



## **ALTERNATE HEALTH CORP.**

### **2018 ANNUAL GENERAL MEETING**

Notice of Annual General Meeting of Shareholders  
and  
Information Circular

Place: Sheraton Centre Toronto Hotel  
123 Queen Street West  
Toronto, ON, M5H 2M9, Canada

Time: 11:00 am (Eastern Time)

Date: November 8, 2018



## ALTERNATE HEALTH CORP.

### CORPORATE DATA

#### Head Office U.S.

7373 Broadway, Suite 307  
San Antonio, Texas  
78209, USA  
Telephone: 1.210.370.3022

#### U.S. Office

2536 Lincoln Blvd.  
Venice, California  
90291, USA  
Telephone: 1.424.377.4185

#### Directors:

Dr. Michael Murphy, Chairman  
James Tykoliz  
Jim Griffiths  
Michael Klipper  
Jeff Langenbach

#### Registrar & Transfer Agent

Computershare Investor Services Inc.  
3<sup>rd</sup> Floor, 510 Burrard Street  
Vancouver, British Columbia  
V6C3B9, Canada

#### Legal Counsel

Miller Thomson LLP  
400-725 Granville Street  
Vancouver, British Columbia  
V7Y1G5, Canada

#### Auditor

BDO Canada LLP  
Suite 3600 - 66 Wellington Street West  
P.O. Box 131  
Toronto, Ontario  
M5K1H1, Canada

#### Stock Exchange Listings

Canadian Securities Exchange - CSE:AHG  
OTC Markets – OTCQB:AHGIF

#### Head Office Canada

Suite 200 - 99 Yorkville Avenue  
Toronto, Ontario  
M5R3K5, Canada  
Telephone: 1.416.607.5757

#### Registered and Records Office

Suite 309 – 1485 West 6<sup>th</sup> Avenue  
Vancouver, British Columbia  
V6H4G1, Canada  
Telephone: 604.569.4969  
Toll free: 1.855.569.4969  
Facsimile: 604.736.8254

#### Officers:

Dr. Michael Murphy, Chairman and CEO  
Christopher Boling, CFO  
Marcelin O'Neill, CCO  
Jim Griffiths, SVP Finance  
Jay Briggs, VP Operations

## **ALTERNATE HEALTH CORP.**

Suite 309 – 1485 West 6<sup>th</sup> Ave,  
Vancouver, British Columbia, V6H4G1 Canada

### **NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**NOTICE IS GIVEN** that the Annual General Meeting (the “**Meeting**”) of the shareholders of **Alternate Health Corp.** (the “**Company**”) will be held on **Thursday, November 8, 2018**, at Sheraton Centre Toronto Hotel, 123 Queen Street West, Toronto, ON, M5H 2M9, Canada, at 11:00 am (Eastern Time) for the following purposes:

1. To receive the audited annual consolidated financial statements of the Company for its financial year ended December 31, 2017, together with the Auditor’s report thereon;
2. To determine the number of directors of the Company at five (5);
3. To elect the directors of the Company for the coming year;
4. To appoint BDO Canada LLP, as the Company’s auditor for the ensuing financial year and to authorize the directors to set the auditor’s remuneration;
5. To consider, and if thought fit, to ratify and approve, with or without amendment, an ordinary resolution of disinterested shareholders providing for the approval of the Company’s Incentive Stock Option Plan (the "Stock Option Plan") wherein the Company will allocate and reserve up to 15% of its issued common shares from time to time for the purpose of granting options under the Stock Option Plan. The full text of the resolution, which also includes approval of the Company’s issuance of share purchase warrants as compensation, is set forth in the Information Circular accompanying this Notice; and
6. To transact such other business as may properly come before the Meeting and any adjournments or postponements thereof.

This Notice is accompanied by an Information Circular (the “Circular”), either a form of Proxy for registered shareholders or a Voting Instruction Form (“VIF”) for beneficial (non-registered) shareholders and Financial Statement Request Form. Please review the accompanying Circular before voting as it contains important information about the Meeting and is deemed to form part of this Notice.

The Company’s Board of Directors has fixed the close of business on the October 4, 2018 as the record date for the determination of shareholders who are entitled to receive notice of, and to vote at, the Meeting. Only shareholders of the Company as of October 4, 2018, are entitled to receive notice of and to vote at the Meeting, and any adjournment or postponement.

If you are a *registered shareholder* of the Company you may attend the Meeting in person or be represented by proxy. Shareholders of the Company who are unable to attend the meeting in person are requested to complete, sign and date the enclosed Proxy/Voting Instruction Form and to mail it to or deposit it with Computershare Investor Services Inc., Proxy Dept., 100 University Avenue, 9th Floor, Toronto, Ontario, M5J2Y1. Telephone and Internet voting can also be completed 24 hours a day, 7 days a week by following the instructions in the accompanying Proxy/Voting Instruction Form. Duly completed forms of Proxy must be received or a vote using the telephone or over the internet must be completed no later than 48 hours (excluding Saturdays, Sundays and statutory holidays) before the time of the Meeting, being 11:00 a.m. (Eastern Time) on November 6, 2018, or any

adjournments or postponements thereof, unless the chairman of the Meeting chooses to exercise his discretion to accept late proxies.

If you are a *non-registered shareholder* of the Company you should complete and return the VIF or other authorization provided to you by your broker, investment dealer, trust company or other intermediary in accordance with the instructions provided. If you are a non-registered shareholder and do not complete and return the materials in accordance with such instructions, you may lose the right to have your Shares voted at the Meeting.

If you do not vote, or do not instruct your broker, investment dealer, bank, trust company or other intermediary how to vote, you will not be considered to be represented by proxy for the purpose of voting. Shares represented by a properly executed proxy will be voted on any ballot that may be conducted at the Meeting in accordance with your instructions and, if you specify a choice with respect to any matter to be acted upon, your Shares shall be voted accordingly. In the absence of instructions your Shares will be voted FOR each of the matters referred to in the proxy.

DATED the 4<sup>th</sup> day of October, 2018.

**By Order of the Board of Directors of**

**ALTERNATE HEALTH CORP.**

*“Dr. Michael L. Murphy”*

**Dr. Michael L. Murphy**  
**Chairman of the Board**

## **ALTERNATE HEALTH CORP.**

Suite 309 – 1485 West 6<sup>th</sup> Ave,  
Vancouver, British Columbia, V6H4G1 Canada

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### **INFORMATION CIRCULAR**

(containing information as at October 4<sup>th</sup>, 2018 unless indicated otherwise)

#### **MANAGEMENT SOLICITATION OF PROXIES**

This Information Circular is provided in connection with the solicitation of proxies by the management of **Alternate Health Corp.** ("**Alternate Health**" or the "**Company**") for use at the Annual General Meeting (the "**Meeting**"), of the shareholders (the "**Shareholders**") of the Company, to be held on **Thursday, November 8, 2018**, at Sheraton Centre Toronto Hotel, 123 Queen Street West, Toronto, ON, M5H 2M9, Canada, at 11:00 am (Eastern Time) and any adjournments thereof for the purpose set forth in the enclosed Notice of Annual General Meeting (the "**Notice of Meeting**").

The solicitation will be made primarily by mail, however, proxies may be solicited personally or by telephone, or electronic means of communication by the directors, officers, and employees of the Company. The Company will bear all costs of such solicitation.

#### **APPOINTMENT OF PROXYHOLDER AND VOTING BY PROXY**

A registered Shareholder may vote in person at the Meeting or may appoint another person to represent you as a proxyholder to vote your shares at the Meeting.

The persons named in the accompanying form of proxy (the "**Proxy**") are directors or officers of the Company, (the "**Management Proxyholders**"). **A Shareholder has the right to appoint a person or company (who need not be a shareholder) other than Management Proxyholders to attend and act for the Shareholder and on the Shareholder's behalf at the Meeting. To exercise this right, a Shareholder must strike out the names of the Management Proxyholders and insert the name of the person or company in the blank space provided in the Proxy, or by executing a proxy in a form similar to the enclosed form.** To be valid, the completed form of Proxy must be delivered to the Company's Registrar and Transfer Agent, Computershare Investor Services Inc. ("Computershare"), at the Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, in the envelope provided for that purpose. Fax: Within North America: 1-866-249-7775, Outside North America: (416) 263-9524. Telephone and Internet voting can also be completed by Shareholders 24 hours a day, 7 days a week at 1-866-734-VOTE(8683) (toll free) and [www.investorvote.com](http://www.investorvote.com). Duly completed forms of Proxy or a vote using the telephone or over the internet must be completed no later than 48 hours (excluding Saturdays, Sundays, and Holidays) before the time of the Meeting or adjournment thereof, unless the chairman of the Meeting elects to exercise his discretion to accept proxies subsequently received. If a Shareholder is a corporation, the proxy must be signed by a duly authorized officer of or attorney for the corporation. A proxyholder need not be a Shareholder.

If you are a Beneficial Shareholder and receive these materials through your broker or through another intermediary, please complete and return the Voting Instruction Form in accordance with the instructions provided by your broker or other intermediary.

#### **EXERCISE OF DISCRETION BY PROXYHOLDERS**

A Shareholder may indicate the manner in which the persons named in the accompanying form of Proxy are to vote with respect to a matter to be acted upon at the Meeting. **If the Shareholder specifies a choice in the Proxy**

**with respect to a matter to be acted upon, then the shares represented will be voted or withheld from the vote on that matter accordingly. If no choice is specified in the Proxy with respect to a matter to be acted upon, the Proxy confers discretionary authority with respect to that matter upon the proxyholder named in the accompanying form of Proxy. It is intended that the Management Proxyholders in the accompanying form of Proxy will vote the shares represented by the Proxy in favor of each matter proposed by management at the Meeting.**

**The accompanying form of Proxy, when properly completed and delivered and not revoked, gives discretionary authority upon the named proxyholder with respect to amendments or variations to the matters identified in the accompanying Notice of Meeting and with respect to any other matters which may properly come before the Meeting.**

As of the date of this Information Circular, management of the Company is not aware of any such amendments or variations, or any other matters, that will be presented for action at the Meeting other than those referred to in the accompanying Notice of Meeting. If, however, other matters that are not now known to management properly come before the Meeting, then the persons named in the accompanying form of Proxy intend to vote on them in accordance with their best judgment. In order to approve a motion proposed at a Meeting, a majority greater than one-half of the votes cast will be required unless the motion requires a special resolution, in which case a majority of not less than two-thirds of the votes cast will be required. In the event that a motion proposed at the Meeting requires disinterested shareholder approval, common shares held by a Shareholder of the Company who is a "related person" of the Company, as such term is defined under applicable securities laws, will be excluded from the count of votes cast on such motion.

#### **REVOCATION OF PROXIES**

A Shareholder who has given a Proxy may revoke it at any time before it is exercised. In addition to revocation in any other manner permitted by law, a Proxy may be revoked by instrument in writing executed by the Shareholder or by his attorney authorized in writing, or, if the Shareholder is a corporation, it must be signed by a duly authorized officer (and you may be required to provide documentation evidencing your power to act on behalf of the corporation) and deposited with the Company's registrar and transfer agent, Computershare Investor Services Inc., 100 University Avenue, 9th floor, Toronto, Ontario, M5J2Y1, at any time up to and including the second last business day preceding the Meeting, or any adjournment of it, at which the Proxy is to be used, or to the Chairman of the Meeting on the day of the Meeting or any adjournment of it. A revocation of a Proxy does not affect any matter on which a vote has been taken prior to the revocation.

#### **VOTING BY NON-REGISTERED SHAREHOLDERS (BENEFICIAL SHAREHOLDERS)**

**The information set forth in this section is of significant importance to many Shareholders as a substantial number of Shareholders do not hold securities of the Company in their own name.**

Shareholders who hold their securities through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their securities in their own name (referred to in this Information Circular as "**Beneficial Shareholders**") should note that only proxies deposited by Shareholders who appear on the records maintained by Computershare, the Company's registrar and transfer agent, as registered holders of voting securities will be recognized and acted upon at the Meeting. If voting securities are listed in an account statement provided to a Beneficial Shareholder by a broker, those voting securities will, in all likelihood, not be registered in the Shareholder's name. Such voting securities more likely will be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name of the Canadian Depositary for Securities which acts as nominee for many Canadian brokerage firms). Voting securities held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients.

**Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person.**

In accordance with National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Company has distributed copies of the Notice of Meeting, this Information Circular and the Proxy/Voting Instruction Form to the clearing agencies and intermediaries for onward distribution to Beneficial Shareholders. Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings unless the Beneficial Shareholder has waived the right to receive meeting materials. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their voting securities are voted at the Meeting. The purpose of the form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker), is limited to instructing the Registered Shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications Solutions, Canada ("**Broadridge**"). Broadridge typically prepares a machine-readable voting instruction form, mails such forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge or otherwise communicate voting instructions to Broadridge by way of the Internet or telephone or other voting procedures. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote their securities directly at the Meeting. The voting instruction forms must be returned to Broadridge (or instructions respecting the voting of securities must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the securities voted.** If you have any questions respecting the voting of securities held through a broker or other intermediary, please contact that broker or other intermediary promptly for assistance. Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting securities registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the Registered Shareholder and vote the securities in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their common shares as proxyholder for the registered shareholder should contact their broker, agent or nominee well in advance of the Meeting to determine the steps necessary to permit them to indirectly vote their common shares as a proxyholder.

#### **RECORD DATE AND QUORUM**

The Company has set the close of business on October 4, 2018, as the record date (the "**Record Date**") for the Meeting. Only the common shareholders as at the Record Date are entitled to receive notice of and to vote at the Meeting. Under the Articles of the Company, subject to the special rights and restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at the Meeting is one or more persons, present in person or by proxy.

The directors, the president, if any, the secretary, if any, and any lawyer or auditor for the Company are entitled to attend any meeting of shareholders, but if any of those persons do attend a meeting of shareholders, that person is not to be counted in the quorum, and is not entitled to vote at the meeting, unless that person is a shareholder or proxy holder entitled to vote at the meeting.

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

Except as disclosed in this Information Circular, no person has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting. For the purpose of this paragraph, "person" includes each person: (a) who has been a director or executive officer of the Company at any time since the commencement of the Company's last financial year; (b) who is a proposed nominee for election as a director of the Company; or (c) who is an associate or affiliate of a person included in subparagraphs (a) or (b), except that directors and executive officers of the Company and persons proposed as nominees for

election as directors of the Company are eligible to receive stock options pursuant to the Stock Option Plan, approval of which will be sought at the Meeting.

### VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company is authorized to issue an unlimited number of common shares without par value. As of the Record Date, being the close of business on October 4, 2018, a total of 53,979,005 common shares were issued and outstanding. The holders of common shares are entitled to one vote for each common share held.

The issued and outstanding common shares are listed for trading on the Canadian Securities Exchange under the trading symbol 'AHG' and on the OTC Markets (OTCQB) under the symbol 'AHGIF'.

To the knowledge of the directors and executive officers of the Company, and based upon the Company's review of the records maintained by Computershare, the following shareholders and persons are the only persons that beneficially own, directly or indirectly, or exercise control or direction over, shares carrying more than 10% of the voting rights attached to all outstanding common shares of the Company:

Name of Shareholder	Number of Shares beneficially held	Percentage of Issued voting shares <sup>(1)</sup>
DC NetCast Media Group Inc. <sup>(2)</sup>	7,259,375	13.45%
Dr. Michael Murphy MLM Heritage Trust	5,840,392	10.82%

**Notes:**

- (1) On the basis of 53,979,005 shares outstanding on the record date.
- (2) A company controlled by Jim Tykoliz, a director of the Company, who personally owns and controls 3,102,750 (5.75%) of the common shares of the Company as at the record date.

### EXECUTIVE COMPENSATION

The Company is a venture issuer and is disclosing its executive compensation in accordance with Form 51-102F6V.

The following persons are considered the "Named Executive Officers" or "NEOs" for the purposes of the disclosure:

- (a) the Company's CEO, including an individual performing functions similar to a CEO;
- (b) the Company's CFO, including an individual performing functions similar to a CFO;
- (c) the most highly compensated executive officer of the Company and its subsidiaries, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V Statement of Executive Compensation - Venture Issuers, for the December 31, 2017 year end; and
- (d) each individual who would be a Named Executive Officer under paragraph (c) but for the fact the individual was not an executive officer of the Company and was not acting in a similar capacity at December 31, 2017.



## Director and Named Executive Officer Compensation, excluding Compensation Securities

The following table provides a summary of compensation paid or accrued, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company or any subsidiary of the Company to each Named Executive Officer and director of the Company during the Company's two most recent financial years ended December 31, 2017 and December 31, 2016. During the year ended December 31, 2016, the Company acquired Alternate Health Inc. ("AHI") and its subsidiaries and the acquisition was accounted for as a reverse takeover of the Company by AHI; therefore, the Company's financial statements for the year ended December 31, 2016 and going forward reflects a consolidation of the accounts of the Company, AHI and the subsidiaries of AHI.

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees <sup>(1)</sup> (\$)	Value of perquisites <sup>(2)</sup> (\$)	Value of all other compensation (\$)	Total compensation (\$)
Michael Murphy CEO, Chairman, and Director	2017 <sup>(3)</sup>	188,280.00	Nil	N/A	Nil	Nil	188,280.00
	2016	Nil	Nil	N/A	Nil	Nil	Nil
Jamison Feramisco Former CEO and Former Director	2017 <sup>(4)</sup>	172,393.62	Nil	N/A	Nil	Nil	172,393.62
	2016	Nil	Nil	N/A	Nil	Nil	Nil
Bryan Korba Former CEO, Former President, and Former Director	2017 <sup>(5)</sup>	321,993.78	Nil	N/A	Nil	Nil	321,993.78
	2016	Nil	Nil	N/A	Nil	Nil	Nil
Marjorie Sanderson Former CEO and Former Director	2017 <sup>(6)</sup>	Nil	Nil	N/A	Nil	Nil	Nil
	2016	Nil	Nil	N/A	Nil	Nil	Nil
Christopher Boling CFO	2017 <sup>(7)</sup>	38,958.00	Nil	N/A	Nil	Nil	38,958.00
	2016	Nil	Nil	N/A	Nil	Nil	Nil
Jim Griffiths Director, SVP, and Former CFO	2017 <sup>(8)</sup>	272,514.01	Nil	N/A	Nil	Nil	272,514.01
	2016	Nil	Nil	N/A	Nil	Nil	Nil
Michael English Former CFO	2017 <sup>(9)</sup>	249,980.47	Nil	N/A	Nil	Nil	249,980.47
	2016	Nil	Nil	N/A	Nil	Nil	Nil
Thomas Bartlett Former COO	2017 <sup>(10)</sup>	318,708.93	Nil	N/A	Nil	Nil	318,708.93
	2016	Nil	Nil	N/A	Nil	Nil	Nil

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees <sup>(1)</sup> (\$)	Value of perquisites <sup>(2)</sup> (\$)	Value of all other compensation (\$)	Total compensation (\$)
Adam Desmond Former Director	2017 <sup>(11)</sup>	62,926.89	Nil	N/A	Nil	Nil	62,926.89
	2016	Nil	Nil	N/A	Nil	Nil	Nil
Kristen Taylor Former Director	2017 <sup>(12)</sup>	32,465.00	Nil	N/A	Nil	Nil	32,465.00
	2016	Nil	Nil	N/A	Nil	Nil	Nil
Wesley Clark Former Director	2017 <sup>(13)</sup>	113,627.50	Nil	N/A	Nil	Nil	113,627.50
	2016	Nil	Nil	N/A	Nil	Nil	Nil
James Tykoliz Director	2017 <sup>(14)</sup>	63,288.00	Nil	N/A	Nil	Nil	63,288.00
	2016	Nil	Nil	N/A	Nil	Nil	Nil
J. Bernard Rice Director	2017 <sup>(15)</sup>	68,176.50	Nil	N/A	Nil	Nil	68,176.50
	2016	Nil	Nil	N/A	Nil	Nil	Nil
Michael Klipper Director	2017 <sup>(16)</sup>	125,130.83	Nil	N/A	Nil	Nil	125,130.83
	2016	Nil	Nil	N/A	Nil	Nil	Nil
Marcelin O'Neill CCO, and Former Director	2017 <sup>(17)</sup>	88,359.70	Nil	N/A	Nil	Nil	88,359.70
	2016	Nil	Nil	N/A	Nil	Nil	Nil
Jade Green VP, Sales & Marketing	2017 <sup>(18)</sup>	97,554.36	Nil	N/A	Nil	Nil	97,554.36
	2016	Nil	Nil	N/A	Nil	Nil	Nil
Jay Briggs VP, Operations	2017 <sup>(19)</sup>	41,954.77	Nil	N/A	Nil	Nil	41,954.77
	2016	Nil	Nil	N/A	Nil	Nil	Nil

**Notes:**

- (1) As of the year ended December 31, 2017, there was no standard meeting fee or committee fee for attendance at directors' meetings or serving on committees; although certain directors received compensation in their capacity as directors of the Company.
- (2) The value of perquisites and benefits, if any, was less than \$15,000.

- (3) Michael Murphy has been a director and chairman since March 28, 2017, and CEO since August 4, 2017, so the information for the financial year ended December 31, 2017 is for less than a full financial year. Mr. Murphy's management consulting agreement provides for a fee of \$468,000 per year.
- (4) Jamison Feramisco served as a director from February 1, 2017; and as CEO from March 28, 2017 to August 4, 2017, so the information for the financial year ended December 31, 2017 is for less than a full financial year.
- (5) Bryan Korba served as a director and CEO from February 1, 2017 to March 28, 2017, and as President until August 9, 2017. The information for the financial year ended December 31, 2017 is for less than a full financial year
- (6) Marjorie Sanderson served as a director and CEO from May 13, 2015 to February 1, 2017
- (7) Christopher Bolling has been CFO since January 25, 2018. However, he performed a similar function to that of a CFO since his employ with the Company, prior to being appointed CFO. The information for the financial year ended December 31, 2017 is for less than a full financial year. Mr. Boling's compensation for a full fiscal year is \$286,000.
- (8) Jim Griffiths has been a director since September 3, 2015, served as CFO from September 3, 2015 to February 1, 2017, Interim CFO from July 19, 2017 to August 4, 2017, CFO from August 4, 2017 to January 25, 2018, and SVP, Finance since January 25, 2018. The information for the financial year ended December 31, 2017 is for less than a full financial year. Mr. Griffiths' management consulting agreement provides for a fee of \$288,600 per year.
- (9) Michael English served as CFO from February 1, 2017 to July 19, 2017, so the information for the financial year ended December 31, 2017 is for less than a full financial year.
- (10) Thomas Bartlett served as COO, from February 1, 2017 to July 19, 2017. The information for the financial year ended December 31, 2017 is for less than a full financial year.
- (11) Adam Desmond served as a director from February 1, 2017 to August 9, 2017. The information for the financial year ended December 31, 2017 is for less than a full financial year.
- (12) Kristen Taylor served as a director from August 9, 2017 to May 1, 2018. The information for the financial year ended December 31, 2017 is for less than a full financial year.
- (13) Wesley Clark served as a director from March 28, 2017 to August 9, 2017. The information for the financial year ended December 31, 2017 is for less than a full financial year.
- (14) James Tykoliz has been a director since April 16, 2015. The information for the financial year ended December 31, 2017 is for less than a full financial year. Mr. Tykoliz' compensation for a full fiscal year is \$78,000 under the Company's independent director's agreement.
- (15) J. Bernard Rice has been a director since June 22, 2017. The information for the financial year ended December 31, 2017 is for less than a full financial year. Mr. Rice's compensation for a full fiscal year is \$78,000 under the Company's independent director's agreement.
- (16) Michael Klipper has been a director since August 9, 2017. The information for the financial year ended December 31, 2017 is for less than a full financial year. Mr. Klipper's management consulting agreement provides for a fee of \$312,000 per year.
- (17) Marcelin O'Neill served as a director from October 26, 2014 to April 17, 2015 and from May 4, 2015 to February 1, 2017, as Corporate Secretary from October 26, 2014 to August 9, 2017, and CCO since August 9, 2017. The information for the financial year ended December 31, 2017 is for less than a full financial year. Ms. O'Neill's management consulting agreement provides for a fee of \$132,600 per year.
- (18) Jade Green served as VP, Sales and Marketing from August 9, 2017 to September 25, 2018. The information for the financial year ended December 31, 2017 is for less than a full financial year. Ms. Green's employment agreement provides for a fee of \$195,000 per year.
- (19) Jay Briggs has been VP, Operation since December 1, 2017, but has performed in a similar capacity since he commenced his employ with the Company. The information for the financial year ended December 31, 2017 is for less than a full financial year. Mr. Brigg's compensation for a full fiscal year is \$195,000.

### **Stock Options and Other Compensation Securities**

The following table discloses all compensation securities granted or issued during the most recently completed financial year ended December 31, 2017 for services provided or to be provided, directly or

indirectly, to the Company or its subsidiary.

Compensation Securities							
Name and position	Type of compensation security <sup>(1)</sup>	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Michael Murphy CEO, Chairman, and Director	Stock Options	120,000 <sup>(2)</sup> (4.27%)	April 13, 2017	\$4.00	\$3.90	\$2.00	April 14, 2022
	Stock Options	30,000 (1.07%)	August 4, 2017	\$2.90	\$2.86	\$2.00	August 5, 2022
Jamison Feramisco Former CEO and Former Director	Stock Options	60,000 (2.13%)	April 13, 2017	\$4.00	\$3.90	\$2.00	August 7, 2018 <sup>(3)</sup>
	Warrants	650,000 (50.09%)	April 13, 2017	\$3.91	\$3.90	\$2.00	August 14, 2022
	Warrants	200,000 (15.41%)	June 14, 2017	\$3.05	\$3.35	\$2.00	June 15, 2019
Bryan Korba Former CEO, Former President, and Former Director	Stock Options	Nil <sup>(4)</sup>	N/A	N/A	N/A	N/A	N/A
	Warrants	180,000 (13.87%)	January 8, 2017	\$1.00	N/A	\$2.00	July 8, 2018
Christopher Boling CFO	Stock Options	60,000 (2.13%)	December 1, 2017	\$2.00	\$1.96	\$2.00	December 2, 2022
Jim Griffiths Director, SVP, and Former CFO	Stock Options	60,000 <sup>(5)</sup> (2.13%)	April 13, 2017	\$4.00	\$3.90	\$2.00	April 14, 2022
	Stock Options	40,000 (1.42%)	August 4, 2017	\$2.90	\$2.86	\$2.00	August 5, 2022
Michael English Former CFO	Warrants	17,544 (1.35%)	April 13, 2017	\$3.91	\$3.90	\$2.00	April 14, 2022
Thomas Bartlett Former COO	Warrants	200,000 (15.41%)	April 13, 2017	\$3.91	\$3.90	\$2.00	April 14, 2022

Compensation Securities							
Name and position	Type of compensation security <sup>(1)</sup>	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Adam Desmond Former Director	Stock Options	60,000 (2.13%)	April 13, 2017	\$4.00	\$3.90	\$2.00	August 9, 2018 <sup>(6)</sup>
	Warrants	50,000 (3.85%)	December 5, 2017	\$2.45	\$1.91	\$2.00	December 6, 2019
Kristen Taylor Former Director	Stock Options	60,000 (2.13%)	August 4, 2017	\$2.90	\$2.86	\$2.00	May 1, 2019 <sup>(7)</sup>
Wesley Clark Former Director	Stock Options	100,000 (3.56%)	April 13, 2017	\$4.00	\$3.90	\$2.00	April 14, 2022
James Tykoliz Director	Stock Options	60,000 <sup>(8)</sup> (2.13%)	April 13, 2017	\$4.00	\$3.90	\$2.00	April 14, 2022
J. Bernard Rice Former Director	Stock Options	10,000 (0.36%)	August 4, 2017	\$2.90	\$2.86	\$2.00	July 17, 2019 <sup>(10)</sup>
	Common Shares	100,000	August 4, 2017	\$2.90	\$2.86	\$2.00	N/A
Michael Klipper Director	Stock Options	60,000 (2.13%)	August 4, 2017	\$2.90	\$2.86	\$2.00	August 5, 2022
Marcelin O'Neill CCO, and Former Director	Stock Options	40,000 <sup>(9)</sup> (1.42%)	August 4, 2017	\$2.90	\$2.86	\$2.00	August 5, 2022
Jade Green VP, Sales & Marketing	Stock Options	60,000 (2.13%)	August 4, 2017	\$2.90	\$2.86	\$2.00	August 5, 2022
Jay Briggs VP, Operations	Stock Options	60,000 (2.13%)	December 1, 2017	\$2.00	\$1.96	\$2.00	December 2, 2022

**Notes:**

- (1) All of these stock options are fully vested. One common share is issuable on the exercise of each stock option.
- (2) As at December 31, 2017, Dr. Murphy also held 150,000 options exercisable at \$1.00 per share, which expired June 22, 2018.

- (3) Mr. Feramisco resigned on August 7, 2017, and his options expire 365 days of him ceasing to be involved with the Company.
- (4) As at December 31, 2017, Mr. Korba also held 482,500 options exercisable at \$1.00 per share, which expired June 22, 2018.
- (5) As at December 31, 2017, Mr. Griffiths also held 200,000 options exercisable at \$1.00 per share, which expired June 22, 2018.
- (6) Adam Desmond resigned on August 9, 2017, so his options expire within 365 days of him ceasing to be involved with the Company.
- (7) Kristin Taylor resigned on May 1, 2018, her options will now expire within 365 days of her ceasing to be involved with the Company.
- (8) As at December 31, 2017, Mr. Tykoliz also held 150,000 options exercisable at \$1.00 per share, which expired June 22, 2018.
- (9) As at December 31, 2017, Ms. O'Neill also held 25,000 options exercisable at \$1.00 per share, which expired June 22, 2018.
- (10) Mr. Rice resigned on July 17, 2018, and his options expire 365 days of him ceasing to be involved with the Company.

### Exercise of Compensation Securities by Directors and NEOs

The following table discloses the exercise of compensation securities by directors and Named Executive Officers during the most recently completed financial year ended December 31, 2017.

Name and Position	Type of compensati on security	Number of underlying securities exercised	Exercise Price per security	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date (\$)	Total value on exercise date (\$)
Bryan Korba, Former CEO, Former President, and Former Director	Stock Options	7,500	\$1.00	July 6, 2017	\$2.83	\$1.83	\$13,725.00
	Stock Options	10,000	\$1.00	December 21, 2017	\$1.75	\$0.75	\$7,500.00

At the Company's last annual general meeting of shareholders held on August 9, 2017, the Company's shareholders approved a 15% rolling stock option plan, as more particularly described in the information circular for that meeting, filed on the Company's SEDAR profile on July 18, 2017. The Company provides an annual grant to its directors and officers, incentive stock options to purchase common shares in the capital of the Company pursuant to the terms of the Stock Option Plan and in accordance with the policies of the Canadian Securities Exchange.

### Employment, Consulting and Management agreements

During the financial year ending December 31, 2017, the Company had employment, consulting or management agreements pursuant to which directors or Named Executive Officers were compensated by the Company for their services as Named Executive Officers, directors, for committee participation, or for involvement in special assignments.

Dr. Michael Murphy, CEO is compensated under a Management Consulting Agreement (the "**Murphy Agreement**") dated August 1, 2017 that provides for a fee of USD \$360,000 per year or USD\$30,000 per month (CDN\$468,000

per year) and an incentive stock option grant of 150,000 options per fiscal year. The term of the Murphy Agreement is for an indefinite period, or until such time as the engagement of the CEO is terminated in accordance with the provisions of the Murphy Agreement. Upon a change of control of the Company, and the occurrence of certain “triggering events” identified in the Murphy Agreement, the Murphy Agreement provides for a termination payment of 6 months base fee, plus 50% of the average bonuses or other cash incentive payments, paid in the two calendar years, immediately preceding the triggering event. The Company may terminate the CEO (for other than the reasons as set out in the Murphy Agreement), on payment of 6 months base fee, plus 50% of the average bonuses or other cash incentive payments, paid in the two calendar years, immediately preceding the termination.

Chris Boling, the CFO, is paid a total of \$286,000 annually from the Company and its US subsidiary, Alternate Health USA. The CFO is also granted 60,000 incentive stock options per year. At present, the CFO has not entered into a management consulting agreement or an employment agreement with the Company.

Jim Griffiths, Senior Vice-President, Finance, has been a director since September 3, 2015, served as its previous CFO and has been Senior Vice-President, Finance since January 25, 2018. Mr. Griffiths’ management consulting agreement dated August 1, 2017, through his consulting company KLC Holdings, provides for a fee of USD \$222,200 per year (the “**Griffiths Agreement**”). The term of the Griffiths Agreement is for an indefinite period, or until such time as the engagement is terminated in accordance with the provisions of the Griffiths Agreement. Upon a change of control of the Company, and the occurrence of certain “triggering events” identified in the Griffiths Agreement, the Griffiths Agreement provides for a termination payment of 6 months base fee, plus 50% of the average bonuses or other cash incentive payments, paid in the two calendar years, immediately preceding the triggering event. The Company may terminate the Griffiths Agreement (for other than the reasons as set out in the Griffiths Agreement), on payment of 6 months base fee, plus 50% of the average bonuses or other cash incentive payments, paid in the two calendar years, immediately preceding the termination.

Jade Green served as VP, Sales and Marketing from August 9, 2017 to September 25, 2018. Ms. Green’s management consulting agreement, dated August 1, 2017, provides for a fee of USD \$150,000 per year (the “**Green Agreement**”). The term of the Green Agreement is for an indefinite period, or until such time as the engagement is terminated in accordance with the provisions of the Green Agreement. Upon a change of control of the Company, and the occurrence of certain “triggering events” identified in the Green Agreement, the Green Agreement provides for a termination payment of 6 months base fee, plus 50% of the average bonuses or other cash incentive payments, paid in the two calendar years, immediately preceding the triggering event. The Company may terminate the Green Agreement (for other than the reasons as set out in the Green Agreement), on payment of 6 months base fee, plus 50% of the average bonuses or other cash incentive payments, paid in the two calendar years, immediately preceding the termination.

Michael Klipper has been a director since August 9, 2017. Mr. Klipper’s management consulting agreement dated August 1, 2017, as amended January 29, 2018, through his consulting company Cannabinoid Science International Corp., provides for a fee of USD \$312,000 per year (the “**Klipper Agreement**”). The term of the Klipper Agreement is for 24 months, with the option for extension of up to 6 months prior to the end of the term, or until such time as the engagement is terminated in accordance with the provisions of the Klipper Agreement. Upon a change of control of the Company, and the occurrence of certain “triggering events” identified in the Klipper Agreement, the Klipper Agreement provides for a termination payment of 6 months base fee, plus 50% of the average bonuses or other cash incentive payments, paid in the two calendar years, immediately preceding the triggering event. The Company may terminate the Klipper Agreement (for other than the reasons as set out in the Klipper Agreement), on payment of 6 months base fee, plus 50% of the average bonuses or other cash incentive payments, paid in the two calendar years, immediately preceding the termination.

Bernard Rice, a former director of the Company, had a consulting agreement with the Company dated August 1, 2017. Under such agreement, in consideration of performing various business development services for the Company, an annual fee of USD \$45,000 is provided. 100,000 common shares of the Company were also issued under the terms of the consulting agreement, as disclosed in the Company’s August 4, 2017 news release.

James Tykoliz, a director of the Company, has a consulting agreement with the Company dated August 1, 2017. Under such agreement, in consideration of performing various business development services and strategic corporate planning for the Company, an annual fee of USD \$60,000 is provided.

### Oversight and Description of Director and Named Executive Officer Compensation

The compensation of the Named Executive Officers is determined by the Board, upon the recommendations of the Company's Compensation Committee. The Board evaluates individual executive performance with the goal of setting compensation at levels that they believe are comparable with executives in other companies of similar size and stage of development operating in the same industry. In connection with setting appropriate levels of compensation the Board bases its decisions on general business and industry knowledge and experience and publicly available information of comparable companies while also taking into account the Company's relative performance and short term and strategic objectives, and to continuing to provide executives with compensation that is in accordance with existing market standards generally and competitive within the same industry. For the current financial year, the Company will be evaluating its compensation practices to determine appropriate compensation to motivate and reward executives and drive corporate performance.

The directors of the Company may be reimbursed for actual expenses reasonably incurred in connection with the performance of their duties as directors. Directors are also eligible to receive incentive stock options to purchase common shares of the Company under the Company's Stock Option Plan.

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

As at December 31, 2017, our equity compensation plan consisted of our Stock Option Plan which was adopted by the Board on November 24, 2015 and ratified and approved by the shareholders of the Company at its last Annual General Meeting held on August 9, 2017.

The following table sets forth information with respect to the stock options outstanding under the Stock Option Plan as at December 31, 2017.

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 previously approved by shareholders <sup>(1)</sup>	2,812,500	\$1.88	5,082,191
Equity compensation plans not previously approved by shareholders	Nil	Nil	Nil
<b>Total</b>	<b>2,812,500</b>	<b>\$1.88</b>	<b>5,082,191</b>

**Note:**

(1) As at December 31, 2017, there were 52,631,278 issued and outstanding common shares of the Company. The "rolling" 15% Stock Option Plan, whereby 15% of the number of issued and outstanding shares of the Company at any given time may be reserved for issuance pursuant to the exercise of options, was adopted by the Company's Board of Directors on November 24, 2015, and will be voted upon, for confirmation and ratification, by the shareholders of the Company at the Meeting.

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

During the last completed financial year, no director, executive officer, or nominee for director of the Company or any of their associates has been indebted to the Company or any of its subsidiaries, nor has any of these individuals been indebted to another entity which indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.



## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed in this Information Circular, since the commencement of the last completed financial year, no “informed person” has had any material interest, direct or indirect, in any transaction or any proposed transaction that has materially affected or would materially affect the Company or any of its subsidiaries. “Informed Person” means: (a) a director or executive officer of the Company; (b) a director or officer of a person or company that is itself an informed person or subsidiary of the Company; or (c) any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Company carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company.

In 2017, the Company closed certain material transactions involving Dr. Michael Murphy, and companies or entities in which he held an interest, including the acquisition of Alternate Health Labs, Inc., and the acquisition of a 20% interest in Clover Trail Capital LLC. These transactions are disclosed in the Company’s public disclosure record, and were closed before Dr. Murphy joined the Board in April 2017.

The directors and officers of the Company have an interest in the resolution concerning the election of directors and the approval of the Stock Option Plan; however, the directors are excluded from voting on the approval of the Stock Option Plan. For more information please refer to the section entitled “*Particulars of Matters to be Acted Upon*”.

## MANAGEMENT CONTRACTS

Management functions of the Company are, and since the beginning of the most recently completed financial year have been, performed by the directors and executive officers of the Company, or private companies controlled by such directors or officers, and are not to any substantial degree performed by any other person or Company.

## CORPORATE GOVERNANCE DISCLOSURE

### Corporate Governance Practices

Corporate governance relates to activities of the Board of Directors, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board of Directors and who are charged with the day to day management of the Company. The Board is committed to sound corporate governance practices which are both in the interest of its shareholders and contribute to effective and efficient decision making. National Instrument 58-101, *Disclosure of Corporate Governance Practices*, requires that each reporting issuer disclose its corporate governance practices on an annual basis. The Company is a venture issuer and is disclosing its general approach to corporate governance in accordance with Form 58-101F2.

### ***Board of Directors***

The Board of Directors is currently composed of five directors. All director nominees are current directors of the Company.

### *Independence*

Section 1.4 of National Instrument 52-110 - *Audit Committees (“NI 52-110”)*, sets out the standard for director independence. Under NI 52-110, a director is independent if he or she has no direct or indirect material relationship with the Company. A material relationship is a relationship which could, in the view of the Board of Directors, be reasonably expected to interfere with the exercise of a director’s independent judgment. NI 52-110 also sets out certain situations where a director will automatically be considered to have a material relationship to the Company.

Applying the definition set out in NI 52-110, two of the five Board members are independent: James E. Tykoliz and Jeff Langenbach are independent. Dr. Michael Murphy is not independent as he is the Company's Chairman and Chief Executive Officer. Jim Griffiths is not considered independent because he acted as the Company's Chief Financial Officer within the last three years and is currently Senior Vice President of Finance, and Michael Klipper is not considered independent as he, or firm of which he is principal, performed consulting work for the Company, which in the 12-month period preceding the date of this Information Circular, exceeded \$75,000.

The Board of Directors facilitates its exercise of independent supervision over management by carefully examining issues and consulting with outside counsel and other advisors in appropriate circumstances. The Board of Directors believes that fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law, as well as the restrictions placed by applicable corporate legislation on the individual director's participation in decisions of the Board in which the director has an interest, have been sufficient to ensure that each director exercises independent judgment in carrying out his responsibilities and acting in the best interests of the Company

Other Directorships

In addition to their position on the Board of Directors, the following director also serves as a director of the following reporting issuers or reporting issuer equivalents:

Name	Name of Reporting Company	Exchange or Market	Position	From	To
Jim Griffiths	Allied Properties REIT	TSX	Director	05/2006	Present
	Enssolutions Group Inc.	TSX-V	Director	10/2008	Present

Orientation and Continuing Education

The Company has not adopted a formalized process of orientation for new Board members. Orientation of new directors is conducted on an ad hoc basis. The Board briefs all new directors on the policies of the Board, Insider Trading Policy, Code of Business Conduct and Ethics, and other relevant corporate and business information. Directors are kept informed as to matters impacting, or which may impact, the Company's operations through reports and presentations at Board meetings.

Ethical Business Conduct

The Board is apprised of the activities of the Company and ensures that it conducts such activities in an ethical manner. The Board adopted a written Code of Business Conduct and Ethics on October 26, 2016. The Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations; providing guidance to consultants, officers and directors to help them recognize and deal with ethical issues; promoting a culture of open communication, honesty and accountability; and ensuring awareness of disciplinary actions for violations of ethical business conduct.

The Board of Directors is also responsible for applying governance principles and practices, tracking development in corporate governance, and adapting "best practices" to suit the needs of the Company. Certain of the directors of the Company may also be directors and officers of other companies, and conflicts of interest may arise between their duties.

To date, 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 the 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. A director must 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 disclosure must be evidenced in writing by being included in the consent resolutions or minutes of the meeting that approved the transaction or in a written disclosure delivered to the Company's records office. Unless the director properly discloses his interest and has the transaction properly approved, he may be liable to account to the Company for any profit he makes as a result of the transaction, unless the court finds that the transaction was fair and reasonable to the Company. Once the appropriate disclosure has been made by the interested director, the transaction must be approved by the directors or by the shareholders by special resolution. An interested director would not be entitled to vote at meetings of directors which evoke any such conflict.

#### Nomination of Directors

The Board does not have a nominations committee or a formal procedure with respect to the nomination of directors. In general, nominees will be the result of recruitment efforts by members of the Board, including both formal and informal discussions among members of the Board.

The nominating function is performed by the Board of Directors as a whole and is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees to fill vacancies and to fill the slate of directors for the next annual meeting of shareholders. The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, show support for the Company's mission and strategic objectives, and demonstrate a willingness to serve.

#### Compensation

The purpose of the Compensation Committee is to assist the Board with compensation matters. The Compensation Committee, consisting of two or more individuals who are appointed (and may be replaced) by the Board of Directors, shall discharge the Board of Directors' responsibilities relating to evaluation and compensation of senior management; succession planning systems and processes relating to senior management; compensation structure for the Board of Directors and senior management including salaries, annual and long-term incentive plans and plans involving share options, share issuances and share unit awards; pension and benefit plans; and share ownership guidelines.

The members of the Compensation Committee are Messieurs Michael Klipper (Chair), James Tykoliz, and Jim Griffiths, and shall report to the Board of Directors on a regular basis and, in any event, before the public disclosure by the Company of directors' and officers' remuneration in its management information circular, or as required by applicable legislation, regulatory requirements and policies of the Canadian Securities Administrators.

The Board periodically reviews the compensation paid to the Company's officers, directors, and key employees, ensuring that such compensation realistically reflects the responsibilities of such positions and based on such factors as time commitment and level of responsibility, comparative fees paid by other companies in same industry in North America, and the Company's current position as a venture company.

#### Other Board Committees

In addition to the Audit Committee, the Board of Directors has an Executive Committee. Messieurs Michael Murphy (Chair), and Jim Griffiths are members of the Company's Executive Committee.

## Assessments

The Board is responsible for the stewardship of the Company through the supervision of the business and management of the Company. This mandate is accomplished directly and through the Audit Committee.

The Board of Directors conducts periodic assessments of its members including individual assessments to determine if the Board and the individual directors are performing efficiently. Based on the Company's size, stage of development, and the limited number of individuals on the Board of Directors, the Board considers a formal assessment process to be unnecessary at this time. As the activities of the Company develop, it will consider the establishment of more formal evaluation procedures, including more quantitative measures of performance.

## **AUDIT COMMITTEE DISCLOSURE**

Pursuant to *National Instrument 52-110 - Audit Committees*, the Company is required to disclose certain information concerning the constitution of its Audit Committee and its relationship with its independent auditors. The Company is a venture issuer and is disclosing this information in accordance with Form 52-110F2.

### **The Audit Committee Charter**

The overall purpose of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities with respect to: the financial reporting process and the quality, transparency and integrity of the financial statements and other related public disclosures; internal controls over financial reporting; compliance with legal and regulatory requirements relevant to the financial statements and financial reporting; ensuring that there is an appropriate standard of corporate conduct for senior financial personnel and employees including, if necessary, adopting a corporate code of ethics; the external auditors' qualifications and independence; and the performance of the internal audit function and the external auditor.

The Company's Audit Committee is governed by an Audit Committee Charter, a copy of which is attached as Schedule "A".

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

The following are the members of the Audit Committee:

James Tykoliz (Chair)	Independent	Financially literate
Jeff Langenbach	Independent	Financially literate
Michael Klipper	Not Independent <sup>(1)</sup>	Financially literate

#### **Notes:**

- (1) Michael Klipper is not considered independent, as such term is defined in NI 52-110, as he, or firm of which he is principal, performed consulting work for the Company, which in the 12 month period preceding the date of this Information Circular, exceeded \$75,000; however he is not an executive officer of the Company, nor is he involved in the day-to-day management of the Company, so may be considered independent in the conventional sense.

The Audit Committee complies with requirements for venture issuers, such that the majority of its members are not executive officers, employees or control persons of the Company. All of its members are "financially literate" in accordance with Section 1.6 of NI 52-110, which states that an individual is financially literate if he or she has the ability to read and understand a set of financial statements that presents 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.

A member of the Audit Committee is independent if the member has no direct or indirect material relationship with the Company. A material relationship means a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment

## Relevant Education and Experience

In addition to each member's general business experience, the education and experience of each Audit Committee member that is relevant to the performance of his/her responsibilities as an Audit Committee member is as follows:

Mr. James Tykoliz has over 28 years of client service oriented, solution selling experience in online, data driven, financial service environments, including analyzing data to identify problems and opportunities that drive sales and revenues. Building on his degrees in Finance & Economics from the University of Western Ontario, Mr. Tykoliz restarted his career and rapidly rose to servicing large multi-national accounts for pharmaceutical and packed goods companies at A.C. Nielsen Market Research before applying his data analysis skills to drive revenues through data driven sales and marketing programs applied to online gaming companies.

Mr. Jeff Langenbach has 25+ years of experience in finance, M&A, management and corporate development. He has significant international experience with business activity in over 30 countries on six continents. He spent 12 years on Wall Street with DLJ, CS-First Boston and Credit Suisse raising debt & equity capital, advising on M&A transactions and helping form JVs. During this period, he helped raise over \$10 billion, advised on numerous cross-border M&A assignments and participated in over 20 IPOs. He has spent the past 10 years with Vanta Education (FKA Apollo Education Group), as part of the Company's senior management team. Jeff led the formation of Apollo Global, an international subsidiary, which had worldwide operations in Australia, Brazil, Chile, South Africa, Germany, Mexico, the UK, India, and the US, and revenue over \$500 million. Jeff received a Master's in Management degree from the Kellogg School of Management at Northwestern University (Dean's List), and graduated from the University of Wisconsin-Madison with a Bachelor's in Business Administration (cum laude).

Mr. Klipper a formulary chemist, entrepreneur, author, and fundraiser is the Co-Founder of Cannabinoid Science International Corp. (CSI), which functions as a scientific accelerator/incubator for Cannabis related research, development, and commercialization. It was established to develop precision made Cannabinoid based formulary compounds that can be manufactured world-wide and made available to individuals in need of healing. By collaborating with leading researchers in Biochemistry, Physics, Computer Science (systems biology), and Healthcare Services; CSI is committed to developing scientifically proven treatments, educating regulatory agencies, healthcare professionals, and patients. This will essentially improve quality of life and health outcomes, while championing a paradigm shift in society well-being. Mr. Klipper is a respected member of the International Cannabinoid Research Society (ICRS). Mr. Klipper was President & CEO of The Klipper Group, 1996-2013, a family of companies actively involved in formulary chemistry, developing chemical compounds, processes, and metering delivery devices. Under his leadership, the Klipper Group received the prestigious Champion Award from the United States Environmental Protection Agency (EPA), highest recognition, for developing Safer Detergents for The Environment. Mr. Klipper is the co-author of Textile Laundering Technology, a publication recognized as the "bible" for the textile process industry. He was selected by Dr. Lynn Sehulster, Center for Disease Control, for "peer review" of revised "Guidelines for Environmental Infection Control in Health-Care Facilities" published by the CDC (2005). He was also the Principal Investigator in research establishing new process protocols for low temperature chlorine oxidation. Mr. Klipper is the inventor of BIOZYME enzyme product and process, the Co-inventor of MICRO-OUNCE fluid and metering technology, and the inventor of COOLTERGENT 120, a commercial laundry detergent developed to successfully remove heavily soiled textiles at 120°F. Mr. Klipper is a Graduate of Farleigh Dickenson University.

The experiences of the members of the Audit Committee has given each:

- (i) an understanding of the accounting principles used by the Company to prepare its financial statements;
- (ii) the ability to assess the general application of accounting principles in connection with accounting estimates, accruals and reserves;
- (iii) experience analyzing and evaluating financial statements similar to those of the Company; and
- (iv) an understanding of internal controls and procedures for financial reporting pertinent to the Company.

The Audit Committee meets no less frequently than quarterly, separately with the Auditor and the CFO, to review the Company's accounting practices, internal controls and such other matters as the Audit Committee or CFO deem appropriate.

#### **Audit Committee Oversight**

At no time since the commencement of the Company's most recent completed financial year has a recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by the Board of Directors.

#### **Reliance on Certain Exemptions**

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (de minimis non-audit services), the exemption in subsection 6.1.1(4) (Circumstance Affecting the Business or Operations of the Venture Issuer), the exemption in subsection 6.1.1(5) (Events Outside of Control of Member), the exemption in subsection 6.1.1(6) (Death, Incapacity or Resignation) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

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

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as set out in the Audit Committee Charter of the Company. The Audit Committee must pre-approve any engagement of the external auditor for any non-audit services to the Company in accordance with applicable law and policies and procedures to be approved by the Board. The engagement of non-audit services will be considered by the Board on a case by case basis.

#### **External Auditor Service Fees**

The auditors' fees for each of the last two financial years, by category, are as follows:

<b>Nature of Services</b>	<b>Financial Year Ended December 31, 2017</b>	<b>Financial Year Ended December 31, 2016</b>
Audit Fees	\$65,350	\$68,600
Audit-Related Fees	\$Nil	\$Nil
Tax Fees	\$10,686	\$9,000
All Other Fees	\$Nil	\$Nil
<b>Total</b>	<b>\$76,036</b>	<b>\$94,950</b>

#### **Audit Fees**

Audit fees were accrued and paid for professional services rendered by the auditors for the Company's annual audited financial statements, as well as services provided in connection with statutory and regulatory filings. Audit Fees include aggregate fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements.

#### **Audit-Related Fees**

No audit-related fees were paid; however, these fees may be paid for assurance and related services that are reasonably related to the performance of the audit or review of the annual financial statements or interim financial statements, and are not reported under the audit services category above. These services included consultations on IFRS and financial statement disclosures, and discussion with management and audit committee members on internal controls and account procedures.

### ***Tax Fees***

Tax Fees include fees for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category includes aggregate fees for tax compliance, tax planning and tax advice, including GST and HST matters. Tax fees may be paid for tax compliance, tax advice and tax planning professional services. These services may consist of providing advice regarding intellectual property, commodity and tax reviews, reviewing tax returns, providing advice regarding corporate structure, and assisting in responses to government tax authorities.

### ***All Other Fees***

All Other Fees include all other non-audit services, in the aggregate. No other fees were paid for products and services other than the audit fees and tax services fees described above.

### ***Exemption***

The Company is relying upon the exemption in section 6.1 of NI 52-110 in respect of the composition of its Audit Committee and in respect of its reporting obligations under NI 52-110.

## **PARTICULARS OF MATTERS TO BE ACTED UPON**

### **1. Presentation of the Audited Financial Statements**

The audited annual financial statements of the Company for the financial year ended December 31, 2017 and the report of the auditors thereon, will be submitted to the Meeting. **THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2017, AND THE ACCOMPANYING MANAGEMENT DISCUSSION AND ANALYSIS WERE FILED ON SEDAR IN ACCORDANCE WITH SECURITIES LAWS AND HAVE BEEN MAILED TO ALL SHAREHOLDERS WHO HAD REQUESTED THEM.**

If you wish to receive either or both of the annual audited financial statements and interim financial statements and accompanying MD&A for the 2018 financial year (which commenced on January 1, 2018), you must complete and return the “Annual/Interim Financial Statement and MD&A Request Form” accompanying this Information Circular.

### **2. Number of Directors**

Management of the Company proposes that the number of directors for the Company be set at five for the coming year, subject to such increases as may be permitted by the Articles of the Company. At the Meeting, shareholders will be asked to pass an ordinary resolution to set the number of directors of the Company for the coming year at five. 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.

### **3. Election of Directors**

Each director is elected annually and holds office until the next annual meeting of shareholders, unless that person ceases to be a director before then. Accordingly, the term of office of each of the present directors expires immediately before the election of directors at the Meeting, but is eligible for re-election. The Company’s Board of Directors proposes to nominate the persons named in the table below for election as directors of the Company, (each, a “proposed director”) and, in the absence of instructions to the contrary, the shares represented by proxies will be voted in favour of each proposed director. Management does not contemplate that any of the proposed directors will be unable to serve as a director. Each director elected will hold office until the next annual general meeting of the Company or until his successor is elected or appointed, unless his office is earlier vacated, or he becomes disqualified to act as a director, in accordance with the Articles of the Company, or the provisions of the *Business Corporations Act* (British Columbia).

The following table sets out the names of management’s nominees for election as directors, all offices in the Company each nominee now holds, each nominee’s principal occupation, business or employment, the period of time during which each nominee has been a director of the Company and the number of common shares of the Company beneficially owned by each nominee, directly or indirectly, or over which each nominee exercised control or direction, as at the Record Date (October 4, 2018).

Name, Jurisdiction of Residence and Position Held with the Company	Principal Occupation for the Past Five Years <sup>(4)</sup>	Director of the Company Since	Common Shares Beneficially Owned or Controlled <sup>(3)</sup>
<b>Dr. Michael L. Murphy</b> <sup>(2)</sup> San Antonio, TX, USA  <i>Chairman, CEO, and Director</i>	Businessman and Physician	March 28, 2017	5,840,392 <sup>(5)</sup>
<b>James E. Tykoliz</b> <sup>(1) (3)</sup> Toronto, ON, Canada  <i>Director</i>	DC NetCast Media Group Inc., Chief Information Officer (April 2011 to present)	April 16, 2015	3,965,500 <sup>(6)</sup>
<b>Jim Griffiths</b> <sup>(2) (3)</sup> Toronto, ON, Canada  <i>Director, SVP Finance</i>	KLC Holding, Financial and Business Consultant, (April 2011 to present); Enssolutions Group Inc., Interim CEO (March 2015 to January 2016) and Director (Oct. 2008 to present); Allied Properties REIT, Director (May 2006 to	September 3, 2015	800,000
<b>Michael Klipper</b> <sup>(1) (3)</sup> New York, NY, USA  <i>Director</i>	Managing Director, The Klipper Group.	August 9, 2017	300,000
<b>Jeff Langenbach</b> <sup>(1)</sup> Glenview, IL, USA  <i>Director</i>	Businessman, Apollo Education Group	June 1, 2018	20,000

**Notes:**

- (1) Member of Audit Committee
- (2) Member of Executive Committee
- (3) Member of the Compensation Committee
- (4) This information not being within the knowledge of the Company, has been furnished by the respective directors individually.
- (5) This reflects shares owned by Dr. Murphy directly and through MLM Heritage Trust, of which Dr. Murphy is trustee.
- (6) This reflects shares owned by Mr. Tykoliz directly. DC Netcast Media Group Inc., of which Mr. Tykoliz controls, owns a further 7,259,375 common shares.



### ***Cease Trade Orders, Bankruptcies, Penalties or Sanctions***

To the knowledge of the Company, other than as disclosed below, no proposed director:

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

Mr. Griffiths was a director and CFO of Enssolutions Group Inc. ("ENV") on May 11, 2011 when he was subject to a management cease trade order of the Ontario Securities Commission ("OSC") related to a delay in ENV filing its audited annual financial statements for the financial year ended December 31, 2010. The management cease trade order was revoked on June 15, 2011 after the required financials and MD&A were filed. Mr. Griffiths was a director and interim CEO of ENV when it was subject to a cease trade order of the British Columbia Securities Commission on May 11, 2015, OSC on May 20, 2015 and Alberta Securities Commission on August 28, 2015 related to failure to file its audited financial statements for the financial year ended December 31, 2014. The required financial statements were filed on November 4, 2015. On June 19, 2017 the cease trade orders of the OSC and Alberta and BC Securities Commissions were revoked. Mr. Griffiths remains a director of ENV.

### ***Penalties or Sanctions***

None of the directors, executive officers or shareholders holding a sufficient number of Common Shares to affect materially the control of the Company, has within the last 10 years has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

## ***Personal Bankruptcies***

Other than as set forth below, none of the directors, executive officers or shareholders holding a sufficient number of Common Shares to affect materially the control of the Company, or promoter of the Company, has, within the last 10 years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been 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 individual.

## **4. Appointment of Auditor**

At the Company's last Annual General Meeting held on August 9, 2017, the Company proposed the appointment of BDO Canada LLP, which was ratified and confirmed by the shareholders of the Company. Shareholders of the Company will be asked to approve, ratify, and confirm the appointment of BDO Canada LLP, of Toronto, Ontario, as the Company's auditor, to hold office until the next annual general meeting of shareholders, at a remuneration to be fixed by the directors. BDO Canada LLP has been the Company's auditor since May 2017.

**In the absence of instructions to the contrary, the shares represented by proxy will be voted FOR the appointment of BDO Canada LLP, as auditor of the Company for the ensuing year, at a remuneration to be fixed by the Board of Directors.**

## **5. Ratification and Approval of Stock Option Plan and Approval of Equity Compensation**

The Board of Directors (the "Board") of the Company adopted the Stock Option Plan (the "**Stock Option Plan**") on November 24, 2015, and it was ratified and approved by shareholders at the Company's last Annual General Meeting held on August 9, 2017. The shareholders will be asked at the Meeting to consider and, if thought fit, approve an ordinary resolution ratifying and approving the Stock Option Plan. The Stock Option Plan was established to attract and retain directors, officers, employees and consultants (collectively the "**Eligible Parties**") and to motivate them to advance the interests of the Company. The Board believes that incentive stock options serve an important function in furnishing the Eligible Parties an opportunity to acquire an equity interest in the Company through options granted under the Stock Option Plan to purchase common shares of the Company, thereby aligning the interests of the Eligible Parties with those of the Company and its shareholders, through ownership of shares in the Company. Accordingly, the Board, believing it to be in the best interests of the Company, recommend that the shareholders approve the Company's Stock Option Plan and the allotment of sufficient common shares from treasury to provide the shares necessary for issuance upon the exercise from time to time of options granted pursuant to the Stock Option Plan.

The Stock Option Plan is in the form of a rolling stock option plan reserving for issuance, upon the exercise of options granted pursuant to the Stock Option Plan, a maximum of 15% of the issued and outstanding shares of the Company at any time, less any shares required to be reserved with respect to options granted by the Company prior to the implementation of the Stock Option Plan. The Stock Option Plan is administered by the Board of Directors of the Company that in its sole discretion, will determine all options to be granted pursuant to the Stock Option Plan, the exercise price therefore, and any special terms or vesting provisions applicable thereto. The Board will comply with all regulatory requirements in granting options and otherwise administering the Stock Option Plan.

The following is a summary of the material terms of the Stock Option Plan:

- (i) the number of securities reserved for issuance under options to acquire the securities granted to Employee, Management Company Employee or Consultant of the Company (as defined in the Stock Option Plan) shall not exceed 15% of the issued and outstanding shares of the Company;

- (ii) options granted to any one Employee, Management Company Employee or Consultant of the Company (as defined in the Stock Option Plan), within a 12 month period, of a number of securities shall not exceed 5% of the issued and outstanding shares of the Company;
- (iii) in the case of Options granted to Employees, Consultants or Management Company Employees, the Option Holder must be a bona-fide Employee, Consultant or Management Company Employee, as the case may be, of the Company or its subsidiary;
- (iv) options granted in any twelve-month period to the Company's Employee, Management Company Employee or Consultant, and the associates of such Employee, Management Company Employee or Consultant, who are conducting investor relations activities shall not exceed 5% of the issued and outstanding shares of the Company;
- (v) options granted shall be non-assignable and not transferable and shall have a term to be determined by the Company's Board of Directors;
- (vi) the exercise price must be paid in cash, cheque, bank draft, or electronic bank transfer;
- (vii) the exercise price of an option granted shall not be less than the greater of the closing market price of the Shares on (a) the trading day prior to the date of grant of the Options; and (b) the date of grant of the Options, less any discount permitted by the exchange;
- (viii) If a Director, Consultant or Employee dies prior to the expiry of his option, his legal representatives may, within the lesser of one (1) year from the date of the Option Holder's death or the Expiry Date of the Option, exercise that portion of an Option granted to the Director, Consultant or Employee under the Stock Option Plan which remains outstanding; and
- (ix) any amendment to reduce the exercise price of options granted to insiders of the Company shall be subject to approval of the disinterested shareholders of the Company, specifically the majority vote of the members other than the insiders of the Company.

The full text of the existing Stock Option Plan is attached hereto as Schedule "D".

From time to time, the Company may also issue share purchase warrants, exercisable into common shares, not forming part of the Stock Option Plan, to directors, officers and consultants as compensation. The Company wishes to seek shareholder approval for these grants.

Disinterested shareholders will be asked to pass the following ordinary resolution approving the Company's Stock Option Plan and share purchase warrant equity compensation:

**"BE IT RESOLVED, AS AN ORDINARY RESOLUTION OF DISINTERESTED SHAREHOLDERS, THAT:**

- (i) the Company's Stock Option Plan in the form presented to this Meeting, is approved, adopted, ratified and confirmed, including the reservation for issuance under the Stock Option Plan, at any time and from time to time, of a maximum of 15% of the issued and outstanding shares of the Company, subject to any amendments that may be required by the Canadian Securities Exchange or such other stock exchange on which the common shares of the Company are listed and posted for trading;
- (ii) the Board of Directors are authorized on behalf of the Company to make any further amendments to the Plan as may be required by regulatory authorities, if the Board of Directors deems it appropriate and in the best interests of the Company to do so, without further approval of the shareholders of the Company, in order to ensure adoption of the Stock Option Plan;

- (iii) the Company is authorized to grant options pursuant and subject to the terms and conditions of the Stock Option Plan;
- (iv) the Company is authorized to grant share purchase warrants exercisable into common shares as compensation to directors, officers and consultants; and
- (v) any one or more of the directors and officers of the Company be authorized and directed to perform all such acts, deeds and things and execute, all such documents, instruments, assurances, and other writings, including treasury orders, stock exchange and securities commissions forms, as may be required to give effect to this resolution. “

An ordinary resolution requires the approval of a simple majority (50% + one vote) of the votes cast at the Meeting, in person or by proxy. In order to be effected as a “disinterested” resolution, the approval of the Stock Option Plan must be approved by a simple majority of the votes cast by Shareholders who are not “related persons” of the Company, as such term is defined in applicable securities laws. The Company estimates that a total of 21,093,518 common shares of the Company held by related persons, being the directors and executive officers of the Company and their respective associates, will be excluded from voting on the resolution.

**The Board recommends that shareholders vote in favour of ratifying and approving the Stock Option Plan. It is the intention of the persons named in the enclosed instrument of Proxy, if not expressly directed otherwise in such instrument of proxy, to vote such proxies FOR the ordinary resolution of disinterested shareholders to approve the Stock Option Plan.**

## **6. Other Business**

Management is not aware of any matters to come before the Meeting other than those set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the Proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

### **ADDITIONAL INFORMATION**

Additional information relating to the Company can be found on the System for Electronic Document Analysis and Retrieval (SEDAR) at [www.sedar.com](http://www.sedar.com). Financial information is provided in the Company’s financial statements and Management Discussion & Analysis for the most recently completed financial years where audited statements have been filed.

The Company will provide to any securityholder, upon request, copies of the Company’s financial statements and Management Discussion & Analysis for the most recently completed financial years. Please direct your request to the Company at 604.569.4969 or at its Registered and Records Office at 309-1485 West 6<sup>th</sup> Ave., Vancouver, British Columbia, V6H4G1 to request the Company’s financial statements and Management Discussion & Analysis.

### **APPROVAL OF THE DIRECTORS**

The directors of the Company have approved the content and sending of this Information Circular on this 4<sup>th</sup> day October, 2018.

## ***Schedule "A"***

### **AUDIT COMMITTEE CHARTER**

#### MANDATE

The primary function of the audit committee (the "Committee") of Alternate Health Corp. (the "Company") is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting and the Company's auditing, accounting and financial reporting processes. The Committee's primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements.
- Review and appraise the performance of the Company's external auditors (the "Auditor").
- Provide an open avenue of communication among the Company's auditors, management and the Board of Directors.

#### COMPOSITION, PROCEDURES AND ORGANIZATION

The Committee shall consist of at least three members. Each member must be a director of the Company. A majority of the members of the Committee shall not be officers or employees of the Company or of an affiliate of the Company. At least one (1) member of the Committee shall be financially literate. All members of the Committee who are not financially literate will work towards becoming financially literate to obtain working familiarity with basic finance and accounting practices. For the purposes of this Charter, the term "financially literate" means 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 issues that can reasonably be expected to be raised by the Company's financial statements.

The members of the Committee shall be appointed by the Board of Directors at its first meeting following the annual shareholders' meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership. The Chair shall be financially literate.

The Board of Directors may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.

#### MEETINGS OF THE COMMITTEE

Meetings of the Committee shall be scheduled to take place at regular intervals and, in any event, not less frequently than quarterly. Unless all members are present and waive notice, or those absent waive notice before or after a meeting, the Chairman will give the Committee members 24 hours' advance notice of each meeting and the matters to be discussed at such meeting. Notice may be given personally, by telephone, by facsimile or e-mail.

The Auditor shall be given reasonable notice of, and be entitled to attend and speak at, each meeting of the Committee concerning the Company's annual financial statements and, if the Committee determines it to be necessary or appropriate, at any other meeting. On request by the Auditor, the Chair shall call a meeting of the Committee to consider any matter that the Auditor believes should be brought to the attention of the Committee, the Board of Directors or the shareholders of the Company.

At each meeting of the Committee, a quorum shall consist of a majority of members that are not officers or employees of the Company or of an affiliate of the Company. A member may participate in a meeting of the

Committee in person or by telephone if all members participating in the meeting, whether in person or by telephone or other communications medium other than telephone are able to communicate with each other and if all members who wish to participate in the meeting agree to such participation. The Committee may periodically meet separately with each of management and the Auditor to discuss any matters that the Committee or any of these groups believes would be appropriate to discuss privately.

In addition, the Committee should meet with the Auditor and management annually to review the Company's financial statements.

The Committee may invite to its meetings any director, any manager of the Company, and any other person whom it deems appropriate to consult in order to carry out its responsibilities.

#### RESPONSIBILITIES AND DUTIES

To fulfil its responsibilities and duties, the Committee shall:

- a) Review the Company's financial statements, including any certification, report, opinion, or review rendered by the Auditor, MD&A and any annual and interim earnings press releases before the Company publicly discloses such information.
- b) Review and satisfy itself that adequate procedures are in place and review the Company's public disclosure of financial information extracted or derived from its financial statements, other than disclosure described in the previous paragraph, and periodically assess the adequacy of those procedures.
- c) Be directly responsible for overseeing the work by the Auditor (including resolution of disagreements between management and the Auditor regarding financial reporting) engaged for the purpose of preparing or issuing an audit report or performing other audit review services for the Company.
- d) Require the Auditor to report directly to the Committee.
- e) Review annually the performance of the Auditor who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Company.
- f) Review and discuss with the Auditor any disclosed relationships or services that may impact the objectivity and independence of the Auditor.
- g) Take, or recommend that the Board of Directors take, appropriate action to oversee the independence of the Auditor.
- h) Recommend to the Board of Directors the external auditor to be nominated at the annual general meeting for appointment and the Auditor for the ensuing year and the compensation for the Auditors, or, if applicable, the replacement of the Auditor.
- i) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the Auditor and former independent external auditors of the Company.
- j) Review with management and the Auditor the audit plan for the annual financial statements.
- k) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services provided by the Auditor. The pre-approval requirement is waived with respect to the provision of non-audit services if:
  - (i) the aggregate amount of all such non-audit services that were not pre-approved is reasonably expected to constitute not more than 5% of the total amount of fees paid by the Company and its subsidiary entities to the Auditor during the fiscal year in which the non-audit services are provided;

- (ii) such services were not recognized by the Company at the time of the engagement to be non-audit services; and
- (iii) such services are promptly brought to the attention of the Committee and approved, prior to the completion of the audit, by the Committee or by one or more members of the Committee to whom authority to grant such approvals has been delegated by the Committee.

The Committee may delegate to one or more independent members of the Committee the authority to pre-approve non-audit services in satisfaction of the pre-approval requirement set forth in this section provided the preapproval of non-audit services by any member to whom authority has been delegated must be presented to the Committee at its first scheduled meeting following such pre-approval.

- l) In consultation with the Auditor, review with management the integrity of the Company's financial reporting process, both internal and external.
- m) Consider the Auditor's judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
- n) Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the Auditor and management.
- o) Review significant judgments made by management in the preparation of the financial statements and the view of the Auditor as to the appropriateness of such judgments.
- p) Following completion of the annual audit, review separately with management and the Auditor any significant difficulties encountered during the course of the audit, including any restrictions on the scope of the work or access to required information.
- q) Review any significant disagreement among management and the Auditor in connection with the preparation of the financial statements.
- r) Review with the Auditor and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- s) Discuss with the Auditor the Auditor's perception of the Company's financial and accounting personnel, any material recommendations which the Auditor may have, the level of co-operation which the Auditor received during the course of their review and the adequacy of their access to records, data or other requested information.
- t) Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
- u) Establish procedures for:
  - (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
  - (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- v) Perform such other duties as may be assigned to it by the Board of Directors from time to time or as may be required by applicable regulatory authorities or legislation.
- w) Report regularly and on a timely basis to the Board of Directors on the matters coming before the Committee.

- x) Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board of Directors for approval.

#### AUTHORITY

The Committee is authorized to:

- to seek any information it requires from any employee of the Company in order to perform its duties;
- to engage, at the Company's expense, independent legal counsel or other professional advisors in any matter within the scope of the role and duties of the Committee under this Charter;
- to set and pay compensation for any advisors engaged by the Committee; and
- to communicate directly with the internal and external auditors of the Company.

This Charter supersedes and replaces all prior charters and other terms of reference pertaining to the Committee.



## ***Schedule "B"***

### **EXECUTIVE COMMITTEE CHARTER**

#### **1. DUTIES OF THE EXECUTIVE COMMITTEE**

The Executive Committee shall deal with the day-to-day activities of the Company's business, develop and implement business plans, policies, procedures and budgets that have been recommend and approved by the Board, monitor the operating and financial performance of the Company, prioritise and allocate investment and resources, manage and develop talent and manage the risk profile of the Company. The Executive Committee shall implement the policy and strategy adopted by the Board and deal with all operational matters affecting the Company. It shall, of its own motion or at the request of the Board, promptly give or make available to the Board such information, reports and other documents to enable the Board to carry out its duties.

#### **2. COMPOSITION OF THE EXECUTIVE COMMITTEE**

2.1 The Executive Committee shall comprise:

- (a) The Chair;
- (b) The CEO; and
- (c) Such other Members as are appointed by the Board.

2.2 The Executive Committee members shall report to the Board and are appointed for such term as they hold their office, as the key function and market heads/risks and remain a Company Officer and/or Director.

2.3 The Executive Committee will meet, as required, which is expected to be at least four times per calendar year. Additionally, the Chair, or in his absence the CEO, may call for additional meetings when considered appropriate.

#### **3. CHAIR OF EXECUTIVE COMMITTEE**

The chair at meetings of the Executive Committee shall be the Chair if in attendance, or if he/she is not present, the CEO.

#### **4. QUORUM**

4.1 The quorum for any meeting of the Executive Committee shall be two-thirds of its membership, including either the Chair or the CEO, at the time of the meeting.

4.2 The members of the Executive Committee may participate in a meeting of the Executive Committee from separate locations by means of conference telephone or other communication equipment which allows those participating to hear each other, and shall be entitled to vote or be counted in the quorum accordingly.

#### **5. EXECUTIVE COMMITTEE PROCEDURES**

Except as otherwise stated in these Provisions, the Executive Committee shall determine its own procedures.

## **6. EXECUTIVE COMMITTEE RESOLUTIONS**

- 6.1 Other than set out in these Provisions, or in specific circumstances, the Executive Committee shall reach decisions by a simple majority of those voting on the issue in question. If the numbers of votes for and against a certain proposal are equal, the Executive Committee Chair has a casting vote.
- 6.2 Any resolution evidenced in writing or by electronic or voice recognition means, by such member or members of the Executive Committee as would have been necessary to pass such resolution had all members of the Executive Committee been present at a meeting to consider such resolution, shall be valid and effective as if it had been passed at a meeting of the Executive Committee duly convened and held, provided that notice and details of the proposed resolution have been given in advance to each member of the Executive Committee.

## **7. MATTERS DEALT WITH BY THE EXECUTIVE COMMITTEE**

- 7.1 The executive management team are responsible for the following matters:
- (a) Preparation of the Company's business plan;
  - (b) Responsibility for the achievement of budgets and operational plans;
  - (c) Management and regular review of operational and financial performance of the business;
  - (d) Ownership for the identification and management of risk across the Company's business;
  - (e) To manage the internal controls environment and prepare regular report for presentation to the Board;
  - (f) Responsible for the integrity of management information and financial reporting systems;
  - (g) Development of Company's policy guidelines, including the Company's code of conduct;
  - (h) Optimisation and allocation of Company's resources;
  - (i) Ensuring succession planning is in place; and
  - (j) Review of the legal structure and propose recommendations to the Board.

## **8. NOTICE OF MEETINGS**

The Executive Committee meeting agenda and papers should be circulated at least one week prior to the Executive Committee meeting.

## **9. DOCUMENTATION, COMMUNICATION, AND REPORTING**

- 9.1 Minutes of the Executive Committee meetings are to be kept and held at the registered and record's office of the Company.
- 9.2 The Executive Committee reports to the Board of Directors.

**Approved by the Board of Directors: May 11, 2017.**

## *Schedule "C"*

### **COMPENSATION COMMITTEE CHARTER**

#### **PURPOSE**

The Compensation Committee is appointed by the Board of Directors to assist the Board of Directors with compensation matters.

#### Compensation Matters

With respect to compensation matters, the Compensation Committee shall discharge the Board of Directors' responsibilities relating to:

- ☐ evaluation and compensation of senior management;
- ☐ succession planning systems and processes relating to senior management;
- ☐ compensation structure for the Board of Directors and senior management including salaries, annual and long-term incentive plans and plans involving share options, share issuances and share unit awards;
- ☐ pension and benefit plans; and
- ☐ share ownership guidelines.

#### **REPORTS**

#### Compensation Matters

The Compensation Committee shall report to the Board of Directors on a regular basis and, in any event, before the public disclosure by the Company of directors' and officers' remuneration in its management information circular, or as required by applicable legislation, regulatory requirements and policies of the Canadian Securities Administrators.

The Compensation Committee also shall prepare the report on the Company's executive compensation as required by applicable legislation, regulatory requirements and policies of the Canadian Securities Administrators.

#### **COMPOSITION**

The members of the Compensation Committee shall be two or more individuals who are appointed (and may be replaced) by the Board of Directors. The appointment of members of the Compensation Committee shall take place annually at the first meeting of the Board of Directors after a meeting of shareholders at which directors are elected, provided that if the appointment of members of the Compensation Committee is not so made, the directors who are then serving as members of the Compensation shall continue as members of the Compensation Committee until

their successors are appointed. The Board of Directors may appoint a member to fill a vacancy that occurs in the Compensation Committee between annual elections of directors. Any member of the Compensation Committee may be removed from the Compensation Committee by a resolution of the Board of Directors. Unless the Chair is appointed by the Board of Directors, the members of the Compensation Committee may designate a Chair by majority vote of the members of the Compensation Committee.

Each member of the Compensation Committee shall have or develop an understanding of senior management resources and compensation principles.

## RESPONSIBILITIES

### Compensation Matters

The Compensation Committee shall:

- ☐ At least annually, review with the Chief Executive Officer the long term goals and objectives of the Company which are relevant to the Chief Executive Officer's compensation, evaluate the Chief Executive Officer's performance in light of those goals and objectives, determine and recommend to the independent directors for approval, the Chief Executive Officer's compensation based on that evaluation, and report to the Board of Directors thereon. In determining the Chief Executive Officer's compensation, the Compensation Committee shall consider the Company's performance, the value of similar incentive awards to chief executive officers at comparable companies, and the awards given to the Chief Executive Officer in past years, with a view to maintaining a compensation program for the Chief Executive Officer at a fair and competitive level, consistent with the best interests of the Company.
- ☐ At least annually (and upon appointment), in consultation with the Chief Executive Officer, review and make recommendations to the Board of Directors with respect to the compensation of all members of senior management other than the Chief Executive Officer (including incentive-compensation plans, equity-based plans, the terms of any employment agreements, severance arrangements, and change in control arrangements or provisions, and any special or supplemental benefits), with a view to maintaining a compensation program for the senior management at a fair and competitive level, consistent with the best interests of the Company.
- ☐ At least annually, review and make recommendations to the Board of Directors with respect to compensation of directors, the Chairman and those acting as committee chairs to, among other things, ensure their compensation appropriately reflects the responsibilities they are assuming.
- ☐ Fix and determine (and, as it determines to be appropriate, delegate the authority to fix and determine) awards (and the vesting criteria thereof) to employees of stock, stock options or restricted share units pursuant to any of the Company's equity-based plans now or from time to time in effect or otherwise as permitted by applicable legislation, regulatory requirements and policies of the Canadian Securities Administrators and exercise such other power and authority as may be permitted or required under those plans.

- ☐ Regularly review the efficacy of incentive compensation programs and equity-based compensation programs for the Company's directors, officers, and employees, including share ownership guidelines and, when necessary, make recommendations to the Board of Directors regarding, the role and design thereof.
- ☐ In co-operation with the Company's senior management, oversee the human resources policies and programs which are of strategic significance to the Company and make recommendations thereon, as required, to the Board of Directors.
- ☐ Review all executive compensation disclosure prior to public disclosure by the Company.
- ☐ Periodically review with the Board of Directors the succession plans relating to the position of the Chief Executive Officer and other senior positions and make recommendations to the Board of Directors with respect to the selections of individuals to occupy these positions.
- ☐ Enterprise Risk Management: The Compensation Committee shall assist the Board in fulfilling its oversight responsibilities relating to the Company's enterprise risk management program by overseeing management's identification and monitoring of risks related to human resource and compensation and recommending strategies to mitigate against such risks.

## MEETINGS

The Compensation Committee shall meet at least twice per year and more frequently as circumstances require. All members of the Compensation Committee should strive to be at all meetings. The Compensation Committee shall meet separately, periodically, with senior management and may request any member of the Company's senior management or the Company's outside counsel to attend meetings of the Compensation Committee or with any members of, or advisors to the Compensation Committee.

Quorum for the transaction of business at any meeting of the Compensation Committee shall be a majority of the number of members of the Compensation Committee or such greater number as the Compensation Committee shall by resolution determine. The powers of the

Compensation Committee may be exercised at a meeting at which a quorum of the Compensation Committee is present in person or by telephone or other electronic means or by a resolution signed by all members entitled to vote on that resolution at a meeting of the Compensation Committee. Each member (including the Chair) is entitled to one (but only one) vote in Committee proceedings.

Meetings of the Compensation Committee shall be held from time to time and at such place as a member of the Compensation Committee may request upon 48 hours prior notice. The notice period may be waived by a quorum of the Compensation Committee.

The Compensation Committee may delegate authority to individual members and subcommittees of its members where the Compensation Committee determines it is appropriate to do so.

#### INDEPENDENT ADVICE

In discharging its mandate, the Compensation Committee shall have the authority to retain (and authorize the payment by the Company of) and receive advice from special legal or other advisors as the Compensation Committee determines to be necessary to permit it to carry out its duties.

#### ANNUAL EVALUATION

Annually, or more frequently at the request of the Chief Executive Officer as a result of legislative or regulatory changes, the Compensation Committee shall, in a manner it determines to be appropriate:

- ☐ Conduct a review and evaluation of the performance of the Compensation Committee and its members, including the compliance of the Compensation Committee with this Charter.
- ☐ Review and assess the adequacy of its Charter and the position description for its Chair and recommend to the Board of Directors any improvements to this Charter or the position description that the Compensation Committee determines to be appropriate, except for minor technical amendments to this Charter, authority for which is delegated to the Chief Executive Officer, who will report any such amendments to the Board of Directors at its next regular meeting.

***Approved by the Board of Directors on July 21, 2017***

**Schedule "D"**

**ALTERNATE HEALTH CORP.**

**STOCK OPTION PLAN**

**PART 1**

**INTERPRETATION**

1.01 Definitions: In this Plan the following words and phrases shall have the following meanings, namely:

- (a) "Award Date" means the date on which the Board grants a particular Option;
- (b) "Board" means the board of directors of the Company and includes any committee of directors appointed by the directors as contemplated by to Section 3.01 hereof;
- (c) "Cause" means: (i) "Cause" as such term is defined in the written employment agreement, if any, between the Company and Employee; or (ii) if there is no written employment agreement between the Company and the Employee or "Cause" in not defined in the written employment agreement between the Company and the Employee, the usual meaning of just cause under the common law or the laws of British Columbia;
- (d) "Company" mean Alternate Heath Corp.;
- (e) "Consultant" means an individual who: (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Company or to an Affiliate of the Issuer, other than services provided in relation to a distribution; (ii) provides the services under a written contract between the Issuer or the Affiliate and the individual or the Consultant Company, as the case may be; (c) in the reasonable opinion of the Issuer, spends or will spend a significant amount of time and attention on the affairs and business of the Issuer or an Affiliate of the Issuer; and (d) has a relationship with the Issuer or an Affiliate of the Issuer that enables the individual to be knowledgeable about the business and affairs of the Issuer;
- (f) "Director" means any director, Officer and Management Company Employees of the Company or of any of its subsidiaries;
- (g) "Employee" means: (i) an individual who is considered an employee of the Company or its subsidiary under the *Income Tax Act* (Canada) (and for whom income tax, employment insurance and CPP deductions must be made at source); (ii) an individual who works full-time for the Company or its subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; or (iii) an individual who works for a Company or its subsidiary on a continuing and regular basis for a minimum amount of time per week (the number of hours should be disclosed in the submission) providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source;
- (h) "Exchange" means the Canadian Securities Exchange and any other stock exchange on which the Shares are listed for trading;
- (i) "Exchange Policy" means the policies, bylaws, rules and regulations of the Exchange governing definitions, interpretation and the granting of options by the Company, as amended from time to time;

- (j) "Exercise Notice" means the notice respecting the exercise of an Option, in the form set out as Schedule "B" hereto, duly executed by the Option Holder.
- (k) "Exercise Price" means the price at which an Option may be exercised as determined in accordance with Section 4.01
- (l) "Expiry Date" means not later than ten years from the Award Date of the Option or such shorter period as may be prescribed by the Exchange;
- (m) "Insider" has the meaning ascribed thereto in the *Securities Act* (British Columbia);
- (n) "Joint Actor" means a person acting "jointly or in concert with" another person as that phrase is interpreted in section 1.9 of Multilateral Instrument 62-104 – *Take Over Bids and Issuer Bids*;
- (o) "Management Company Employee" means an individual employed by a person providing management services to the Company, which are required for the ongoing successful operation of the business enterprise of the Company;
- (p) "Officer" means any senior officer of the Company or of any of its subsidiaries as defined in the Securities Act;
- (q) "Option" means an option to acquire Shares awarded under and pursuant to the Plan;
- (r) "Option Certificate" means the certificate, substantially in the form set out as Schedule "A" hereto, evidencing an Option;
- (s) "Option Holder" means a current or former Director, Employee or Consultant who holds an unexercised and unexpired Option;
- (t) "Plan" means this stock option plan as from time to time amended;
- (u) "Securities Act" means the *Securities Act*, R.S.B.C. 1996, c.418, as amended, from time to time;
- (v) "Securities Laws" means the act, policies, bylaws, rules and regulations of the securities commissions governing the granting of options by the Company, as amended from time to time;
- (w) "Shares" means common shares of the Company.

1.02 **Interpretation:** Any words capitalized but not defined in this Plan shall have the meanings ascribed to them in Exchange Policy.

1.03 **Gender:** Throughout this Plan, words importing the masculine gender shall be interpreted as including the female gender.

## **PART 2**

### **PURPOSE OF PLAN**

2.01 **Purpose:** The purpose of this Plan is to attract and retain Employees, Consultants or Directors to the Company and to motivate them to advance the interests of the Company by affording them with the opportunity to acquire an equity interest in the Company through Options granted under this Plan to purchase Shares.

## **PART 3**

### **GRANTING OF OPTIONS**

3.01 **Administration:** This Plan shall be administered by the Board or, if the Board so elects, by a committee (which may consist of only one person) appointed by the Board from its members.



3.02 Committee's Recommendations The Board may accept all or any part of recommendations of the committee or may refer all or any part thereof back to the committee for further consideration and recommendation.

3.03 Grant by Resolution: The Board may, by resolution, designate eligible persons who are bona fide Employees, Consultants, Directors or corporations employing or wholly owned by such Employee, Consultant, or Director, to whom Options should be granted and specify the terms of such Options which shall be in accordance with Exchange Policy and Securities Laws. It is the responsibility of the Company and the Option Holder for ensuring and confirming that the Option Holder is a bona fide Employee, Consultant or Management Company Employee, as the case may be. The Company will also issue a news release at the time of the grant for any Options granted to Insiders.

3.04 Terms of Option: The resolution of the Board shall specify the number of Shares that should be placed under option to each such Employee, Consultant or Director, the Exercise Price to be paid for such Shares, and the period, including any applicable vesting periods during which such Option may be exercised.

3.05 Option Certificate: Every Option granted under this Plan shall be evidenced by an Option Certificate, and all Option Certificates will be so legended as required by Exchange Policy and Securities Laws.

#### **PART 4**

##### **CONDITIONS GOVERNING THE GRANTING AND EXERCISING OF OPTIONS**

4.01 Exercise Price: The Exercise Price of an Option granted under this Plan shall not be less than the greater of the closing market price of the Shares on (a) the trading day prior to the date of grant of the Options; and (b) the date of grant of the Options. In any event, no Options shall be granted which are exercisable at an Exercise Price of less than permitted by Exchange Policy. An Exercise Price cannot be established unless the Options are allocated to a particular Option Holder.

4.02 Expiry Date: Each Option shall, unless sooner terminated, expire on a date to be determined by the Board which will not be later than the Expiry Date. However, if the Expiry Date falls within a period (a "blackout period") during which the Company prohibits Option Holders from exercising their Options, the Expiry Date may be extended to a maximum of 10 business days after the expiry of the blackout period. The blackout period must be formally imposed by the Company pursuant to its internal trading policies as a result of the bona fide existence of undisclosed Material Information. For greater certainty, in the absence of the Company formally imposing a blackout period, the Expiry Date of any options will not be automatically extended in any circumstances.

4.03 Different Exercise Periods, Prices and Number The Board may, in its absolute discretion, upon granting an Option under this Plan and subject to the provisions of Section 6.04 hereof, specify a particular time period or periods following the date of granting the Option during which the Option Holder may exercise his Option to purchase Shares and may designate the Exercise Price and the number of Shares in respect of which such Option Holder may exercise his Option during each such time period.

4.04 Number of Shares: The number of Shares reserved for issuance under the Plan shall:

- (a) not exceed 5% of the issued Shares of the Company to any one person (and companies wholly owned by that person) in any 12 month period, calculated on the date the Option is granted; and

4.05 Ceasing to hold Office If an Option Holder holds his or her Options as a Director and such Option Holder ceases to be Director for any reason other than death, such Director shall have rights to exercise any Option not exercised prior to such termination (but only to the extent that such Option has vested on or before the date the Option Holder ceased to be a Director) within a reasonable period of time after the date of termination, as set out in the Option Holder's Option Certificate, such "reasonable period" not to exceed one year after termination. However, if the Option Holder ceases to be a Director of the Company as a result of: (i) ceasing to meet the qualifications set forth in the *Business Corporations Act* (British Columbia); or (ii) his or her removal as a director of the Company pursuant to the *Business Corporations Act* (British Columbia); or (iii) an order made by any regulatory authority having jurisdiction

to so order; in which case the Expiry Date shall be the date the Option Holder ceases to be a Director of the Company. Notwithstanding anything contained herein, in no case will an Option be exercisable later than the Expiry Date of such Option fixed by the Board at the time the Option is awarded to the Option Holder.

4.06 Ceasing to be an Employee, Management Company Employee or Consultant If an Option Holder holds his or her Options as an Employee, Management Company Employee or Consultant and such Option Holder ceases to be an Employee, Management Company Employee or Consultant for any reason other than death, such Employee, Management Company Employee or Consultant shall have rights to exercise any Option not exercised prior to such termination (but only to the extent that such Option has vested on or before the date the Option Holder ceased to be so employed or provide services to the Company) within a reasonable period of time after the date of termination, as set out in the Option Holder's Option Certificate, such "reasonable period" not to exceed one (1) year after termination. However, (i) if the Option Holder ceases to be an Employee as a result of termination for Cause; (ii) a Management Company Employee of a person providing management services to the Company as a result of termination for Cause; or (iii) an Employee, Management Company Employee or Consultant of the Company as a result of an order made by any regulatory authority having jurisdiction to so order, in which case the Expiry Date shall be the date the Option Holder is terminated by the Company. Notwithstanding anything contained herein, in no case will an Option be exercisable later than the Expiry Date of such Option fixed by the Board at the time the Option is awarded to the Option Holder.

4.07 Death of Option Holder: If a Director, Consultant or Employee dies prior to the expiry of his option, his legal representatives may, within the lesser of one (1) year from the date of the Option Holder's death or the Expiry Date of the Option, exercise that portion of an Option granted to the Director, Consultant or Employee under this Plan which remains outstanding.

4.08 Assignment No Option granted under this Plan or any right thereunder or in respect thereof shall be transferable or assignable otherwise than by will or pursuant to the laws of succession except that, if permitted by the rules and policies of the Exchange, an Option Holder shall have the right to assign any Option granted to him hereunder to a trust, RRSP, RESP or similar legal entity established by such Option Holder.

4.09 Notice Options: shall be exercised only in accordance with the terms and conditions of the Option Certificates under which they are respectively granted and shall be exercisable only by notice in writing to the Company.

4.10 Payment Options: may be exercised in whole or in part at any time prior to their lapse or termination. Shares purchased by an Option Holder on exercise of an Option shall be paid for in full, in cash, bank wire transfer, bank draft, or by cheque, at the time of their purchase.

4.11 Options to Employees, Consultants or Management Company Employees: In the case of Options granted to Employees, Consultants or Management Company Employees, the Option Holder must be a bona-fide Employee, Consultant or Management Company Employee, as the case may be, of the Company or its subsidiary.

4.12 Withholding Tax: Upon exercise of an Option, the Option Holder will, upon notification of the amount due and prior to or concurrently with the delivery of the certificates representing the Shares, pay to the Company amounts necessary to satisfy applicable withholding tax requirements or will otherwise make arrangements satisfactory to the Company for such requirements. In order to implement this provision, the Company or any related corporation will have the right to retain and withhold from any payment of cash or Shares under this Plan the amount of taxes required to be withheld or otherwise deducted and paid in respect of such payment. At its discretion, the Company may require an Option Holder receiving Shares to reimburse the Company for any such taxes required to be withheld by the Company and withhold any distribution to the Option Holder in whole or in part until the Company is so reimbursed. In lieu thereof, the Company will have the right to withhold from any cash amount due or to become due from the Company to the Option Holder an amount equal to such taxes. The Company may also retain and withhold or the Option Holder may elect, subject to approval by the Company at its sole discretion, to have the Company retain and withhold a number of Shares having a market value not less than the amount of such taxes required to be withheld by the Company to reimburse the Company for any such taxes and cancel (in whole or in part) any such Shares so withheld.

## PART 5

### RESERVE OF SHARES FOR OPTIONS

5.01 Sufficient Authorized Shares to be Reserved: Whenever the Notice of Articles or Articles of the Company limit the number of authorized Shares, a sufficient number of Shares shall be reserved by the Board to satisfy the exercise of Options granted under this Plan. Shares that were the subject of Options that have lapsed or terminated shall thereupon no longer be in reserve and may once again be subject to an Option granted under this Plan.

5.02 Maximum Number of Shares to be Reserved Under Plan: The aggregate number of Shares which may be subject to issuance pursuant to Options granted under this Plan, inclusive of all other stock options outstanding shall not be greater than 15% of the Shares issued and outstanding at the date of the grant of Options. Cancelled and expired Options are returned to the Plan.

## PART 6

### CHANGES IN OPTIONS

6.01 Share Consolidation or Subdivision: If the Shares are at any time subdivided or consolidated, the number of Shares reserved for Option and the price payable for any Shares that are then subject to Option shall be adjusted accordingly.

6.02 Stock Dividend: If the Shares are at any time changed as a result of the declaration of a stock dividend thereon, the number of Shares reserved for Option and the price payable for any Shares that are then subject to Option may be adjusted by the Board to such extent as they deem proper in their absolute discretion.

6.03 Reorganization: Subject to any required action by its shareholders, if the Company is a party to a reorganization, merger, amalgamation, arrangement, sale of assets or undertaking, winding up or dissolution or its Shares are exchanged or reclassified in any way (collectively, the "Event"), whether or not the Company is the surviving entity, an Option will be adjusted by the Board in accordance with the Event and in a manner the Board deems appropriate.

6.04 Effect of a Take-Over Bid: If a bona fide offer (an "Offer") for Shares is made to the Option Holder or to shareholders of the Company generally or to a class of shareholders which includes the Option Holder, which Offer, if accepted in whole or in part, would result in the offeror becoming a control person of the Company, within the meaning of subsection 1(1) of the Securities Act, the Company shall, upon receipt of notice of the Offer, notify each Option Holder of full particulars of the Offer, whereupon all Shares subject to such Option ("Option Shares") will become vested and the Option may be exercised in whole or in part by the Option Holder so as to permit the Option Holder to tender the Option Shares received upon such exercise, pursuant to the Offer. However, if:

- (a) the Offer is not completed within the time specified therein including any extensions thereof; or
- (b) all of the Option Shares tendered by the Option Holder pursuant to the Offer are not taken up or paid for by the offeror in respect thereof,

then the Option Shares received upon such exercise, or in the case of clause (b) above, the Option Shares that are not taken up and paid for, may be returned by the Option Holder to the Company and reinstated as authorized but unissued Shares and with respect to such returned Option Shares, the Option shall be reinstated as if it had not been exercised and the terms upon which such Option Shares were to become vested pursuant to section 4.03 shall be reinstated. If any Option Shares are returned to the Company under this section 6.04, the Company shall immediately refund the Exercise Price to the Option Holder for such Option Shares.

6.05 Acceleration of Expiry Date If at any time when an Option granted under the Plan remains unexercised with respect to any unissued Option Shares, an Offer is made by an offeror, the Directors may, upon notifying each Option Holder of full particulars of the Offer, declare all Option Shares issuable upon the exercise of Options granted under the Plan, vested, and declare that the Expiry Date for the exercise of all unexercised Options granted under the Plan is accelerated so that all Options will either be exercised or will expire prior to the date upon which Shares must be tendered pursuant to the Offer.

6.06 Effect of a Change of Control: If a Change of Control (as defined below) occurs, all Shares subject to each outstanding Option will become vested, whereupon such Option may be exercised in whole or in part by the Option Holder. "Change of Control" means the acquisition by any person or by any person and a Joint Actor, whether directly or indirectly, of voting securities as defined in the Securities Act) of the Company, which, when added to all other voting securities of the Company at the time held by such person or by such person and a Joint Actor, totals for the first time not less than fifty percent (50%) of the outstanding voting securities of the Company or the votes attached to those securities are sufficient, if exercised, to elect a majority of the Board of Directors of the Company.

## **PART 7**

### **SECURITIES LAWS AND EXCHANGE POLICY**

7.01 Exchange's Rules and Policies Apply: This Plan and the granting and exercise of any Options hereunder are also subject to such other terms and conditions as are set out from time to time in the Securities Laws and Exchange Policy and such rules and policies shall be deemed to be incorporated into and become a part of this Plan. In the event of an inconsistency between the provisions of such rules and policies and of this Plan, the provisions of such rules and policies shall govern. If the Company's Shares are listed on a new stock exchange, the granting of Options shall be governed by the rules and policies of new stock exchange and unless inconsistent with the terms of this Plan, the Company shall be able to grant Options pursuant to the rules and policies of such new stock exchange without requiring shareholder approval.

## **PART 8**

### **AMENDMENT OF PLAN**

8.01 Board May Amend: The Board may, by resolution, amend or terminate this Plan, but no such amendment or termination shall, except with the written consent of the Option Holders concerned, affect the terms and conditions of Options previously granted under this Plan which have not then been exercised or terminated.

8.02 Exchange Approval Any amendment to this Plan shall not become effective until any such Exchange and shareholder approval as is required by Exchange Policy and Securities Laws has been received. Unless approved by the Exchange, Options may not be amended once issued, and if an Option is cancelled before its Expiry Date, the Board may not grant new Options to the same Option Holder until 30 days have elapsed from the date of cancellation.

## **PART 9**

### **EFFECTIVE DATE OF PLAN**

9.01 Effective Date: This Plan shall become effective upon the approval of this Plan by the directors of the Company. The Plan is subject to annual approval by the Company's shareholders at a shareholder meeting; however, Options may be granted under this Plan prior to the receipt of approval of the Plan by shareholders.

DATE OF PLAN: November 24, 2015

**Schedule A**

**ALTERNATE HEALTH CORP. (the "Company")  
STOCK OPTION PLAN  
OPTION CERTIFICATE**

This certificate is issued pursuant to the provisions of the Company's Stock Option Plan (the "Plan") and evidences that (*Name of Option Holder*) \_\_\_\_\_ is the holder of an option (the "Option") to purchase up to \_\_\_\_\_ (*Number of Shares*) common shares (the "Shares") in the capital stock of the Company at a purchase price of \$ \_\_\_\_\_ per Share. Subject to the provisions of the Plan:

- (a) the Award Date of this Option is \_\_\_\_\_ (*insert date of grant*);
- (b) the Expiry Date of this Option is \_\_\_\_\_ (*insert date of expiry*); and
- (c) the termination of this Option under sections 4.05 and 4.06 of the Plan is \_\_\_\_\_ days after the Option Holder ceases to be involved with the Company, subject to the terms of such sections.

Additional Vesting or Other Restrictions: (insert as applicable)

This Option may be exercised in accordance with its terms at any time and from time to time from and including the Award Date through to and including up to 5:00 p.m. (Vancouver time) on the Expiry Date, by delivering to the Company an Exercise Notice, in the form provided in the Plan, together with this certificate and a certified cheque or bank draft payable to the Company in an amount equal to the aggregate of the Exercise Price of the Shares in respect of which this Option is being exercised.

This certificate and the Option evidenced hereby is not assignable, transferable or negotiable and is subject to the detailed terms and conditions contained in the Plan. This certificate is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Company shall prevail.

This Option is also subject to the terms and conditions contained in the schedules, if any, attached hereto.

**Signed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.**

by its authorized signatory:

\_\_\_\_\_

**NAME:** \_\_\_\_\_

**TITLE:** \_\_\_\_\_

**OPTION CERTIFICATE - SCHEDULE**

The additional terms and conditions attached to the Option represented by this Option Certificate are as follows:

1. include Vesting Provisions, if any

**Schedule B**

**EXERCISE NOTICE**

TO: **Alternate Health Corp.** (the "Company")

AND TO: THE BOARD OF DIRECTORS

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

- (a) all of the Shares; or
- (b) \_\_\_\_\_ of the Shares, which are the subject of the Option Certificate attached hereto.

Calculation of total Exercise Price:

(i) number of Shares to be acquired on exercise: \_\_\_\_\_ Shares

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

TOTAL EXERCISE PRICE, enclosed herewith: \$ \_\_\_\_\_

The undersigned tenders herewith a certified cheque or bank draft in an amount equal to the total Exercise Price of the aforesaid Shares, as calculated above, and directs the Company to issue the share certificate evidencing said Shares in the name of the undersigned to be mailed to the undersigned at the following address:

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

DATED the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

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

\_\_\_\_\_  
Name of Option Holder (please print)