



**NOTICE OF MEETING AND MANAGEMENT INFORMATION CIRCULAR**

for the

**2021 ANNUAL GENERAL MEETING OF SHAREHOLDERS  
TO BE HELD ON NOVEMBER 10, 2021**

**Dated as of October 7, 2021**

**SPROUTLY CANADA, INC.**  
Suite 112, 1020 Mainland Street, Vancouver, BC V6B 2T5  
(Telephone: (778) 025-6868; E-Mail: [info@sproutly.ca](mailto:info@sproutly.ca))  
Website: [www.sproutly.ca](http://www.sproutly.ca)

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON NOVEMBER 10, 2021**

**NOTICE IS HEREBY GIVEN** that an Annual General Meeting (the "**Meeting**") of the holders of common shares ("**Common Shares**") of Sproutly Canada Inc. (the "**Company**") will be held at 595 Howe Street, 10<sup>th</sup> floor, Vancouver, BC V6C 2T5, on Wednesday, November 10, 2021, at 11:00 a.m. (Pacific Time) or any adjournment thereof, for the following purposes:

1. to receive the consolidated financial statements of the Company for the financial years ended February 28, 2021 and February 28, 2020, together with the auditors' reports thereon;
2. to fix the number of directors to be elected at the Meeting at four (4);
3. to elect directors of the Company for the ensuing year;
4. to appoint Crowe MacKay LLP as auditors of the Company for the ensuing year and to authorize the directors of the Company to fix the remuneration of the auditors;
5. to consider and, if thought fit, to pass, with or without variation, an ordinary resolution to approve the Company's 10% rolling stock option plan; and
6. to transact such further or other business as may properly come before the Meeting and any adjournment(s) thereof.

This notice is accompanied by a Circular and either a form of proxy for registered shareholders or a voting instruction form for beneficial shareholders. The specific details of the foregoing matters to be put before the Meeting are set forth in the Circular. The consolidated financial statements of the Company for the financial years ended February 28, 2021 and February 28, 2020 have already been mailed to those shareholders who have previously requested to receive them. Otherwise, they are available upon request to the Company or they can be found on SEDAR at [www.sedar.com](http://www.sedar.com).

The board of directors of the Company has fixed the record date for the Meeting at the close of business on October 4, 2021 (the "**Record Date**") for determining shareholders entitled to receive notice of, and to vote at the Meeting and any postponement or adjournment of the Meeting, unless any such shareholder transfers such Common Shares after the Record Date and the transferee of those Common Shares establishes that the transferee owns the Common Shares and demands, not later than ten days before the Meeting, that the transferee's name be included in the list of shareholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such Common Shares at the Meeting.

**The accompanying Circular provides instructions on the various methods that a shareholder can use to have vote their Common Shares at the Meeting, including instructions regarding voting in person, by mail or by phone.**

If you have any questions about the procedures required to qualify to vote at the Meeting or about obtaining and depositing the required form of proxy, you should contact TSX Trust Company by telephone at 1-866-600-5869 (toll free in North America), by fax at 416-361-0470 or by e-mail at [tmxinvestorservices@tmx.com](mailto:tmxinvestorservices@tmx.com).

**DATED** at Vancouver, British Columbia this 7<sup>th</sup> day of October, 2021.

**BY ORDER OF THE BOARD OF DIRECTORS**

*"Craig Loverock"*

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Craig Loverock  
Chief Financial Officer

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**INFORMATION CIRCULAR  
OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS  
TO BE HELD ON NOVEMBER 10, 2021**

**SOLICITATION OF PROXIES AND VOTING INSTRUCTIONS**

**Solicitation of Proxies**

This Management Information Circular (the "**Circular**") is furnished in connection with the solicitation of proxies by the management of Sproutly Canada Inc. (the "**Company**" or "**Sproutly**") for use at the Annual General Meeting (the "**Meeting**") of the holders (the "**Shareholders**") of common shares (the "**Common Shares**") of the Company to be held at 595 Howe Street, 10<sup>th</sup> Floor, Vancouver, BC V6C 2T5 at 11:00 a.m. (Pacific Time) on Wednesday, November 10, 2021, and at any adjournment thereof, for the purposes set forth in the Notice of Annual General Meeting.

The board of directors of the Company (the "**Board**") has fixed the record date for the Meeting at the close of business on October 4, 2021 (the "**Record Date**") for determining Shareholders entitled to receive notice of, and to vote at the Meeting and any postponement or adjournment of the Meeting, unless any such Shareholder transfers such Common Shares after the Record Date and the transferee of those Common Shares establishes that the transferee owns the Common Shares and demands, not later than ten days before the Meeting, that the transferee's name be included in the list of shareholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such Common Shares at the Meeting.

Management of the Company will conduct its solicitation by mail and officers and employees of the Company may, without receiving special compensation, also telephone or make other personal contact. The Company will pay the cost of solicitation.

All dollar amounts referenced herein are expressed in Canadian Dollars unless otherwise stated.

**Appointment of Proxyholder**

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

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

**Voting by Proxy**

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

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

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

### **Completion and Return of Proxy**

Completed forms of proxy must be deposited at the office of the Company's registrar and transfer agent, TSX Trust Company, 301 – 100 Adelaide Street West, Toronto, ON M5H 4H1, not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting or any adjournment(s) thereof, unless the chairman of the Meeting elects to exercise his or her discretion to accept proxies received subsequently.

### **Non-Registered Holders**

**Only registered Shareholders of the Company or the persons they appoint as their proxies are permitted to vote at the Meeting.** Registered Shareholders are holders of Common Shares of the Company whose names appear on the share register of the Company and are not held in the name of a brokerage firm, bank or trust company through which they purchased Common Shares. Whether or not you are able to attend the Meeting, Shareholders are requested to vote their proxy in accordance with the instructions on the proxy. Most Shareholders are "non-registered" Shareholders ("**Non-Registered Shareholders**") because the Common Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Common Shares. The Company's Common Shares beneficially owned by a Non-Registered Shareholder are registered either: (i) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Shareholder deals with in respect of their Common Shares of the Company (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as The Canadian Depository for Securities Limited or The Depository Trust & Clearing Corporation) of which the Intermediary is a participant.

There are two kinds of beneficial owners: those who object to their name being made known to the issuers of securities which they own (called "**OBOs**" for Objecting Beneficial Owners) and those who do not object (called "**NOBOs**" for Non-Objecting Beneficial Owners).

In accordance with the requirements of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), the Company has elected to send copies of the proxy-related materials, including a voting instruction form ("**VIF**") directly to the NOBOs in connection with the Meeting. With respect to OBOs, in accordance with applicable securities law requirements, the Company has distributed copies of the Meeting materials to the clearing agencies and Intermediaries for distribution to OBOs. The Company will not pay for Intermediaries to deliver the Meeting materials and Form 54-101F7 - *Request for Voting Instructions Made by Intermediary* to OBOs. As a result, OBOs may not receive the Meeting materials.

Intermediaries are required to forward the Meeting materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. Intermediaries often use service companies to forward the Meeting materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting materials will either:

- (a) be given a VIF **which is not signed by the Intermediary** and which, when properly completed and signed by the Non-Registered Shareholder and **returned to the Intermediary or its service company**, will constitute voting instructions which the Intermediary must follow; or
- (b) be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of Shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and **deposit it with the Company, c/o TSX Trust Company, 301 – 100 Adelaide Street West, Toronto, ON M5H 4H1.**

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of their Common Shares which they beneficially own. Should a Non-Registered Shareholder who receives one of the above forms wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the persons named in the form of proxy and insert their own name or such other person's name in the blank space provided. **Non-Registered Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or VIF is to be delivered.**

A Non-Registered Shareholder may revoke a VIF or a waiver of the right to receive Meeting materials and to vote which has been given to an Intermediary at any time by written notice to the Intermediary provided that an Intermediary is not required to act on a revocation of a VIF or of a waiver of the right to receive Meeting materials and to vote which is not received by the Intermediary at least seven days prior to the Meeting.

The Company is not sending the Meeting materials to Shareholders using "notice-and-access" as defined under NI 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer*.

### **Revocation of Proxy**

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

### **INFORMATION CONCERNING THE COMPANY**

The information in this Circular is given as of the October 4, 2021, the Record Date, unless otherwise specified.

### Voting Shares and Principal Holders thereof

The Company is authorized to issue an unlimited number of Common Shares without par value, of which 360,314,947 Common Shares were issued and outstanding as at the Record Date. Each Common Share carries the right to one vote on a ballot at the Meeting. The close of business on October 4, 2021 is the Record Date. Any transferee or person acquiring Common Shares after such date may, on proof of ownership of Common Shares, demand not later than ten days before the Meeting that such transferees name be included in the list of persons entitled to attend and vote at the Meeting. A quorum for the transaction of business at the Meeting is two persons who are Shareholders, or one or more proxyholder representing two members, or one member and a proxyholder representing another member.

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

<i>Name</i>	<i>No. of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly<sup>(1)</sup></i>	<i>Percentage of Outstanding Common Shares</i>
Infusion Biosciences Canada Inc.	51,600,746	14.321%

(1) Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at the Record Date. Unless otherwise stated, all Common Shares are held directly.

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

Other than the election of directors or the appointment of auditors, no person who has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year, no proposed nominee for election as a director of the Company and no associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Meeting.

### PARTICULARS OF MATTERS TO BE ACTED UPON AT MEETING

#### Financial Statements and Auditor's Report

The audited consolidated financial statements of the Company (the "**Financial Statements**") for the years ended February 28, 2021 and February 28, 2020, and the auditors' reports thereon will be tabled before the Shareholders at the Meeting. The audited consolidated financial statements have been approved by the Audit Committee and the Board. The Financial Statements can also be found under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com). No vote by the Shareholders is required to be taken with respect to the Financial Statements.

#### Fix Number of Directors

At the Meeting, a motion will be made to fix the number of directors to be elected at the Meeting at four (4). To become effective, the foregoing resolution must be passed, with or without amendment, by



the affirmative vote of at least a simple majority of the votes cast by the Shareholders at the Meeting, or any adjournment of the Meeting. **In the absence of instructions to the contrary, the enclosed proxy will be voted to set the number of directors of the Company at four (4) and for the nominees herein listed.**

Notwithstanding the foregoing resolution, the directors may, between annual meetings, appoint one or more additional directors of the Company to serve until the close of the next annual meeting, but the total number of additional directors shall not at any time exceed one-third of the number of directors elected at the Meeting.

### **Election of Directors**

At the Meeting, a motion will be made to elect four (4) proposed nominees as directors of the Company until the next annual meeting or until their successors are elected or appointed, and the Shareholders will be asked to vote on the election of each nominee individually.

To become effective, the resolutions electing each director individually must be passed, with or without amendment, by the affirmative vote of at least a simple majority of the votes cast by the Shareholders at the Meeting, or any adjournment of the Meeting.

### *Director Nominee Information*

The following table sets forth, in respect of each proposed nominee for election as a director of the Company, certain information as of the date of this Circular. The information set forth in the following table is based upon information furnished by the respective nominees and by the Company.

<b>Name, Province/State and Country of Residence</b>	<b>Principal Occupation During the Past Five Years</b>	<b>Period as Director</b>	<b>Number and Percentage of Common Shares Held<sup>(1)</sup></b>
<b>Dr. Arup Sen<sup>(2)</sup></b> Florida, USA	Dr. Sen was appointed as Chief Science Officer and director of the Company on August 1, 2018 and Chief Executive Officer of the Company on May 14, 2020. Dr. Sen is the CEO of Infusion Biosciences Canada and has been since 2016. Prior to Infusion Biosciences, Dr. Sen was the co-founder, Chairman and Chief Executive Officer of Micronutrient Technologies Inc. (formerly Solutions Technologies Inc.) since its inception in 2012.	Since August 1, 2018	<b>15,480,224<sup>(3)</sup></b> <b>(4.30%)</b>
<b>Craig Loverock</b> Ontario, Canada	Mr. Loverock was appointed as Chief Financial Officer of the Company on July 6, 2018 and director on June 30, 2020. Mr. Loverock is a Chartered Professional Accountant and has been the Chief Financial Officer and Corporate Secretary at Contagious Gaming Inc. since November 30, 2015,	Since June 30, 2020	<b>81,175</b> <b>(0.00%)</b>
<b>Constantine Constandis<sup>(2)</sup></b>	Mr. Constandis is an executive with over 34 years of experience in the wine and spirits industry in Canada, USA, Europe and Asia. Mr. Constandis was	Since August 13, 2019	<b>Nil</b>

Name, Province/State and Country of Residence	Principal Occupation During the Past Five Years	Period as Director	Number and Percentage of Common Shares Held <sup>(1)</sup>
South Carolina, USA	a former senior executive with Pernod Ricard SA; most recently serving as President of Pernod Ricard China and Pernod Ricard Asia Travel Retail. Prior to Pernod Ricard, Mr. Constandis was the CEO of Corby Spirit and Wine Ltd. Mr. Constandis also previously held senior roles at Seagram Company Ltd., including CFO, Europe & Africa. Mr. Constandis holds a Bachelor of Commerce from Concordia University and is a Qualified Chartered Accountant.		
<b>Paul Marcellino</b> <sup>(2)</sup>  Oklahoma, USA	Mr. Marcellino is a co-founder of Infusion Biosciences Inc. and holds a degree in chemistry. Prior to his involvement with Infusion, Mr. Marcellino was the CEO of an international nutraceutical company.	Since July 6, 2020	<b>15,480,224</b> <sup>(4)</sup> <b>(4.30%)</b>

(1) Based on 360,314,947 Common Shares issued and outstanding as of the Record Date. All Common Shares are held directly unless otherwise indicated.

(2) Each individual is a member of the Audit Committee and the Corporate Governance, Nominating and Compensation Committee.

(3) 51,600,746 Common Shares held by Infusion Biosciences Inc., of which Dr. Sen holds approximately 30%.

(4) 51,600,746 Common Shares held by Infusion Biosciences Inc., of which Mr. Marcellino holds approximately 30%.

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

To the best of the knowledge of management of the Company, except as set out below, no proposed nominee for election as a director of the Company:

- (c) is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any corporation (including the Company) that,
  - (i) was subject to an order (as defined below) that was issued while that person 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 that person ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
- (d) is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any corporation (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

- (e) has, within the 10 years before the date of this 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 that person; or
- (f) 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
- (g) has been subject to any 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.

For the purposes of (a) above, "order" means: (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant corporation access to any exemption under securities legislation; that was in effect for a period of more than 30 consecutive days.

The Company, Mr. Craig Loverock, the Chief Financial Officer and a director of the Company, and Dr. Arup Sen, the Chairman, Chief Science Officer, Chief Executive Officer and a director of the Company, were subject to a management cease trade order ("MCTO") commencing August 19, 2020 for failure to file annual financial statements and associated management discussion & analysis for the year ended February 29, 2020 within the required time period. The Company filed the required records on August 31, 2020 and the MCTO was revoked September 1, 2020.

The Company, Mr. Craig Loverock, the Chief Financial Officer and a director of the Company, and Dr. Arup Sen, the Chairman, Chief Science Officer, Chief Executive Officer and a director of the Company, were subject to a MCTO commencing September 15, 2020 for failure to file annual financial statements and associated management discussion & analysis for the interim period ended May 31, 2020 within the required time period. The Company filed the required records on September 28, 2020 and the MCTO was revoked September 29, 2020.

The Company, Mr. Craig Loverock, the Chief Financial Officer and a director of the Company, and Dr. Arup Sen, the Chairman, Chief Science Officer, Chief Executive Officer and a director of the Company, were subject to a MCTO commencing June 29, 2021 for failure to file annual financial statements and associated management discussion & analysis for the year ended February 28, 2021 within the required time period. The Company filed the required records on July 19, 2021 and the MCTO was revoked July 20, 2021.

### **Appointment of Auditors**

It is proposed that Crowe MacKay LLP will be appointed in the place of MNP LLP and a notice in this respect and a letter from each of MNP LLP and Crowe MacKay LLP are attached as Schedule "B" hereto.

Crowe MacKay LLP was appointed as the auditor of the Company effective October 4, 2021. Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted for the appointment of Crowe MacKay LLP as the auditor of the Company to hold office for the ensuing year at a remuneration to be fixed by the directors.

## Stock Option Plan

The Company's current stock option plan (the "**Option Plan**") dated April 14, 2015 was last approved by the shareholders of the Company on August 13, 2019. The purpose of the Option Plan is to ensure that the Company is able to provide an incentive program for directors, senior officers, Employees, Consultants, Consultant Company or Management Company Employees (each as defined in the Option Plan) (each, an "**Optionee**") that provides enough flexibility in the structuring of incentive benefits to allow the Company to remain competitive in the recruitment and maintenance of key personnel.

The Option Plan is administered by the Board, which shall, without limitation, have full and final authority in its discretion, but subject to the express provisions of the Option Plan, to interpret the Option Plan, to prescribe, amend and rescind rules and regulations relating to it and to make all other determinations deemed necessary or advisable for the administration of the Option Plan, subject to any necessary shareholder or regulatory approval. The Board may delegate any or all of its authority with respect to the administration of the Option Plan. The Board shall determine to whom Options shall be granted, the terms and provisions of the respective option agreements, the time or times at which such Options shall be granted and vested, and the number of Common Shares to be subject to each Option.

The material terms of the Option Plan are qualified in their entirety by the full text of the Option Plan. Under the Option Plan, Options will be exercisable over periods of up to 10 years as determined by the Board. The exercise price of any Option may not be less than the closing market price of the Common Shares on the grant date of the Option, less any applicable discount allowed by the Canadian Securities Exchange (the "**CSE**") or any other stock exchange on which the Common Shares are listed for trading.

The maximum number of Common Shares which may be issued pursuant to Options granted under the Option Plan is 10% of the issued and outstanding Common Shares at the time of the grant, provided that the Common Shares are listed on the CSE or any other stock exchange at the time of grant. In addition, the number of shares which may be issuable under the Option Plan and all of the Company's other previously established or proposed share compensation arrangements, within a one-year period:

- (i) to any one Optionee may not exceed (without the requisite disinterested shareholder approval) 5% of the issued Common Shares on a non-diluted basis;
- (ii) to insiders as a group shall not exceed 10% of the total number of issued and outstanding Common Shares, on a non-diluted basis, at the time of the grant;
- (iii) to any one Consultant shall not exceed 2% in the aggregate of the total number of issued and outstanding Common Shares at the time of the grant, on a non-diluted basis; and
- (iv) to all Eligible Persons who undertake Investor Relations Activities (each as defined in the Option Plan) shall not exceed 2% in the aggregate of the total number of issued and outstanding Shares at the time of the grant on a non-diluted basis, which Options must be vested in stages over not less than 12 months and no more than one-quarter (1/4) of such Options may be vested in any three (3) month period.

The Option Plan permits the Board to specify a vesting schedule in its discretion, subject to minimum vesting requirements imposed by the applicable stock exchange. Unless otherwise specified by the Board at the time of granting an Option, and subject to the other limits on option grants set out in the Option Plan, all Options granted under the Option Plan shall vest and become exercisable in full upon grant, except Options granted to consultants performing investor relations activities, which Options

must vest in stages over twelve months with no more than one-quarter of the Options vesting in any three month period.

The Option Plan provides that if a change of control (as defined in the Option Plan) occurs, or if the Company is subject to a take-over bid, all Common Shares subject to Options shall immediately become vested and may thereupon be exercised in whole or in part by the Option holder.

The Option Plan contains adjustment provisions with respect to outstanding Options in cases of share reorganizations, special distributions and other corporation reorganizations including an arrangement or other transaction under which the business or assets of the Company become, collectively, the business and assets of two or more companies with the same shareholder group upon the distribution to the Company's shareholders, or the exchange with the Company's shareholders, of securities of the Company or securities of another company.

The Option Plan provides that on the death or disability of an Option holder, all vested Options will expire at the earlier of 365 days after the date of death or disability and the expiry date of such Options. Where an Optionee is terminated for cause, any outstanding Options (whether vested or unvested) are cancelled as of the date of termination. If an Optionee retires or voluntarily resigns or is otherwise terminated by the Company other than for cause, then all vested options held by such Optionee will expire at the earlier of (i) the expiry date of such Options and (ii) the date which is 90 days (30 days if the Optionee was engaged in investor relations activities) after the Optionee ceases its office, employment or engagement with the Company.

In accordance with good corporate governance practices and as recommended by National Policy 51-201 – *Disclosure Standards*, the Company imposes black-out periods restricting the trading of its securities by directors, officers, employees and consultants during periods surrounding the release of annual and interim financial statements and at other times when deemed necessary by management and the Board. In order to ensure that holders of outstanding Options are not prejudiced by the imposition of such black-out periods, the Option Plan contains a provision to the effect that any outstanding Options with an expiry date occurring during a management imposed black-out period will be automatically extended to a date that is 10 trading days following the end of the black-out period.

The Options granted under the Option Plan are non-assignable and non-transferable. Subject to required shareholder approval and the approval of the CSE, or any other stock exchange on which the Common Shares are listed, if applicable, the Board may from time to time amend or revise the terms of the Option Plan or may terminate the Option Plan at any time.

The Company does not provide any financial assistance to participants in order to facilitate the purchase of Common Shares under the Option Plan. As at the Record Date, there were Options outstanding under the Option Plan to acquire 17,970,104 Common Shares, representing approximately 4.99% of the Company's current issued and outstanding shares.

A copy of the Option Plan may be inspected at the head office of the Company, #112, 1020 Mainland Street, Vancouver, BC V6B 2T5 during normal business hours and at the Meeting. In addition, a copy of the Option Plan will be mailed, free of charge, to any Shareholder who requests a copy, in writing, from the Chief Financial Officer of the Company. Any such requests should be mailed to the Company, at its head office, to the attention of the Chief Financial Officer.

Shareholders are being asked to pass an ordinary resolution to ratify and confirm the Option Plan as adopted by the Board which permits the issuance of up to 10% of the issued and outstanding Common

Shares from time to time. To be effective, the resolution must be passed by a simple majority of the votes cast thereon by Shareholders present in person or by proxy at the Meeting. If the resolution to approve the Option Plan is not approved by the Shareholders, all unallocated Options will be cancelled and the Company will not be permitted to make any further grants until Shareholder approval is obtained.

Shareholders will be asked to pass an ordinary resolution, in substantially the following form, to approve the Option Plan.

**"BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:**

1. the Option Plan of the Company, as adopted by the Board of Directors, and as described in the Company's management information circular dated October 7, 2021, be and is hereby authorized, approved, confirmed and ratified, and the Company be and is hereby authorized to reserve for issuance pursuant to the Option Plan up to 10% of the issued and outstanding common shares of the Company from time to time;
2. the Board of Directors be and is hereby authorized on behalf of the Company to make any amendments to the Option Plan as may be required by regulatory authorities or otherwise made necessary by applicable legislation, without further approval of the shareholders of the Company, in order to ensure the adoption and efficient function of the Option Plan; and
3. any director or officer of the Company be and is hereby authorized and directed to do such things and to execute and deliver all such instruments, deeds and documents, and any amendments thereto, as may be necessary or advisable in order to give effect to the foregoing resolutions, and to complete all transactions in connection with the implementation of the Option Plan."

The Board believes the passing of the foregoing ordinary resolution is in the best interests of the Company and recommend that the Shareholders vote **IN FAVOUR** of the resolution. **In the absence of contrary instruction, the person(s) designated by management of the Company in the enclosed form of proxy intended to vote IN FAVOUR of the approval of the Option Plan.**

**STATEMENT OF EXECUTIVE COMPENSATION**

**Director and NEO compensation, excluding compensation securities**

For the purposes hereof, a named executive officer ("**NEO**") of the Company means each of the following individuals:

- (a) the Chief Executive Officer ("**CEO**") of the Company;
- (b) the Chief Financial Officer ("**CFO**") of the Company;
- (c) each of the three most highly compensated Executive Officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000. "Executive Officer" means the chairman, and any vice-

chairman, president, secretary or any vice-president and any officer of the Company or a subsidiary who performs a policymaking function in respect of the Company; and

- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

During financial year ended February 28, 2021, based on the definition above, the NEOs of the Company were: Keith Dolo, former Chief Executive Officer and director, Arup Sen, Chief Executive Officer, Chief Science Officer and director, Craig Loverock, Chief Financial Officer, director and Corporate Secretary.

During financial year ended February 29, 2020, based on the definition above, the NEOs of the Company were: Keith Dolo, former Chief Executive Officer and director, Arup Sen, Chief Executive Officer, Chief Science Officer and director, Bryan Semkuley, former President, and Craig Loverock, Chief Financial Officer, director and Corporate Secretary.

The following table sets forth, for the year ended February 28, 2021 and February 29, 2020, all compensation (other than stock options and other compensation securities) paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Company, or a subsidiary of the Company, to each NEO and director, in any capacity.

TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES							
Name and Position	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$) <sup>(1)(2)</sup>	Value of All Other Compensation (\$)	Total Compensation (\$)
Keith Dolo <sup>(3)(4)</sup> <i>Former CEO and Director</i>	2021	\$23,113	Nil	Nil	Nil	Nil	\$23,113
	2020	\$181,570	Nil	Nil	Nil	\$3,667	\$185,237
Craig Loverock <sup>(5)</sup> <i>CFO and Director</i>	2021	\$102,400	Nil	Nil	Nil	Nil	\$102,400
	2020	\$152,375	Nil	Nil	Nil	Nil	\$152,375
Bryan Semkuley <sup>(6)</sup> <i>Former President</i>	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	\$147,172	Nil	Nil	Nil	Nil	\$147,172
Arup Sen <i>CEO, Chief Science Officer and Director</i>	2021	\$100,000	Nil	Nil	Nil	Nil	\$100,000
	2020	\$181,937	Nil	Nil	Nil	Nil	\$181,937
Justin Kates <sup>(4)</sup> <i>Former Director</i>	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Gregg Orr <sup>(4)</sup> <i>Former Director</i>	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Michael Bellas <sup>(7)</sup> <i>Former Director</i>	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Constantine Constandis <sup>(8)</sup> <i>Director</i>	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil

TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES							
Name and Position	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$) <sup>(1)(2)</sup>	Value of All Other Compensation (\$)	Total Compensation (\$)
Paul Marcellino <i>Director</i> <sup>(9)</sup>	2021	Nil	Nil	Nil	Nil	Nil	Nil

- (1) Includes perquisites provided to an NEO or director that are not generally available to all employees. An item is generally a perquisite if it is not integrally and directly related to the performance of the director's or NEO's duties. If something is necessary for a person to do his or her job, it is integrally and directly related to the job and is not a perquisite, even if it also provides some amount of personal benefit. For the purposes of the table, perquisites are valued on the basis of the aggregate incremental cost to the Company and its subsidiaries.
- (2) NEOs and directors whose total salary for the applicable financial year was \$150,000 or less did not receive perquisites that, in aggregate, were greater than \$15,000. NEOs and directors whose total salary for the applicable financial year was greater than \$150,000 but less than \$500,000 did not receive perquisites that, in aggregate, were greater than 10% of the NEO's or director's salary for the applicable financial year. Unless otherwise stated, NEOs who also served as directors of the Company were not compensated for acting as a director of the Company.
- (3) Mr. Dolo resigned as CEO and Director of the Company on May 13, 2020.
- (4) Mr. Dolo, Mr. Orr and Mr. Kates were appointed directors on July 6, 2018. Mr. Kates resigned from the Board on June 22, 2020. Mr. Orr resigned from the Board on June 30, 2020.
- (5) Mr. Loverock was appointed as Chief Financial Officer of the Company on July 6, 2018. He was appointed as a Director of the Company on June 30, 2020.
- (6) Mr. Semkuley was appointed as President of the Company on December 3, 2018 and resigned as President on November 1, 2019.
- (7) Mr. Bellas was appointed as a director on November 27, 2018 and resigned from the Board on June 22, 2020.
- (8) Mr. Constandis was appointed as a director on August 13, 2019. Mr. Constandis was appointed as Chairman on April 3, 2020 and ceased to be Chairman effective August 27, 2020.
- (9) Mr. Marcellino was appointed as a director on July 6, 2020.

### External Management Companies

None of the NEOs or directors of the Company have been retained or employed by an external management company which has entered into an understanding, arrangement or agreement with the Company to provide executive management services to the Company, director or indirectly, other than those set out below under "*Employment Contracts, Termination Benefits and Change of Control Benefits*".



### Stock Options and Other Compensation Securities

The following table discloses all compensation securities granted or issued to each director and NEO by the Company or one of its subsidiaries in the years ended February 28, 2021 and February 28, 2020, for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries.

Name and position	Type of compensation security <sup>(1)</sup>	Number of compensation securities, number of underlying securities, and percentage of class <sup>(2)</sup>	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 <sup>(3)</sup>
Keith Dolo <i>Former CEO and Director</i>	Option	750,000	Mar 17, 2020	\$0.10	\$0.10	\$0.06	Mar 17, 2025
Craig Loverock <i>CFO and Director</i>	Option	750,000 1,000,000	Mar 17, 2020 Oct 26, 2020	\$0.10 \$0.06	\$0.10 \$0.06	\$0.06 \$0.06	Mar 17, 2025 Oct 26, 2025
Arup Sen <i>CEO, Chief Science Officer and Director</i>	Option	750,000	Mar 17, 2020	\$0.10	\$0.10	\$0.06	Mar 17, 2025
Constantine Constandis <i>Director</i>	Option	150,000	Mar 17, 2020	\$0.10	\$0.10	\$0.06	Mar 17, 2025
Paul Marcellino <i>Director</i>	Option	400,000	Mar 17, 2020	\$0.10	\$0.10	\$0.06	Mar 17, 2025
Justin Kates <i>Former Director</i>	Option	Nil	Nil	Nil	Nil	Nil	Nil
Gregg Orr <i>Former Director</i>	Option	Nil	Nil	Nil	Nil	Nil	Nil
Michael Bellas <i>Former Director</i>	Option	Nil	Nil	Nil	Nil	Nil	Nil

- (1) "**Compensation Securities**" includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the Company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries.
- (2) As of February 28, 2021, the NEOs and directors listed in the table above held the following number of Options (each one Option being exercisable to acquire one (1) common share of the Company): Keith Dolo – 5,945,866 Options; Craig Loverock – 2,375,000 Options; Arup Sen – 750,000 Options, Constantine Constandis – 350,000 Options; Paul Marcellino – 1,200,000 Options, Justin Kates – Nil, Gregg Orr – Nil, and Michael Bellas – Nil.

The following table discloses details regarding each exercise of Compensation Securities by a director or NEO during the years ended February 28, 2021 and February 29, 2020.

Exercise of Compensation Securities by Directors and NEOs							
Name and position	Type of compensation 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 of exercise (\$)	Total value on exercise date (\$)
Keith Dolo <i>Former CEO and Director</i>	N/A	Nil	Nil	Nil	Nil	Nil	Nil
Craig Loverock <i>CFO and Director</i>	N/A	Nil	Nil	Nil	Nil	Nil	Nil
Arup Sen <i>CEO, Chief Science Officer and Director</i>	N/A	Nil	Nil	Nil	Nil	Nil	Nil
Constantine Constandis <i>Director</i>	N/A	Nil	Nil	Nil	Nil	Nil	Nil
Paul Marcellino <i>Director</i>	N/A	Nil	Nil	Nil	Nil	Nil	Nil
Justin Kates <i>Former Director</i>	N/A	Nil	Nil	Nil	Nil	Nil	Nil
Gregg Orr <i>Former Director</i>	N/A	Nil	Nil	Nil	Nil	Nil	Nil
Michael Bellas <i>Former Director</i>	N/A	Nil	Nil	Nil	Nil	Nil	Nil

### **Stock Option Plans and Other Incentive Plans**

Other than the Option Plan, the Company currently does not have any stock option plan, stock option agreement made outside of a stock option plan, plan providing for the grant of stock appreciation rights, deferred share units or restricted stock units or any other incentive plan or portion of a plan under which awards are granted.

For a summary of the material terms of the Option Plan, please see "*Particulars of Other Matters to be Acted Upon at Meeting – Stock Option Plan*".

### **Employment Contracts, Termination Benefits and Change of Control Benefits**

Other than the executive employment agreement between the Company and Keith Dolo, the material terms of which are set forth below, the Company does not have any compensation agreements or arrangements that the Company or any of its subsidiaries have entered into with respect to services provided by a NEO, a director or any other party in the event such services provided are typically provided by a director or NEO (collectively, "**Compensation Arrangements**").

Sproutly entered into an employment agreement dated March 25, 2017 (the "**Dolo Employment Agreement**") with Mr. Keith Dolo, whereby Sproutly agreed to employ Mr. Dolo in the position of Chief Executive Officer. Pursuant to the Dolo Employment Agreement, Sproutly has granted the following change of control benefit to Mr. Dolo.

In the event of a change of control of Sproutly, Mr. Dolo has a right to resign under the Dolo Employment Agreement for Good Cause (as defined below) at any time within twelve (12) months after a change of control of Sproutly, by giving at least one month's written notice to Sproutly. In the event Mr. Dolo resigns for Good Cause or his employment is terminated by Sproutly without cause within twelve (12) months after a change of control, Sproutly shall provide Mr. Dolo with the following compensation:

1. the full amount of the instalments falling due in respect of Mr. Dolo's base salary through to the termination date, plus any accrued vacation pay, reimbursement for any unpaid expenses and the amount, if any, of any other compensation actually accrued and then payable to Mr. Dolo which has not been paid;
2. an additional amount equivalent to 24 months' of Mr. Dolo's base salary, exclusive of any benefits, bonuses, and other amounts;
3. if, at the termination date, Mr. Dolo is eligible for other cash incentives under Sproutly incentive plans, an additional amount equal to the sum of the following:
  - a. two times the average cash incentive received by Mr. Dolo during the preceding three years. If Mr. Dolo was eligible for such cash incentives for less than three prior years, the average shall be calculated using Mr. Dolo's target bonus amount at termination in lieu of missing years; and
  - b. the amount above, divided by 24 and multiplied by the number of months worked by Mr. Dolo in the current bonus year prior to the termination date;

4. any Sproutly Options held by Mr. Dolo shall be deemed vested as of the termination date and shall remain open for exercise for one year thereafter; and
5. the continuation of all employee related benefits then in effect, other than disability insurance, until the earlier of two (2) years from the termination date or Mr. Dolo obtaining similar benefits through other employment. Sproutly shall pay Mr. Dolo an amount equal to 24 months of the then-prevailing premiums for his life and disability insurance.

For the purpose of the Dolo Employment Agreement, "Good Cause" shall mean the occurrence of one of the following events without Mr. Dolo's express written consent:

1. a material reduction in Mr. Dolo's responsibilities, except as a result of Mr. Dolo's death, disability or retirement;
2. a reduction by Sproutly in Mr. Dolo's base salary;
3. a change in the principal executive office of Sproutly to a location more than 20 kilometers from the then-current location of the principal executive office of Sproutly;
4. the failure by Sproutly to continue in effect, or a material change in the terms of Mr. Dolo's participation in benefits under any incentive plan or benefits plan, including any life, health, accident, disability or similar plan providing welfare benefits or any plan or program of fringe benefits in which Mr. Dolo is participating (collectively, the "**Existing Plans**"), the effect of which would be to materially reduce the total value, in the aggregate, of Mr. Dolo's benefits under the Existing Plans, or any reduction by Sproutly of the number of paid vacation days to which Mr. Dolo is entitled; or
5. any other circumstances that would constitute a constructive dismissal under common law.

The table below sets forth information with respect to each NEO currently employed by the Company in order to assist the reader in determining the potential payment to each such NEO in the event of the termination of such NEO's employment by the Company other than for cause or in the event of a change of control. The estimated payments have been calculated on the basis of employment agreements as they exist at the date of this Circular and assuming that they were in effect on February 28, 2020, being the last completed financial year prior to Mr. Dolo resigning as CEO and Director of the Company on May 13, 2020.

Name	Estimated Payment Assuming Termination Without Cause on February 28, 2020 (\$)	Estimated Payment Assuming a Change of Control on February 28, 2020 (\$)
Keith Dolo	400,000	400,000

The estimated payments assuming a change of control on February 28, 2020 are based on the assumption that the NEOs are terminated without cause or elect to terminate the agreements.

For the year ended February 29, 2021, no management functions of the Company or its subsidiaries are performed to any substantial degree by a person other than the directors or executive officers of the

Company or its subsidiaries.

## **Oversight and Description of Director and Name Executive Officer Compensation**

### *Elements of Compensation*

The objective of the Company's compensation program is to compensate the directors and executive officers for their services to the Company at a level that is both in line with the Company's fiscal resources and competitive with companies at a similar stage of development. The primary goal of the Company's executive compensation program is to:

- (a) attract and retain the qualified key executives necessary for the Company's long term success;
- (b) motivate the short term and long term performance of those executives; and
- (c) align the executives interests with the Company's Shareholders.

Compensation to be awarded or paid to the Company's directors and/or executive officers, including NEOs, consists primarily of management fees, stock options and bonuses which are determined by the Board. Payments may be made from time to time to executive officers, including NEOs, or companies they control for the provision of consulting or management services. Such services are paid for by the Company at competitive industry rates for work of a similar nature done by reputable arm's length services providers.

The Board will from time to time determine the stock option grants to be made pursuant to the Option Plan. It is also anticipated that the Board may award bonuses, in its sole discretion, to executive officers (including NEOs) from time to time. For a summary of the material terms of the Option Plan, please see "*Particulars of Other Matters to be Acted Upon at Meeting – Stock Option Plan*".

The most significant components of the Company's executive compensation plan are base salary and an annual incentive bonus. These components are based upon:

- achievement of specific corporate or segment performance targets;
- a performance evaluation process, taking into consideration comparative levels of compensation with comparable entities in the Company's industry;
- alignment of the compensation level of each individual to that individual's level of responsibility;
- the individual's performance, competencies, skills and achievements;
- alignment with corporate strategy; and
- contributions to corporate or segment performance.

### Base Salary

The base salary review of any NEO will take into consideration the current competitive market conditions, experience, proven or expected performance, and the particular skills of the NEO. Base salary is not expected to be evaluated against a formal "peer group". In the year ended February 29,

2021, the company paid base compensation to NEO's as follows:

- (a) Keith Dolo (Former CEO) - CAD\$100,000/year;
- (b) Craig Loverock (CFO) - CAD\$100,000/year;
- (c) Arup Sen (CEO and CSO) – CAD\$100,000/year; and

#### Performance-Based Cash Bonuses

Cash bonuses are not a normal part of the Company's executive compensation. However, the Company may elect to utilize such incentives where the role-related context and competitive environment suggest that such a compensation modality is appropriate. When and if utilized, the amount of cash bonus compensation will normally be paid on the basis of timely achievement of specific pre-agreed milestones. Each milestone will be selected based upon consideration of its impact on shareholder value creation and the ability of the Company to achieve the milestone during a specific interval. The amount of bonus compensation will be determined based upon achievement of the milestone, its importance to the Company's near and long term goals at the time such bonus is being considered, the bonus compensation awarded to similarly situated executives in similarly situated companies or any other factors the Company may consider appropriate at the time such performance-based bonuses are decided upon. The measurements for individuals' performance were focused on (1) leadership, including five areas: vision, initiatives, creativity, flexibility and supervision skills; and (2) deliverables, including the team, products, communication and reporting and documentation.

#### Stock Options

The Company currently has the Option Plan in place for the purposes of attracting and motivating directors, officers, employees, and consultants of the Company and advancing the interests of the Company by affording such persons with the opportunity to acquire an equity interest in the Company through rights granted under the Option Plan. Any grant of Options under the Option Plan is within the discretion of the Board, subject to the condition that the maximum number of Common Shares which may be reserved for issuance under the Option Plan may not exceed 10% of the Company's issued and outstanding Common Shares.

Options are also an important component of aligning the objectives of the Company's employees with those of Shareholders. The Company expects to provide significant Option positions to senior employees and lesser amounts to lower-level employees.

Notwithstanding the above, the Board is responsible for determining, by way of discussions at Board meetings, the ultimate compensation to be paid to the executive officers of the Company. The Company does not have a formal compensation program with set benchmarks; however, the performance of each executive will be considered along with the Company's ability to pay compensation and its results of operation for the period.

The Company relies solely on its Board to determine the executive compensation that is to be paid to NEOs and directors without any formal objectives, criteria, or analysis.

## Pension Disclosure

The Company does not have any pension, defined benefit, defined contribution or deferred compensation plans in place.

## EQUITY COMPENSATION PLAN INFORMATION

The following table summarizes certain information regarding compensation plans of the Company as at February 28, 2021.

<i>Plan Category</i>	<i>Number of securities to be issued upon exercise of outstanding options, warrants and rights<sup>(1)</sup></i>	<i>Weighted-average exercise price of outstanding options, warrants and rights</i>	<i>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))<sup>(2)</sup></i>
<i>Plan Category</i>	<i>(a)</i>	<i>(b)</i>	<i>(c)</i>
Equity compensation plans approved by securityholders	17,970,104	\$0.3319	14,720,978
Equity compensation plans not approved by securityholders	Nil]	N/A	Nil
<b>Total</b>	17,970,104		14,720,978

(1) Represents the number of Common Shares available for issuance upon exercise of outstanding Options as at February 28, 2021.

(2) Represents the number of Common Shares remaining available for future issuance under the Option Plan available for grant, based on the issued and outstanding Common Shares as of February 28, 2021. The maximum number of Common Shares which may be issued pursuant to Options granted under the Option Plan is 10% of the issued and outstanding Common Shares at the time of grant. See "*Particulars of Matters to be Acted Upon at Meeting – Stock Option Plan*".

The Option Plan is the only compensation plan in the place under which equity securities of the Company are authorized for issuance. For a detailed description of the Option Plan, see *Particulars of Matters to be Acted Upon at Meeting – Stock Option Plan* above.

## INDEBTEDNESS OF DIRECTORS AND OFFICERS

As at the Record Date, there was no indebtedness outstanding of any current or former director, executive officer or employee of the Company or its subsidiaries which is owing to the Company or its subsidiaries, or, which is owing 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 its subsidiaries, entered into in connection with a purchase of securities or otherwise.

No individual who is, or at any time during the financial year ended February 28, 2021 or February 28, 2020 was, a director or executive officer of the Company, no proposed nominee for election as a director of the Company and no associate of such persons:

- (i) is or at any time since the beginning of the financial year ended February 28, 2021 or February 28, 2020 has been, indebted to the Company or its subsidiaries; or
- (ii) is indebted to another entity, which indebtedness is, or at any time since the beginning of the financial year ended February 28, 2021 or February 28, 2020 has been, the subject of a

guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or its subsidiaries,

in relation to a securities purchase program or other program.

### INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person (as defined in National Instrument 51-102 - *Continuous Disclosure Obligations*) or proposed director of the Company and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which in either such case has materially affected or would materially affect the Company or any of its subsidiaries.

### MANAGEMENT CONTRACTS

For the year ended February 28, 2021 and February 28, 2020, no management functions of the Company or its subsidiaries are performed to any substantial degree by a person other than the directors or executive officers of the Company or its subsidiaries.

### AUDIT COMMITTEE

#### Audit Committee Charter

The Audit Committee Charter sets out the Audit Committee's responsibilities and authority, procedures governing meetings, qualifications for membership and particulars governing the role of the Chair. A copy of the Audit Committee Charter is attached as Appendix "A" hereto.

#### Composition of the Audit Committee

As at the date of this Circular, the following individuals are the current members of the Audit Committee and will hold office until the next annual general meeting of shareholders of the Company:

Constantine Constandis	Independent <sup>(1)</sup>	Financially Literate <sup>(1)</sup>
Paul Marcellino	Independent <sup>(1)</sup>	Financially Literate <sup>(1)</sup>
Arup Sen	Not-Independent <sup>(2)</sup>	Financially Literate <sup>(1)</sup>

(1) As defined by National Instrument 52-110 – Audit Committees ("*NI 52-110*").

(2) Dr. Sen is the current CEO of the Company and would not be considered independent under NI 52-110.

The members of the Audit Committee are appointed by the Board at its first meeting following the annual Shareholders' meeting. Unless a chair is elected by the full Board, the members of the Audit Committee designate a chair by a majority vote of the full Audit Committee membership.



## Relevant Education and Experience

The relevant education and/or experience of each member of the Audit Committee is as follows:

### Constantine Constandis

*Mr. Constandis also previously held senior roles at Seagram Company Ltd., including CFO, Europe & Africa. Mr. Constandis holds a Bachelor of Commerce from Concordia University and is a Qualified Chartered Accountant.*

### Arup Sen

*Dr. Sen has 35+ years in research and executive management positions at biotechnology and pharmaceutical companies, negotiated and managed licenses and joint ventures with J&J, Biomet, GCC and Tokuyama Soda of Japan, Eastman Kodak and Sandoz/Novartis.*

### Paul Marcellino

*Mr. Marcellino grew his first start-up non-profit into a multi-million-dollar international enterprise and has founded several different companies in the natural health and biotech industries, where he continues to play key roles bringing both leadership and continued financial growth.*

## Audit Committee Oversight

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

## Reliance on Certain Exemptions

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

- (a) the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110; or
- (b) the exemption in subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*) of NI 52-110; or
- (c) the exemption in subsection 6.1.1(5) (*Events Outside Control of Member*) of NI 52-110; or
- (d) the exemption in subsection 6.1.1(6) (*Death, Incapacity or Resignation*) of NI 52-110; or
- (e) an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*).

## Pre-Approval Policies and Procedures

The Audit Committee is authorized by the Board to review the performance of the Company's external auditors and approve in advance provision of services other than auditing and to consider the independence of the external auditors, including a review of the range of services provided in the context of all consulting services bought by the Company. The Audit Committee is authorized to approve in writing any non-audit services or additional work which the Chairman of the Audit Committee deems necessary, and the Chairman will notify the other members of the Audit Committee of such non-audit or additional work and the reasons for such non-audit work for the Committee's consideration, and if thought fit, approval in writing.

### External Auditor Service Fees

The following table sets out the aggregate fees billed by the Company's external auditors, MNP LLP, for the years ended February 28, 2020 and 2021:

<b>Financial Year Ending</b>	<b>Audit Fees<sup>(1)</sup></b>	<b>Audit Related Fees<sup>(2)</sup></b>	<b>Tax Fees<sup>(3)</sup></b>	<b>All Other Fees<sup>(4)</sup></b>
February 28, 2021	\$133,932	\$9,501	\$10,000	\$10,740 <sup>(5)</sup>
February 28, 2020	\$122,500	\$73,702	\$12,600	\$14,616

(1) "Audit Fees" include the aggregate fees billed in each financial year for audit fees.

(2) "Audit Related Fees" include the aggregate fees billed in each financial year for assurance and related services to the performance of the audit or review of the Company's financial statements not already disclosed under "Audit Fees".

(3) "Tax Fees" are the aggregate fees billed by the auditor for tax compliance, tax advice and tax planning.

(4) "All Other Fees" include aggregate fees billed for products or services not already reported in the above table.

(5) Fees relating to accounting and finance advisory services related to the Arrangement.

### Exemption

The Company is relying on the exemption in section 6.1 of NI 52-110 from the requirements of Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*).

## CORPORATE GOVERNANCE DISCLOSURE

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the Shareholders and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day to day management of the 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 Policy 58-201 - Corporate Governance Guidelines ("**NP 58-201**") establishes corporate governance guidelines which apply to all public companies. The guidelines deal with such matters 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 practices. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the

Company's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. National Instrument 58-101 - Disclosure of Corporate Governance Practices mandates disclosure of corporate governance practices which disclosure is set out below.

### **Board of Directors**

As of the date of hereof, the Board consists of four (4) directors: Arup Sen, Constantine Constandis, Paul Marcellino, and Craig Loverock, two (2) of whom are independent based upon the tests for independence set forth in NI 52-110. Arup Sen is not independent since he is the CEO and Chief Science Officer of the Company, and Craig Loverock is not independent since he is the Chief Finance Officer of the Company.

### **Management Supervision by Board**

The CEO and CFO report upon the operations of the Company separately to the independent directors of the Board annually and at such other times throughout the year as is considered necessary or advisable by the independent directors. The independent directors are encouraged to meet at any time they consider necessary without any members of management including the non-independent directors being present. The Company's auditors, legal counsel and employees may be invited to attend. The Audit Committee which is composed of a majority of independent directors meet with the Company's auditors without management being in attendance.

### **Directorships**

The following directors of the Company also serve as directors of other reporting issuers:

<b>Name of Director</b>	<b>Other Reporting Issuer</b>	<b>Name of Exchange or Market</b>
Arup Sen	N/A	N/A
Constantine Constandis	N/A	N/A
Paul Marcellino	N/A	N/A
Craig Loverock	Workspport Ltd.	NASDAQ

### **Orientation and Continuing Education**

Each new director of the Company is briefed about the nature of the Company's business, its corporate strategy and current issues within the Company. New directors will be encouraged to review the Company's public disclosure records as filed on under its profile at [www.sedar.com](http://www.sedar.com). Directors are also provided with access to management to better understand the operations of the Company, and to the Company's legal counsel to discuss their legal obligations as directors of the Company.

### **Ethical Business Conduct**

The Board has not adopted a Code of Business Conduct and Ethics. The Board is required to comply with the conflict of interest provisions of the BCBCA and relevant securities regulation in order to ensure that

directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Any interested director is required to declare the nature and extent of his interest and is not entitled to vote on any matter that is the subject of the conflict of interest.

### **Nomination of Directors**

The Company's management is in contact with individuals involved in the sectors and industries in which the Company operates. From these sources management has made a number of contacts and in the event that the Company requires any new directors, such individuals will be brought to the attention of the Board. The Company will conduct reference and background checks on suitable candidates. New nominees generally must have a track record in business management, areas of strategic interest to the Company, the ability to devote the time required to carry out the obligations and responsibilities of a director and a willingness to serve in that capacity.

### **Compensation**

At present, the Corporate Governance, Nominating and Compensation Committee determines the compensation of the Company's CEO and CFO and does so with reference to industry standards and the financial situation of the Company. The Corporate Governance, Nominating and Compensation Committee has the sole responsibility for determining the compensation of the directors of the Company. See "*Statement of Executive Compensation – Oversight and Description of Director and Name Executive Officer Compensation*".

### **Other Board Committees**

As of the date of this Circular, the Company has two (2) committees at present being the Audit Committee and the Corporate Governance, Nominating and Compensation Committee.

The Audit Committee is comprised of three (3) of the Company's four (4) directors: Arup Sen, Constantine Constandis and Paul Marcellino.

The Corporate Governance, Nominating and Compensation Committee is comprised of three (3) of the Company's four (4) directors: Arup Sen, Constantine Constandis and Paul Marcellino.

As the directors are actively involved in the operations of the Company and the size of the Company's operations does not warrant a larger board of directors, the Board has determined that additional standing committees are not necessary at this stage of the Company's development.

### **Assessments**

Neither the Company nor the Board has developed a formal review system to assess the performance of the directors or the Board as a whole. The contributions of individual directors are monitored by other members of the Board on an informal basis through observation.

### **OTHER MATTERS TO BE ACTED UPON**

Management knows of no matters to come before the Meeting other than the matters referred to in the Notice of Annual General Meeting. However, if any other matters properly come before the Meeting, the accompanying proxy will be voted on such matters in the best judgment of the person or

persons voting the proxy.

#### **ADDITIONAL INFORMATION**

Additional information relating to the Company may be found under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

Additional financial information is provided in the Company's audited annual financial statements and accompanying management's discussion and analysis ("**MD&A**") for the year ended February 28, 2021 and February 28, 2020. A copy of the annual financial statements and MD&A can be found on the Company's profile on SEDAR.

**SCHEDULE "A"**  
**AUDIT COMMITTEE CHARTER**

1. Purpose of the Committee
  - 1.1 The purpose of the Audit Committee is to assist the Board in its oversight of the integrity of the Company's financial statements and other relevant public disclosures, the Company's compliance with legal and regulatory requirements relating to financial reporting, the external auditors' qualifications and independence and the performance of the internal audit function and the external auditors.
2. Members of the Audit Committee
  - 2.1 At least one member must be "financially literate" as defined under NI 52-110, having sufficient accounting or related financial management expertise to read and understand a set of financial statements, including the related notes, 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.
  - 2.2 The Audit Committee shall consist of no less than three Directors.
  - 2.3 At least one member of the Audit Committee must be "independent" as defined under NI 52-110, while the Company is in the developmental stage of its business.
3. Relationship with External Auditors
  - 3.1 The external auditors are the independent representatives of the shareholders, but the external auditors are also accountable to the Board of Directors and the Audit Committee.
  - 3.2 The external auditors must be able to complete their audit procedures and reviews with professional independence, free from any undue interference from the management or directors.
  - 3.3 The Audit Committee must direct and ensure that the management fully co-operates with the external auditors in the course of carrying out their professional duties.
  - 3.4 The Audit Committee will have direct communications access at all times with the external auditors.
4. Non-Audit Services
  - 4.1 The external auditors are prohibited from providing any non-audit services to the Company, without the express written consent of the Audit Committee. In determining whether the external auditors will be granted permission to provide non-audit services to the Company, the Audit Committee must consider that the benefits to the Company from the provision of such services, outweighs the risk of any compromise to or loss of the independence of the external auditors in carrying out their auditing mandate.
  - 4.2 Notwithstanding section 4.1, the external auditors are prohibited at all times from carrying out any of the following services, while they are appointed the external auditors of the Company:
    - (i) acting as an agent of the Company for the sale of all or substantially all of the undertaking of the Company; and

- (ii) performing any non-audit consulting work for any director or senior officer of the Company in their personal capacity, but not as a director, officer or insider of any other entity not associated or related to the Company.

## 5. Appointment of Auditors

5.1 The external auditors will be appointed each year by the shareholders of the Company at the annual general meeting of the shareholders.

5.2 The Audit Committee will nominate the external auditors for appointment, such nomination to be approved by the Board of Directors.

## 6. Evaluation of Auditors

6.1 The Audit Committee will review the performance of the external auditors on at least an annual basis, and notify the Board and the external auditors in writing of any concerns in regards to the performance of the external auditors, or the accounting or auditing methods, procedures, standards, or principles applied by the external auditors, or any other accounting or auditing issues which come to the attention of the Audit Committee.

## 7. Remuneration of the Auditors

7.1 The remuneration of the external auditors will be determined by the Board of Directors, upon the annual authorization of the shareholders at each general meeting of the shareholders.

7.2 The remuneration of the external auditors will be determined based on the time required to complete the audit and preparation of the audited financial statements, and the difficulty of the audit and performance of the standard auditing procedures under generally accepted auditing standards and generally accepted accounting principles of Canada.

## 8. Termination of the Auditors

8.1 The Audit Committee has the power to terminate the services of the external auditors, with or without the approval of the Board of Directors, acting reasonably.

## 9. Funding of Auditing and Consulting Services

9.1 Auditing expenses will be funded by the Company. The auditors must not perform any other consulting services for the Company, which could impair or interfere with their role as the independent auditors of the Company.

## 10. Role and Responsibilities of the Internal Auditor

10.1 At this time, due to the Company's size and limited financial resources, the Company's Chief Executive Officer and Chief Financial Officer are responsible for implementing internal controls and performing the role as the internal auditor to ensure that such controls are adequate.

## 11. Oversight of Internal Controls

11.1 The Audit Committee will have the oversight responsibility for ensuring that the internal controls are implemented and monitored, and that such internal controls are effective.

## 12. Continuous Disclosure Requirements

12.1 At this time, due to the Company's size and limited financial resources, the Company's Chief Executive Officer and Chief Financial Officer are responsible for ensuring that the Company's

continuous reporting requirements are met and in compliance with applicable regulatory requirements.

13. Other Auditing Matters

13.1 The Audit Committee may meet with the Auditors independently of the management of the Company at any time, acting reasonably.

13.2 The Auditors are authorized and directed to respond to all enquiries from the Audit Committee in a thorough and timely fashion, without reporting these enquiries or actions to the Board of Directors or the management of the Company.

14. Annual Review

14.1 The Audit Committee Charter will be reviewed annually by the Board of Directors and the Audit Committee to assess the adequacy of this Charter.

15. Independent Advisers

15.1 The Audit Committee shall have the power to retain legal, accounting or other advisors to assist the Committee.



**SCHEDULE "B"**

**SPROUTLY CANADA, INC.**

**CHANGE OF AUDITOR NOTICE**

**TO:** MNP LLP, Chartered Professional Accountants

**AND TO:** Crowe MacKay LLP, Chartered Professional Accountants

**AND TO:** Alberta Securities Commission  
British Columbia Securities Commission  
Ontario Securities Commission  
Manitoba Securities Commission

In accordance with Section 4.11 of National Instrument 51-102 - *Continuous Disclosure Obligations* ("**NI 51-102**"), Sproutly Canada, Inc. (the "**Corporation**") hereby gives notice and confirms that:

1. MNP LLP (the "**Former Auditor**"), Chartered Professional Accountants, was terminated as auditor of the Corporation, effective October 4, 2021;
2. Crowe MacKay LLP (the "**Successor Auditor**"), Chartered Professional Accountants, has been appointed as successor auditor, to hold office commencing October 4, 2021 until the close of the next annual general meeting of the Corporation;
3. the Audit Committee of the Corporation has considered the termination of the Former Auditor as the Corporation's auditor and recommended the appointment of the Successor Auditor as the Corporation's auditor;
4. the termination of the Former Auditor as the Corporation's auditor and appointment of the Successor Auditor as the Corporation's auditor were approved by the Board of Directors of the Corporation and the Audit Committee;
5. the Former Auditor has not expressed any modified opinion in its audit reports for the period commencing at the beginning of the Corporation's two most recent financial years and ending at the date of this notice; and
6. to the knowledge of the directors of the Corporation, no "reportable event" as such term is defined in NI-51-102 has occurred in connection with the audits for the period commencing at the beginning of the Corporation's two most recent financial years and ending at the date of this notice.

**DATED** the 4<sup>th</sup> day of October, 2021

**SPROUTLY CANADA, INC.**

*Per: (signed) "Craig Loverock"*

Name: Craig Loverock

Title: Chief Financial Officer



October 5, 2021

To: Alberta Securities Commission  
British Columbia Securities Commission  
Ontario Securities Commission  
Manitoba Securities Commission

**Sproutly Canada, Inc. (the "Company")**  
**Notice Pursuant to National Instrument 51-102 – Change of Auditor ("Notice")**

As required by National Instrument 51-102, we have reviewed the information contained in the notice dated October 5, 2021 given by the Company to ourselves and Crowe MacKay LLP, Chartered Professional Accountants.

Based on our knowledge of such information at this date, we agree with the statements set out in the Notice.

Yours very truly,

A handwritten signature in black ink that reads 'MNP LLP' in a cursive, slightly stylized font.

Chartered Professional Accounts



Crowe MacKay LLP

1100 – 1177 West Hastings Street  
Vancouver, BC V6E 4T5  
+1.604.687.4511 Tel  
+1.604.687.5805 Fax  
+1.800.351.0426 Toll Free  
[www.crowemackay.ca](http://www.crowemackay.ca)

October 6, 2021

**TO: Alberta Securities Commission  
British Columbia Securities Commission  
Ontario Securities Commission  
Manitoba Securities Commission**

**AND TO: Sproutly Canada, Inc.**

Dear Sirs/Mesdames:

**Re: Sproutly Canada, Inc. – Notice of Change of Auditors**

We have reviewed the information contained in the Notice of Change of Auditor of Sproutly Canada Inc. dated October 4, 2021 (the "**Notice**"), which we understand will be filed pursuant to section 4.11 of National Instrument 51-102 – *Continuous Disclosure Obligations*. Based on our knowledge as of the date hereof, we agree with each of the statements contained in the Notice.

Yours very truly,

**"Crowe MacKay LLP"**

**Chartered Professional Accountants**