

KITS EYECARE LTD.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

to be held on June 30, 2021 and

MANAGEMENT INFORMATION CIRCULAR

dated May 10, 2021

KITS EYECARE LTD.

May 10, 2021

Dear shareholders of Kits Eyecare Ltd.:

On behalf of the directors and management team of Kits Eyecare Ltd. (the "**Company**"), we are pleased to invite you to attend the Company's annual shareholder meeting (the "**Meeting**"), taking place at 10:00 a.m. (Pacific Daylight Time) on June 30, 2021. Out of an abundance of caution, to proactively deal with the public health impact of the COVID-19 outbreak, and to mitigate the risks to the health and safety of our communities, shareholders, employees and other stakeholders, we will hold the Meeting in a virtual only format, which will be conducted via live audio webcast.

At the Meeting, the holders of the common shares of the Company ("**Shareholders**") will be asked to receive the financial statements for the year ended December 31, 2020 and the auditors' report thereon, elect the directors for the ensuing year and re-appoint MNP LLP as the auditors of the Company.

Your vote matters. You may exercise it by completing the proxy form or voting instruction form or by virtually attending the Meeting. The accompanying management information circular describes the business to be conducted at the Meeting, important additional information and detailed instructions on voting and participation at the Meeting, and the Company's governance practices.

Thank you for your investment and we look forward to connecting with you at the Meeting.

Sincerely,

"*Roger Hardy*"

Roger Hardy
Chairman and Chief Executive Officer

Kits Eyecare Ltd.
Notice of Annual Meeting of Shareholders
To Be Held On June 30, 2021

All capitalized terms used herein but not otherwise defined have the meaning ascribed thereto in the accompanying management information circular dated May 10, 2021 (the "**Circular**").

Notice is hereby given that the annual meeting (the "**Meeting**") of the holders (the "**Shareholders**") of common shares ("**Common Shares**") of Kits Eyecare Ltd. ("**KITS**" or the "**Company**") will be held on June 30, 2021 at 10:00 a.m. (Pacific Daylight Time) virtually via live audio webcast online at https://web.lumiagm.com/422890901 for the following purposes:

(a) to receive the financial statements for the year ended December 31, 2020 and the auditors' report thereon;

(b) to re-appoint MNP LLP as the auditors of the Company for the ensuing year and to authorize the directors of the Company (the "**Directors**") to fix their remuneration;

(c) to elect the Directors for the ensuing year; and

(d) to transact such other business as may properly come before the Meeting and any adjournment or postponement thereof.

The specific details of the foregoing matters to be put before the Meeting are set forth in the Circular under "*Particulars of Matters to be Acted Upon at the Meeting*", accompanying and forming part of this Notice of Annual Meeting (the "**Notice**").

Shareholders of record at the close of business on May 12, 2021 are entitled to receive notice of and attend the Meeting and are entitled to one vote for each Common Share registered in the name of such Shareholder in respect of each matter to be voted upon at the Meeting. If unable to attend the Meeting, a registered Shareholder may, in advance of the Meeting, submit his/her/its proxy by mail, telephone or over the internet in accordance with the instructions below.

This year, out of an abundance of caution, to proactively deal with the public health impact of the COVID-19 outbreak, and to mitigate risks to the health and safety of our communities, Shareholders, employees and other stakeholders, we will hold our Meeting in a virtual only format, which will be conducted via live audio webcast. Shareholders will have an equal opportunity to participate at the Meeting online regardless of their geographic location.

Registered Shareholders and duly appointed proxyholders will be able to attend the Meeting, ask questions and vote, all in real time, provided they are connected to the internet and comply with all of the requirements set out in the Circular. Non-registered Shareholders ("**Non-Registered Holders**") who have not duly appointed themselves as proxyholder will be able to attend the Meeting as guests, but guests will not be able to vote at the Meeting.

A Shareholder who wishes to appoint a person other than the management nominees identified on the form of proxy or voting instruction form (including a Non-Registered Holder who wishes to appoint themselves to attend) must carefully follow the instructions in the Circular and on their form of proxy or voting instruction form. **These instructions include the additional step of registering such proxyholder with our transfer agent, Computershare Investor Services Inc., after submitting their form of proxy or voting instruction form. Failure to register the proxyholder with our transfer agent will result in the proxyholder not receiving a user name to participate in the Meeting and only being able to attend as a guest.**

Voting by Mail or Delivery Before the Meeting:

Computershare Investor Services Inc.
Attention: Proxy Department
8th Floor, 100 University Avenue, Toronto, ON M5J 2Y1

Voting by Telephone Before the Meeting. Enter the 15-digit control number printed on the form of proxy at 1-866-732-8683 (Canada and the U.S. only) or (312) 588-4290 (outside Canada and the U.S.).

Voting by Internet Before the Meeting. Enter the 15-digit control number printed on the form of proxy at www.investorvote.com.

A Non-Registered Holder should follow the instructions included on the voting instruction form provided by his/her/its Intermediary (as defined in the Circular).

A proxy will not be valid for the Meeting or any adjournment or postponement thereof unless it is completed and delivered to Computershare Investor Services Inc. no later than 10:00 a.m. (Pacific Daylight Time) on June 28, 2021 (or, if the Meeting is adjourned or postponed, 48 hours (Saturdays, Sundays and holidays excepted) prior to the time of holding the Meeting) in accordance with the delivery instructions above. The time limit for deposit of proxies may be waived or extended by the Chair of the Meeting at his discretion, without notice.

Notice-and-Access

The Company has elected to send out proxy-related materials to Non-Registered Holders using the notice-and-access provisions under National Instrument 51-102 – *Continuous Disclosure Obligations* ("**NI 51-102**") and National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**", and together with NI 51-102, the "**Notice-and-Access Provisions**") for the Meeting. The Notice-and-Access Provisions are a set of rules developed by the Canadian Securities Administrators that allow issuers to post electronic versions of proxy-related materials online, via the System for Electronic Document Analysis and Retrieval ("**SEDAR**") and one other website, rather than mailing paper copies of such materials to securityholders.

Non-Registered Holders will be provided with electronic access to this Notice, the Circular, the Company's management's discussion and analysis of the results of operations and financial condition of the Company for the year ended December 31, 2020 (the "**MD&A**") and the audited consolidated financial statements of the Company and accompanying notes for the year ended December 31, 2020 (together with the MD&A, the "**MD&A and Financials**") together with the auditor's report thereon on SEDAR at www.sedar.com and on the Company's website at https://ir.kits.com.

Shareholders are reminded to review the Circular before voting. Non-Registered Holders will receive paper copies of a notice package (the "**Notice Package**") via prepaid mail containing a notice with information prescribed by the Notice-and-Access Provisions and a voting instruction form (if you are a nonregistered Shareholder). The Company will not use procedures known as 'stratification' in relation to the use of Notice-and-Access Provisions. Stratification occurs when an issuer using Notice-and-Access Provisions sends a paper copy of the Circular to some securityholders with a Notice Package.

Non-Registered Holders with questions about Notice-and-Access can call the Broadridge Investor Communication Solutions, English Proxy Line toll-free at 1-844-916-0609 (Canada and the U.S. only) or direct at 1-303-562-9305 (outside Canada and the U.S.) or the French Proxy Line toll-free at 1- 844-973-0593 (Canada and the U.S. only) or direct at 1- 303-562-9306 (outside Canada and the U.S.). Non-Registered Holders may obtain paper copies of the Circular and the MD&A and Financials free of charge by calling 1-877-907-7643 at any time up until and including the date of the Meeting, including any adjournment or postponement thereof. Any Shareholder wishing to obtain a paper copy of the meeting materials should submit their request no later than 10:00 a.m. (Pacific Daylight Time) on June 20, 2021 in order to receive paper copies of the meeting materials in time to vote before the Meeting. Under the Notice-and-Access Provisions, meeting materials will be available for viewing on the Company's website for one year from the date of posting.

DATED May 10, 2021

By Order of the Board of Directors

"*Roger Hardy*"

Roger Hardy
Chairman and Chief Executive Officer

MANAGEMENT INFORMATION CIRCULAR

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PROXY AND VOTING INFORMATION

Solicitation of Proxies

This management information circular (the "Circular") dated as of May 10, 2021 and accompanying form of proxy are furnished in connection with the solicitation, by management of Kits Eyecare Ltd. ("we", "us", "our", the "Company" or "KITS"), of proxies to be used at the annual meeting of the holders (the "Shareholders") of common shares ("Common Shares") of the Company (the "Meeting") referred to in the accompanying Notice of Annual Meeting (the "Notice") to be held on June 30, 2021 at 10:00 a.m. (Pacific Daylight Time) for the purposes set forth in the Notice. The Meeting will be held in a virtual only format, which will be conducted via live audio webcast. Shareholders will not be able to attend the Meeting in person. A summary of the information Shareholders will need to attend the Meeting online is provided below. See "*Voting Information*" below.

The solicitation will be made primarily by mail, subject to the use of Notice-and-Access Provisions (as defined herein) in relation to delivery of the meeting materials, but proxies may also be solicited personally or by telephone by directors ("**Directors**") and/or officers of the Company. The cost of solicitation by management will be borne by the Company.

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

Notice-and-Access

The Company is sending out proxy-related materials to non-registered Shareholder ("**Non-Registered Holders**") using the notice-and-access provisions under National Instrument 51-102 – *Continuous Disclosure Obligations* ("**NI 51-102**") and NI 54-101 (together with NI 51-102, the "**Notice-and-Access Provisions**"). The Company anticipates that use of the Notice-and-Access Provisions will benefit the Company by reducing the postage and material costs associated with the printing and mailing of the proxy-related materials and will also reduce the environmental impact of such actions.

Non-Registered Shareholders will be provided with electronic access to the Notice, this Circular, the Company's management's discussion and analysis of the results of operations and financial condition of the Company for the year ended December 31, 2020 (the "**MD&A**") and the audited consolidated financial statements of the Company and accompanying notes for the year ended December 31, 2020 (together with the MD&A, the "**MD&A and Financials**") together with the auditor's report thereon on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") at www.sedar.com and on the Company's website at https://ir.kits.com.

Shareholders are reminded to review the Circular before voting. Non-Registered Holders will receive paper copies of a notice package (the "**Notice Package**") via pre-paid mail containing a notice with information prescribed by the Notice-and-Access Provisions and a voting instruction form. The Company will not use procedures known as 'stratification' in relation to the use of Notice-and-Access Provisions. Stratification occurs when an issuer using Notice-and-Access Provisions sends a paper copy of the Circular to some securityholders with a Notice Package.

Non-Registered Holders with questions about Notice-and-Access can call the Broadridge Investor Communication Solutions, English Proxy Line toll-free at 1-844-916-0609 (Canada and the U.S. only) or direct at 1-303-562-9305 (outside Canada and the U.S.) or the French Proxy Line toll-free at 1- 844-973-0593 (Canada and the U.S. only) or direct at 1- 303-562-9306 (outside Canada and the U.S.). Shareholders may obtain paper copies of the Circular and the MD&A and Financials free of charge by calling 1-877-907-7643 at any time up until and including the date of the Meeting, including any adjournment or postponement thereof. Any Shareholder wishing to obtain a paper copy of the meeting materials should submit their request no later than 10:00 a.m. (Pacific Daylight Time) on June 20, 2021 in order to receive paper copies of the meeting materials in time to vote before the Meeting. Under the Notice-and-Access Provisions, meeting materials will be available for viewing on the Company's website for one year from the date of posting.

Record Date

Shareholders of record at the close of business on May 12, 2021 are entitled to receive notice of and attend the Meeting and are entitled to one vote for each Common Share registered in the name of such Shareholder in respect of each matter to be voted upon at the Meeting.

Meeting Information

This year, out of an abundance of caution, to proactively deal with the public health impact of COVID-19 outbreak, and to mitigate risks to the health and safety of our communities, Shareholders, employees and other stakeholders, we will hold our Meeting in a virtual only format, which will be conducted via live audio webcast. Shareholders will have an equal opportunity to participate at the Meeting online regardless of their geographic location.

The Meeting will be held on June 30, 2021 at 10:00 a.m. (Pacific Daylight Time) virtually via live audio webcast online at https://web.lumiagm.com/422890901. Registered Shareholders and duly appointed proxyholders will be able to attend, participate and vote at the Meeting. Non-Registered Holders who have not duly appointed themselves as proxyholders may attend the Meeting as guests. Guests will not be able to vote at the Meeting. **See "*Voting Information*" below.**

Registered Shareholders and duly appointed proxyholders who participate at the Meeting online will be able to listen to the Meeting, ask questions and vote, all in real time, provided they are connected to the internet and comply with all of the requirements set out below under "*Voting Information*". Non-Registered Holders who have not duly appointed themselves as proxyholders may still attend the Meeting as guests. Guests will be able to listen to the Meeting but will not be able to vote at the Meeting. See "*Voting Information – Voting at the Meeting*" below.

Voting Information

Shareholders may vote before the Meeting or vote at the Meeting, as described below.

1. Voting Before the Meeting

Appointment of Proxies

The persons named in the form of proxy accompanying this Circular are Directors and/or officers of the Company. **Each Shareholder submitting a proxy has the right to appoint a person or company (who need not be a Shareholder), other than the persons named in the accompanying form of proxy, to represent such Shareholder at the Meeting or any adjournment or postponement thereof.** Such right may be exercised by inserting the name of such representative in the blank space provided in the accompanying form of proxy. **The additional registration step outlined below under "*Voting at the Meeting – Appointment of a Third Party as Proxy*" must also be followed.** All proxies must be executed by the Shareholder or his or her attorney duly authorized in writing or, if the Shareholder is a corporation, by an officer or attorney thereof duly authorized.

A proxy will not be valid for the Meeting or any adjournment or postponement thereof unless it is completed and delivered to Computershare no later than 10:00 a.m. (Pacific Daylight Time) on June 28, 2021 (or, if the Meeting is adjourned or postponed, 48 hours (Saturdays, Sundays and holidays excepted) prior to the time of holding the Meeting) in accordance with the delivery instructions below. The time limit for deposit of proxies may be waived or extended by the Chair of the Meeting at his discretion, without notice.

A registered Shareholder may submit, in advance of the Meeting, his/her/its proxy by mail, by telephone or over the internet in accordance with the instructions below.

Voting by Mail or Delivery Before the Meeting:

Computershare Investor Services Inc.
Attention: Proxy Department
8th Floor, 100 University Avenue, Toronto, ON M5J 2Y1

Voting by Telephone Before the Meeting. Enter the 15-digit control number printed on the form of proxy at 1-866-732-8683 (Canada and the U.S. only) or (312) 588-4290 (outside Canada and the U.S.).

Voting by Internet Before the Meeting. Enter the 15-digit control number printed on the form of proxy at www.investorvote.com.

A Non-Registered Holder should follow the instructions included on the voting instruction form provided by his/her/its Intermediary (as defined below).

Revocation of Proxies

Proxies given by Shareholders for use at the Meeting may be revoked at any time prior to their use. Subject to compliance with the requirements described in the following paragraph and below under "*Voting at the Meeting*", the giving of a proxy will not affect the right of a Shareholder to attend, and vote at, the Meeting.

In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Shareholder or his/her attorney duly authorized in writing, or, if the Shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized and deposited with Computershare, in a manner provided above under "*Proxy and Voting Information – Appointment of Proxies*", at any time up to and including 10:00 a.m. (Pacific Daylight Time) on June 28, 2021 (or, if the Meeting is adjourned or postponed, 48 hours (Saturdays, Sundays and holidays excepted) prior to the holding of the Meeting).

If you have followed the process for attending and voting at the Meeting online (see below under "*Voting at the Meeting*"), voting at the Meeting online will revoke your previous proxy.

Non-Registered Holders

Only registered Shareholders, or the persons they appoint as their proxies, are permitted to attend and vote at the Meeting. However, in many cases, Common Shares beneficially owned by a Non-Registered Holder are registered either:

A. in the name of an intermediary (each, an "**Intermediary**" and collectively, the "**Intermediaries**") that the Non-Registered Holder deals with in respect of the Common Shares, such as, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered savings plans, registered retirement income funds, registered education savings plans and similar plans; or

B. in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.) of which the Intermediary is a participant.

In accordance with the requirements of NI 54-101, the Company has distributed copies of the form of proxy and supplemental mailing card (collectively, the "**Meeting Materials**") to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Intermediaries will generally use service companies (such as Broadridge Financial Solutions, Inc.) to forward the Meeting Materials to Non-Registered Holders. Generally, a Non-Registered Holder who has not waived the right to receive Meeting Materials will receive either a voting instruction form or, less frequently, a form of proxy. The purpose of these forms is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own. Non-Registered Holders should follow the procedures set out below, **in addition, if applicable, to the procedures set out below under "*Voting at the Meeting – Appointment of a Third Party as Proxy*"**, depending on the type of form they receive:

(1) **Voting Instruction Form**. In most cases, a Non-Registered Holder will receive, as part of the Meeting Materials, a voting instruction form. If the Non-Registered Holder does not wish to attend and vote at the Meeting (or have another person attend and vote on the Non-Registered Holder's behalf), but wishes to direct the voting of the Common Shares they beneficially own, the voting instruction form must be submitted by mail, telephone or over the internet in accordance with the directions on the form. If a Non-Registered Holder wishes to attend and vote at the Meeting (or have another person attend and vote on the Non-Registered Holder's behalf), the Non-Registered Holder must complete, sign and return the voting instruction form in accordance

with the directions provided and a form of proxy giving the right to attend and vote will be forwarded to the Non-Registered Holder; or

(2) **Form of Proxy**. Less frequently, a Non-Registered Holder will receive, as part of the Meeting Materials, a form of proxy that has already been signed by the Intermediary (typically by facsimile, stamped signature) which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Holder but which is otherwise uncompleted. If the Non-Registered Holder does not wish to attend and vote at the Meeting (or have another person attend and vote on the Non-Registered Holder's behalf), but wishes to direct the voting of the Common Shares they beneficially own, the Non-Registered Holder must complete the form of proxy and submit it to Computershare as described above. If a Non-Registered Holder wishes to attend and vote at the Meeting (or have another person attend and vote on the Non-Registered Holder's behalf), the Non-Registered Holder must strike out the persons named in the proxy and insert the Non-Registered Holder's (or such other person's) name in the blank space provided.

In either case, Non-Registered Holders should carefully follow the instructions of their Intermediaries, including those regarding when and where the proxy or the voting instruction form is to be delivered. In addition, if applicable, Non-Registered Holders should follow the procedures set out below under "*Voting at the Meeting – Appointment of a Third Party as Proxy*".

A Non-Registered Holder may revoke a voting instruction form or a waiver of the right to receive Meeting Materials and to vote given to an Intermediary at any time by written notice to the Intermediary in accordance with the instructions received from the Intermediary, except that an Intermediary may not act on a revocation of a voting instruction form or a waiver of the right to receive Meeting Materials and to vote that is not received by the Intermediary in sufficient time prior to the Meeting.

A Non-Registered Holder may fall into two categories – those who object to their identity being made known to the issuers of the securities which they own ("**Objecting Beneficial Owners**") and those who do not object to their identity being made known to the issuers of the securities which they own ("**Non-Objecting Beneficial Owners**"). Subject to the provisions of NI 54-101, issuers may request and obtain a list of their Non-Objecting Beneficial Owners from Intermediaries. Pursuant to NI 54-101, issuers may obtain and use the Non-Objecting Beneficial Owners list in connection with any matters relating to the affairs of the issuer, including the distribution of proxy-related materials directly to Non-Objecting Beneficial Owners. The Company is sending Meeting Materials directly to Non-Objecting Beneficial Owners; the Company uses and pays Intermediaries and agents to send the Meeting Materials. The Company also intends to pay for Intermediaries to deliver the Meeting Materials to Objecting Beneficial Owners.

These securityholder materials are being sent to Non-Registered Holders utilizing the Notice-and-Access Provisions. If you are a Non-Registered Holder, and the Company or its agent sent these materials directly to you, your name, address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding securities on your behalf.

By choosing to send these materials to you directly utilizing the Notice-and-Access Provisions, the Company (and not the Intermediary holding securities on your behalf) has assumed responsibility for (i) delivering these materials to you; and (ii) executing your proper voting instructions. Please return your voting instruction form as specified in the request for voting instructions that was sent to you.

Exercise of Discretion By Proxies

Common Shares represented by properly executed proxies in favour of the persons named in the accompanying form of proxy will be voted on any ballot that may be called for and, where the person whose proxy is solicited specifies a choice with respect to the matters identified in the proxy, the Common Shares will be voted or withheld from voting in accordance with the specifications so made. **Where Shareholders have properly executed proxies in favour of the persons named in the accompanying form of proxy and have not specified in the form of proxy the manner in which the named proxies are required to vote the Common Shares represented thereby, such shares will be voted in favour of the passing of the matters set forth in the Notice.** If a Shareholder appoints a representative other than the persons designated in the form of proxy, the Company assumes no responsibility as to whether the representative so appointed will attend the Meeting on the day thereof or any adjournment or postponement thereof.

The accompanying form of proxy confers discretionary authority with respect to amendments or variations to the matters identified in the Notice and with respect to other matters that may properly come before the Meeting. At the date hereof, the management of the Company and the Directors know of no such amendments, variations or other matters to come before the Meeting. However, if any other matters which at present are not known to the management of the Company and the Directors should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxies.

2. Voting at the Meeting

General

Registered Shareholders may vote at the Meeting by completing a ballot online during the Meeting, as further described below under "*How do I Attend and Participate at the Meeting?*"

Non-Registered Holders who have not duly appointed themselves as proxyholder will not be able to vote at the Meeting but will be able to participate as a guest. This is because the Company and Computershare, do not have a record of the Non-Registered Holders, and, as a result, will have no knowledge of your shareholdings or entitlement to vote unless you appoint yourself as proxyholder.

If you are a Non-Registered Holder and wish to vote at the Meeting, you have to appoint yourself as proxyholder by inserting your own name in the space provided on the voting instruction form sent to you and you must follow all of the applicable instructions, including the deadline, provided by your Intermediary. See "*Appointment of a Third Party as Proxy*" and "*How do I Attend and Participate at the Meeting?*" below.

Appointment of a Third Party as Proxy

The following applies to Shareholders who wish to appoint someone as their proxyholder other than the management nominees named in the form of proxy or voting instruction form. This includes Non-Registered Holders who wish to appoint themselves as proxyholder to attend, participate or vote at the Meeting.

Shareholders who wish to appoint someone other than the management nominees as their proxyholder to attend and participate at the Meeting as their proxy and vote their Common Shares MUST submit their form of proxy or voting instruction form, as applicable, appointing that person as proxyholder **AND register that proxyholder online, as described below. Registering your proxyholder is an additional step to be completed AFTER you have submitted your form of proxy or voting instruction form. Failure to register the proxyholder will result in the proxyholder not receiving a user name that is required to vote at the Meeting.**

Step 1: Submit your form of proxy or voting instruction form: To appoint someone other than the management nominees as proxyholder, insert that person's name in the blank space provided in the form of proxy or voting instruction form (if permitted) and follow the instructions for submitting such form of proxy or voting instruction form. This must be completed before registering such proxyholder, which is an additional step to be completed once you have submitted your form of proxy or voting instruction form.

If you are a Non-Registered Holder and wish to vote at the Meeting, you have to insert your own name in the space provided on the voting instruction form sent to you by your Intermediary, follow all of the applicable instructions provided by your Intermediary AND register yourself as your proxyholder, as described below. By doing so, you are instructing your Intermediary to appoint you as proxyholder. It is important that you comply with the signature and return instructions provided by your Intermediary. Please also see further instructions below under the heading "*How do I Attend and Participate at the Meeting?*"

If you are a Non-Registered Holder located in the United States and wish to vote at the Meeting or, if permitted, appoint a third party as your proxyholder, in addition to the steps described below under "*How do I Attend and Participate at the Meeting?*", you must obtain a valid legal proxy from your Intermediary. Follow the instructions from your Intermediary included with the legal proxy form and the voting instruction form sent to you, or contact your Intermediary to request a legal proxy form or a legal proxy if you have not received one. After obtaining a valid legal proxy from your Intermediary, you must then submit such legal proxy to Computershare. Requests for registration from Non-Registered Holders located in the United States that wish to vote at the Meeting or, if permitted, appoint a third party as their proxyholder must be sent by e-mail or by courier to: uslegalproxy@computershare.com (if by e-mail), or Computershare, Attention: Proxy Dept., 8th Floor, 100 University Avenue, Toronto, ON M5J 2Y1, Canada (if by courier), and in both cases, must be labeled "Legal Proxy" and received no later than the voting deadline of 10:00 a.m. (Pacific Daylight Time) on June 28, 2021.

Step 2: Register your proxyholder: To register a third party proxyholder, Shareholders must visit http://www.computershare.com/KITS by 10:00 a.m. (Pacific Daylight Time) on June 28, 2021 and provide Computershare with the required proxyholder contact information so that Computershare may provide the proxyholder with a user name via email. **Without a user name, proxyholders will not be able to vote at the Meeting but will be able to participate as a guest.**

How do I Attend and Participate at the Meeting?

The Company is holding the Meeting in a virtual only format, which will be conducted via live audio webcast. Shareholders will not be able to attend the Meeting in person.

Attending the Meeting online enables registered Shareholders and duly appointed proxyholders, including Non-Registered Holders who have duly appointed themselves as proxyholder, to participate at the Meeting and ask questions, all in real time. Registered Shareholders and duly appointed proxyholders can vote at the appropriate times during the Meeting.

Guests, including Non-Registered Holders who have not duly appointed themselves as proxyholder, can log in to the Meeting as set out below. Guests can listen to the Meeting but are not able to vote.

In order to participate in the Meeting, Registered Shareholders must have a valid 15-digit control number and duly appointed proxyholders must have received an email from Computershare containing a username. To attend the meeting, Registered Shareholders, duly appointed proxyholders (including Non-Registered Holders who have duly appointed themselves as proxyholder) and guests (including Non-Registered Holders who have not duly appointed themselves as proxyholder) must log in online as set out below:

Step 1: Log in online at https://web.lumiagm.com/422890901 on your smartphone, tablet or computer. You will need the latest version of Chrome, Safari, Internet Explorer 11, Edge or Firefox. We recommend that you log in at least fifteen minutes before the Meeting starts.

Step 2: Follow the instructions below:

Registered shareholders: Click "I have a login" and then enter your username and password "kits2021" (case sensitive). Your username is the 15-digit control number located on your form of proxy or in the email notification you received from Computershare. If you use your control number to log in to the Meeting, any vote you cast at the Meeting will revoke any proxy you previously submitted. If you do not wish to revoke a previously submitted proxy, you should not vote at the meeting.

Duly appointed proxyholders (including Non-Registered Holders who have duly appointed themselves as proxyholder): Click "I have a login" and then enter your username and password "kits2021" (case sensitive). Proxyholders who have been duly appointed and registered with Computershare as described in "*Appointment of a Third Party as Proxy*" above will receive a username by email from Computershare after the proxy voting deadline has passed.

Guests (including Non-Registered Holders who have not duly appointed themselves as proxyholder): Click "I am a guest" and complete the online form. Non-Registered Holders who have not appointed themselves as proxyholder must attend the meeting as guests.

If you attend the Meeting online, it is important that you are connected to the internet at all times during the Meeting in order to vote when balloting commences, if you wish to do so. It is your responsibility to ensure connectivity for the duration of the Meeting. You should allow ample time to check into the Meeting online and complete the related procedure.

GENERAL INFORMATION

The information contained herein is provided as of May 10, 2021, unless indicated otherwise. No person has been authorized to give any information or make any representation in connection with matters to be considered at the Meeting other than those contained in this Circular and, if given or made, any such information or representation must not be relied upon as having been authorized by KITS or the management of KITS.

Unless otherwise indicated, all dollar amounts are expressed in Canadian dollars. All references to "$" are to Canadian dollars.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The authorized share capital of the Company consists of (i) an unlimited number of Common Shares; and (ii) an unlimited number of preferred shares ("**Preferred Shares**"), issuable in series. Except as required by law or in accordance with any voting rights attaching to any series of Preferred Shares issued from time to time, the Preferred Shares will not be entitled to receive notice of, attend or vote at any meeting of the Shareholders.

As at May 10, 2021, there were 31,000,003 Common Shares issued and outstanding and no Preferred Shares issued and outstanding.

Pursuant to the Company's articles, a quorum for the transaction of business at the Meeting is two persons present each entitled to vote at the Meeting and holding or representing by proxy not less than 20% of the votes entitled to be cast at the Meeting.

To the knowledge of the Directors and the officers of the Company, no person other than the following shareholders beneficially owns, directly or indirectly, or exercises control or direction over Common Shares carrying more than 10% of the voting rights attached to the Common Shares which may be voted at the Meeting or any adjournment or postponement thereof.

Name of Shareholder	Type of Share Ownership	Number of Common Shares	Percentage of Outstanding Common Shares
LD Group Holdings Ltd.[(1)]	Direct	10,670,589	34.4%
Roger Hardy	Direct and Beneficial	8,786,466[(2)]	28.3%[(2)]
Sabrina Liak	Direct and Beneficial	3,802,141[(3)]	12.3%[(3)]

Notes:

(1) LD Group is a company whose shareholders include The Arshil Abdulla 2013 Family Trust (the "**AA Trust**"). The AA Trust is a trust affiliated with Arshil Abdulla, a senior officer of KITS and founder and former shareholder of Kits.com Technologies ("**KCTI**"), our subsidiary.

(2) Includes Common Shares held directly and indirectly through 0999849 B.C. Ltd. and Bene Certo Holdings Ltd., companies that are controlled by Mr. Hardy, and Mr. Hardy's spouse and other family members.

(3) Includes Common Shares held directly and indirectly through Ms. Liak's spouse.

PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING

Financial Statements

The MD&A and Financials, together with the auditor's report thereon are available on SEDAR at www.sedar.com and on the Company's website at https://ir.kits.com. The Company's MD&A and Financials will be placed before the Shareholders at the Meeting.

Appointment of Auditors

At the Meeting, Shareholders will be requested to re-appoint MNP LLP as auditors of the Company, to hold office until the next annual meeting of Shareholders, and to authorize the Directors to fix the auditors' remuneration. MNP LLP were appointed as the Company's auditors on July 10, 2020 to complete an audit of the Company's financial information commencing with the fiscal year ending December 31, 2018.

The following table sets forth the fees billed or accrued for various services provided by MNP LLP and its affiliates to the Company during the Company's last two fiscal years:

	Year ended December 31	
(in thousands)	**2020**	**2019**
Audit fees [1]	$140	$ 252
Audit-related fees [2]	$109	-
Tax fees [3]	-	-
All other fees [4]	-	-
Total fees	**$249**	**$ 252**

Notes:

(1) Fees for audit service on an accrued basis.

(2) Fees for assurance and related services not included in audit service above. This includes review of our interim financial statements and work completed relating to the Company's long-form prospectus (filed on January 12, 2021) qualifying the Common Shares offered pursuant to the IPO.

(3) Fees for tax compliance, tax advice and tax planning.

(4) All other fees not included above.

The audit committee ("**Audit Committee**") of the Company's board of directors (the "**Board**") reviews and approves all audit and non-audit services performed by our auditors in advance of services being performed. The Audit Committee is comprised of Nick Bozikis (Chair), Peter Lee and Anne Kavanagh.

Unless the Shareholder directs that his/her/its Common Shares are to be withheld from voting in connection with the appointment of auditors, the persons named in the accompanying form of proxy intend to vote for the re-appointment of MNP LLP as auditors of the Company until the next annual meeting of Shareholders and to authorize the Directors to fix their remuneration.

Election of Directors

The number of Directors to be elected at the Meeting is six. Directors are elected annually and, unless re-elected, retire from office at the end of the next annual general meeting of Shareholders. Four of the six nominated directors are "independent" as described in National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"). Roger Hardy and Sabrina Liak are not independent because they are executive officers of the Company. All six nominated directors are qualified and experienced, and have agreed to serve on our Board.

The proxy permits Shareholders to vote in favour of all nominees, to vote in favour of some nominees and to withhold votes for other nominees, or to withhold votes for all nominees. The Chair of the Meeting will ensure that the number of Common Shares voted in favour or withheld from voting for each nominee is recorded and promptly made public after the Meeting. The election of Directors is subject to KITS's majority voting policy available on the Company's website at https://ir.kits.com, which requires any nominee in an uncontested election who receives a greater number of Common Shares withheld than Common Shares voted in favour of his or her appointment to submit his or her resignation promptly after the Meeting for the consideration of the Board's nominating and corporate governance committee (the "**Nominating and Corporate Governance Committee**") and the Board.

KITS has adopted an Advance Notice Policy which contains certain advance notice provisions with respect to the election of our directors (the "**Advance Notice Provisions**"). The Advance Notice Provisions are intended to: (i) facilitate orderly and efficient annual general meetings or, where the need arises, special meetings; (ii) ensure that all shareholders receive adequate notice of Board nominations and sufficient information with respect to all nominees; and (iii) allow shareholders to register an informed vote. Only persons who are nominated by shareholders in accordance with the Advance Notice Provisions will be eligible for election as directors at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors. Under the Advance Notice Provisions, a shareholder wishing to nominate a director would be required to provide us notice, in the prescribed form, within the prescribed time periods. These time periods include: (i) in the case of an annual meeting of shareholders (including annual and special meetings), not less than 30 days prior to the date of the annual meeting of shareholders; provided, that if the first public announcement of the date of the annual meeting of shareholders (the "**Notice Date**") is less than 50 days before the meeting date, not later than the close of business on the 10th day following the Notice Date; and (ii) in the case of a special meeting (which is not also an annual meeting) of shareholders called for any purpose which includes electing directors, not later than the close of business on the 15th day following the Notice Date.

The tables on the following pages set forth certain information in respect of each Director to be elected or re-elected to the Board.

Please note that, unless otherwise indicated, the information hereunder as to Common Shares, options to purchase Common Shares ("**Options**") and restricted share rights ("**RSRs**") beneficially owned or controlled, directly or indirectly, has been furnished by each of the nominees, as of May 10, 2021.

Directors	History



Roger Hardy
British Columbia, Canada
Director since: October 19, 2018
Not Independent[(1)]
Age: 51

Roger Hardy is the CEO of KITS and has been the Chairman and a Director since October 19, 2018, and his term of office expires at the date of the Meeting, and as such, the Company is seeking his reappointment.

As an early entrant into ecommerce, Mr. Hardy was previously the CEO and Co-Founder of Coastal which ultimately became listed on the TSX and NASDAQ and was later acquired by Essilor in 2014. Since 2014, Mr. Hardy has been Chairman and CEO of Hardy Capital Partners ("**Hardy Capital**"), a private investment firm focused on real estate and technology investments. Under his leadership, KITS has grown rapidly and opened a distribution centre and optical laboratory in Canada with plans to expand these operations into the U.S., in addition to developing and launching our KITS brand of contact lenses and glasses. He is intensely involved in every aspect of our business strategy and operations. In recognition of his unrelenting focus on delivering innovation and impactful outcomes, Mr. Hardy was awarded Ernst & Young Entrepreneur of The Year® for Business to Consumer in 2006 for Coastal and again in 2016 for Shoes.com Technologies Inc., of which he was CEO from 2014 to 2016.

Mr. Hardy received a Bachelor of Arts from Bishop's University and currently serves on the board of directors of the Bishop's University Foundation.

Board and Committee Membership	**2020 Meeting Attendance**
Board	3 of 3
Securities Held	
Common Shares	8,786,466[(2)]
Outstanding Options	345,000
RSRs	14,305
Other Public Company Board Membership	
None	

Notes:
(1) "Independent" refers to the standards of independence set forth within Section 1.4 of NI 52-110.
(2) Excludes 169,041 common shares that are held by the Hardy Family Foundation.

Directors	History
 **Sabrina Liak** **British Columbia, Canada** **Director since: October 19, 2018** **Not Independent[(1)]** **Age: 41**	Sabrina Liak has been a Director since October 19, 2018, and her term of office expires at the date of the Meeting, and as such, the Company is seeking her reappointment. Sabrina Liak is our Chief Financial Officer, with responsibility for all finance functions including financial planning & analysis, financial reporting, treasury, internal controls, and tax. Prior to joining KITS in 2018, Ms. Liak was a private equity Portfolio Manager and Managing Director at Goldman Sachs Investment Partners ("**GSIP**") from 2010 to 2015. While at GSIP, Ms. Liak served on the Private Investment Committee of GSIP and on the firm's Physical Commodity Review Committee. She has successfully supported dozens of entrepreneurs and growth businesses through periods of rapid growth, expansion, and scaling through her roles as partner, investor, and board member. Ms. Liak earned a Bachelor of Arts (Honours) in Business Administration from the University of Western Ontario and she is a CFA Charterholder.

Board and Committee Membership	**2020 Meeting Attendance**
Board	3 of 3
Audit Committee[(2)]	2 of 2

Securities Held	
Common Shares	3,802,141[(3)]
Outstanding Options	345,000
RSRs	14,035

Other Public Company Board Membership
Mount Logan Capital Inc., formerly Marret Resource Corp.

Notes:

(1) "Independent" refers to the standards of independence set forth within Section 1.4 of NI 52-110.

(2) Ms. Liak is no longer a member of the Audit Committee.

(3) Includes 2,269,835 common shares held by Ms. Liak's spouse.

Director	History
 **Nick Bozikis** **British Columbia, Canada** **Director since: October 16, 2019** **Independent[(1)]** **Age: 44**	Nick Bozikis has been a Director since October 16, 2019, and his term of office expires at the date of the Meeting, and as such, the Company is seeking his reappointment. Nick Bozikis is Chair of the Audit Committee. Mr. Bozikis currently serves as Chief Financial Officer of Article.com, a fast growing online retailer of home furnishings, based in Vancouver, British Columbia since June 2020. Mr. Bozikis previously served as the Chief Financial Officer of Coastal from 2011 until it was acquired by Essilor in 2014 and has since held several other executive finance roles in direct-to-consumer retail businesses, such as Lush Handmade Cosmetics and Shoes.com Technologies Inc. Mr. Bozikis was also Vice President of Finance at AIG Investment Group from 2016 to 2018. Mr. Bozikis is a Chartered Professional Accountant (CPA, CA) and earned his designation in 2002.

Board and Committee Membership	**2020 Board Attendance**
Board	3 of 3
Audit Committee (Chair)	2 of 2
Nominating and Corporate Governance Committee	Nil [(2)]

Securities Held	
Common Shares	17,050
Outstanding Options	9,200
RSRs	1,964

Other Public Company Board Membership
None

Notes:

(1) "Independent" refers to the standards of independence set forth within Section 1.4 of NI 52-110.

(2) There were no Nominating and Corporate Governance Committee meetings held in 2020.

Director	History
 **Peter Lee** **Washington, United States** **Director since: December 10, 2020** **Independent** [(1)] **Age: 53**	Peter Lee has been a Director since December 10, 2020, and his term of office expires at the date of the Meeting, and as such, the Company is seeking his reappointment. Mr. Lee has over 20 years of experience in enterprise software and eCommerce companies across small, growth-focused companies to large, global companies. Mr. Lee has served as Senior Director, Engineering & Data Center Operations, at Oracle Corporation, implementing its Global Single Instance Email and Financials (ERP). Mr. Lee was also Director of IT Operations at Netflix, Inc., helping to launch and support the Streaming service, and CEO of Lensway, one of Europe's largest online eyewear companies. Mr. Lee has served as Interim CIO and Program Manager at Paula's Choice, LLC, where he provided strategic direction and implemented the Salesforce commerce cloud eCommerce platform. Mr. Lee has acted as a technical advisor to Glamhive Inc., an online personal styling company, since late 2015, advising on business and product strategy and operational support, and to Olive Technologies, Inc., a requirements decision platform, since August 2018. Mr. Lee holds a Bachelor of Science degree in Aeronautical and Astronautical Engineering from Ohio State University.

Board and Committee Membership	**2020 Board Attendance**
Board	Nil[(2)]
Audit Committee	Nil[(2)]
Compensation Committee	Nil[(2)]
Nominating and Corporate Governance Committee	Nil[(2)]

Securities Held	
Common Shares	-
Outstanding Options	-
RSRs	1,964

Other Public Company Board Membership
None

Notes:

(1) "Independent" refers to the standards of independence set forth within Section 1.4 of NI 52-110.

(2) There were no Board or committee meetings in 2020 subsequent to Mr. Lee's appointment as Director.

Director	History
 **Ted Goldthorpe** **New York, United States** **Director since: December 10, 2020** **Independent[(1)]** **Age: 44**	Ted Goldthorpe has been a Director since December 10, 2020, and his term of office expires at the date of the Meeting, and as such, the Company is seeking his reappointment. Ted Goldthorpe is Lead Director and Chair of the Nominating and Corporate Governance Committee. Mr. Goldthorpe is a financial professional who has been serving as Managing Partner in charge of the Global Credit Business for BC Partners Lending Corporation since February 2017. He currently serves on the board of directors of Crescent Point Energy Corp., a TSX and NYSE listed energy company. Prior thereto, he was the President of Apollo Investment Corporation, Chief Investment Officer of Apollo Investment Management, and Senior Portfolio Manager, US Opportunistic Credit from 2012 to 2016. Previously, Mr. Goldthorpe was employed by Goldman Sachs & Co., where he held a variety of positions upon joining the firm in 1999. Mr. Goldthorpe currently serves on the Global Advisory Board for the Queen's School of Business, is on the board of the Canadian Olympic Foundation and serves on the board of directors for Her Justice and Capitalize for Kids. Mr. Goldthorpe received a Bachelor of Arts in Commerce from Queen's University and is a frequent guest lecturer at leading universities across North America.

Board and Committee Membership	**2020 Board Attendance**
Board	Nil[(2)]
Compensation Committee	Nil[(2)]
Nominating and Corporate Governance Committee (Chair)	Nil[(2)]

Securities Held	
Common Shares	-
Outstanding Options	-
RSRs	1,964

Other Public Company Board Membership
Crescent Point Energy Corp., Mount Logan Capital Inc., formerly Marret Resource Corp., Portman Ridge Finance Corporation, BC Partners Lending Corporation

Notes:

(1) "Independent" refers to the standards of independence set forth within Section 1.4 of NI 52-110.

(2) There were no Board or committee meetings in 2020 subsequent to Mr. Goldthorpe's appointment as Director.

Director	History
 **Anne Kavanagh** **New York, United States** **Director since: December 10, 2020** **Independent[1]** **Age: 62**	Anne Kavanagh has been a Director since December 10, 2020, and her term of office expires at the date of the Meeting, and as such, the Company is seeking her reappointment. Anne Kavanagh is Chair of the Compensation Committee. Ms. Kavanagh has been the Managing Member of Kavanagh Consulting LLC, a strategic advisory business, based in New York since 2014. Ms. Kavanagh has over 20 years of Wall Street experience as Head of Healthcare Investment Banking at Paine Webber, Head of Healthcare Investment Banking at Prudential, Co-Head of Healthcare Investment Banking at Salomon Brothers, President and CEO of NatWest Securities and Executive Vice President at Drexel Burnham Lambert. Ms. Kavanagh has extensive experience in the retail, consumer, and healthcare sectors. In addition, she was recently on the board of directors of the fast-growing optical brand, Prive Revaux, where she led its board's review of the company's sale to Safilo. Ms. Kavanagh holds a Bachelor's degree from Boston College where she majored in Finance and Marketing.

Board and Committee Membership	**2020 Board Attendance**
Board	Nil[2]
Audit Committee	Nil[2]
Compensation Committee (Chair)	Nil[2]

Securities Held	
Common Shares	-
Outstanding Options	-
RSRs	1,964

Other Public Company Board Membership
None

Notes:

(1) "Independent" refers to the standards of independence set forth within Section 1.4 of NI 52-110.

(2) There were no Board or committee meetings in 2020 subsequent to Ms. Kavanagh's appointment as Director.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

None of the Company's Directors or executive officers are, as at the date of this Circular, or have been within ten years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:

- was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was issued while the Director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

- was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was issued after the Director or executive officer 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.

Other than as described below, none of the Company's Directors, executive officers or shareholders holding a sufficient number of the Company's securities to materially affect the control of the Company:

- is, as at the date of this Circular, or has been within the ten years before the date of this Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;

- has, within the ten 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 the director, executive officer or shareholder;

- 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

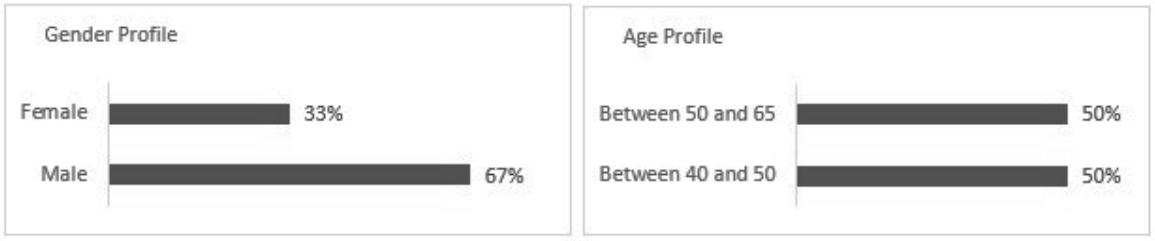
- has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in making an investment decision.

Mr. Hardy was CEO and a director and Mr. Bozikis was CFO of Shoes.com Technologies Inc., an online and in-store footwear retailer. Subsequent to their departures, a creditor commenced bankruptcy proceedings against Shoes.com Technologies Inc., its subsidiary and U.S. affiliates in the United States and Canada in February 2017. A receiver was appointed, and the assets of the company were sold with the resulting proceeds being distributed to the creditors. The Court subsequently ordered the discharge of the receiver in November 2018.

Mr. Thompson was Chief Marketing Officer of BuildDirect.com Technologies Inc., an online retailer of building materials and finished products. Subsequent to his departure, BuildDirect Technologies Inc. was granted protection from its creditors under the Companies' Creditors Arrangement Act (Canada) (the "**CCAA**") in October 2017, and in November 2017, an order was granted by the United States Bankruptcy Court recognizing the CCAA proceedings. A CCAA plan of compromise and arrangement was sanctioned by the British Columbia Supreme Court and the United States Bankruptcy Court in March 2018 and subsequently implemented.

Director Profile Summary

Should all six nominees profiled above be elected, the gender and age of the Board for 2021 will be the following:



Other Matters Which May Come Before the Meeting

Management of the Company and the Directors know of no matters to come before the Meeting other than the matters referred to in the Notice. However, if any other matters which are not now known to management should properly come before the Meeting, the proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the proxy.

COMPENSATION OF EXECUTIVE OFFICERS

Introduction

The following discussion describes the significant elements of our current executive compensation program with particular emphasis on the process for determining compensation payable our Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Chief Technology Officer and Chief Marketing Officer (collectively, the "**NEOs**").

Our 2020 NEOs were:

- Roger Hardy, Chairman, and Chief Executive Officer;
- Sabrina Liak, Chief Financial Officer, Corporate Secretary and Director;
- Arshil Abdulla, Chief Technology Officer;
- Joseph Thompson, Chief Operating Officer; and
- Rob Long, Chief Marketing Officer.

Objectives of the Company's Current Executive Compensation Program

Our current executive compensation program has been designed to attract, retain, and motivate a highly talented team of executive officers. The program seeks to align executive compensation with our annual and long-term business and financial objectives. Our executive compensation program is designed to achieve the following objectives:

- provide market-competitive compensation opportunities in order to attract and retain talented, high-performing and experienced executive officers, whose knowledge, skills and performance are critical to our success;

- motivate our executive officers to achieve our business and financial objectives;

- align the interests of our executive officers with those of our shareholders by tying a meaningful portion of compensation directly to the long-term value and growth of our business; and

- provide incentives that encourage appropriate levels of risk-taking by our executive officers and provide a strong pay-for-performance relationship.

Determination of Compensation

The compensation committee of the Board (the "**Compensation Committee**") is responsible for assisting our Board with overseeing our human resources, succession planning, and compensation policies, processes, and practices. Our Compensation Committee is also responsible for ensuring that our compensation policies and practices provide an appropriate balance of risk and reward consistent with our risk profile.

Following closing of the IPO, our Board adopted a written charter for the Compensation Committee setting out its responsibilities for administering our compensation programs and reviewing and making recommendations to our Board concerning the level and nature of the compensation payable to our Directors and officers. A copy of the charter is available on the Company's website at https://ir.kits.com. The Corporate Governance and Compensation Committee oversight includes reviewing objectives, evaluating performance, considering risks and implications of those risks in current compensation policies and practices, and ensuring that total compensation paid to our executive officers, personnel who report directly to our CEO and various other key executive officers and managers is fair, reasonable and consistent with the objectives of our philosophy and compensation program. The Compensation Committee's decisions are made in line with its responsibilities and charter.

The current members of the Compensation Committee are Anne Kavanagh, Peter Lee, and Ted Goldthorpe, all of whom are independent Directors. A summary of their relevant experience can be found under "*Business of the Meeting - Election of Directors*" described above.

Executive Compensation Changes in View of the IPO

As a result of the IPO, we have engaged a compensation consultant to assist the Board and the Compensation Committee in determining compensation for the Company's directors and executive officers on a go-forward basis. We plan to work closely with the compensation consultant to design a compensation construct for our CEO and senior leadership team that is consistent with the compensation construct in place prior to our IPO, but that more closely ties with market practice and reflects a commitment to the long-term interests of our shareholders, provides flexibility to the changing needs and priorities of our business and stakeholders, prioritizes high levels of performance and is equitable.

The compensation consultant is engaged to (i) review compensation levels, (ii) conduct a review of compensation-related governance practices; (iii) conduct a competitive benchmarking analysis of the Company's director and executive compensation arrangements; and (iv) recommend the overall short-term and long-term incentive mix for executive compensation comparing against best practices with respect to compensation good governance and executive compensation program design. We also anticipate that the compensation consultant will also provide independent advice to the Compensation Committee on, among other things, compensation benchmarking, trends in executive compensation and governance, incentive award design and peer group development.

Executive Compensation Related Fees

We have not previously retained a compensation consultant or advisor to assist the Compensation Committee in determining compensation for any of our directors or officers.

Compensation Risk

In reviewing our compensation policies and practices, the Compensation Committee seeks to ensure that (i) the executive compensation program provides an appropriate balance of risk and reward consistent with the risk profile of our Company; and (ii) compensation practices do not encourage excessive risk taking behaviour by the executive team. Our long-term incentive plan ("**LTIP**") has been designed to focus on our long term performance which should discourage executives from taking excessive risks in order to achieve short-term, unsustainable performance.

Anti-Hedging Policies

We do not currently impose restrictions on our NEOs or our directors with respect to the purchase of financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly by an NEO or director.

Base Salary

Base salary is provided as a fixed source of compensation for our executive officers. Adjustments to base salaries are determined annually and may be increased based on the executive officer's success in meeting or exceeding individual objectives, as well as to maintain market competitiveness. Additionally, base salaries can be adjusted as warranted throughout the year to reflect promotions or other changes in the scope of breadth of an executive officer's role or responsibilities.

Annual Bonuses

Annual bonuses are designed to motivate our executive officers to meet our business and financial objectives generally and our annual financial performance targets. Annual bonuses are earned and measured with reference to revenue growth and profitability. Individual bonus payouts increase or decrease depending on how much revenue and profit for the fiscal year deviates from our targets, taking into account any further adjustments that may be made from time to time for other irregular items, as determined and approved by our Compensation Committee. Annual bonus targets are set as a percentage of the relevant executive officers' base salary, which varies based on his or her position level, if maximum financial performance targets are achieved. We have a similar annual bonus plan for key senior managers where the target as a percentage of base salary ranges from 10% to 25% of base salary. We currently make bonus payments in cash and/or Options and anticipate continuing to do so.

Stock Option Plan

In 2019, we established a stock option plan (the "**Legacy Option Plan**") to advance our interests by enhancing our ability to attract and retain able directors, employees, consultants and advisers, to reward such individuals for their contributions and to encourage such individuals to take into account our long-term interests through the granting of Options to acquire Common Shares. In connection with our initial public offering (the "**IPO**"), we adopted a new stock option plan (the "**Stock Option Plan**") and the 2,236,060 Options issued and outstanding under the Legacy Option Plan, representing approximately 7.2% of the issued and outstanding Common Shares following closing of the IPO became subject to the terms of the Stock Option Plan. Since the closing of our IPO, no awards have been granted under the Legacy Option Plan and no further awards will be granted under the Legacy Option Plan.

Our Board, in its sole discretion, may from time to time designate the directors, executive officers, employees or consultants to whom Options shall be granted under the Stock Option Plan. In doing so, the Board may take into account previous grants of Options to the such individuals.

As at May 10, 2021, there were 2,236,060 Options issued and outstanding under the Stock Option Plan, representing approximately 7.2% of the issued and outstanding Common Shares.

Shares Subject to the Stock Option Plan

The maximum number of Common Shares reserved for issuance, in the aggregate, under our Stock Option Plan and all other security-based compensation arrangements is 10% of the aggregate number of Common Shares issued and outstanding from time to time, and the number of Common Shares reserved for issuance pursuant to Options granted to any one individual, within a one year period, shall not exceed 5% of the aggregate number of Common Shares issued and outstanding.

All of the Common Shares covered by exercised, cancelled or terminated Options granted under the Stock Option Plan automatically become available Common Shares for the purposes of Options that may be subsequently granted under the Stock Option Plan. As a result, the Stock Option Plan is considered an "evergreen" plan.

All Options granted under the Stock Option Plan have an exercise price determined and approved by our Board at the time of grant, which may not be less than the market price of the Common Shares at such time. For purposes of the Stock Option Plan, the market price of the Common Shares is the closing price for the Common Shares on The Toronto Stock Exchange (the "**TSX**") on the last trading day before the day on which the Option is granted.

An Option is exercisable during a period established by our Board which commences on the date of the grant and terminates no later than ten years after the date of the granting of the option. The Stock Option Plan provides that the exercise period is automatically extended if the date on which it is scheduled to terminate falls during a blackout period. In such cases, the extended exercise period terminates ten business days after the last day of the blackout period. There are currently no limits on insider participation provided for under the Stock Option Plan.

In order to facilitate the payment of the exercise price of the Options, the Stock Option Plan has a cashless exercise feature pursuant to which a participant may elect to undertake either a broker assisted "cashless exercise" or a "net exercise" subject to the procedures set out in the Stock Option Plan, including the consent of the Board, where required.

The Stock Option Plan also provides that appropriate adjustments, if any, will be made by our Board in connection with a stock dividend or split, recapitalization, reorganization or other change of shares, consolidation, distribution, merger or amalgamation or similar corporate transaction, in order to maintain the optionees' economic rights in respect of their Options in connection with such change in capitalization, including adjustments to the exercise price and/or the number of Common Shares to which an optionee is entitled upon exercise of Options, or permitting the immediate exercise of any outstanding Options that are not otherwise exercisable.

A participant's grant agreement or any other written agreement between a participant and us may provide that unvested Options be subject to acceleration of vesting and exercisability in certain circumstances, including in the event of certain change of control transactions. Our Board may at its discretion, acting in good faith, accelerate the vesting of any outstanding Options notwithstanding the previously established vesting schedule, regardless of any adverse or potentially adverse tax consequences resulting from such acceleration or, subject to applicable regulatory provisions and shareholder approval, extend the expiration date of any option, provided that the period during which an option is exercisable does not exceed ten years from the date such option is granted.

Except as specifically provided in an option agreement approved by our Board, Options granted under the Stock Option Plan are generally not transferable other than by will or the laws of descent and distribution.

Amendments

The Board may suspend or terminate the Stock Option Plan at any time, or from time to time amend or revise the terms of Stock Option Plan or of any granted Option, provided that no such suspension, termination, amendment or revision may be made: (i) except in compliance with applicable law and with the prior approval, if required, of the shareholder, the TSX or any other regulatory body having authority over the Company; and (ii) in the case of an amendment or revision, if it would materially adversely affect the rights of any participant, without the consent of the participant, provided however, subject to any applicable rules of the TSX, the Board may from time to time, in its absolute discretion and without the

approval of shareholders, make the following amendments to the Stock Option Plan or any outstanding option:

- any amendment to the vesting and assignability provisions;
- any amendment regarding the effect of termination of a participant's employment or engagement;
- any amendment which accelerates the date on which any option may be exercised under the Stock Option Plan;
- any amendment to the definition of an eligible person under the Stock Option Plan;
- any amendment to add provisions permitting for the granting of cash-settled awards, a form of financial assistance or clawback provision and any amendment to a cash-settled award, financial assistance or clawback provision which is adopted;
- any amendment necessary to comply with applicable law or the requirements of the TSX or any other regulatory body;
- any amendment of a "housekeeping" nature, including, without limitation, to clarify the meaning of an existing provision of Stock Option Plan, correct or supplement any provision of the Stock Option Plan that is inconsistent with any other provision of the Stock Option Plan, correct any grammatical or typographical errors or amend the definitions in the Stock Option Plan;
- any amendment regarding the administration of the Stock Option Plan;
- any amendment to add an insider participation limit to the Stock Option Plan; and
- any other amendment that does not require the approval of the holders of Common Shares pursuant to the amendment provisions of the Stock Option Plan.

For greater certainty, our Board is required to obtain shareholder approval to make the following amendments:

- any increase in the maximum number of Common Shares that may be issuable pursuant to Options granted under the Stock Option Plan, other than for appropriate and proportionate adjustments due to re-organization, merger, re-capitalization, re-classification, stock dividend, subdivision or consolidation;
- any extension of the expiry date of an option, except in case of an extension due to a blackout period;
- any reduction in the exercise price of an option benefitting an insider;
- any amendment to remove or exceed the Insider participation limit; and
- any amendment to the amendment provisions of the Stock Option Plan.

Long-Term Incentive Plan

The LTIP provides us with the ability to provide long-term incentives to our Board and executive officers by way of the award of RSRs. Under the LTIP, RSRs may be granted to employees, officers, directors, management company employees and consultants of the Company as a discretionary payment in consideration of current performance and expected future performance. The purpose of the LTIP is to advance the interests of the Company through the motivation, attraction, and retention of key persons and to secure for the Company and the shareholders the benefits inherent with the retention of such persons. Each RSR entitles the holder to receive one fully paid Common Share without payment of additional consideration upon vesting of the RSR.

The Board determines, upon the recommendations of the Compensation Committee, the key employees, officers, directors, management company employees and consultants to whom RSR grants are made and the terms and conditions of the RSRs granted. Individual grants are determined by an assessment of an individual's current and expected future performance, previous RSR grants, level of responsibilities and the importance of the position to the Company. Consideration is also given to the individual's past impact on or contribution to, and/or the individual's ability in the future to have an impact on or contribute to the long-term performance of the Company.

Shares Subject to the Long-Term Incentive Plan

Pursuant to the terms of the LTIP, the aggregate maximum number of Common Shares reserved for issuance under the LTIP and all other security-based compensation arrangements shall be 10% of the aggregate number of Common Shares issued and outstanding from time to time, and the number of Common Shares reserved for issuance pursuant to RSRs granted to any one individual, within a one year period, shall not exceed 5% of the aggregate number of Common Shares outstanding from time to time on a fully diluted basis.

Any Common Shares subject to RSRs which have been awarded under the LTIP and which have subsequently vested, or been cancelled or terminated in accordance with the terms of the LTIP without the applicable restricted period(s) having expired will again be available for issuance under the LTIP.

Each RSR entitles the holder to receive one fully paid Common Share without payment of additional consideration on the later of: (i) the end of a restricted period of time wherein a RSR cannot be exercised as determined by the Board (the "**Restricted Period**"); and (ii) a date determined by an eligible participant or Compensation Committee that is after the Restricted Period and before a participant's retirement date or termination date (a "**Deferred Payment Date**"). A participant's entitlement to receive the Common Shares may not, however, be deferred by a participant to a date which is later than December 31st of the third calendar year following the date of grant of the RSRs to the participant, or such later date as may be expressly permitted by the Company and applicable income tax laws.

Except as otherwise may be expressly provided for under the LTIP, or pursuant to a will or by the laws of descent and distribution, no RSR and no other right or interest of a participant is assignable or transferable.

Amendments

Under the LTIP, the Board may from time to time amend or revise the terms of the LTIP or may discontinue the LTIP at any time. Subject to receipt of requisite shareholder and regulatory approval, the Board may make amendments to the LTIP to: (a) materially increase the benefits under the LTIP; (b) increase the maximum number of Common Shares issuable under the LTIP; and (c) materially modify the requirements as to eligibility for participation in the LTIP. All other amendments to the LTIP may be made by the Board without obtaining shareholder approval, such as an amendment to the Restricted Period of a RSR or an amendment to the termination provisions of an RSR.

Termination of Service

In the event of a participant's retirement or termination during a Restricted Period, any RSR held by the participant will automatically immediately terminate, unless otherwise determined by the Board. In the event of the retirement or termination of a participant after a Restricted Period and, if applicable, prior to any Deferred Payment Date, the Company will forthwith issue the Restricted Shares (as defined in the LTIP) in accordance with the RSRs held by the participant and any dividends declared but unpaid to the participant. In the event of death or total disability of a participant, the Company will forthwith issue the Restricted Shares in accordance with the RSRs held by the participant.

Change of Control

In the event of a Change of Control (as defined in the LTIP), all RSRs held by a participant will be immediately deemed vested notwithstanding any Restricted Period(s) and any applicable Deferred Payment Date(s).

Securities Authorized for Issuance Under Equity Compensation Plans

Equity Compensation Plan Information

The following is a summary of the securities authorized for issuance under the equity compensation plans of the Company as at January 19, 2021, the date the Company became a reporting issuer:

Plan Category	Number of Securities to be issued upon exercise of outstanding options, warrants and rights (a)[(1)]	Weighted average exercise price of outstanding options, warrants and rights (b)[(2)]	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by Shareholders	2,272,040	$2.88	2,377,960
Equity compensation plans not approved by Shareholders	-	-	-
Total	2,272,040	$2.88	2,377,960

Notes:

(1) This number includes 35,980 RSRs (with a grant value equal to the Offering Price) issued under the LTIP.

(2) Exercise price of Options issued under the Stock Option Plan.

For details of key features of the LTIP and the Stock Option Plan, see the sections "*Stock Option Plan*" and "*Long-Term Incentive Plan*" above.

Incentive Plan Awards

Outstanding Option-Based Awards and Share-Based Awards

The following table sets forth the outstanding option-based awards and share-based awards for the NEOs as at January 19, 2021, the date the Company became a reporting issuer:

	Option-based Awards				Share-based Awards		
Name and Principal Position	**Number of Common Shares underlying unexercised Options (#)**	**Option exercise price ($)**	**Option expiration date**	**Value of unexercised in-the-money options[(1)] ($)**	**Number of shares or units of shares that have not vested (#)[(2)]**	**Market or payout value of share based awards that have not vested ($)[(2)(3)]**	**Market or payout value of vested Share based awards not paid out or distributed ($)[(2)]**
Roger Hardy *Chairman, Chief Executive Officer and Director*	345,000	2.61	Sept. 30, 2026	2,032,050	5,882	50,000	32,500
Arshil Abdulla *Chief Technology Officer*	345,000	2.61	Sept. 30, 2026	2,032,050	5,882	50,000	25,208
Sabrina Liak *Chief Financial Officer, Corporate Secretary*	345,000	2.61	Sept. 30, 2026	2,032,050	5,882	50,000	31,458
Joseph Thompson *Chief Operating Officer*	920,000	2.61	Sept. 30, 2026	5,418,800	5,882	50,000	N/A
Rob Long *Chief Marketing Officer*	69,000	5.22	July 29, 2027	226,320	Nil	Nil	N/A

Notes:

(1) Calculated based on the difference between the market value of the Common Shares, estimated based on a price of $8.50 per share, being the price per share in connection with the IPO (the "**Offering Price**"), and the exercise or base price of the option.

(2) For the purposes of the table above, the number of share based awards that will be granted is equal to the value of the share based awards noted divided by the Offering Price.

(3) For the purposes of attributing a market value to the shares underlying the share-based awards, being RSRs, the value is calculated based on the Offering Price. This amount may not represent the actual value of the share-based awards upon distribution, as the value of the shares underlying these awards may be of greater or lesser value on vesting based on the market value of the Common Shares at that time.

Value Vested or Earned during the Year

The following is a summary of the value of the incentive plan awards that vested during fiscal 2020:

Name and Principal Position	Option based awards—Value vested during the year[1] ($)	Share based awards—Value vested during the year ($)[2]	Non-equity incentive plan compensation—Value earned during the year ($)
Roger Hardy *Chairman, Chief Executive Officer and Director*	677,350	32,500	Nil
Arshil Abdulla *Chief Technology Officer*	677,350	25,208	Nil
Sabrina Liak *Chief Financial Officer, Corporate Secretary*	677,350	31,458	Nil
Joseph Thompson *Chief Operating Officer*	1,806,267	Nil	Nil
Rob Long *Chief Marketing Officer*	75,440	Nil	100,000

Notes:

(1) Calculated based on the difference between the market value of the Common shares, estimated based on the Offering Price of $8.50 and the exercise or base price of the option.

(2) The value of the share-based awards granted was determined by the Board. The number of share based awards granted is equal to the value of the share based awards noted divided by the Offering Price of $8.50.

Employment Agreements

We have written employment agreements with each of our NEOs and each executive is entitled to receive compensation established by us as well as other benefits in accordance with plans available to the most senior employees.

On March 27, 2019, we entered into an employment agreement with Roger Hardy setting forth the terms and conditions of his employment, which commenced on April 1, 2019. The employment agreement provides for his base salary of $129,000 per annum and his entitlement to participate in future bonus plans as may be established at the discretion of the Board as well as eligibility for our benefit plans, and includes, among other things, certain restrictive covenants for a period of 18 months following termination. In the case of termination of employment other than for cause, Mr. Hardy will be entitled to continued base salary for 18 months following the date of termination, and participation in the benefit plans until the expiry of certain periods depending on the circumstances. Mr. Hardy's employment agreement was amended effective October 16, 2020, to provide for an increase in annual base salary to $285,000, payable in cash in the amount of $129,000 and RSRs valued at $156,000, subject to availability under the LTIP, failing which the balance shall be payable in cash, subject to acceptance by Board's discretion with a view to the Company's working capital requirements.

On April 5, 2019, we entered into an employment agreement with Arshil Abdulla setting forth the terms and conditions of his employment, which commenced on April 1, 2019. The employment agreement provides for his base salary of $129,000 per annum and his entitlement to participate in future bonus plans as may be established at the discretion of the Board as well as eligibility for our benefit plans, and includes, among other things, certain restrictive covenants for a period of 18 months following termination. In the case of termination of employment other than for cause, Mr. Abdulla will be entitled to continued base salary for 18 months following the date of termination, and participation in the benefit plans until the expiry of certain periods depending on the circumstances. Mr. Abdulla's employment agreement was amended effective October 16, 2020, to provide for an increase in annual base salary to $250,000, payable in cash in the amount of $129,000 and RSRs valued at $121,000, subject to availability under the LTIP, failing which the balance shall be payable in cash, subject to acceptance by Board's discretion with a view to the Company's working capital requirements.

On March 27, 2019, we entered into an employment agreement with Sabrina Liak setting forth the terms and conditions of her employment, which commenced on April 1, 2019. The employment agreement provides for her base salary of $99,000 per annum and her entitlement to participate in future bonus plans as may be established at the discretion of the Board as well as eligibility for our benefit plans, and includes, among other things, certain restrictive covenants for a period of 18 months following termination. In the case of termination of employment other than for cause, Ms. Liak will be entitled to continued base salary for 18 months following the date of termination, and participation in the benefit plans until the expiry of certain periods depending on the circumstances. Ms. Liak's employment agreement was amended effective October 16, 2020, to provide for an increase in annual base salary to $250,000, payable in cash in the amount of $99,000 and RSRs valued at $151,000, subject to availability under the LTIP, failing which the balance shall be payable in cash, subject to acceptance by Board's discretion with a view to the Company's working capital requirements.

On April 5, 2019, we entered into an employment agreement with Joseph Thompson setting forth the terms and conditions of his employment, which commenced on April 1, 2019. The employment agreement provides for his base salary of $99,000 per annum and his entitlement to participate in future bonus plans as may be established at the discretion of the Board as well as eligibility for our benefit plans, and includes, among other things, certain restrictive covenants for a period of 18 months following termination. In the case of termination of employment other than for cause, Mr. Thompson will be entitled to continued base salary for 18 months following the date of termination, and participation in the benefit plans until the expiry of certain periods depending on the circumstances. Mr. Thompson's employment agreement was amended effective October 16, 2020, to provide for a base salary increase to $250,000 per annum.

On December 30, 2019, KCTI entered into an employment agreement with Rob Long setting forth the terms and conditions of his employment, which commenced on January 1, 2020. The employment agreement provides for his base salary of $240,000 per annum and an annual bonus of $100,000 provided that annual growth targets of KCTI are achieved, as well as his entitlement to participate in future bonus plans as may be established at the discretion of the Board as well as eligibility for our benefit plans, and includes, among other things, certain restrictive covenants for a period of 18 months following termination. Mr. Long was also granted Options to purchase 69,000 Common Shares of the Company, exercisable at $5.22 per Common Share, as of the effective date of his employment, which vest quarterly over a three year period, commencing January 1, 2020, subject to continued employment, and which expire seven years after the grant date or two years after he is no longer employed with KCTI, whichever is earlier. In the case of termination of employment other than for cause, Mr. Long will be entitled to continued base salary for 18 months following the date of termination, and participation in the benefit plans until the expiry of certain periods depending on the circumstances.

The table below summarizes the incremental payments that would be made to our NEOs upon the occurrence of certain events based on the closing price of Common Shares on the TSX on January 19, 2021, the date the Company became a reporting issuer:

Name and principal position	Event	Severance ($)	Options ($)	Other Compensation ($)	Total ($)
Roger Hardy Chairman, Chief Executive Officer and Director	Termination other than for cause	427,500	Nil	Nil	427,500
Arshil Abdulla Chief Technology Officer	Termination other than for cause	375,000	Nil	Nil	375,000
Sabrina Liak Chief Financial Officer, Corporate Secretary	Termination other than for cause	375,000	Nil	Nil	375,000
Joseph Thompson Chief Operating Officer	Termination other than for cause	375,000	Nil	Nil	375,000
Rob Long Chief Marketing Officer	Termination other than for cause	360,000	Nil	Nil	360,000

Summary Compensation Table

We are currently actively working with our compensation consultant to design and implement a revised compensation program for our CEO and the other NEOs as a public company that more closely ties with market practice, and expect to complete this process in the medium term. We also intend to increase the proportion of compensation from base salary and reduce the proportion of compensation from RSRs to more closely tie to market practice, reward management for their performance to date and give consideration to our financial and liquidity in the near term. Therefore, the following table provides a summary of the fiscal 2020 compensation earned by, paid to, or awarded to our NEOs:

Name and principal position	Year	Salary ($)	Share-based Awards ($)[1]	Option-based Awards ($)	Non-equity incentive plan compensation (Bonus) ($)		All other compensation ($)	Total compensation ($)
					Annual incentive plans	Long-term incentive plans		
Roger Hardy *Chairman, Chief Executive Officer and Director*	2020	129,000	82,500[2]	Nil	Nil	Nil	Nil	211,500
Arshil Abdulla *Chief Technology Officer*	2020	129,000	75,208[3]	Nil	Nil	Nil	Nil	204,208
Sabrina Liak *Chief Financial Officer, Corporate Secretary*	2020	99,000	81,458[4]	Nil	Nil	Nil	Nil	180,458
Joseph Thompson *Chief Operating Officer*	2020	130,458	50,000[5]	Nil	Nil	Nil	Nil	180,458
Rob Long *Chief Marketing Officer*	2020	240,000	Nil	294,400[6]	100,000	Nil	Nil	584,400

Notes:

(1) The Offering Price of $8.50 was used to determine the number of RSRs issued.

(2) Mr. Hardy was granted 3,824 RSRs valued at $32,500, which vested December 31, 2020, and 5,882 RSRs valued at $50,000, of which 1/3 vest on each one year anniversary commencing October 16, 2021. Mr. Hardy does not receive compensation for his role as a director.

(3) Mr. Abdulla was granted 2,966 RSRs valued at $25,208, which vested December 31, 2020, and 5,882 RSRs valued at $50,000, of which 1/3 vest on each one year anniversary commencing October 16, 2021. Mr. Abdulla does not receive compensation for his role as a director.

(4) Ms. Liak was granted 3,701 RSRs valued at $31,458, which vested December 31, 2020, and 5,882 RSRs valued at $50,000, of which 1/3 vest on each one year anniversary commencing October 16, 2021. Ms. Liak does not receive compensation for her role as a director.

(5) Mr. Thompson was granted 5,882 RSRs valued at $50,000, of which 1/3 vest on each one year anniversary commencing October 16, 2021.

(6) Based on the estimated value of the Options at issuance using the Black-Scholes option pricing model. Key assumptions used in the Black-Sholes option pricing model are (i) Assumed stock price and exercise price at issuance: $27.60; (ii) Expected life of options: 7 years; (iii) Volatility: 100%; (iv) Risk free rate: 0.39% and (v) Dividend yield and forfeiture rate: 0%. Mr. Long was granted 69,000 options, of which 17,250 options vested December 31, 2020 and the remaining options vest 8.3% each quarter.

COMPENSATION OF DIRECTORS

Our Directors' compensation program is designed to attract and retain the most qualified individuals to serve on our Board. Our Board, through our Compensation Committee, is responsible for reviewing and approving any changes to the Directors' compensation arrangements. In consideration for serving on our Board, each Director that is not an employee is paid an annual retainer which may, at our Board's discretion, be paid in cash or in some combination of cash and RSRs and is reimbursed for their reasonable out-of-pocket expenses incurred while serving as Directors.

The chart below outlines our director compensation program for our non-employee Directors:

Type of Fee		Amount
Board Retainer	Chair[1]	$60,000/year[2]
	Lead Director[1]	$60,000/year[2]
	Board Member	$50,000/year[3]
Committee Retainer	Audit Committee Chair	$5,000/year
	Compensation Committee Chair	$5,000/year
	Corporate Governance Nominating Committee Chair	$5,000/year
	Committee Membership	$2,000/year
Meeting Fees	Board Meeting	$1,000/meeting
	Committee Meeting	$800/meeting

Notes:
(1) Payable for non-executive directors serving in such capacity.
(2) Comprised of a cash retainer of $10,000 and RSRs valued at $50,000.
(3) Payable in RSRs.

The following table provides a summary of the compensation received by each of our non-employee Directors during the 2020 fiscal year:

Name	Fees earned ($)	Share-based awards ($)[5]	Option-based awards ($)	All other compensation ($)	Total ($)
Nick Bozikis[1]	4,150	4,167	Nil	Nil	8,317
Peter Lee[2]	500	4,167	Nil	Nil	4,667
Ted Goldthorpe[3]	1,583	4,167	Nil	Nil	5,750
Anne Kavanagh[4]	750	4,167	Nil	Nil	4,917

Notes:
(1) For his service as chair of the Audit Committee and serving on the Nominating and Corporate Governance Committee.
(2) For serving on the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee.
(3) For his service as chair of the Nominating and Corporate Governance Committee and serving on the Compensation Committee.
(4) For her service as chair of the Compensation Committee and serving on the Audit Committee.
(5) Non-executive directors are eligible to receive share-based awards payable in RSRs. The RSRs vest in four quarterly installments, the first vesting date occurring three months after the initial grant date.

Incentive Plan Awards

Outstanding Share-based Awards and Option-Based Awards

The following table sets forth the outstanding option-based awards and share-based awards for our non-employee Directors as at January 19, 2021, the date the Company became a reporting issuer:

	Option-based Awards				Share-based Awards		
Name	**Number of Common Shares underlying unexercised Options (#)**	**Option exercise price ($)**	**Option expiration date**	**Value of unexercised in-the-money options ($)[1]**	**Number of shares or units of shares that have not vested (#)[2]**	**Market or payout value of share-based awards that have not vested ($)[2][3]**	**Market or payout value of vested Share based awards not paid out or distributed ($)[2]**
Nick Bozikis	9,200	2.61	September 30, 2026	54,188	-	-	-
Peter Lee	-	-	-	-	-	-	-
Ted Goldthorpe	-	-	-	-	-	-	-
Anne Kavanagh	-	-	-	-	-	-	-

Notes:

(1) Calculated based on the difference between the market value of the Common Shares, estimated based on the Offering Price, and the exercise or base price of the option.

(2) For the purposes of the table above, the number of share based awards that will be granted is equal to the value of the share based awards noted divided by the Offering Price.

(3) For the purposes of attributing a market value to the shares underlying the share-based awards, being RSRs, the value is calculated based on the Offering Price. This amount may not represent the actual value of the share-based awards upon distribution, as the value of the shares underlying these awards may be of greater or lesser value on vesting based on the market value of the Common Shares at that time.

Value Vested or Earned During the Year

The following is a summary of the value of incentive plan awards that vested to our non-employee Directors during the 2020 fiscal year:

Name	Option-based awards—Value vested during the year ($)	Share-based awards—Value vested during the year ($)[2]	Non-equity incentive plan compensation—Value earned during the year ($)
Nick Bozikis	54,188[1]	4,167	-
Peter Lee	-	4,167	-
Ted Goldthorpe	-	4,167	-
Anne Kavanagh	-	4,167	-

Notes:

(1) Calculated based on the difference between the market value of the Common Shares, estimated based on the Offering Price, and the exercise or base price of the option.

(2) Non-executive directors are eligible to receive share-based awards payable in RSRs. The RSRs vest in four quarterly installments, the first vesting date occurring three months after the initial grant date.

Directors' and Officers' Liability Insurance

Our and our subsidiaries' directors and officers are covered under directors' and officers' liability insurance. Under this insurance coverage, we and our subsidiaries are reimbursed for insured claims where payments have been made under indemnity provisions on behalf of our and our subsidiaries directors and officers, subject to a deductible for each loss, which is paid by us. Our and our subsidiaries' individual directors and officers are also reimbursed for insured claims arising during the performance of their duties for which they are not indemnified by our Company or our subsidiaries. Excluded from insurance coverage are illegal acts, acts which result in personal profit and certain other acts.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

We consider strong and transparent corporate governance practices to be an important factor in the overall success of the Company and we are committed to adopting and adhering to the highest standards in corporate governance.

As a Canadian reporting issuer with securities listed on the TSX, KITS continuously reviews and updates its corporate governance practices in order to best comply with all applicable rules adopted by the Canadian Securities Administrators. The Company's corporate governance practices have been and continue to be in compliance with applicable Canadian securities law requirements including NI 58-101 and National Policy 58-201 – *Corporate Governance Guidelines* ("**NP 58-201**"). NP 58-201 provides guidance on governance practices for Canadian issuers, while NI 58-101 requires issuers to make the prescribed disclosure regarding their governance practices.

KITS also complies with NI 52-110, which includes requirements regarding audit committee composition and responsibilities, as well as reporting obligations with respect to audit related matters. For certain information with respect to the Audit Committee, including its charter and composition, the relevant education and experience of its members, and services fees paid to the Company's external auditors, please refer to the section entitled "*Directors and Executive Officers of the Company – Audit Committee*" in the Company's annual information form dated March 29, 2021, copies of which are available on SEDAR at www.sedar.com and provided free of charge to Shareholders upon request to the Company.

Board of Directors

Under our Articles, our Board is to consist of a minimum of three and a maximum of seven directors as determined from time to time by the directors. Our Board currently consists of six directors. Under the *Business Corporations Act* (British Columbia) (the "**BCBCA**"), a director may be removed with or without cause by a resolution passed by an ordinary majority of the votes cast by shareholders present in person or by proxy at a meeting and who are entitled to vote. The directors are elected by shareholders at each annual meeting of shareholders, and all directors hold office for a term expiring at the close of the next annual meeting or until their respective successors are elected or appointed. Our Articles provide that, between annual general meetings of shareholders, the directors may appoint one or more additional directors, but the number of additional directors may not at any time exceed one-third of the number of current directors who were elected or appointed other than as additional directors.

Under NI 58-101, a director is considered to be independent if he or she is independent within the meaning of NI 52-110. Pursuant to NI 52-110, an independent director is a director who is free from any direct or indirect relationship which could, in the view of our Board, be reasonably expected to interfere with a director's independent judgment. Based on information provided by each director concerning his or her background, employment and affiliations, our Board has determined that of the six current directors, two, being Mr. Hardy and Ms. Liak, are not considered independent as a result of their positions as executive officers of the Company. As four of the six existing Directors are independent, the Company has deemed the majority of the Board to be independent.

Certain members of our Board are also members of the board of directors of other public companies. Our Board has not adopted a director interlock policy, but is keeping informed of other public directorships held by its members.

Our Board has not appointed an independent Chair. Mr. Hardy, the Chairman of the Board, is our Chief Executive Officer and a significant shareholder. Mr. Goldthorpe is the Board's lead director (the "**Lead Director**") and is independent of management. The Board believes that this structure best reflects the entrepreneurial leadership of the Company. The Board is satisfied that the autonomy of the Board and its ability to function independently of management are protected through measures such as the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee being composed of all independent directors. The independent Lead Director provides leadership for the Board's independent directors.

Our Board has adopted a written position description for the Chair, which sets out the Chair's key responsibilities, including, among others, duties relating to setting Board meeting agendas, chairing Board and shareholder meetings and communicating with shareholders and regulators. Our Board has also adopted a written position description for the Lead Director, which sets out the Lead Director's key responsibilities, including, among others, enhancing Board effectiveness, management the Board, and liaising between the Board and management and with shareholders.

The following Directors of the Company hold directorships in other reporting issuers or the equivalent in other jurisdictions as set out below:

Name of Director	Name of other reporting issuer
Sabrina Liak	Mount Logan Capital Inc., formerly Marret Resource Corp.
Ted Goldthorpe	Crescent Point Energy Corp., Mount Logan Capital Inc., formerly Marret Resource Corp., Portman Ridge Finance Corporation, BC Partners Lending Corporation

Meetings Independent from Management

Our Board believes that given its size and structure, it is able to facilitate independent judgment in carrying out its responsibilities and will continue to do so. To enhance such independent judgment, the independent Directors of our Board may meet in the absence of senior executive officers or any non-independent Directors, and the Board encourages its independent Directors to seek the advice of financial, legal or other consultants when necessary.

Board Mandate

Our Board is responsible for supervising the management of the business and affairs, including providing guidance and strategic oversight to management. Our Board has adopted a formal mandate in the form set forth in Annex I to this Circular that includes the following:

- appointing the Chief Executive Officer;
- approving the corporate goals and objectives that the Chief Executive Officer is responsible for meeting and reviewing the performance of the Chief Executive Officer against such corporate goals and objectives;
- taking steps to satisfy itself as to the integrity of the Chief Executive Officer and other senior executive officers and that the Chief Executive Officer and other senior executive officers create a culture of integrity throughout the organization; and
- reviewing and approving management's strategic and business plans.

The mandate of the Board is also available on the Company's website at https://ir.kits.com or from the Corporate Secretary of the Company at the Company's registered headquarters located at 1020 - 510 Seymour Street, Vancouver, BC, V6B 3J5 upon request.

Position Descriptions

The Board has developed and approved written position descriptions for the Chair (as noted above) and the Chief Executive Officer.

The written position description for our Chief Executive Officer sets out the key responsibilities of our Chief Executive Officer, including, among other duties in relation to providing overall leadership, ensuring the development of a strategic plan and recommending such plan to our Board for consideration, ensuring the development of an annual corporate plan and budget that supports the strategic plan and recommending such plan to our Board for consideration, and supervising day-to-day management and communicating with shareholders and regulators.

The Company does not intend to adopt written position descriptions for the chair of each committee of the Board. With respect to the chair of each committee of the Board, the Company expects that the chairs will assume a leadership role on each committee, as applicable, and that written descriptions may, in the future, be developed. Each committee has a written charter which helps delineate the roles and responsibilities of each. The Company believes that the roles and responsibilities of each of the chairs and of the chief executive officer are well understood by them and by the Board as a whole.

Orientation and Continuing Education

New directors are provided with comprehensive orientation and education as to the nature and operation of KITS and our business, the role of our Board and its committees, and the contribution that an individual director is expected to make.

Our Compensation Committee is responsible for overseeing director continuing education designed to maintain or enhance the skills and abilities of the directors and to ensure that their knowledge and understanding of our business remains current. The chair of each committee is responsible for coordinating orientation and continuing director development programs relating to the committee's mandate.

Ethical Business Conduct

Code of Conduct

We have adopted a written code of conduct the (the "**Code of Conduct**") that applies to all of our directors, officers and employees, a copy of which has been filed on SEDAR and is available on the Company's website at https://ir.kits.com or from the Corporate Secretary of the Company at the Company's registered headquarters located at 1020 - 510 Seymour Street, Vancouver, BC, V6B 3J5 upon request.

The objective of the Code of Conduct is to provide guidelines for maintaining our and our subsidiaries integrity, reputation, honesty, objectivity and impartiality. The Code of Conduct addresses conflicts of interest, protection of our assets, confidentiality, fair dealing with shareholders, competitors and employees, insider trading, compliance with laws and reporting any illegal or unethical behaviour. As part of the Code of Conduct, any person subject to the Code of Conduct is required to avoid or fully disclose interests or relationships that are harmful or detrimental to our best interests or that may give rise to real, potential or the appearance of conflicts of interest. Our Board has ultimate responsibility for the stewardship of the Code of Conduct and it monitors compliance through our Compensation Committee.

Related Party Transactions and Conflicts of Interest

A Director who has a material interest in a matter before our Board or any committee on which he or she serves is required to disclose such interest as soon as the Director becomes aware of it. In situations where a Director has a material interest in a matter to be considered by our Board or any committee on which he or she serves, such Director may be required to absent himself or herself from the meeting while discussions and voting with respect to the matter are taking place. Directors are also required to comply with the relevant provisions of the BCBCA regarding conflicts of interest.

Nomination of Directors

Director nominees are recommended to the Board by the Nominating and Corporate Governance Committee in accordance with its charter and elected by the Shareholders in accordance with the Company's majority voting policy at every annual general meeting of the Company, but if Directors are not elected at any annual meeting, the incumbent Directors will continue in office until their successors are elected or appointed.

Our Nominating and Corporate Governance Committee is comprised of three Directors, all of whom are persons determined by our Board to be independent Directors, and is charged with reviewing, overseeing and evaluating corporate governance guidelines and Board composition, mandates and effectiveness. Our Nominating and Corporate Governance Committee is comprised of Mr. Goldthorpe, who acts as chair of this committee, Mr. Bozikis and Mr. Lee. No member of our Nominating and Corporate Governance Committee is one of our officers, and as such, our Board believes that our Nominating and Corporate Governance Committee is able to conduct its activities in an objective manner.

Our Board has adopted a written charter setting forth the purpose, composition, authority and responsibility of our Nominating and Corporate Governance Committee consistent with the Corporate Governance Guidelines. A copy of the charter is available on the Company's website at https://ir.kits.com. Our Nominating and Corporate Governance Committee's purpose is to assist our Board in:

- developing our corporate governance guidelines and principles and providing us with governance leadership;
- reviewing the structure, composition and mandate of Board committees;
- evaluating the performance and effectiveness of our Board and of our Board committees; and
- identifying individuals qualified to be nominated as members of our Board.

Compensation

The Board, through the Compensation Committee, determines fees and compensation for the Directors and officers of the Company. Our Compensation Committee is comprised of three Directors, all of whom are persons determined by our Board to be independent Directors, and is charged with reviewing, overseeing, and evaluating our compensation policies. Our Compensation Committee is comprised of Ms. Kavanagh, who acts as chair of this committee, Mr. Lee and Mr. Goldthorpe. No member of our Compensation Committee is one of our officers, and as such, our Board believes that our Compensation Committee is able to conduct its activities in an objective manner.

Our Board has adopted a written charter setting forth the purpose, composition, authority and responsibility of our Compensation Committee. A copy of the chair is available on the Company's website at https://ir.kits.com. Our Compensation Committee's purpose is to assist our Board in:

- the appointment, performance, evaluation and compensation of our senior executives;
- the recruitment, development and retention of our senior executives;
- maintaining talent management and succession planning systems and processes relating to our senior management;
- developing compensation structure for our senior executives including salaries, annual and long-term incentive plans including plans involving share issuances and other share-based awards;
- establishing policies and procedures designed to identify and mitigate risks associated with our compensation policies and practices;
- assessing the compensation of our directors; and
- developing benefit retirement and savings plans.

Each member of the Compensation Committee has experience relevant to compensation policy and/or oversight that, combined with their independence, suitably equip them to serve on the Compensation Committee. The members of the Compensation Committee have experience negotiating executive compensation agreements and managing or advising large private and public corporations on compensation matters. Their financial knowledge also allows them to assess the costs and benefits of compensation plans. The collective experience of the members ensures that the Compensation Committee has a deep understanding of our business, which is important when determining the appropriate metrics for measuring success.

For more information regarding the professional background and experience of each member of the Compensation Committee, please see "*Business of the Meeting - Election of Directors*".

We have not retained a compensation consultant or advisor to assist the Compensation Committee in determining compensation for any of our directors or officers, however, we plan to do so in 2021. Please refer to the additional details provided in "*Compensation of Executive Officers - Determination of Compensatio*n".

Other Board Committees

Other than the Audit Committee, the Nominating and Corporate Governance Committee and the Compensation Committee, the Board does not have any other committees in place.

Assessments

Our Nominating and Corporate Governance Committee is responsible for establishing and implementing procedures to evaluate the performance and effectiveness of our Board, committees of our Board and the contributions of individual Board members. Our Nominating and Corporate Governance Committee also takes reasonable steps to evaluate and assess, on an annual basis, directors' performance and effectiveness of our Board, committees of our Board, individual Board members, our Chair and committee chairs. The assessment will address, among other things, individual director independence, individual director and overall Board skills, and individual director financial literacy. Our Board will receive and consider the recommendations from our Nominating and Corporate Governance Committee regarding the results of the evaluation of the performance and effectiveness of our Board, committees of our Board, individual Board members, our Chair and committee chairs. The assessment will also involve a review by the Board of its strategies to determine the composition of the Board and the appropriate candidates to be put forth for election as directors at annual general meetings. The review takes into account the desirability of maintaining a balance of skills, experience and background.

Term Limits

Our Board has not adopted director term limits or other automatic mechanisms of board renewal. Rather than adopting formal term limits, mandatory age-related retirement policies and other mechanisms of board renewal, the Compensation Committee of our Board will seek to maintain the composition of our Board in a way that provides, in the judgement of our Board, the best mix of skills and experience to provide for our overall stewardship. Our Compensation Committee also is expected to conduct a process for the assessment of our Board, each committee and each director regarding his, her or its effectiveness and performance, and to report evaluation results to our Board.

Diversity

We believe that having a diverse Board can offer a breadth and depth of perspectives that enhance our Board's performance. We value diversity of abilities, experience, perspective, education, gender, background, race and national origin. Recommendations concerning director nominees are based on merit and past performance as well as expected contribution to our Board's performance and, accordingly, diversity is taken into consideration. Currently, two of six members on our Board, or approximately 33 1/3%, are female members.

We have recruited and selected senior management candidates that represent a diversity of business understanding, personal attributes, abilities and experience. Currently, one of five members of our senior management, or approximately 20%, are female.

We have made inclusion and diversity a selection criterion in our Nominating and Corporate Governance Committee charter for Board nominees. While we do not currently have a specific mandate for the representation and nomination of women on our Board or our senior management, it is a priority for us, and our efforts are reflected in our success in recruiting and retaining qualified female directors and senior management to date. We continue to believe diversity is a priority in both governance and within our organization and we strive to become industry leaders in supporting inclusion and diversity.

The composition of our Board and senior management is shaped by the selection criteria established by our Compensation Committee. This is achieved by, among other things, ensuring that diversity considerations are taken into account in Board vacancies and senior management, monitoring the level of female representation on our Board and in senior management positions, continuing to broaden recruiting efforts to attract and interview qualified female candidates, and committing to retention and training to ensure that our most talented employees are promoted from within our organization.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the current or former Directors, proposed nominees for election as a Director, executive officers or employees of the Company or any of its subsidiaries, or any associate or affiliate of any such person, is as of the date hereof, or has been since January 1, 2020, indebted to the Company**.**

INTEREST OF CERTAIN PERSONS AND COMPANIES IN MATTERS TO BE ACTED UPON

To the knowledge of the Directors, no Director or executive officer of the Company at any time since the beginning of the Company's last completed financial year, no proposed nominee for election as a Director nor any associate of any such Director, executive officer or nominee, 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, other than the election of Directors.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person (as such term is defined under securities laws) of the Company, proposed Director of the Company or any associate or affiliate of any informed person or proposed Director has or had a 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 has materially affected or would materially affect the Company or any of its subsidiaries.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found by visiting the Company's website at: https://ir.kits.com. In addition, more information, including additional financial information which is provided in the MD&A and Financials, can be found on SEDAR by visiting www.sedar.com. Shareholders may contact the Company to request a copy of the MD&A and Financials. Any such request should be directed to the Company at:

Kits Eyecare Ltd.
1020 - 510 Seymour Street
Vancouver, BC
V6B 3J5

James Bowen, CFA (Investor Relations)
Telephone: (416) 519-9442
Email: ir@kits.com or James.bowen@loderockadvisors.com

DIRECTORS' APPROVAL

The contents of this Circular and the delivery thereof to the applicable Shareholders, the Directors and the auditors of the Company has been approved by the Board.

DATED the **10th day of May, 2021**.

ON BEHALF OF THE BOARD OF DIRECTORS

"Roger Hardy"

Roger Hardy

ANNEX I

MANDATE OF THE BOARD OF DIRECTORS

1. PURPOSE

1.1 The board of directors (the "**Board**") of Kits Eyecare Ltd. (the "**Company**") wishes to formalize the guidelines pursuant to which the Board governs the business of the Company. The guidelines are intended to be flexible and are intended to provide parameters and direction to the Board in conjunction with its obligations and mandate to oversee and direct the affairs of the Company.

1.2 The Board is responsible for the overall stewardship of the Company and for managing and supervising the management of the Company. The Board does not conduct day-to-day management of the Company. The Board shall at all times act in the best interests of the Company.

2. RESPONSIBILITIES

2.1 The Board has the responsibility to:

(i) satisfy itself, to the extent feasible, as to the integrity of the chief executive officer (the "**CEO**") and other executive officers and that the CEO and other executive officers create a culture of integrity throughout the Company;

(ii) require management to develop and maintain a strategic planning process which takes into account, among other things, the opportunities and risks of the Company's business and to bring its strategic and operating plans to the Board for review and approval on an annual basis or such other basis as may be required by the Board;

(iii) approve all capital plans and establish priorities in the allocation of funds for major capital projects on an annual basis or such other basis as may be required by the Board;

(iv) identify the principal risks of the Company's business and require management to implement appropriate procedures and systems to manage such risks;

(v) plan for senior management succession, including the appointment of senior management and monitoring of senior management's performance;

(vi) adopt a communication policy that seeks to ensure that effective communications, including statutory communication and disclosure, are established and maintained with employees, shareholders, the financial community, the media, the community at large and other security holders of the Company;

(vii) establish procedures to receive feedback from stakeholders of the Company and communications to the independent directors;

(viii) require management to maintain internal control and management information systems and, through Board committees or otherwise, to monitor these systems as it considers fit;

(ix) monitor compliance with the Company's code of conduct;

(x) develop the Company's approach to corporate governance issues and principles practices;

(xi) require senior management to implement systems to ensure the Company operates within applicable laws and regulations;

(xii) review actual results achieved by the Company against the objectives contained in the Company's plans and implement or cause to be implemented corrective action where indicated;

(xiii) arrange for the operating results of the Company to be presented by management to the Board on a regular basis;

(xiv) require that the Board be kept reasonably informed of the Company's activities and performance and take appropriate action to correct inadequate performance;

(xv) authorize the issuance of equity and debt securities of the Company;

(xvi) review and consider all reports and recommendations of the Company's compensation committee ("**Compensation Committee**") and approve all compensation of senior executive officers (including the CEO and named executive officers) and directors;

(xvii) review the recommendation of the Company's audit committee with respect to the annual financial statements of the Company to be delivered to shareholders. If appropriate, the Board shall approve such financial statements;

(xviii) require that proper procedures are established for the protection of shareholder value; and

(xix) ensure policies and procedures are in place to ensure the Company's compliance with applicable law, including timely disclosure of relevant corporate information and regulatory reporting.

2.2 The Board will give direction and guidance to management and will also keep management informed of its evaluation of the performance of the Company and of its senior officers in achieving and carrying out the Board's established goals and policies, and in advising management of any remedial action or changes which it may consider to be necessary.

3. ORGANIZATION OF THE BOARD

3.1 The composition of the Board shall comply with applicable corporate and securities laws.

3.2 At least a majority of the directors shall be "independent" as defined in National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

3.3 Each year the Board shall review the relationship that each member of the Board has with the Company in order to satisfy itself that the relevant independence criteria have been met.

3.4 The Board may:

(i) appoint one or more committees of the Board, however designated, and delegate to any such committee any of the powers of the Board except those which pertain to items which, under the *Business Corporations Act* (British Columbia) (the "**Act**"), a committee of the Board has no authority to exercise;

(ii) appoint a chair of the Board (the "**Chair**") and prescribe his or her powers and duties;

(iii) appoint a lead director of the Board ("**Lead Director**") and prescribe his or her powers and duties;

(iv) appoint a CEO and prescribe his or her powers and duties; and

(v) in conjunction with the CEO, appoint the officers of the Company and prescribe their powers and duties.

3.5 If, and as long as, the Chair is not an independent director, the Board shall appoint, from among its independent members and upon recommendation by its independent members, a Lead Director to hold office until the earlier of: (i) the appointment of an independent Chair; and (ii) the appointment of his or her successor by the Board. A Lead Director shall, if required in accordance with the foregoing, be appointed annually.

3.6 The Board may appoint a day or days in any month or months for regular meetings of the Board at a place and hour to be named.

3.7 In the event of a change of the status or credentials underlying a Board member's appointment to the Board, the member so affected should, on his or her own initiative, discuss the change with the Chair so that there is an opportunity for the Board to review the continued appropriateness of Board membership under his or her new circumstances. Each case will be dealt with on its own merits, but as a rule, a member of the Board is expected to tender his or her resignation if there is a change in his or her credentials and circumstances that result in his or her candidacy no longer meeting the requirements of Board membership.

3.8 Unless specified otherwise, the following procedural rules apply to committees of the Board:

(i) the Board may appoint one or more committees of the Board, however designated, and delegate to any such committee any of the powers of the Board except those which pertain to items which, under the Act, a committee of the Board has no authority to exercise;

(ii) the powers of a committee of the Board may be exercised by a meeting at which a quorum is present or by resolution in writing signed by all members of such committee who would have been entitled to vote on that resolution at a meeting of the committee. Meetings of any such committee may be held at any place in or outside Canada;

(iii) the Board may from time to time appoint such advisory bodies as it may deem advisable; and

(iv) each committee and advisory body shall have the power to fix its quorum at not less than a majority of its members, to elect its chair, and to regulate its procedure.

3.9 The Board shall be composed of between three (3) and seven (7) directors, the number of directors within that range to be fixed by resolution of the Board from time to time. The size of the Board should enable its members to effectively and responsibly discharge their responsibilities to the Company.

3.10 Except as set out in the Articles of the Company, Board members shall be elected at the annual meeting of shareholders of the Company each year and shall serve until their successors are duly elected.

3.11 The Board shall have adequate resources to discharge its responsibilities. The Chair shall be empowered to engage advisors as may be appropriate from time to time to advise the Chair on the Board with respect to duties and responsibilities.

3.12 The Board members are expected to devote the time and attention to the Company's business and affairs necessary to discharge their duties as members of the Board effectively, which include, but are not limited to, attendance at Board meetings and the review of any materials prepared in connection with such meetings. Subject to this requirement, the Board members shall not be subject to any restrictions with respect to their activities outside of their relationship with the Company, including their services as directors of other corporations or charitable organizations so long as such is in accordance with all of the Company's other policies and charters.

3.13 The Board shall meet not less than four times per year.

3.14 The meetings of the Board shall ordinarily include the CEO (if not a director) and shall periodically include other senior officers as may be appropriate and as may be desirable to enable the Board to become familiar with the Company's management team and affairs.

3.15 The Chair shall act as, or appoint a secretary, who shall keep minutes of its meetings in which shall be recorded all actions taken by the Board. Such minutes shall be made available to the directors and shall be approved by the Board for entry in the records of the Company.

3.16 Each director is expected to be diligent in preparing for and attending meetings of the Board and any committee of which he or she is a member. A director who is unable to attend a Board or committee meeting may participate by teleconference.

3.17 Members of the Board shall have the right, for the purposes of discharging their respective powers and responsibilities, to inspect the relevant records of the Company and its subsidiaries.

3.18 Members of the Board, subject to approval of the chair to the Company's nominating and corporate governance committee or Compensation Committee, may retain separate counsel to deal with issues relating to their responsibilities as members of the Board.

3.19 If there are any non-management directors who are not independent directors, the independent directors shall have the opportunity to meet at the conclusion of each meeting of the Board with only independent directors present.

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