a chairperson of the Board and establishes his or her duties and responsibilities, appoints the CEO, CFO and President of the Company and establishes the duties and responsibilities of those positions and on the recommendation of the CEO and the President, appoints the senior officers of the Company and approves the senior management structure of the Company.

The Board exercises its independent supervision over management by its policies that (a) periodic meetings of the Board be held to obtain an update on significant corporate activities and plans; and (b) all material transactions of the Company are subject to prior approval of the Board. The Board shall meet not less than three times during each year and will endeavour to hold at least one meeting in each fiscal quarter. The Board will also meet at any other time at the call of the President, or subject to the Articles of the Company, of any director.

The mandate of the Board, as prescribed by the *Business Corporations Act* (British Columbia) (the "**Act**"), is to manage or supervise management of the business and affairs of the Company and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of the Company's affairs directly and through its audit committee.

**Orientation and Continuing Education**

The Board's practice is to recruit for the Board only persons with extensive experience in identifying and targeting junior businesses for transactions and in public company matters. Prospective new board members are provided a reasonably detailed level of background information, verbal and documentary, on the Company's affairs and plans prior to obtaining their consent to act as a director.

**Ethical Business Conduct**

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

Under corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and disclose to the board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction. The director must then abstain from voting on the contract or transaction unless the contract or transaction (i) relates primarily to their remuneration as a director, officer, employee or agent of the Company or an affiliate of the Company, (ii) is for indemnity or insurance for the benefit of the director in connection with the Company, or (iii) is with an affiliate of the Company. If the director abstains from voting after disclosure of their interest, the directors approve the contract or transaction and the contract or transaction was reasonable and fair to the Company at the time it was entered into, the contract or transaction is not invalid and the director is not accountable to the Company for any profit realized from the contract or transaction. Otherwise, the director must have acted honestly and in good faith, the contract or transaction must have been reasonable and fair to the Company and the contract or transaction be approved by the shareholders by a special resolution after receiving full disclosure of its terms in order for the director to avoid such liability or the contract or transaction being invalid.

**Nomination of Directors**

The Board identifies new candidates for board nomination by an informal process of discussion and consensus-building on the need for additional directors, the specific attributes being sought, likely prospects, and timing.

Prospective directors are not approached until consensus is reached. This process takes place among the Chairman and a majority of the non-executive directors.

**Assessments**

The Board annually reviews its own performance and effectiveness as well as the effectiveness and performance of its committees. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of individual directors are informally monitored by other Board members, bearing to mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

The Board monitors the adequacy of information given to directors, communication between Board and Management and the strategic direction and processes of the Board and its committees.

The Board believes its corporate governance practices are appropriate and effective for the Company, given its size and operations. The Company's corporate governance practices allow the Company to operate efficiently, with checks and balances that control and monitor Management and corporate functions without excessive administration burden.

## PARTICULARS OF MATTERS TO BE ACTED UPON

### 1. Financial Statements, Auditor's report and Management Discussion & Analysis

The audited financial statements of the Company for the fiscal years ended December 31, 2018 and May 31, 2018 as proposed by the Company, the audit report of PWC relating thereto and the Company's management discussion and analysis relating thereto will be placed before the Meeting.

**No further action or approval is required at the Meeting in respect of these documents.**

### 2. Set Number of Directors to be Elected

At the Meeting, shareholders will be asked to pass an ordinary resolution to set the number of directors of the Company for the ensuing year at five (5). The number of directors will be approved if the affirmative vote of the majority of common shares present or represented by proxy at the Meeting and entitled to vote are voted in favour to set the number of directors at five (5).

**The Board unanimously recommends that Shareholders vote "for" the setting the number of directors of the Company at five (5).**

### 3. Election of Directors

The directors of the Company are elected at each annual general and special meeting and hold office until the next annual general and special meeting or until their successors are appointed. In the absence of instructions to the contrary, the enclosed proxy will be voted for the nominees herein listed.

Management of the Company proposes to nominate each of the following persons for election as a director. Information concerning such persons, as furnished by the individual nominees, is as follows.

| ***Name, Jurisdiction of Residence and Position*** | ***Principal occupation, business or employment and, if not a previously elected Director, occupation, business or employment during the past 5 years*** | ***Previous Service as a Director*** | ***Number of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly*** |
|---|---|---|---|
| **Dirk Maritz**<br>Alberta, Canada<br><br>CEO, President and Director | CEO and President of the Company, Vice President of SMS Equipment Inc. from June 2012 to October 2018. | November 5, 2018 | 37,500 |
| **Mohammad Hadi Abassi**<br>British Columbia, Canada<br>Director | EVP Strategic Business Development and Former CEO the Company | November 9, 2017 | 7,568,059 |
| **Don Hubbard** (2)<br>British Columbia, Canada<br>Director | President and CEO of Hubbard Consulting Ltd., and owner, partner and manager of RCR Mining LLP | November 9, 2017 | 114,000 |
| **Greg Smith** (2)<br>British Columbia, Canada<br>Director | President & Owner of Broadway Refrigeration and Air Conditioning Co. Ltd. | November 9, 2017 | 100,000 |
| **Kevin Smith** (2)<br>British Columbia, Canada<br>Director | Executive Vice President & Chief Financial Officer at Intracorp Projects Ltd. | November 15, 2017 | Nil |

Notes:

(1) The information as to common shares beneficially owned or controlled has been provided by the nominees themselves.

(2) Current member of the audit committee.

No proposed director is being elected under any arrangement or understanding between the proposed director and any other person or company.

To the knowledge of the Company, no proposed director:

(a) is, as at the date of the Information Circular, or has been, within 10 years before the date of the Information Circular, a director, chief executive officer ("**CEO**") or chief financial officer ("**CFO**") of any company (including the Company) that:

(i) was the subject, while the director was acting in the capacity as director, CEO or CFO of such company, of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days; or

(ii) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director ceased to be a director, CEO or CFO but which resulted from an event that occurred while the director was acting in the capacity as director, CEO or CFO of such company; or

(b) is, as at the date of this Information Circular, or has been within 10 years before the date of the Information Circular, a director or executive officer of any company (including the Company) 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; or

(c) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director; or

(d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(e) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a director.

The following nominee directors of the Company hold directorships in other reporting issuers as set out below:

| ***Name of Director*** | ***Name of Other Reporting Issuer*** |
|---|---|
| Greg Smith | ImmunoPrecise Antibodies Ltd. (1)<br>Lite Access Technologies Inc. (1) |
| Kevin Smith | Lite Access Technologies Inc. (1) |

(1) Listed on the TSX Venture Exchange

**The Board unanimously recommends that Shareholders vote "for" the election of each of the above nominees as directors of the Company.**

## 4. Appointment and Remuneration of Auditor

The Company is nominating PricewaterhouseCoopers ("PwC") of 250 Howe Street, Suite 1400, Vancouver, British Columbia for re-appointment as auditor of the Company to hold office until the next annual meeting of shareholders and to authorize the Board to fix the remuneration to be paid thereto.

**The Board unanimously recommends shareholders to vote "for" the appointment of PricewaterhouseCoopers as the Company's auditors until the next annual general meeting at a remuneration to be fixed by the Company's board of directors.**

## 5. Confirming Stock Option Plan

Pursuant to Policy 4.4 of the TSX Venture Exchange ("**TSX-V**"), all TSX-V listed companies are required to adopt a stock option plan prior to granting incentive stock options. The purpose of the Stock Option Plan is to attract and motivate directors, senior officers, employees, consultants and others providing services to the Company and its subsidiaries, and thereby advance the Company's interests, by affording such persons with an opportunity to acquire an equity interest in the Company through the issuance of stock options. The Company is currently listed on Tier 1 of the TSX-V and has adopted a "rolling" stock option plan reserving a maximum of 10% of the issued shares of the Company at the time of the stock option grant.

The Company's Stock Option Plan was approved by the shareholders at the Company's December 14, 2018 AGM. As a "rolling" stock option plan, the Stock Option Plan is required to be re-approved by the shareholders each year at the Company's annual general meeting.

Copies of the Stock Option Plan will be available at the Meeting for review by the shareholders. In addition, upon request, shareholders may obtain a copy of the document from the Company prior to the Meeting.

*Summary of the Plan*

The following information is intended as a brief description of the Company's Stock Option Plan and is qualified in its entirety by the full text of the Stock Option Plan, which will be available for review at the Meeting. Capitalized terms are as defined in the Stock Option Plan.

1. The aggregate number of Common Shares that may be reserved for issuance pursuant to Options shall not exceed 10% of the outstanding Common Shares at the time of the granting of an Option, less the aggregate number of Common Shares then reserved for issuance pursuant to any other share compensation arrangement.

2. The exercise price per Common Share for an Option shall be determined by the Board, but will in no event be less than the permitted discount to the Market Price for the Common Shares (as defined by the policies of the TSX-V) at the date of grant.

3. If an option expires during, or within five trading days after, a Blackout Period then, the option shall expire 10 trading days after termination of the Blackout Period.

4. The number of Common Shares reserved for issuance in any 12 month period under this Plan and any Other Share Compensation Arrangement to (a) any one person, may not exceed 5% of the outstanding Common Shares at the time of the grant (unless the Company has obtained disinterested shareholder approval to exceed such limit); (b) all persons engaged in investor relations activities may not exceed 2% of the outstanding Common Shares at the time of the grant; (c) any one consultant may not exceed 2% of the outstanding Common Shares at the time of the grant; and (d) to Insiders shall not exceed 10% of the outstanding Common Shares at the time of grant.

5. Upon expiry of an option, or in the event an option is otherwise terminated for any reason without having been exercised, the number of shares in respect of the expired or terminated option shall again be available for the purposes of the Stock Option Plan. Options granted under the Stock Option Plan, may not have a term exceeding 10 years after the date of the grant.

6. If a participant who is a director. officer, employee or consultant is terminated for cause, each Option held by such participant shall terminate and shall therefore cease to be exercisable upon such termination for cause.

   If a participant dies or suffers a disability prior to expiry of an Option, any Options that vested prior to such death or disability may be exercised by the participant's legal representatives for a period of one year from the date of death or disability, or the scheduled expiry date of those Options, whichever is sooner.

   If a participant ceases to act as a director, officer, employee or consultant of the Company for any reason other than cause or death or disability, any Options that vested prior to such termination may be exercised for a period of 90 days after termination.

   Any Options that do not vest prior to the participant ceasing to act as a director, officer, employee or consultant of the Company may not be exercised.

The Board retains the discretion to impose vesting periods on any options granted. In accordance with the policies of the TSX-V, stock options granted to consultants performing investor relations services must vest in stages over a minimum of 12 months with no more than one-quarter of the stock options vesting in any three month period.

At the Meeting shareholders will be asked to pass an ordinary resolution in the following form:

BE IT RESOLVED that:

(1) the Company approve and ratify, subject to regulatory approval, the Stock Option Plan pursuant to which the directors may, from time to time, authorize the issuance of options to directors, officers, employees and consultants of the Company and its subsidiaries to a maximum of 10% of the issued and outstanding common shares of the Company at the time of grant; and

(2) any one officer or director of the Company is hereby authorized to execute and deliver all such documents and do all such acts and things as may be deemed advisable in such individual's discretion for the purpose of giving effect to this resolution."

**The Board recommends unanimously that Shareholders vote "for" the ratification and approval of the Stock Option Plan.**

## ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com. Financial information about the Company is provided in the Company's comparative annual financial statements to December 31, 2018 a copy of which, together with Management's Discussion and Analysis thereon, can be found on the Company's SEDAR profile at www.sedar.com. Shareholders may contact the Company as set out below to request copies of the Company's financial statements and Management's Discussion Analysis.

## BOARD APPROVAL

The contents of this Circular have been approved and its mailing authorized by the directors of the Company.

DATED at Vancouver, British Columbia, the day 10th of October, 2019.

**ON BEHALF OF THE BOARD**

*/s/ Dirk Maritz*

Dirk Maritz
Chief Executive Officer and President

**SCHEDULE "A"**

**ATLAS ENGINEERED PRODUCTS LTD.**
**(the "Company")**

**AUDIT COMMITTEE CHARTER**

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(Implemented pursuant to National Instrument 52-110 – *Audit Committees*)

National Instrument 52-110 – *Audit Committees* (the "**Instrument**") relating to the composition and function of audit committees was implemented for reporting issuers and, accordingly, applies to every TSX Venture Exchange listed company, including the Company. The Instrument requires all affected issuers to have a written audit committee charter which must be disclosed, as stipulated by Form 52-110F2, in the management information circular of the Company wherein management solicits proxies from the security holders of the Company for the purpose of electing directors to the board of directors. The Company, as a TSX Venture Exchange-listed company is, however, exempt from certain requirements of the Instrument.

This Charter has been adopted by the board of directors in order to comply with the Instrument and to more properly define the role of the Committee in the oversight of the financial reporting process of the Company. Nothing in this Charter is intended to restrict the ability of the board of directors or Committee to alter or vary procedures in order to comply more fully with the Instrument, as amended from time to time.

## PART 1

**Purpose:**

The purpose of the Committee is to:

(a) improve the quality of the Company's financial reporting;

(b) assist the board of directors to properly and fully discharge its responsibilities;

(c) provide an avenue of enhanced communication between the directors and external auditors;

(d) enhance the external auditor's independence;

(e) increase the credibility and objectivity of financial reports; and

(f) strengthen the role of the directors by facilitating in depth discussions between directors, management and external auditors.

### 1.1 Definitions

"**accounting principles**" has the meaning ascribed to it in National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency*;

"**Affiliate**" means a Company that is a subsidiary of another Company or companies that are controlled by the same entity;

"**audit services**" means the professional services rendered by the Company's external auditor for the audit and review of the Company's financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements;

"**Charter**" means this audit committee charter;

"**Committee**" means the committee established by and among certain members of the board of directors for the purpose of overseeing the accounting and financial reporting processes of the Company and audits of the financial statements of the Company;

"**Control Person**" means any individual or company that holds or is one of a combination of individuals or companies that holds a sufficient number of any of the securities of the Company so as to affect materially the control of the Company, or that holds more than 20% of the outstanding voting shares of the Company except where there is evidence showing that the holder of those securities does not materially affect the control of the Company;

"**financially literate**" has the meaning set forth in Section 1.2;

"**immediate family member**" means a person's spouse, parent, child, sibling, mother or father-in-law, son or daughter-in-law, brother or sister-in-law, and anyone (other than an employee of either the person or the person's immediate family member) who shares the individual's home;

"**Instrument**" means National Instrument 52-110 – *Audit Committees*;

"**MD&A**" has the meaning ascribed to it in National Instrument 51-102;

"**Member**" means a member of the Committee;

"**National Instrument 51-102**" means National Instrument 51-102 - *Continuous Disclosure Obligations*; and

"**non-audit services**" means services other than audit services.

### 1.2 Meaning of Financially Literate

For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

## PART 2

### 2.1 Audit Committee

The board of directors has hereby established the Committee for, among other purposes, compliance with the Instrument.

### 2.2 Relationship with External Auditors

The Company will require its external auditor to report directly to the Committee and the Members shall ensure that such is the case.

### 2.3 Committee Responsibilities

1. The Committee shall be responsible for making the following recommendations to the board of directors:

    (a) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and

    (b) the compensation of the external auditor.

2. The Committee shall be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the

Company, including the resolution of disagreements between management and the external auditor regarding financial reporting. This responsibility shall include:

(a) reviewing the audit plan with management and the external auditor;

(b) reviewing with management and the external auditor any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgements of management that may be material to financial reporting;

(c) questioning management and the external auditor regarding significant financial reporting issues discussed during the fiscal period and the method of resolution;

(d) reviewing any problems experienced by the external auditor in performing the audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management;

(e) reviewing audited annual financial statements, in conjunction with the report of the external auditor, and obtaining an explanation from management of all significant variances between comparative reporting periods;

(f) reviewing the post-audit or management letter, containing the recommendations of the external auditor, and management's response and subsequent follow up to any identified weakness;

(g) reviewing interim unaudited financial statements before release to the public;

(h) reviewing all public disclosure documents containing audited or unaudited financial information before release, including any prospectus, the annual report and management's discussion and analysis;

(i) reviewing the evaluation of internal controls by the external auditor, together with management's response;

(j) reviewing the terms of reference of the internal auditor, if any;

(k) reviewing the reports issued by the internal auditor, if any, and management's response and subsequent follow up to any identified weaknesses; and

(l) reviewing the appointments of the chief financial officer and any key financial executives involved in the financial reporting process, as applicable.

3. The Committee shall review the Company’s financial statements, MD&A, and annual and interim earnings press releases before the Company publicly discloses this information.

4. The Committee shall ensure that adequate procedures are in place for the review of the Company’s public disclosure of financial information extracted or derived from the Company's financial statements, and shall periodically assess the adequacy of those procedures.

5. When there is to be a change of auditor, the Committee shall review all issues related to the change, including the information to be included in the notice of change of auditor called for under National Instrument 51-102, and the planned steps for an orderly transition.

6. The Committee shall review all reportable events, including disagreements, unresolved issues and consultations, as defined in National Instrument 51-102, on a routine basis, whether or not there is to be a change of auditor.

7. The Committee shall, as applicable, establish procedures for:

   (a) the receipt, retention and treatment of complaints received by the issuer regarding accounting, internal accounting controls, or auditing matters; and

   (b) the confidential, anonymous submission by employees of the issuer of concerns regarding questionable accounting or auditing matters.

8. As applicable, the Committee shall establish, periodically review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the issuer, as applicable.

9. The responsibilities outlined in this Charter are not intended to be exhaustive. Members should consider any additional areas which may require oversight when discharging their responsibilities.

**2.4 Non-Audit Services**

The Committee shall satisfy the pre-approval requirement in subsection 2.3(3) if:

(a) the aggregate amount of all the non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the issuer and its subsidiary entities to the issuer's external auditor during the financial year in which the services are provided;

(b) the Company or the subsidiary of the Company, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and

(c) the services are promptly brought to the attention of the Committee and approved by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee, prior to the completion of the audit.

**2.5 Delegation of Pre-Approval Function**

1. The Committee may delegate to one or more independent Members the authority to pre-approve non-audit services in satisfaction of the requirement in subsection 2.3(3).

2. The pre-approval of non-audit services by any Member to whom authority has been delegated pursuant to subsection 2.5(1) must be presented to the Committee at its first scheduled meeting following such pre-approval.

## PART 3

**3.1 Composition**

1. The Committee shall be composed of a minimum of three members of the Board, as well as, the Chief Financial Officer as a Company representative and non-voting member.

2. Every Member shall be a director of the issuer.

3. The majority of Members shall not be employees, Control Persons or officers of the Company.

4. Each audit committee member must be financially literate as defined in section 1.2.

## PART 4

### 4.1 Authority

Until the replacement of this Charter, 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 any advisors employed by the Committee;

(c) communicate directly with the internal and external auditors; and

(d) recommend the amendment or approval of audited and interim financial statements to the board of directors.

## PART 5

### 5.1 Disclosure in Information Circular

If management of the Company solicits proxies from the security holders of the Company for the purpose of electing directors to the board of directors, the Company shall include in its management information circular the disclosure required by Form 52-110F2 (Disclosure by Venture Issuers).

## PART 6

### 6.1 Meetings

1. Meetings of the Committee shall be scheduled to take place at regular intervals and, in any event, not less frequently than quarterly.

2. Opportunities shall be afforded periodically to the external auditor, the internal auditor and to members of senior management to meet separately with the Members.

3. Minutes shall be kept of all meetings of the Committee.

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