

# **ONEnergy Inc.**

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

**to be held on December 19, 2022**

**AND**

## **MANAGEMENT INFORMATION CIRCULAR**

**November 15, 2022**

**ONENERGY INC.**

**401 Bay Street, Suite 2410  
Toronto, Ontario M5H 2Y4**

**NOTICE OF THE ANNUAL MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN THAT** the annual meeting, (the “**Meeting**”) of the holders of the common shares (the “**Shareholders**”) of ONEnergy Inc. (the “**Company**” or “**ONE**”) will be held at 333 Bay Street, Suite 2400, Toronto, Ontario, M5H 2T6 on December 19, 2022, at 11 a.m. (Toronto time), for the following purposes:

1. to receive the audited financial statements of the Company for the year ended December 31, 2021, together with the report of the auditors thereon (the “**Financial Statements**”);
2. to elect the directors of the Company for the ensuing year;
3. to appoint the auditors and authorize the directors to fix their remuneration; and
4. to transact such other business as may properly be brought before the Meeting.

Due to uncertainties with the ongoing COVID-19 pandemic, and in consideration for the health and safety of our shareholders, colleagues and other stakeholders, the Company is offering Shareholders the option to listen and participate (but not vote) at the Meeting in real time by Zoom conference at <https://us06web.zoom.us/j/82037502335> (Meeting ID: 820 3750 2335). **Please note, voting will NOT be permitted over Zoom, so you MUST complete the proxy form if you are attending the meeting by teleconference and wish to vote.**

Particulars of the foregoing matters are set forth in the management information circular dated November 15, 2022 (the “**Circular**”). Canadian securities rules (Notice and Access) permit us to provide both our registered and non-registered shareholders with electronic access to the Circular, Financial Statements and accompanying management’s discussion and analysis (the “**MD&A**”) and other materials for the Meeting instead of sending a paper copy. This means that Circular, Financial Statements, MD&A and other materials for the Meeting are posted online for you to access, rather than being mailed to you. Notice and Access is more environmentally friendly, as it helps reduce paper and energy use and also reduces printing and mailing costs.

You will still receive a form of proxy or a voting instruction form in the mail so you can vote your shares. However, unless you previously requested a paper copy, rather than receiving a paper copy of this Circular, you will receive a notice that has instructions on how to access and review an electronic copy of our Circular, Financial Statements, MD&A and other materials for the Meeting and how to request a paper copy. The notice also provides instructions on voting your shares using the various different voting methods provided (internet, telephone, mail). Only Shareholders of record at the close of business on November 9, 2022 (the “**Record Date**”) are entitled to notice of and to participate at the Meeting and any adjournment or postponement thereof.

Registered shareholders who are unable to attend the Meeting in person are requested to complete, date and sign the enclosed form of proxy and send it in the enclosed envelope which has been provided for that purpose or by telephone at 1-866-732-8683 or 312-588-4290 or via the internet at <https://www.investorvote.com>. Proxies, to be valid, must be deposited at the registrar and transfer agent of the Company, Computershare Investor Services Inc. (“**Computershare**”), 100 University Avenue, 8th Floor, Toronto, Ontario, Canada, M5J 2Y1, not less than 48 hours, excluding Saturdays, Sundays and statutory holidays in the Province of Ontario, preceding the Meeting or any adjournment or postponement thereof. If

you are not a registered shareholder of the Company, a voting instruction form, instead of a form of proxy, may be enclosed. You must follow the instructions, including deadlines for submission, on the voting instruction form in order to vote your shares.

**The persons named in the enclosed form of proxy are directors and/or officers of the Company. Each Shareholder has the right to appoint a proxyholder other than such persons, who need not be a Shareholder, to attend and to act for such Shareholder and on such Shareholder's behalf at the Meeting. To exercise such right, the name of the Shareholder's appointee should be legibly printed in the blank space provided IN THE FORM OF PROXY.**

Shareholders are directed to read the Circular carefully and in full in evaluating the matters for consideration at the Meeting. Further disclosure on the matters set out above may be found in the Circular in the section entitled "Business of the Meeting". The Circular, Financial Statements and related MD&A and other relevant materials are available under the Company's directory on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") at [www.sedar.com](http://www.sedar.com). Prior to the meeting date, any Shareholder who wishes to receive a paper copy of such documents free of charge should contact Computershare at 1-866-962-0498 (for Holders with a 15 digit Control Number) or 1-877-907-7643 (for Holders of a 16 digit Control Number). In order to be certain of receiving such materials in time to vote before the Meeting, the request should be received by Computershare by December 9, 2022.

**DATED** at Toronto, Ontario as of the 15<sup>th</sup> day of November, 2022.

**BY ORDER OF THE BOARD OF DIRECTORS**

*"Stephen J.J. Letwin"*

**Stephen J.J. Letwin  
Chairman of the Board**

## ONENERGY INC.

### MANAGEMENT INFORMATION CIRCULAR AS AT November 15, 2022.

#### PART 1 - SOLICITATION OF PROXIES BY MANAGEMENT

This management information circular (the “Circular”) is furnished in connection with the solicitation by the management of ONEnergy Inc., (the “Company”) of proxies to be used at the annual meeting (the “Meeting”) of shareholders of the Company (the “Shareholders”) to be held at the time and place and for the purposes set out in the notice of meeting (the “Notice of Meeting”). It is expected that the solicitation will be made primarily by mail. However, officers and employees of the Company may also solicit proxies by telephone, facsimile, e-mail or in person. The total cost of solicitation of proxies will be borne by the Company. Except as otherwise stated, the information herein contained is given as of November 15, 2022.

#### NOTICE AND ACCESS

Canadian securities rules (Notice and Access) permit us to provide both our registered and non-registered shareholders with electronic access to the Circular, the audited financial statements of the Company for the year ended December 31, 2021 (the “Financial Statements”) and accompanying management’s discussion and analysis (the “MD&A”) and other materials for the Meeting instead of sending a paper copy. This means that Circular, Financial Statements, MD&A and other materials for the Meeting are posted online for you to access, rather than being mailed to you. Notice and Access is more environmentally friendly, as it helps reduce paper and energy use and also reduces printing and mailing costs.

You will still receive a form of proxy or a voting instruction form in the mail so you can vote your shares. However, unless you previously requested a paper copy, rather than receiving a paper copy of this Circular, you will receive a notice that has instructions on how to access and review an electronic copy of our Circular, Financial Statements, MD&A and other materials for the Meeting and how to request a paper copy. The notice also provides instructions on voting your shares using the various different voting methods provided (internet, telephone, mail).

If you would like to receive a paper copy of our information circular and annual report, please follow the instructions in the notice.

#### WEBSITE WHERE INVESTOR MATERIALS ARE POSTED

Electronic copies of investor materials related to this Meeting, including this Circular and the Company’s Financial Statements and MD&A, can be found, reviewed and downloaded from <http://www.envisionreports.com/LOKQ2022>, for a minimum of one year, or under the Corporation’s profile on the System for Electronic Document Analysis and Retrieval (“SEDAR”) at [www.sedar.com](http://www.sedar.com).

#### APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are directors and/or officers of the Company. A Shareholder has the right to appoint as his or her proxy a person or company, who need not be a Shareholder, other than those whose names are on the accompanying form of proxy. **Shareholders who wish to appoint a third party proxyholder to represent them at the Meeting may do so either by inserting such other person’s or company’s name in the blank space provided in the form of proxy and signing the form of proxy or by completing and signing another proper form of proxy.** Where the Shareholder is a corporation, the form of proxy must be executed by an individual duly authorized to represent the corporation and must be accompanied by a resolution of the board of directors of such corporation providing evidence of such authorization.

A proxy can be submitted to the registrar and transfer agent of the Company, Computershare Investor Services Inc. (“**Computershare**”), either in person, or by mail or courier, to 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1, or via the internet at <https://www.investorvote.com>. The proxy must be deposited with Computershare by no later than 11 a.m. (Toronto time) on December 15, 2022, or if the meeting is adjourned or postponed, not less than 48 hours, excluding Saturdays, Sundays and statutory holidays, before the commencement of such adjourned or postponed meeting, or delivered to the Chairman of the Meeting on the day of the Meeting or any adjournment or postponement thereof, prior to the time of voting.

A Shareholder who has given a proxy may revoke it by an instrument in writing executed by the Shareholder or by the Shareholder’s attorney authorized in writing or, if the Shareholder is a Company, under its corporate seal or by an officer or attorney thereof duly authorized. The revocation of a proxy, in order to be acted upon, must be deposited with Computershare Investor Services Inc. (Attention: Proxy Department), 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1 prior to 5:00 p.m. on the last business day immediately preceding the Meeting or any adjournment or postponement thereof, or with the Chairman of the Meeting before the commencement of the Meeting or at any adjournment or postponement thereof.

### **EXERCISE OF DISCRETION BY PROXIES**

**Shares represented by properly executed proxies in favour of the persons designated in the enclosed form of proxy, in the absence of any direction to the contrary, will be voted for: (i) the election of directors; and (ii) the appointment of auditors; in each case, as stated under such headings in this Management Information Circular.** Instructions with respect to voting will be respected by the persons designated in the enclosed form of proxy. **In the absence of such instructions, proxies in favour of management will be voted in favour of all resolutions described in this Management Information Circular. The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the accompanying Notice of Meeting of Shareholders and with respect to other matters which may properly come before the Meeting.** With respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting, such shares will be voted by the persons so designated in their discretion. At the time of printing this Management Information Circular, management of the Company knows of no such amendments, variations, or other matters.

### **SHARES**

As at November 9, 2022, there were 23,975,507 common shares in the capital of the Company (the “**Common Shares**”) issued and outstanding. Each Common Share entitles the holder thereof to one (1) vote.

The Company has fixed November 9, 2022 as the record date (the “**Record Date**”) for the purpose of determining Shareholders entitled to receive notice of and to vote at the Meeting. Pursuant to the *Business Corporations Act* (Ontario) (the “**OBCA**”), the Company is required to prepare, no later than ten days after the Record Date, an alphabetical list of Shareholders entitled to receive notice of and to vote at the Meeting as of the Record Date that shows the number of shares held by each Shareholder. A Shareholder whose name appears on the list referred to above is entitled to vote the shares shown opposite his or her name at the Meeting. The list of Shareholders is available for inspection during usual business hours at the head office of the Company and at the Meeting.

### **NON-REGISTERED SHAREHOLDERS**

Only registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, shares beneficially owned by a person (a “**Non-Registered Holder**”) are registered either: (i) in the name of an intermediary (an “**Intermediary**”) that the Non-Registered Holder deals with in respect of the shares of the Company, such as securities dealers or brokers, banks, trust

companies, and trustees or administrators of self-administered RRSPs, RRIFs, RESPs, and similar plans; or (ii) in the name of a clearing agency of which the Intermediary is a participant. 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 and this Management Information Circular (collectively, the “**Meeting Materials**”) to the clearing agencies and Intermediaries for distribution to Non-Registered Holders. Intermediaries are required to forward the Meeting Materials to Non-Registered Holders, and often use a service company for this purpose.

Non-Registered Holders will either:

- (a) typically, be provided with a computerized form (often called a “voting instruction form”) which is not signed by the Intermediary and which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary or its service company, will constitute voting instructions which the Intermediary must follow. In order for the applicable computerized form to validly constitute a voting instruction form, the Non-Registered Holder must properly complete and sign the form and submit it to the Intermediary or its service company in accordance with the instructions from the Intermediary or service company. In certain cases, the Non-Registered Holder may provide such voting instructions to the Intermediary or its service company through the internet or through a toll-free telephone number; or
- (b) less commonly, be given a proxy form which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted to the number of shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. In this case, the Non-Registered Holder who wishes to submit a proxy should properly complete the proxy form and submit it to Computershare Investor Services Inc., (Attention: Proxy Department), 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1.

In either case, the purpose of these procedures is to permit Non-Registered Holders to direct the voting of the Common Shares of the Company which they beneficially own.

Should a Non-Registered Holder who receives a voting instruction form wish to vote at the Meeting (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should print his or her own name, or that of such other person, on the voting instruction form and return it to the Intermediary or its service company. Should a Non-Registered Holder who receives a proxy form wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should strike out the names of the persons set out in the proxy form and insert the name of the Non-Registered Holder or such other person in the blank space provided and submit it to Computershare Investor Services Inc., at the address set out above.

**In all cases, Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when, where, and by what means the voting instruction form or proxy form must be delivered.**

A Non-Registered Holder may revoke voting instructions which have been given to an Intermediary at any time by written notice to the Intermediary, except that an Intermediary is not required to act on a revocation that is not received by the Intermediary at least seven days prior to the Meeting.

The Company may pay the reasonable costs incurred by persons who are the registered but not beneficial owners of Common Shares, such as brokers, dealers, other registrants under applicable securities laws, nominees and/or custodians, in sending or delivering copies of this Management Information Circular, the Notice of Meeting and the form of proxy to the beneficial owners of such shares. The Company will provide,

without cost to such persons, upon request to the Secretary of the Company, additional copies of the foregoing documents required for this purpose.

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

Except as disclosed in this Management Information Circular, no (a) director or executive officer of the Company who has held such position at any time since the beginning of the last completed financial year of the Company; (b) proposed nominee for election as a director of the Company; or (c) associate or affiliate of a person in (a) or (b) has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

### PRINCIPAL SHAREHOLDERS

As at November 15, 2022, to the best knowledge of the Company, the following are the only persons who beneficially own, directly or indirectly, or exercise control or direction over, more than 10% of the Common Shares of the Company:

Name	Number of Common Shares	Percentage of Total Issued Common Shares
Arthur Silber <sup>(1)</sup>	2,770,214	11.6%
Canyon Creek Management Inc. <sup>(1)</sup>	2,706,000	11.3%

**Note:**

(1) Based on publicly available filings.

## PART 2 – BUSINESS OF THE MEETING

### PRESENTATION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

A copy of the audited consolidated financial statements of the Company for the year ended December 31, 2021 can be found on the Company's website at [www.onenergyinc.com](http://www.onenergyinc.com) and on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com). A copy can also be obtained on request by contacting the Company at P.O. Box 47584, RPO Don Mills, Toronto, Ontario M3C 1S7, Attention: Ray de Ocampo, Chief Financial Officer.

### ELECTION OF DIRECTORS

**It is the intention of the nominees designated in the enclosed form of proxy to vote the shares in respect of which they are appointed proxy in favour of the election of the three nominees whose names are set out below, unless the Shareholder who has given such proxy has directed that the shares be otherwise voted.** Each director will hold office until the next annual meeting of Shareholders or until the election of his successor, unless such person resigns or his office becomes vacant by removal, death, or other cause.

The following table sets out the name of each of the persons proposed to be nominated for election as director, his municipality of residence, all positions and offices with the Company now held by such person, his principal occupation, the year in which such person became a director of the Company, and the number of Common Shares of the Company that such person has advised are beneficially owned or over which control or direction is exercised by such person as at the date indicated below.

Name, Municipality of Residence and Position with the Company	Principal Occupation	First Year as Director	Number of Common Shares Beneficially Owned or over which Control is Exercised as at November 9, 2022
Lawrence Silber <sup>(1)</sup> Ottawa, Ontario, Canada Director	Lawyer, Kelly Santini LLP.	2010	53,890
Stephen J.J. Letwin <sup>(1)</sup> Calgary, Alberta, Canada Chairman of the Board of Directors	President and CEO, Mancal Corporation since March 2020.	2013	717,286
Ivan Bos, DVM <sup>(1)</sup> Grimsby, Ontario, Canada Director	President, Bos Veterinary Professional Corporation	2021	445,500

**Note:**

(1) Member of the Company's Audit and Corporate Governance Committee.

The board of directors of the Company (the “**Board of Directors**” or the “**Board**”) does not have an Executive Committee. The information as to shares beneficially owned or over which the above-named individuals exercise control or direction is not within the knowledge of the Company and has been furnished by the respective nominees individually.

Additional biographical information for each director nominee is set forth below:

*Lawrence Silber.* Mr. Silber has served as a director of the Company since 2010. Mr. Silber is a corporate/commercial lawyer and partner practicing with the law firm Kelly Santini LLP in Ottawa. Mr. Silber specializes in corporate/commercial law with particular expertise in income tax, estate and succession planning. He advises clients on a broad range of business matters including private equity investors in domestic equity and debt financings, mergers and acquisitions, licensing transactions, corporate reorganizations, purchase and sale transactions, joint ventures as well as complex commercial agreements.

*Stephen J.J. Letwin.* Mr. Letwin has served as a director of the Company since 2013. Mr. Letwin is currently President and Chief Executive Officer of Mancal Corporation (“**Mancal**”), since February 2020, and has been a member of the Mancal Board of Directors since Mancal’s inception in 1999. Prior to Mancal, Mr. Letwin was President and Chief Executive Officer of IAMGOLD Corporation (“**IAMGOLD**”) for over nine years and was also a member of their Board of Directors. Prior to joining IAMGOLD, Mr. Letwin was Executive Vice-President, Gas Transportation & International of Enbridge, Inc. (“**Enbridge**”) and was based in Houston, Texas. While with Enbridge, he had overall responsibility for Enbridge Energy Partners, L.P. and its U.S. operations. Throughout his career, Mr. Letwin has actively demonstrated his commitment to voluntary leadership. His most recent community affiliations have included Director, Corporate Campaign Committee of Texas Children’s Hospital; Patron, UNICEF Alberta, Canada; and Director, YMCA Calgary, Canada. For his commitment to the community, Mr. Letwin was awarded the 2006 Alberta Centennial Medal.

*Ivan Bos, DVM.* Dr. Bos was appointed as a director of the Company in April 2021. Dr. Bos is currently President of Bos Veterinary Professional Corporation, a professional veterinary practice serving the Golden Horseshoe area of the Greater Toronto and Hamilton Area. Dr. Bos has developed several veterinary practices along with developing new enterprises in animal agriculture in Canada, Africa and the Caribbean.

Except as set out below, none of the foregoing nominees for election as director of the Company:



- (a) is, or within the last ten years has been, a director or executive officer of any company that, while that person was acting in that capacity:
  - (i) was the subject of a cease trade or similar order, or an order that denied such company access to any exemption under applicable securities legislation, for a period of more than 30 consecutive days; or
  - (ii) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in such company becoming the subject of a cease trade or similar order, or an order that denied such company access to any exemption under applicable securities legislation, for a period of more than 30 consecutive days; or
  - (iii) within one year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager, or trustee appointed to hold its assets; or
- (b) has, within the last ten years, 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 his assets.

On May 6, 2019 the Ontario Securities Commission (“OSC”) issued a cease trade order (the “**Cease Trade Order**”) against the Company pursuant to National Policy 11-207 – *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions* and its securities were halted from trading on the Exchange. As of March 17, 2021, the Company addressed all outstanding filing deficiencies and on April 28, 2021 applied to the OSC for revocation of the Cease Trade Order. On August 18, 2021, the OSC granted a full revocation of the Cease Trade Order and the Company’s securities resumed trading on September 10, 2021. Mr. Letwin and Mr. Silber were Directors of the Company when the Cease Trade Order was issued. Dr. Bos was appointed Director of the Company while it was subject to the Cease Trade Order.

None of the foregoing nominees for election as director of the Company has been subject to:

- (a) 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
- (b) 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.

At the Meeting, Shareholders will be asked to approve an ordinary resolution, as follows:

**“RESOLVED THAT:**

the election of each of Lawrence Silber, Stephen J.J. Letwin and Ivan Bos as directors of ONEnergy Inc. (the “**Company**”) to hold office until the close of the next annual meeting of shareholders of the Company or until their successors are elected or appointed be and is hereby approved.”

**COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT NOMINEES WILL BE VOTED FOR EACH OF THE PROPOSED NOMINEES UNLESS A SHAREHOLDER HAS SPECIFIED IN HIS, HER OR ITS PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE WITHHELD**

**FROM VOTING IN RESPECT OF ANY PARTICULAR NOMINEE OR NOMINEES. MANAGEMENT DOES NOT CONTEMPLATE THAT ANY OF SUCH NOMINEES WILL BE UNABLE TO SERVE AS DIRECTORS. HOWEVER, IF FOR ANY REASON, ANY OF THE PROPOSED NOMINEES DO NOT STAND FOR ELECTION OR ARE UNABLE TO SERVE AS SUCH, PROXIES IN FAVOUR OF MANAGEMENT NOMINEES WILL BE VOTED FOR ANOTHER NOMINEE IN THEIR DISCRETION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN HIS, HER OR ITS PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF ANY PARTICULAR NOMINEE OR NOMINEES.**

### **APPOINTMENT OF AUDITORS**

BDO Canada LLP (“**BDO**”), the current auditors of the Company, have been the auditors of the Company since July 18, 2013. Shareholders will be asked to appoint BDO as auditors of the Company to hold office until the next annual meeting of Shareholders and to authorize the Company to fix their remuneration.

At the Meeting, Shareholders will be asked to approve an ordinary resolution, as follows:

**“RESOLVED THAT:**

the appointment of BDO Canada LLP as auditor of ONEnergy Inc. (the “**Company**”) to hold office until the close of the next annual meeting of shareholders of the Company be and is hereby approved and the board of directors of the Company be and is hereby authorized the fix the remuneration of the auditor so appointed.”

**COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT NOMINEES WILL BE VOTED FOR THE APPOINTMENT OF BDO AS AUDITOR OF ONE AND FOR AUTHORIZING THE DIRECTORS TO FIX ITS REMUNERATION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF.**

### **PART 3– COMPENSATION**

#### **EXECUTIVE COMPENSATION**

##### ***Compensation Discussion and Analysis***

The Company's executive compensation program is administered by the Board. The Board's mandate with respect to compensation includes evaluating senior management and developing appropriate compensation policies for the senior management and directors of the Company, including the Named Executive Officers (as defined below) which are identified in the "Summary Compensation Table" below. The duties and responsibilities of the Board with respect to compensation are further described in this management information circular under the heading "Part 4 - Corporate Governance - Compensation". As at the year ended December 31, 2021 the Board is comprised of Messrs. Silber, Letwin and Bos. Messrs. Silber and Bos are "independent" for the purposes of National Instrument 58-201 – *Corporate Governance Guidelines* ("NI 58-201"). Mr. Letwin is not "independent" for the purposes of NI 58-201 as he acts in the capacity of chief executive officer. On April 12, 2021, Mr. David Rattee resigned from the Board and Dr. Bos was appointed to the Board.

In this section, “**Named Executive Officer**” means (a) the Corporation’s chief executive officer (the “**CEO**”), including an individual performing functions similar to a CEO, (b) the Corporation’s chief financial officer (the “**CFO**”), including an individual performing functions similar to a CFO, (c) the most highly compensated executive officer of the Corporation, and its subsidiaries, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V *Statement of Executive Compensation – Venture Issuers*, for that financial year; and (d) each individual who would be a Named

Executive Officer under (c) but for the fact that the individual was not an executive officer of the Corporation and was not acting in a similar capacity, at the end of that financial year.

During the Company's fiscal year ended December 31, 2021, the following individuals were the Named Executive Officers of the Corporation:

- Stephen J.J. Letwin, director acting in capacity of CEO
- Ray de Ocampo, CFO

### ***Compensation Philosophy***

The Company's pay-for-performance philosophy seeks to reward the achievement of performance goals and align the interests of executives with the Shareholders. At the same time, the Company aims to attract, retain, motivate and reward highly qualified and experienced executives. The compensation program is designed to reward each senior executive based on individual, group and corporate performance and is also designed to incentivize such executives to drive the annual and long term business goals of the Company and enhance the sustainable profitability and growth of the Company. The following key principles guide the Company's overall compensation philosophy:

- compensation is determined on an individual basis and is aimed at retaining senior executives;
- compensation should be fair and reasonable to shareholders and be set with reference to the market for similar positions in comparable energy companies;
- an appropriate portion of total compensation is variable and linked to performance of the individual, his or her group and the Company, aligning the interests of the senior executive with the Shareholders; and
- internal pay equity is maintained such that executives in similar positions and locations are treated fairly; and compensation should be transparent to the senior executives and the Shareholders.

The Company's compensation program consists primarily of three elements: base salary, incentive plans, and annual bonus. In 2021, the Company's Named Executive Officers (other than Stephen J.J. Letwin) received base salaries and other benefits that they were entitled to receive under their employment agreements. No options were granted to Named Executive Officers under the Fixed Option Plan (as defined below). No bonuses were paid to the Named Executive Officers under the Annual Bonus Plan. A director elected to receive all or part of his Directors Remuneration (as defined below) in the form of Elective DSUs (as defined below). See "Part 3 – Compensation - Director's Compensation" for further details.

### ***Base Salary***

The base salaries for Named Executive Officers have been established based on the scope of their responsibilities and their prior relevant experience, taking into account compensation paid by other companies in the industry for similar positions and market demand for such executives. A Named Executive Officer's base salary was determined by reviewing the Named Executive Officer's other compensation to ensure that the Named Executive Officer's total compensation is in line with the Company's overall compensation philosophy.

### ***Annual Bonus***

In addition to base salaries, the Company has discretionary bonus policy pursuant to which the Board may award annual cash bonuses to executive officers. It is the Board's philosophy that an individual bonus should be tied primarily to that individual's contribution to corporate performance. The amount of an annual bonus paid, if any, is not set in relation to any formula or specific criteria but is the result of a subjective determination by the Board based primarily on the Company's and the individual's performance.

No discretionary bonuses were paid to the executive officers of the Company during the year December 31, 2021.

### ***Incentive Plans***

From time to time, the Board may grant awards pursuant to the Fixed Option Plan and the DSU Plan (as defined below). These awards are awarded based upon the recommendation by the Chairman of the Board of the Company to the Compensation and Human Resources Committee, which bases its decisions upon the level of the individual's responsibility, the individual's contribution toward the Company's goals and objectives, and previous grants of awards. The Compensation and Human Resources Committee's decisions with respect to the granting of option-based awards are reviewed by the Board and are subject to its approval. See "Part 3 - Incentive Plans" for further details with respect to the Fixed Option Plan and the DSU Plan.

### ***Consideration of Risks of Compensation Policies and Practices***

In light of the balance between long-term objectives and short-term financial goals with respect to the Company's compensation program, the Board believes that the compensation program does not create an incentive for the Named Executive Officers or other employees to engage in unnecessary or excessive risk taking.

### ***Summary of Compensation***

The following tables set out all annual and long-term compensation for services in all capacities to the Company earned for the fiscal years ended December 31, 2019, December 31, 2020 and December 31, 2021 by the Chief Executive Officer and Chief Financial Officer of the Company. The Company does not have any other "Named Executive Officers" (as such term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations*).

### ***Summary Compensation Table***

<b>Name and position</b>	<b>Year</b>	<b>Salary, consulting fee, retainer or commission (\$)</b>	<b>Bonus (\$)</b>	<b>Committee or meeting fees (\$)</b>	<b>Value of perquisites (\$)</b>	<b>Value of all other compensation (\$)</b>	<b>Total compensation (\$)</b>
Stephen J.J. Letwin, Director acting in capacity of Chief Executive Officer <sup>(1)</sup>	2021	—	—	41,000	—	—	41,000
	2020	—	—	37,000	—	—	37,000
	2019	—	—	35,000	—	—	35,000
Ray de Ocampo Chief Financial Officer	2021	190,049	—	—	—	—	190,049
	2020	190,049	—	—	—	—	190,049
	2019	190,093	—	—	—	—	190,093

**Note:**

(1) Mr. Letwin is Chairman of the Board of Directors. Mr. Letwin earns fees as a director and has elected to receive those fees in the form of deferred share units, however no deferred share units have been issued since February 2019. Mr. Letwin receives no other compensation for acting as Chief Executive Officer.

### ***Incentive Plan Awards***

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

The following table provides information regarding the outstanding share-based awards and the options-based awards for each Named Executive Officer at the end of the most recently completed financial year.

Name	Option-Based Awards				Share-Based Awards		
	Number of securities underlying unexercised options <sup>(1)</sup>	Option exercise price	Option expiration date	Value of unexercised in-the-money options	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested	Market or payout value of vested share-based awards not paid out or distributed
Ray de Ocampo	110,000	1.40	July 18, 2023	-	-	-	-

**Note:**

- (1) Options were originally granted in respect of Subordinate Voting Shares. Pursuant to the Recapitalization Transaction (as defined herein) and Consolidation Transaction (as defined herein), both of which were approved by the Shareholders at the annual and special meeting of the Company held May 19, 2015 and completed by the Company effective May 28, 2015, the Subordinate Voting Shares were exchanged for Common Shares and then consolidated on a 10 share for 1 share basis. The information in the table above reflects adjustments to the shares underlying the option grants taking in account the Recapitalization Transaction and Consolidation Transaction. These options were not in-the-money on December 31, 2021 (based on the closing price of the Common Shares on the TSX Venture Exchange of \$0.10 on such date).

***Value vested or Earned During the Year***

The following table provides information regarding the outstanding share-based awards and the options-based awards for each Named Executive Officer at the end of the most recently completed financial year.

Name	Option-based awards – Value vested during the year (\$) <sup>(1)</sup>	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – value earned during the year
Ray de Ocampo	—	—	—

**Note:**

- (1) Options were originally granted in respect of Subordinate Voting Shares. Pursuant to the Recapitalization Transaction and Consolidation Transaction, both of which were approved by the Shareholders at the annual and special meeting of the Company held May 19, 2015 and completed by the Company effective May 28, 2015, the Subordinate Voting Shares were exchanged for Common Shares and then consolidated on a 10 share for 1 share basis. The information in the table above reflects adjustments to the shares underlying the option grants taking in account the Recapitalization Transaction and Consolidation Transaction. These options were not in-the-money on December 31, 2021 (based on the closing price of the Common Shares on the TSX Venture Exchange of \$0.10 as of the last trading day preceding that date).

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

Employment agreements with each Named Executive Officer provide for payments to each Named Executive Officer in connection with termination as described below.

Pursuant to the terms of Mr. de Ocampo's employment agreement with the Company, Mr. de Ocampo's employment with the Company can be terminated by the Company without payment of any compensation at any time for cause at common law. If Mr. de Ocampo's employment is terminated by the Company for any reason other than for cause, death, or frustration of contract, then the Company is required to pay to Mr. de Ocampo the equivalent to six (6) months' base salary for up to six (6) years of continuous full-time

employment with the Company. For each additional completed year of continuous full-time employment with the Company, Mr. de Ocampo shall be entitled to an additional one (1) month of base salary, to a maximum of twelve (12) months in the aggregate. The separation package shall include the continuation of all benefits to which Mr. de Ocampo was entitled for a period equal to the earlier of Mr. de Ocampo obtaining new employment and eligibility for employee benefits comparable to the benefits provided by the Company, or the expiry of the notice period applicable to Mr. de Ocampo under the ESA in force at the time notice of termination is given, and immediately upon the expiry of such period entitlement to all such benefits shall end. In addition to the separation package, Mr. de Ocampo shall be compensated for all accrued but unused vacation to which he is entitled, and reimbursed for all employment expenses incurred prior to the date of termination. In accordance with the Fixed Option Plan, if Mr. de Ocampo's employment is terminated by the Company without just cause, then the options shall vest and become exercisable as if he had completed an additional twelve (12) months of service with the Company and, if the date of termination occurs on or within twelve (12) months following the date of a change of control transaction, the options shall immediately accelerate and become fully vested and exercisable as of the date of termination. Mr. de Ocampo's base salary during 2021 was \$190,000 per annum. Mr. de Ocampo was granted 1,100,000 stock options under the Fixed Option Plan on July 18, 2013 to acquire Subordinate Voting Shares (110,000 Common Shares following adjustment for the Recapitalization Transaction and the Consolidation Transaction).

The following table outlines the estimated incremental payment as a result of termination or change in control assuming the triggering event took place on December 31, 2021.

Name	Incremental Base Salary payment on termination (\$)	Incremental Bonus Payment on termination (\$)	Benefits (\$)	Total (\$)
Ray de Ocampo	158,333	—	1,778	160,111

## INCENTIVE PLANS

The Company has adopted both a fixed stock option plan (the "**Fixed Option Plan**") and a Deferred Share Unit Plan (the "**DSU Plan**"), whereby the number of Common Shares which may be issued pursuant to options ("**Option Shares**") granted under the Fixed Option Plan, and deferred share units ("**DSUs**") under the DSU Plan, may not exceed 2,111,301 Common Shares (on a non-diluted basis), being 8.8% of the issued and outstanding shares of the Company.

### ***Fixed Option Plan***

The Fixed Option Plan is intended to advance the interests of the Company and its subsidiaries and affiliates by encouraging the directors, officers, employees and consultants of the Company, or any of its subsidiaries or affiliates, to acquire shares of the Company thereby increasing their proprietary interest in the Company, encouraging them to remain with the Company, or its subsidiaries or affiliates, and providing them with additional incentive in the conduct of their affairs for and on behalf of the Company, its subsidiaries and affiliates.

### ***Details of the Fixed Option Plan***

The following is a summary of some of the key provisions of the Fixed Option Plan:

- (a) the aggregate number of Option Shares of the Company reserved for issuance under the Fixed Option Plan shall not exceed 2,111,301 Option Shares (on a non-diluted basis and adjusted to take into consideration the Consolidation Transaction (defined herein)). The Option Shares of the Company in respect of which options under the Fixed Option Plan are not exercised shall be available for subsequent option grants under the Fixed Option Plan. No fractional shares may be purchased or issued thereunder;

- (b) the aggregate number of Option Shares reserved for issuance under the Fixed Option Plan and granted to any one person within a 12 month period may not exceed 5% of the outstanding Option Shares determined at the date of the grant;
- (c) the aggregate number of Option Shares reserved for issuance to any one Consultant (as such term is defined in the TSX Venture Exchange (“**TSX-V**”) Corporate Finance Manual) pursuant to the Fixed Option Plan within a one year period may not exceed 2% of the outstanding Option Shares determined at the date of the grant; and
- (d) the aggregate number of Option Shares reserved for issuance to persons employed to provide Investor Relations Activities (as such term is defined in the TSX-V Corporate Finance Manual) for the Company within a one year period may not exceed an aggregate of 2% of the outstanding Option Shares determined at the date of the grant. Options issued to Persons performing Investor Relations Activities (as such term is defined in the TSX-V Corporate Finance Manual) must vest as determined by the Board of Directors in stages over twelve (12) months, with no more than one quarter of the options vesting in any three (3) month period.

In the event a participant ceases to be a director, officer, employee or consultant of the Company or its subsidiaries for any reason other than for cause or death, such participant may, but only within one year (or such shorter period not less than ninety (90) days as the board of directors may determine) after such participant's ceasing to be a director, officer, employee or consultant (or thirty (30) days in the case of a participant conducting Investor Relations Activities (as such term is defined in the TSX-V Corporate Finance Manual)) or prior to the expiry time of an option, whichever is earlier, exercise any option held by such participant, but only to the extent that such participant was entitled to exercise the option at the date of such cessation.

In the event of the death of a participant on or prior to the expiry time of an option, such option, if vested, may be exercised as to such Option Shares of the Company in respect of which such option has not previously been exercised (including in respect of the right to purchase Option Shares of the Company not otherwise vested at such time), by the legal personal representatives of the participant at any time up to and including (but not after) a date within one (1) year following the date of death of the participant or the expiry time of such option, whichever occurs first.

Subject to certain conditions set forth in the Fixed Option Plan, the expiry time of an option or any other expiry date for the exercise of an option imposed by the Fixed Option Plan for the exercise of an option shall automatically be extended if such expiry date falls within a period during which the Company prohibits an option holder from exercising options for a period of ten business days after the expiry of such restricted period.

The Board of Directors may at any time and from time to time designate those person who are to be granted an option pursuant to the Fixed Option Plan and grant options to such persons. Subject to the policies of the TSX-V and the limitations contained in the Fixed Option Plan, the Fixed Option Plan authorizes the Board of Directors to provide for the grant and exercise of options on such terms (which may vary between option holders) as it shall determine. No option may be granted to any person except upon recommendation of the board of directors. A person who has been granted an option may, if he or she is otherwise eligible and if permitted by the TSX-V policies, be granted additional options if the board of directors so determines.

The exercise price of options granted under the Fixed Option Plan will be determined by the Board of Directors at the time of grant but may not be less than the closing price of the Option Shares on the TSX-V on the day preceding the grant (less any permissible discount under TSX-V policies).

The Fixed Option Plan will be administered by the Board of Directors. The Board of Directors will have full and final discretion to interpret the provisions of the Fixed Option Plan and to prescribe, amend, rescind and waive rules and regulations to govern the administration and operation of the Fixed Option Plan. A written agreement will be entered into between the Company and each person to whom an option is granted under the Fixed Option Plan, which agreement will set out the number of Option Shares subject to option,

the exercise price and any other terms and conditions approved by the board of directors, all in accordance with the provisions of the Fixed Option Plan.

Pursuant to the terms of the Fixed Option Plan, upon completion of the recapitalization of the Company converting all of the Multiple Voting Shares and Subordinate Voting Shares into Common Shares (the "**Recapitalization Transaction**") and the following a share consolidation on a ten share for one share basis (the "**Consolidation Transaction**"), both of which transactions were approved by the Shareholders at the annual and special meeting of the Company held May 19, 2015 and effected by the Company May 28, 2015, appropriate adjustments were made to the existing option grant agreements and type of securities covered by individual grants, which now provide for Common Shares.

### ***DSU Plan***

In 2014 the Company implemented the DSU Plan, a long-term incentive plan, designed to attract, retain and motivate persons of training, experience and leadership as non-executive directors of the Company and to promote a greater alignment of interests between such persons and the Shareholders. A copy of the DSU Plan is available to any Shareholder upon request in writing to the Chief Financial Officer of the Company.

### ***Details of the DSU Plan***

The following is a summary of some of the key provisions of the DSU Plan:

Participation in the DSU Plan is restricted to non-employee directors of the Company (an "**Eligible Director**"). Employees, directors, officers, consultants and other personnel of the Company, or a subsidiary of the Company, are eligible to participate in the Company's Fixed Option Plan. DSUs and all other rights, benefits or interests in the DSU Plan are non-transferrable (other than to an Eligible Director's beneficiary or estate, as the case may be, upon the death of the Eligible Director).

The DSU Plan is administered by the Board. The Board has the authority to delegate all of its powers and authority under the DSU Plan to a committee appointed by the Board. DSUs may be granted to Eligible Directors at such time or times as shall be determined by the Board by resolution ("**Discretionary DSUs**"). In addition, on fixed dates established by the Board, the Board may permit an Eligible Director to elect to defer receipt of all or a portion of an amount equal to all or a portion of his or her (i) annual directors' retainer payable on account of his or her services as a member of the Board, and (ii) committee chairperson retainers, committee members retainers, Board or committee meeting fees, or special remuneration for ad hoc services rendered to the Board (together an Eligible Director's "**Director Remuneration**"), and receive in lieu thereof DSUs ("**Elective DSUs**").

A DSU is a notional security that entitles an Eligible Director to receive cash, Common Shares or a combination thereof, only after the date on which he or she ceases to be a director of the Company for whatever reason (the "**Separation Date**"). The terms applicable to DSUs under the DSU Plan (including whether dividend equivalents will be credited to an Eligible Director's DSU account) are determined by the Board from time to time and reflected in an award agreement between the Company and the Eligible Director ("**Award Agreement**"). It is expected that Award Agreements relating to Discretionary DSUs shall include such information as the period of time between the date of grant of the Discretionary DSUs and the date on which such Discretionary DSUs fully vest, any performance criteria to be used to determine vesting and such other terms as the Board may determine. Unless otherwise determined by the Board, Elective DSUs shall immediately vest.

The number of Elective DSUs an Eligible Director is entitled to receive in respect of that portion of his or her Director Remuneration elected to be deferred is calculated by dividing the amount of the deferred Director Remuneration by the Fair Market Value (as such term is defined in the DSU Plan) of one Common Share on an applicable conversion date. For the purposes of the DSU Plan, Fair Market Value of a Common Share is determined, as at a particular date, as follows:



- (a) if the Common Shares are listed on the TSX-V or another stock exchange, the volume weighted average trading price of the Common Shares, calculated by dividing the total volume of Common Shares traded on the TSX-V, or another stock exchange, for the five trading days immediately preceding such particular date; and
- (b) if the Common Shares are not traded on the TSX-V, or are suspended from trading or have not traded on the TSX-V or another stock exchange for an extended period of time, as determined by the Board in good faith.

Following a Separation Date, the Company shall, for each vested DSU, deliver to the Eligible Director (or his or her beneficiary or estate, as and if applicable) either (i) a cash payment equal to the Fair Market Value of one Common Share, or (ii) one Common Share, or (iii) any combination of cash and Common Shares equal to the Fair Market Value of one Common Share as of the Separation Date.

The Board may, at any time and from time to time, amend, suspend or terminate the DSU Plan as to any Common Shares of which DSU awards have not been made.

No Discretionary DSUs and 715,843 Elective DSUs have been granted as at the date of this Circular.

The aggregate number of Common Shares which may be reserved and set aside for issuance upon either (i) the exercise or redemption and settlement for all DSUs granted under the DSU Plan or (ii) the exercise of stock options awarded pursuant to the Fixed Option Plan, is 2,111,301.

Pursuant to the terms of the DSU Plan, upon completion of the Recapitalization Transaction and the Consolidation Transaction, appropriate adjustments were made to the Award Agreements and the type of securities covered by individual grants, which now provide for Common Shares.

The following table sets forth the number of Common Shares which may be subject to (i) stock options awarded pursuant to the Fixed Option Plan and (ii) DSUs under the DSU Plan, based on a total of 23,975,507 outstanding Common Shares as at the date of the Management Information Circular.

	<b>Common Shares Subject to Outstanding Stock Options<sup>(1)</sup></b>	<b>Common Shares Subject to Outstanding DSUs<sup>(1)</sup></b>	<b>Common Shares Available for Future Stock Options and/or DSUs</b>	<b>Maximum Number of Common Shares Subject to and Available for Stock Option Grants and/or DSU Grants</b>
	610,591	715,843	784,867	2,111,301
Percentage of outstanding Shares as at the date of the Circular	2.5%	3.0%	3.3%	8.8%

**Note:**

- (1) Options were originally granted in respect of Subordinate Voting Shares. Pursuant to the Recapitalization Transaction and Consolidation Transaction, both of which were approved by the Shareholders at the annual and special meeting of the Company held May 19, 2015 and completed by the Company effective May 28, 2015, the Subordinate Voting Shares were exchanged for Common Shares and then consolidated on a 10 share for 1 share basis. The information in the table above reflects adjustments to the shares underlying the option grants taking in account the Recapitalization Transaction and Consolidation Transaction. These options were not in-the-money on December 31, 2021 (based on the closing price of the Common Shares on the TSX Venture Exchange of \$0.10 as of the last trading day preceding that date).

## DIRECTORS' COMPENSATION

### **Compensation of Directors**

In 2021 all non-executive directors were entitled to receive annual compensation comprised of: (i) an annual base retainer of \$25,000, payable quarterly; (ii) \$500 per committee meeting; (iii) \$1,000 per board meeting; (iv) an annual flat fee of \$2,000 for the Chairman of each committee of the Board of Directors; and (v) an annual flat fee of \$5,000 for the Chairman of the Board of Directors.

Under the Company's Fixed Option Plan, described above under the section entitled "Incentive Plans – Fixed Option Plan", directors may also be granted stock options from time to time by the Board of Directors on a discretionary basis. As at the date of this Circular, no stock options had been granted to directors.

Under the Company's DSU Plan, described above under the section entitled "Incentive Plans – DSU Plan", non-executive directors may also be granted Discretionary DSUs and/or elect to receive Elective DSUs in lieu of his or her Director Remuneration. As at the date of this Circular, 715,843 DSUs were issued to directors.

### **Director Compensation Table**

The following table sets out the amounts earned as compensation to the non-executive directors for their services as directors during the fiscal year ended December 31, 2021:

Name	Fees Earned (\$) <sup>4</sup>	Share-based awards (\$)	Share-based awards (#)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	All other compensation (\$)	Total (\$)
David A. Rattee <sup>(1)</sup>	7,083	—	—	—	—	—	7,083
Lawrence Silber	34,000	—	—	—	—	—	34,000
Stephen J.J. Letwin <sup>(2)</sup>	41,000	—	—	—	—	—	41,000
Ivan Bos <sup>(3)</sup>	23,917	—	—	—	—	—	23,917

**Notes:**

- (1) Mr. Rattee resigned from the Board on April 12, 2021
- (2) Mr. Letwin has elected to receive his director's fees earned in the form of Elective DSUs. However, no Elective DSUs have been issued.
- (3) Dr. Bos was appointed to the Board on April 12, 2021.
- (4) Fees earned have not been paid since February 2019.

## Incentive Plan Awards

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

The following table provides information regarding the outstanding share-based awards and the options-based awards for each non-executive director at the end of the most recently completed financial year.

Name	Option-based Awards				Share-based awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$) <sup>(1)</sup>
David A. Rattee	—	—	—	—	—	—	9,496
Lawrence Silber	—	—	—	—	—	—	—
Stephen J.J. Letwin	—	—	—	—	—	—	62,089
Ivan Bos <sup>(2)</sup>	—	—	—	—	—	—	—

**Notes:**

- (1) Calculated by multiplying the number of DSUs outstanding as at December 31, 2021 by the closing price of the Common Shares on the TSX-V of \$0.10 as of the last trading day preceding that date.
- (2) Dr. Bos was appointed to the Board on April 12, 2021

### Value vested or Earned During the Year

The following table provides information regarding the outstanding share-based awards and the options-based awards for each director at the end of the most recently completed financial year.

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – value earned during the year (\$)
David A. Rattee	—	—	—
Lawrence Silber	—	—	—
Stephen J.J. Letwin <sup>(1)</sup>	—	—	—
Ivan Bos <sup>(2)</sup>	—	—	—

**Note:**

- (1) Mr. Letwin has elected to receive his director's fees earned in the form of Elective DSUs. However, no Elective DSUs have been issued.
- (2) Dr. Bos was appointed to the Board on April 12, 2021.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out certain details as at December 31, 2021, the end of the Company's last fiscal year, with respect to compensation plans pursuant to which equity securities of the Company are authorized for issuance.

Plan category	Number of Common Shares 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 Common Shares remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	1,326,434	\$0.63	784,867
Equity compensation plans not approved by security holders	—	—	—
Total	1,326,434	\$0.63	784,867

## PART 4 — CORPORATE GOVERNANCE

National Policy 58-201 *Corporate Governance Guidelines* (the “**Governance Guidelines**”) sets out best practice guidelines for effective corporate governance. The Governance Guidelines deal with matters such as the constitution and independence of corporate boards, their functions, the effectiveness and education of board members and other items dealing with sound corporate governance. National Instrument 58-101 *Disclosure of Corporate Governance Practices* requires that if management of an issuer solicits proxies from its securityholders for the purpose of electing directors, specified disclosure of its corporate governance practices must be included in its management information circular.

The Company and the Board recognize the importance of corporate governance to the effective management of the Company and to the protection of its employees and shareholders and acknowledges the benefits received by it and Shareholders from the disclosure of governance practices and is committed to an ongoing process of disclosure. The Company's approach to significant issues of corporate governance is designed with a view to ensuring that the business and affairs of the Company are effectively managed so as to enhance shareholder value. The Board fulfills its mandate directly and through its committees at regularly scheduled meetings or as required. Frequency of meetings may be increased and the nature of the agenda items may be changed depending upon the state of the Company's affairs and in light of opportunities or risks which the Company faces. The directors are kept informed of the Company's operations at these meetings as well as through reports and discussions with management on matters within their particular areas of expertise.

The Company's corporate governance practices have been designed to comply with applicable Canadian requirements and best practices. The Company continues to monitor developments in Canada and internationally with a view to keeping its governance policies and practices current. The Board has considered the Governance Guidelines and believes that its approach to corporate governance is appropriate and works effectively for the Company and its Shareholders.

## BOARD OF DIRECTORS

The Board of Directors is committed to ensuring that the Company has an effective corporate governance system, which assists the Company in achieving its objectives. For the Company, corporate governance means the process and structure used to supervise the Company's business and affairs with the objective

of enhancing shareholder value. The process and structure define the division of authority and responsibilities and establish mechanisms for achieving accountability by the Board of Directors and management.

### **Board of Directors**

The Board of Directors considers each of Dr. Bos and Mr. Silber, to be independent, according to the definition of “independence” set out in Multilateral Instrument 52-110 Audit Committees.

None of the directors of the Company, except for Mr. Letwin, are currently directors of any other issuers that are reporting issuers (or the equivalent) in a jurisdiction of Canada or a foreign jurisdiction. Mr. Letwin is currently a director of Hess Midstream LP (NYSE:HESM), Frontier Lithium (TSXV:FL) and Cassiar Gold Corp. (TSXV:GLDC).

The independent directors last met with the external auditors, BDO, on August 26, 2022.

### **Orientation and Continuing Education**

The Company has not prepared a formal orientation program for new directors. Upon appointment to the Board of Directors, new directors are provided with an information package which includes the information that the Board of Directors considers necessary to orient new directors regarding the Company and its business. The Company also provides directors with the opportunity to meet senior management both prior and subsequent to joining the Board of Directors.

### **Ethical Business Conduct**

The Board of Directors has not adopted a formal Code of Ethics for the Company. The Board of Directors has determined that the senior officers of the Company should observe and promote the following principles with respect to the business of the Company:

- (a) honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) full, fair, accurate, timely and understandable disclosure in public communications and in reports and documents that are filed with or submitted to the securities regulatory authorities; and
- (c) compliance with applicable laws, rules and regulations.

The Board of Directors is also committed to taking steps to help ensure that no senior officer of the Company takes any action to: (i) fraudulently influence, coerce, manipulate or mislead the auditors of the Company; or (ii) retaliate against “whistle blowers” (that is, employees who provide information or assist in a government or supervisory investigation of the Company).

Directors and officers are required to disclose any material transaction or relationship that could reasonably be expected to give rise to a conflict of interest.

### **Nomination of Directors**

Once a decision has been made to add or replace a director, the task of identifying new candidates falls on the Board and management. Proposals are put forth by the Board and management and considered and discussed. If a candidate looks promising, the Board and management will conduct due diligence on the candidate and if the results are satisfactory, the candidate is invited to join the Board.

## **Compensation**

The Board is responsible for: (i) evaluating senior management; and (ii) developing appropriate compensation policies for the senior management and directors of the Company. This includes a periodic review of the appropriateness and adequacy of directors' and officers' compensation. The Company's compensation philosophy is further described in this management information circular under the heading "Part 3 – Executive Compensation".

## **Loans to Directors**

The Company does not make personal loans or extensions of credit to its directors or executive officers.

## **Assessments**

At present, the Board does not have a formal process for assessing the effectiveness of the Board, its committees and the performance of individual directors. These matters are dealt with on a case by case basis at the Board level.

## **Committees of the Board of Directors**

The only committees of the Board of Directors are the Audit and Corporate Governance Committee (as further discussed below), and the Compensation and Human Resources Committee.

Each board committee is chaired by an independent director, who is responsible for organizing the affairs of their committee, chairing its meetings, providing guidance to the members of their committee, retaining outside experts as and when required and reporting to the Board of Directors on the work of their committee.

## **AUDIT AND CORPORATE GOVERNANCE COMMITTEE**

### **Charter of the Audit and Corporate Governance Committee**

The Charter of the Audit and Corporate Governance Committee is annexed to this Management Information Circular as Schedule "A" hereto.

### **Composition of the Audit and Corporate Governance Committee**

The Audit and Corporate Governance Committee is currently composed of Dr. Bos, Mr. Letwin and Mr. Silber. Under Multilateral Instrument 52-110 - *Audit Committees*, a director of an Audit Committee is "independent" if he or she has no direct or indirect material relationship with the issuer, that is, a relationship which could, in the view of the Board of Directors, reasonably be expected to interfere with the exercise of the member's independent judgment. The Board of Directors has determined that Dr. Bos and Mr. Silber are all independent members of the Audit and Corporate Governance Committee. Mr. Letwin is acting in a similar capacity as the CEO, and therefore is not independent. David Rattee was a member of the Audit and Corporate Governance Committee until his resignation from the Board on April 12, 2021.

The Board of Directors has determined that each of the three members of the Audit and Corporate Governance Committee is "financially literate" within the meaning of Section 1.6 of Multilateral Instrument 52-110 *Audit Committees*, that is, each member has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

## Education and Relevant Experience

The education and related experience of each of the members of the Audit and Corporate Governance Committee that is relevant to the performance of his responsibilities as a member of an audit committee is fulsome and each member brings considerable experience to the committee.

### *Stephen J.J. Letwin (Chairman)*

Mr. Letwin has acted as a director, Chief Executive Officer and Chief Financial Officer to several public companies. Additionally Mr. Letwin has served on the Audit Committees of several other publicly listed companies. Mr. Letwin is a Chartered Professional Accountant (Certified General Accountant).

### *Lawrence Silber*

Mr. Silber, in his practice as a corporate lawyer, has worked and continues to work extensively on mergers & acquisitions transactions on behalf of clients. In this role Mr. Silber is required to have a high degree of financial literacy including the reading and interpretation of financial statements. Further, Mr. Silber has served on the Audit Committees of a number of non-profit organizations.

### *Ivan Bos*

Dr. Bos has been actively engaged in several professional veterinary practices and incubated several new enterprises in the animal agriculture space, for over twenty years. Dr. Bos has acted as President to these enterprises. In this role, Dr. Bos is engaged in the financial statement review for his various enterprises.

## Pre-Approval Policies and Procedures

The Audit and Corporate Governance Committee pre-approves all audit and non-audit services to be provided to the Company or its subsidiary entities by the Company's external auditor.

## External Auditor Service Fees

The following table presents the amount of fees for professional services rendered by BDO for the audit of the annual financial statements and fees billed for other services in the fiscal years ended December 31, 2020 and December 31, 2021.

Fees billed by BDO:

	Fiscal 2020	Fiscal 2021
Audit Fees <sup>(1)</sup>	\$ 89,893	\$ 97,286
Audit-Related Fees <sup>(2)</sup>	\$ 540	\$ 1,080
All Other Fees <sup>(3)</sup>	\$ 4,919	\$ 4,416
Total	<u>\$ 95,352</u>	<u>\$ 102,782</u>

### Notes:

- (1) Consists of fees for professional services for the audit of the Company's annual consolidated financial statements.
- (2) Consists of fees for professional services that are reasonably related to the performance of the audit or review of the Company's financial statements and which are not reported under "Audit Fees" above. These services include, amongst others, fees for participation on the Canadian Public Accountability Board.
- (3) Consists of fees for professional services for software licences.

### ***Exemption***

The Company is relying on the exemption set out in section 6.1 of Multilateral Instrument 52-110 Audit Committees available to venture issuers with respect to the composition of its Audit and Corporate Governance Committee and with respect to certain reporting obligations.

## **PART 5 — OTHER INFORMATION**

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

For the purposes of this Management Information Circular, “informed person” means: (i) a director or executive officer of the Company; (ii) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company; (iii) any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company or a combination of both, carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company, other than voting securities held by the person or company as underwriter in the course of a distribution; and (iv) the Company, if it has purchased, redeemed, or otherwise acquired any of its own securities, for so long as it holds any of its securities.

Except as set out below, to the best of the Company’s knowledge, no informed person of the Company, and no associate or affiliate of the foregoing persons, at any time since the beginning of its last completed financial year, has or had any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction since the beginning of its last completed financial year that has materially affected the Company, or in any proposed transaction that could materially affect the Company, or in any matter to be acted upon at this Meeting.

During the fiscal year ended December 31, 2021, the Company issued \$510,000 of promissory notes to Stephen J.J. Letwin, Chairman of the Board of Directors. Since January 1, 2022, the Company issued an additional \$991,000 of promissory notes to Mr. Letwin. The promissory notes are unsecured, bear interest at 10% per annum and are due on demand.

Since January 1, 2022, the Company repaid \$250,000 of the \$1,000,000 of promissory notes issued to a corporation controlled by Ivan Bos, a director of the Company. The promissory notes are unsecured, bear interest at 10% per annum and are due on demand.

### **DIRECTORS’ AND OFFICERS’ LIABILITY INSURANCE**

The directors and officers of the Company are covered for liability incurred by them in such capacity by a directors’ and officers’ liability insurance policy. The Company’s insurance policy provides coverage for all claims with the exception that for any claim in which the Company is not permitted to reimburse the insured persons, either by law or otherwise.

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

As at November 15, 2022, none of the executive officers, directors, employees or former executive officers, directors or employees of the Company or a subsidiary thereof, and no person who is a nominee for election as director of the Company, and no associate of any such executive officer, director or proposed nominee was indebted to the Company or a subsidiary of the Company in connection with a purchase of securities or for any other matter.



During the fiscal year ended December 31, 2021, none of the foregoing persons was indebted to the Company or any subsidiary of the Company nor has any such person been indebted at any time since the beginning of the fiscal year ended December 31, 2021 to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or a subsidiary of the Company.

### **OTHER MATTERS**

Management of the Company knows of no other matter to come before the Meeting other than those referred to in the Notice of Meeting. However, if any other matters which are not known to management should properly come before the Meeting, the accompanying form of proxy confers discretionary authority upon the persons named therein to vote on such matters in accordance with their best judgment.

### **SHAREHOLDER PROPOSALS**

The OBCA provides, in effect, that a registered holder or beneficial owner of shares that is entitled to vote at an annual meeting of the Company may submit to the Company notice of any matter that the person proposes to raise at the meeting (referred to as a “**Proposal**”) and discuss at the meeting any matter in respect of which the person would have been entitled to submit a Proposal. The OBCA further provides, in effect, that the Company must set out the Proposal in its management information circular along with, if so requested by the person who makes the Proposal, a statement in support of the Proposal by such person. However, the Company will not be required to set out the Proposal in its management information circular or include a supporting statement if, among other things, the Proposal is not submitted to the Company at least 60 days before the anniversary date of last annual meeting of Shareholders of the Company. As the last annual meeting of shareholders was held on August 4, 2021, a notice of a shareholder proposal in connection with the Meeting must have been submitted to the Company in connection with the Meeting not later than June 5, 2022; no such notice or proposals were received. As the date of the Meeting is December 19, 2022, the deadline for submitting a proposal to the Company in connection with the next annual meeting of Shareholders is October 20, 2023.

The foregoing is a summary only; Shareholders should carefully review the provisions of the OBCA relating to proposals and consult with a legal advisor.

### **ADDITIONAL INFORMATION**

Financial information about the Company is contained in its consolidated financial statements and Management’s Discussion and Analysis of Financial Condition and Results of Operations for the fiscal year ended December 31, 2021, and additional information about the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).

If you would like to obtain, at no cost to you, a copy of any of the following documents:

- (a) the consolidated financial statements of the Company for the fiscal year ended December 31, 2021 together with the accompanying report of the auditors thereon and any interim consolidated financial statements of the Company for periods subsequent to December 31, 2021 and Management’s Discussion and Analysis with respect thereto; and
- (b) this Management Information Circular, please send your request to:

ONEnergy Inc.  
P.O Box 47584, RPO Don Mills  
Toronto, Ontario, M3C 1S7

telephone: (416) 444-4848  
facsimile: (647) 253-2525

## **DIRECTORS' APPROVAL**

The contents of this Management Information Circular and the sending of it have been approved by the directors of the Company. This Management Information Circular will be sent to each director of the Company, each Shareholder of the Company entitled to the Notice of Meeting and the auditors of the Company.

DATED as of the 15th day of November 2022.

BY ORDER OF THE BOARD OF DIRECTORS

***“Stephen J.J. Letwin”***

**Stephen J.J. Letwin  
Chairman of the Board**

## SCHEDULE "A"

### CHARTER OF THE AUDIT AND CORPORATE GOVERNANCE COMMITTEE

#### 1. General

The Board of Directors (the "**Board**") of ONEnergy Inc. (the "**Company**") has delegated the responsibilities, authorities, and duties described below to the Audit and Corporate Governance Committee of the Board of Directors (the "**Audit and Corporate Governance Committee**"). For the purpose of these terms of reference, the term "Company" shall include the Company and its subsidiaries except to the extent that a subsidiary has its own audit and/or corporate governance committee that complies with the requirements of any applicable Canadian securities laws, rules, and guidelines and any applicable stock exchange requirements or guidelines.

The Audit and Corporate Governance Committee will provide independent review and oversight of the Company's financial reporting process, the system of internal control and management of financial risks, and the audit process, including the selection, oversight, and compensation of the Company's external auditors. In so doing, the Audit and Corporate Governance Committee will comply with all applicable Canadian securities laws, rules and guidelines, any applicable stock exchange requirements or guidelines, and any other applicable regulatory rules.

#### 2. Members

The Audit and Corporate Governance Committee shall be composed of a minimum of three members. Members of the Audit and Corporate Governance Committee shall be appointed by the Board. In this regard, the Board, at its first meeting held after an annual meeting of shareholders, shall appoint the members of the Audit and Corporate Governance Committee to hold office until the next annual meeting of shareholders. The Board may at any time appoint additional members of the Audit and Corporate Governance Committee, remove or replace any member of the Audit and Corporate Governance Committee, or fill any vacancy on the Audit and Corporate Governance Committee. Any member of the Audit and Corporate Governance Committee ceasing to be a director shall cease to be a member of the Audit and Corporate Governance Committee. The Board shall fill a vacancy if the membership of the Audit and Corporate Governance Committee is less than three directors as a result of such vacancy. The Chair of the Audit and Corporate Governance Committee may be designated by the Board or, if it does not do so, the members of the Audit and Corporate Governance Committee may elect a Chair by vote of a majority of the full Audit and Corporate Governance Committee membership.

A majority of the members of the Audit and Corporate Governance Committee shall not be employees, "Control Persons", or officers of the Company or any of its "Associates" or "Affiliates", as such terms are defined in the TSX Venture Exchange Corporate Finance Manual. In addition, a majority of the members of the Audit and Corporate Governance Committee shall be "independent" within the meaning of Multilateral Instrument 52-110 *Audit Committees*.

#### 3. Meetings

The Audit and Corporate Governance Committee shall meet at least quarterly at such times and locations as the Chair of the Audit and Corporate Governance Committee shall determine, provided that meetings shall be scheduled so as to permit the timely review of the Company's quarterly and annual financial statements and the related management's discussion and analysis and earnings press releases. The external auditor or any two members of the Audit and Corporate Governance Committee may also request a meeting of the Audit and Corporate Governance Committee. The Chair of the Audit and Corporate Governance Committee shall hold in-camera sessions of the Audit and Corporate Governance Committee,

without management present, at every meeting. The Audit and Corporate Governance Committee may invite such other persons to its meetings as it deems appropriate in order to carry out its duties.

The Audit and Corporate Governance Committee shall submit the minutes of all meetings to the Board, and when so requested, shall review the matters discussed at an Audit and Corporate Governance Committee meeting with the Board.

A quorum for any meeting shall be two members of the Audit and Corporate Governance Committee.

The Audit and Corporate Governance Committee shall have the authority to require the attendance of the Company's officers at meetings of the Audit and Corporate Governance Committee, as it deems appropriate or necessary.

#### 4. **Committee Charter**

The Audit and Corporate Governance Committee shall review and reassess the adequacy of this charter at least annually or otherwise, as it deems appropriate, and propose recommended changes to the Board, if necessary.

#### 5. **Duties of the Audit and Corporate Governance Committee**

The Audit and Corporate Governance Committee shall have the following duties:

##### (a) ***Oversight of Financial Information and Reporting***

- (i) The Audit and Corporate Governance Committee shall review, with management and the external auditor, and recommend to the Board for approval, the annual financial statements of the Company and related financial reporting, including management's discussion and analysis and earnings press releases.
- (ii) The Audit and Corporate Governance Committee shall review, with management and the external auditor, if deemed necessary, and recommend to the Board for approval, the interim financial statements of the Company and related financial reporting, including management's discussion and analysis and earnings press releases.
- (iii) The Audit and Corporate Governance Committee shall review, with management and the external auditor, and recommend to the Board for approval, any financial statements of the Company which have not previously been approved by the Board and which are to be included in a prospectus or other public disclosure document of the Company.
- (iv) The Audit and Corporate Governance Committee shall consider and be satisfied that adequate policies and procedures are in place for the review of the Company's disclosure of financial information extracted or derived from the Company's financial statements (other than disclosure referred to above), and periodically assess the adequacy of such procedures.

##### (b) ***Relationship with External Auditors***

- (i) The Audit and Corporate Governance Committee shall be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or test services for the Company, including the resolution of

disagreements between management and the external auditor regarding financial reporting.

- (ii) The external auditor shall report directly to the Audit and Corporate Governance Committee and the Audit and Corporate Governance Committee should have a clear understanding with the external auditor that such external auditor must maintain an open and transparent relationship with the Audit and Corporate Governance Committee, and that the ultimate accountability of the external auditor is to the shareholders of the Company.
- (iii) The Audit and Corporate Governance Committee shall recommend to the Board the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review, or test services for the Company, having regard to the qualifications and independence of any candidates, and shall recommend to the Board the compensation of the external auditor. The external auditor is required to be an auditor registered with the Canadian Public Accountability Board ("**CPAB**") that is in compliance with any restrictions or sanctions imposed by the CPAB.

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

The Audit and Corporate Governance Committee shall pre-approve all audit and non-audit services to be provided to the Company or its subsidiary entities by the Company's external auditor.

(d) ***Complaints Procedure***

The Audit and Corporate Governance Committee shall establish procedures for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

(e) ***Hiring Policies***

The Audit and Corporate Governance Committee shall review and approve the Company's hiring policies regarding partners, employees, and former partners, and employees of the present and former external auditor of the Company.

(f) ***Reporting***

The Audit and Corporate Governance Committee shall report regularly to the Board regarding any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the external auditor, or the internal audit function.

**6. Authority to Engage Independent Counsel and Advisors**

The Audit and Corporate Governance Committee has the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties, to set and pay the compensation for any advisors employed by the Audit and Corporate Governance Committee, and to communicate directly with the internal and external auditors.

The Company shall provide appropriate funding, as determined by the Audit and Corporate Governance Committee, in its capacity as a committee of the Board, for: (i) payment of compensation to the external

auditors employed by the issuer for the purpose of rendering or issuing an audit report; (ii) payment of compensation to any advisers employed by the Audit and Corporate Governance Committee; and (iii) ordinary administrative expenses of the Audit and Corporate Governance Committee that are necessary or appropriate in carrying out its duties.

The Audit and Corporate Governance Committee shall have the authority, within the scope of its responsibilities, to seek any information it requires from any employee of the Company and from external parties.

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