



**NOTICE OF ANNUAL GENERAL MEETING**

**of shareholders of Verde AgriTech plc**

**to be held on June 30, 2022**

**at 9:30 a.m (EDT) at**

**Salatin House,**

**19 Cedar Road,**

**Sutton,**

**Surrey**

**SM2 5DA**

**United Kingdom**

**AND**

**MANAGEMENT INFORMATION CIRCULAR**

**DATED May 24, 2022**



NOTICE OF 2022 ANNUAL GENERAL MEETING of SHAREHOLDERS .....	4
LETTER TO SHAREHOLDERS .....	9
MANAGEMENT INFORMATION CIRCULAR .....	11
SOLICITATION OF PROXIES .....	11
NOTICE AND ACCESS .....	11
APPOINTMENT AND DEPOSIT OF PROXIES .....	12
REVOCAION OF PROXIES.....	12
MANNER OF VOTING AND EXERCISE OF DISCRETION BY PROXIES .....	12
VOTING BY BENEFICIAL SHAREHOLDERS .....	12
VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF .....	13
PARTICULARS OF MATTERS TO BE ACTED UPON.....	15
OTHER MATTERS WHICH MAY COME BEFORE THE MEETING .....	19
STATEMENT OF EXECUTIVE COMPENSATION.....	19
STATEMENT OF CORPORATE GOVERNANCE PRACTICES .....	28
SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS.....	29
INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS .....	32
AUDIT COMMITTEE INFORMATION .....	33
ADDITIONAL INFORMATION .....	33
DIRECTORS' APPROVAL .....	33
SCHEDULE "A" .....	1
FORM 58-101F1 CORPORATE GOVERNANCE DISCLOSURE .....	1
SCHEDULE "B" .....	1
2012 STOCK OPTION PLAN.....	1



## VERDE AGRITECH PLC

### NOTICE OF 2022 ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the 2022 annual meeting (the “**Meeting**”) of shareholders of Verde AgriTech plc (the “**Company**”) will be held on June 30, 2022 at 1000 a.m. (EDT) at: Salatin House, 19 Cedar Road, Sutton, Surrey SM2 5DA United Kingdom. Shareholders will be able to observe the meeting virtually utilizing ZOOM and are invited to submit questions in advance.

#### ORDINARY BUSINESS

1. To receive and adopt the Directors’ Report, the Audited Statement of Accounts and the Auditors’ Report for the year ended December 31, 2021;
2. To appoint PKF Littlejohn LLP, as auditors of the Company in accordance with Section 489 of the Companies Act (the “**Act**”), until the conclusion of the next general meeting of the Company at which audited accounts are laid before shareholders and to authorise the directors of the Company to fix their remuneration; and
3. To elect directors for the ensuing year.

All of the above resolutions are proposed as ordinary resolutions for the purpose of the UK Companies Act 2006.

This Notice of 2022 Annual General Meeting of Shareholders (the “**Notice**”) and the accompanying Management Information Circular (the “**Circular**”) have been prepared and delivered to shareholders pursuant to the notice-and-access provisions under National Instruments 54-101 and 51-102. Accordingly, this Notice and the accompanying Circular are posted online for our shareholders to view at: <https://docs.tsxtrust.com/2033>. Any Shareholder who wishes to receive a paper copy of the Circular should contact the Company’s transfer agent, TSX Trust Company by mail at 301 – 100 Adelaide Street West, Toronto, Ontario, M5H 4H1, Canada, by email at [TMXEinvestorservices@tmx.com](mailto:TMXEinvestorservices@tmx.com), by toll-free telephone at 1-866-600-5869. A shareholder may also use the toll-free number noted above to obtain additional information about the notice-and-access provisions.

**We are inviting Shareholders to observe the Meeting by joining the Zoom webinar, details of which will be provided on registration at this site: <https://bit.ly/AnnualMeetingOfShareholders-2022> and to participate by asking your questions in advance. Participants will be able to listen to the proceedings at the Meeting through this method regardless of their geographic location.**

Questions will be invited in advance through the following link: <https://bit.ly/SubmitQuestion-2022AGM>. These will be answered either individually or as a grouped set of questions if they relate to the same matter.

**SHAREHOLDERS ARE ENCOURAGED TO EXERCISE THEIR RIGHT TO VOTE AT THE GENERAL MEETING BY APPOINTING THE CHAIRMAN OF THE MEETING AS THEIR PROXY IN ADVANCE OF THE MEETING IN ACCORDANCE WITH THE PROXY INSTRUCTIONS INCLUDED IN THE CIRCULAR AS VOTES CAST IN FAVOUR OF ANY OTHER PERSON AS A PROXY WILL FAIL IF THAT PERSON IS UNABLE TO ATTEND IN PERSON AND VOTE.** The Circular accompanying this Notice provides additional information relating to the matters to be dealt with at the Meeting and shall be deemed to form part of this Notice. In addition, please review the explanatory notes attached to this Notice.

DATED May 24, 2022

**BY ORDER OF THE BOARD OF DIRECTORS**

*“Cristiano Veloso”*

Cristiano Veloso  
Director

Registered Office:  
Salatin House  
19 Cedar Road  
Sutton, Surrey  
SM2 5DA United Kingdom

## **Explanatory Notes:**

### **Appointment of proxies**

1. Any shareholder is entitled to appoint a proxy to exercise all or any of his/her rights to attend, speak and vote at the Meeting and you should have received a form of proxy with this Notice. You can only appoint a proxy using the procedures set out in these notes and the notes to the form of proxy (the procedures are also described in the Circular).
2. A shareholder may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. A shareholder may not appoint more than one proxy to exercise rights attached to any one share. A proxy need not be a shareholder of the Company. If you appoint a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.
3. If you wish to appoint a person or company other than the Chairman of the Meeting, please insert the name of your chosen proxy in the space provided on the form of proxy, however in the special circumstances applicable to this meeting it is strongly recommended to appoint the Chairman of the Meeting as your proxy. Any alterations to this form must be initialed.
4. The securities represented by the form of proxy will be voted or withheld from voting as directed by the shareholder, however, if such direction is not made in respect of any matter, the proxy will be voted in favour of the passing of the matters set forth in the Notice (and if any other matters come before the Meeting the proxy will be voted on such matters in accordance with the best judgement of the appointed proxy).

### **Appointment of proxy using the form of proxy**

5. The notes to the form of proxy explain how to direct your proxy to vote on each resolution or withhold your vote.
6. Completion and return of a form of proxy will not preclude a shareholder from attending and voting in person at the Meeting should he or she so decide.
7. To appoint a proxy using the form of proxy, the form must be:
  - completed and signed;
  - sent or delivered to the Company's registrar and transfer agent, TSX Trust Company at 301 - 100 Adelaide Street West, Toronto, Ontario M5H 4H1, Canada or faxed to (416)-595-9593; and
  - received no later than 48 hours (excluding weekends and holidays) prior to the Meeting, being 9:30 a.m. (EDT) on June 28, 2022.
8. Any power of attorney or other authority (if any) under which it is signed (or a notarized certified copy of such power of authority) must be included with the form of proxy.

### **Appointment of proxy by joint shareholders**

9. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of shareholders in respect of the joint holding (the first-named being the most senior).

### Changing proxy instructions

10. To change your proxy instructions, simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.
11. Where you have appointed a proxy using the hard-copy form of proxy and would like to change the instructions using another hard-copy form of proxy, please contact TSX Trust Company at 301 - 100 Adelaide Street West, Toronto, Ontario, M5H 4H1, Canada.
12. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

### Termination of proxy appointments

13. In order to revoke a proxy instruction, you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to TSX Trust Company at 301 - 100 Adelaide Street West, Toronto, Ontario M5H 4H1, Canada.
14. In the case of a shareholder that is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.
15. The revocation notice must be received by the Company no later than 48h hours (excluding weekends and holidays) prior to the Meeting, at 9:30 a.m. (EDT) on June 28, 2022.
16. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.
17. Appointment of a proxy does not preclude you from attending the Meeting and voting in person, however the particular rules applying to this year's Annual General Meeting may prevent any such attendance in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

### Notice and Access

18. In November 2012, the Canadian Securities Administrators announced the adoption of regulatory amendments to securities laws governing the delivery of proxy-related materials by public companies. As a result, public companies are now permitted to advise their shareholders of the availability of all proxy-related materials on an easily accessible website, rather than mailing physical copies of the materials. The Company has decided to deliver the materials for the Meeting (the "**Meeting Materials**") to shareholders by posting the Meeting Materials on TSX Trust Company's website at <https://docs.tsxtrust.com/2033>. This is also in compliance with the Company's UK Articles of Association which permit electronic notices to be served by making them available on a website.
19. The Meeting Materials will also be available on the Company's website ([www.investor.verde.ag](http://www.investor.verde.ag)) as of May 20, 2022, and will remain on the website for one full year thereafter. The Meeting Materials will also be available on SEDAR at [www.sedar.com](http://www.sedar.com) as of May 30, 2022. Any registered or non-registered shareholder of the Company wishing to receive a paper copy of the Circular may do so by calling the toll-free number at 1-866-600-5869. In order to receive a paper copy in time to vote before the Meeting, your request should be received by June 21, 2022.

### **Corporate representatives**

20. In order to facilitate voting by corporate representatives at the Meeting, arrangements will be put in place at the Meeting so that:

- (i) if a corporate shareholder has appointed the Chairman of the Meeting as its corporate representative to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the Meeting, then on a poll those corporate representatives will give voting directions to the Chairman of the Meeting and the Chairman will vote (or withhold a vote) as a corporate representative in accordance with those directions; and
- (ii) Corporate shareholders are encouraged to appoint the Chairman of the Meeting as a proxy for the reasons noted above, however if more than one corporate representative for the same corporate shareholder attends the Meeting but the corporate shareholder has not appointed the Chairman of the Meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives ([www.icsa.org.uk](http://www.icsa.org.uk)) for further details of this procedure. The guidance includes a sample form of appointment letter if the Chairman of the Meeting is being appointed as described in (i) above.



## LETTER TO SHAREHOLDERS

### VERDE AGRITECH PLC

(Incorporated and registered in England and Wales  
with registered number **5904885**)

*Directors:*

Alysson Paolinelli  
Cristiano Veloso  
Getulio Lamartine de Paula Fonseca  
Michael St Aldwyn  
Paulo Sergio Machado Ribeiro  
Renato Couto Gomes

*Registered Office:*

Salatin House  
19 Cedar Road  
Sutton, Surrey  
SM2 5DA United Kingdom

May 24, 2022

To the holders of ordinary shares

### Notice of 2022 Annual General Meeting

Dear Shareholders,

The 2022 Annual General Meeting (the “**Meeting**”) of Verde AgriTech plc (the “**Company**” or “**Verde AgriTech**”) is due to take place on Thursday, June 30, 2022 at 9:30 a.m. (EDT) at Salatin House, 19 Cedar Road, Sutton, Surrey SM2 5DA, United Kingdom. Shareholders will also be able to observe the Meeting virtually via Zoom: <https://bit.ly/AnnualMeetingOfShareholders-2022> and are encouraged to vote and submit their questions in advance of the Meeting through the following link: <https://bit.ly/SubmitQuestion-2022AGM>.

Accompanying this letter you will find the Directors’ Report, the Audited Statement of Accounts and Auditors’ Report of the Company for the financial period ended December 31, 2021 together with the Notice of 2022 Annual Meeting of Shareholders (the “**Notice**”). In addition, you will find the Management Information Circular (the “**Circular**”) that is required under applicable Canadian securities laws.

Verde AgriTech is a public limited liability company incorporated in England and Wales (company number 05904885) and listed on the Toronto Stock Exchange (“**TSX**”) in Canada under the symbol “NPK” and the New York Open Transparent Connected Venture Market (“**OTCQB**”) under the symbol “AMHPPF”, for this reason I should like to explain the background to certain of the resolutions to be put to shareholders at the Meeting. You will be given the opportunity to raise any questions in relation to any of the resolutions in advance of the Meeting.

### Election of Directors (Resolution 3)

Under Article 82 of the articles of association of the Company (the “**Articles of Association**”), one third of the directors of the Company (the “**Directors**”) who have been in office the longest since their last appointment or re-appointment shall retire from office (and as between persons who became or were last re-appointed directors on the same day those to retire shall unless they otherwise agree among themselves be determined by lot) and be eligible for re-election.

Notwithstanding that the Articles of Association only require annual election of some of the Directors, issuers listed on the TSX are required to elect all Directors annually. As a result, election for each Director is required to be held at the Meeting.

The Board of Directors (the “**Board**”) believes that each of the current Directors continues to bring extensive relevant experience to the Board and, as a result, the Board recommends that all current Directors be re-elected.

## **Recommendation**

The Directors consider that all the proposals to be considered at the Meeting are in the best interests of the Company and its shareholders as a whole and are most likely to promote the success of the Company. The Directors unanimously recommend that you vote in favour of all the proposed resolutions, as they propose to do in respect of their own holdings in the ordinary share capital of the Company.

You are requested to complete the reply-paid form of proxy in accordance with its instructions and return it to TSX Trust Company at 301 - 100 Adelaide Street West, Toronto, Ontario M5H 4H1, Canada as soon as possible, but in any event no later than 48 hours (excluding weekends and holidays) prior to the meeting, at 9:30 a.m. (EDT) on June 28, 2021. As it is unlikely that any other proxy will be able to attend and vote on your behalf you are strongly encouraged to appoint the Chairman of the meeting as your proxy. The return of a form of proxy will not preclude a shareholder from attending and voting at the Meeting if he/she so wishes. Full details are given on the form of proxy.

It is the intention of management to give a presentation to shareholders at the Meeting to update them on operational progress and we look forward to as many as possible observing the Meeting and to receiving your questions in advance to enable an open dialogue and the maximum shareholder engagement possible in the current circumstances.

Yours faithfully,

*"Cristiano Veloso"*

Cristiano Veloso  
Director



**VERDE AGRITECH PLC**  
**MANAGEMENT INFORMATION CIRCULAR**  
**SOLICITATION OF PROXIES**

This management information circular (the “**Circular**”) is furnished in connection with the solicitation of proxies by or on behalf of the management of Verde AgriTech plc (the “**Company**”) for use at the Annual General Meeting (the “**Meeting**”) of holders (“**Shareholders**”) of ordinary shares (“**Ordinary Shares**”) of the Company, and any adjournment(s) or postponement(s) thereof, to be held at the time and place and for the purposes set forth in the attached Notice of 2022 Annual General Meeting (the “**Notice**”).

It is expected that the solicitation will be primarily by mail, but proxies may also be solicited personally by regular employees of the Company at a nominal cost. The costs of solicitation will be borne by the Company.

The information contained in this Circular is given as at May 24, 2022 unless otherwise indicated. All dollar amounts in this Circular are expressed in Canadian dollars unless otherwise indicated.

**NOTICE AND ACCESS**

The Company has elected to use the notice-and-access provisions (“**Notice-and-Access Provisions**”) for the Meeting pursuant to National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) with respect to the mailing of Meeting materials to both registered Shareholders and beneficial Shareholders (“**Non-Registered Shareholders**”).

The Notice-and-Access Provisions are a new set of rules developed by the Canadian Securities Administrators that reduce the volume of materials that must be physically mailed to Shareholders by allowing the Company to post the Circular and any additional materials on a non-SEDAR website rather than delivering such materials by mail. Reporting issuers may still choose to continue to deliver such materials by mail, and Shareholders will be entitled to request delivery of a paper copy of this Circular at the Company’s expense.

In order for the Company to utilize the Notice-and-Access Provisions to deliver proxy-related materials by posting this Circular (and if applicable, other materials) electronically on a website that is not SEDAR, the Company must send a notice to Shareholders, indicating that the proxy-related materials have been posted and explaining how a Shareholder can access them or obtain a paper copy of those materials from the Company.

Basic information about the Meeting and the matters to be voted on, an explanation of how a Shareholder can obtain a paper copy of this Circular and any related financial statements and MD&A, and an explanation of the Notice-and-Access Provisions process, have been built into the Notice. The Notice has been delivered to Shareholders by the Company, along with the applicable voting document (a form of proxy in the case of registered Shareholders or a voting instruction form in the case of Non-Registered Shareholders) and the notice described in the preceding paragraph (together, the “**Notice Package**”).

The Company will not rely upon the use of “stratification”. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of this Circular with the Notice Package. In relation to the Meeting, all Shareholders will have received the required documentation under the Notice-and-Access Provisions and all documents required to vote in respect of all matters to be voted on at the Meeting.

Please review this Circular carefully and in full prior to voting in relation to the matters to be conducted at the Meeting. This Circular is available on SEDAR at [www.sedar.com](http://www.sedar.com) and at [www.investor.verde.ag](http://www.investor.verde.ag)

Any registered Shareholder and any Non-Registered Shareholder wishing to receive a paper copy of this Circular may do so by calling the toll-free number: 1-866-600-5869.

In order to allow for reasonable time to be allotted for a Shareholder to receive and review a paper copy of this Circular prior to the Proxy Deadline (as defined below), any Shareholder wishing to request a paper copy of the Circular as described above, should ensure such request is received by 9:30 a.m. (EDT) on June 21, 2022. Following the Meeting, Shareholders who still wish to receive a paper copy of the Circular should contact the Company's registrar, TSX Trust Company, toll free, at 1-866-600-5869.

### **APPOINTMENT AND DEPOSIT OF PROXIES**

The enclosed form of proxy provides for the appointment of the Chairman of the Meeting as proxy.

**A Shareholder has the right to appoint any other person (who need not be a Shareholder) to attend, speak and vote on his/her behalf at the Meeting or any adjournment or postponement thereof. Such right may be exercised by striking out "the Chairman of the Meeting" on the form of proxy and by inserting in the blank space provided for that purpose the name of the desired person. To be effective, proxies must be deposited with the Company, c/o the Company's registrar, TSX Trust Company at 301 - 100 Adelaide Street West, Toronto, Ontario M5H 4H1, Canada not later than 48 hours before the time appointed for the Meeting or any adjournment(s) or postponement(s) thereof (the "Proxy Deadline"), together with any power of attorney or other authority (or a notarized certified copy thereof) under which it is signed.**

A Shareholder forwarding the enclosed form of proxy may indicate the manner in which the appointee is to vote with respect to any specific item by checking the appropriate space. If the Shareholder giving the proxy wishes to confer a discretionary authority with respect to any item of business, then the space opposite the item is to be left blank. The Ordinary Shares represented by the proxy submitted by a Shareholder appointing the Chairman of the Meeting will be voted in accordance with the directions, if any, given in the proxy. Where the Shareholder has not specified in the proxy the manner in which the Ordinary Shares represented by the proxy are to be voted, such Ordinary Shares will be voted in favour of the passing of the matters set forth in the Notice.

### **REVOCAION OF PROXIES**

A Shareholder who has given a proxy may revoke the proxy by an instrument in writing, including another proxy, duly executed by the Shareholder or by his or her attorney authorised in writing, deposited with the Company as provided above. A Shareholder may also revoke a proxy in any other manner permitted by law, but such revocation must be prior to the exercise of such proxy in respect of the particular matter.

### **MANNER OF VOTING AND EXERCISE OF DISCRETION BY PROXIES**

If a Shareholder appoints the Chairman of the Meeting as his or her proxy, the Chairman of the Meeting will vote the Ordinary Shares in respect of which he is appointed in accordance with the direction of the Shareholder appointing him. **In the absence of such direction, such Ordinary Shares will be voted in favour of the passing of each of the resolutions described below.**

The enclosed form of proxy confers discretionary authority upon the person named therein with respect to amendments or variations to matters identified in the notice of the Meeting and with respect to other matters which may properly come before the Meeting or any adjournment or postponement thereof. At the time of the printing of this Circular, management knows of no such amendments, variations or other matters to come before the Meeting, other than the matters referred to in the notice of the Meeting. However, if any other matters should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgement of the appointed proxy.

### **VOTING BY BENEFICIAL SHAREHOLDERS**

**The information in this section is of significant importance to Shareholders who do not hold their Ordinary Shares in their own name. Most Shareholders are "non-registered" shareholders because the Ordinary Shares they own are not registered in their names but are instead registered in the name of a brokerage firm, bank or other intermediary or in the name of a clearing agency. Shareholders who do not hold their shares in their own name (referred to herein as "Beneficial Shareholders") should note that only registered Shareholders or their duly appointed proxy holders are entitled to vote at the Meeting. If Ordinary Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Ordinary Shares will not be registered in such Shareholder's name on the records of the Company. Such Ordinary Shares will more likely be registered under**

the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depositary Services Inc., which company acts as nominee for many Canadian brokerage firms). Ordinary Shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the brokers' clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the General Meeting.**

Existing regulatory policy in Canada requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Ordinary Shares are voted at the Meeting. Often the form supplied to a Beneficial Shareholder by its broker is almost identical to the form of proxy provided by the Company to the registered Shareholders. However, its purpose is limited to instructing the registered Shareholder (i.e. the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge. Broadridge typically prepares a machine-readable voting instruction form, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Ordinary Shares to be represented at the General Meeting. **A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote Ordinary Shares directly at the Meeting. The voting instruction form must be returned to Broadridge (or instructions respecting the voting of Ordinary Shares must be communicated to Broadridge well in advance of the General Meeting) in order to have the Ordinary Shares voted.**

This Circular and accompanying materials are being sent to both registered Shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories – those who object to their identity being known to the issuers of securities which they own ("**Objecting Beneficial Owners**", or "**OBO's**") and those who do not object to their identity being made known to the issuers of the securities they own ("**Non-Objecting Beneficial Owners**", or "**NOBO's**"). Subject to the provision of the Canadian Securities Administrators' National Instrument 54-101 – *Communication with Beneficial Owners of Securities of Reporting Issuers* ("**NI 54-101**"), issuers may request and obtain a list of their NOBO's from intermediaries via their transfer agents. If you are a Beneficial Shareholder, and the Company or its agent has sent these materials directly to you, your name, address and information about your holdings of Ordinary Shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the Ordinary Shares on your behalf.

The Company's OBO's can expect to be contacted by Broadridge or their broker or their broker's agents as set out above.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purposes of voting Ordinary Shares registered in the name of their broker, a Beneficial Shareholder may attend the Meeting as proxy holder for the registered Shareholder and vote the Ordinary Shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Ordinary Shares as proxy holder for the registered Shareholder should enter their own names in the blank space on the proxy or voting instruction card provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.**

#### **VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

On May 20, 2022, the record date for the Meeting (the "**Record Date**"), 51,240,694 Ordinary Shares were issued and outstanding. Each Ordinary Share entitles a Shareholder to vote on all matters to be acted upon at a meeting of Shareholders. All Shareholders of record as at the Record Date will be entitled to attend and vote at the Meeting.

To the knowledge of the directors or executive officers of the Company, there are no persons who beneficially own, or control or direct, directly or indirectly, voting securities of the Company carrying 10% or more of the voting rights attached to the voting securities of the Company, other than as set out in the following table:

Name of Shareholder	Number of Common Shares <sup>(1)(2)</sup>	Percentage of Common Shares <sup>(1)(2)</sup>
Cristiano Veloso	9,451,547	18.45%

- (1) The information as to Ordinary Shares beneficially owned, controlled or directed, not being within the knowledge of the Corporation, has been obtained by the Corporation from publicly disclosed information and/or furnished by the relevant shareholder.
- (2) On a non-diluted basis.

## PARTICULARS OF MATTERS TO BE ACTED UPON

### Receipt of Financial Statements

The audited financial statements of the Company for the financial year ended December 31, 2021 will be presented at the Meeting and the Shareholders will be requested to adopt the audited financial statements together with the director's report and the auditor's report.

In order to be effective, the resolution approving the receipt and adoption of the financial statements must be approved by a majority of the votes cast in relation to the resolution (ignoring for this purpose any votes which are cast as neither for nor against).

**In the absence of a contrary instruction (assuming that one of the directors or a senior executive of the Company attending the Meeting in person acts as Chairman of the Meeting), the Chairman of the Meeting intends to vote FOR the receipt and adoption of the financial statements.**

### Appointment of Auditor

At the Meeting, Shareholders will be requested to appoint PKF Littlejohn LLP as auditor of the Company to hold office until the next annual meeting or until a successor is appointed, and to authorise the board of directors ("**Board**" or "**Board of Directors**") to fix the auditors' remuneration.

In order to be effective, the resolution approving the appointment of the auditor must be approved by a majority of the votes cast in relation to the resolution (ignoring for this purpose any votes which are cast as neither for nor against).

**In the absence of a contrary instruction (assuming that one of the directors or a senior executive of the Company attending the Meeting in person acts as Chairman of the Meeting), the Chairman of the Meeting intends to vote FOR the appointment of PKF Littlejohn LLP as auditors of the Company to hold office until the next annual meeting, or until a successor is appointed, and to authorise the Board of Directors to fix the remuneration of the auditors.**

### Election of Directors

The Board is currently comprised of six Directors. With respect to the election of directors of the Company (the "**Directors**"), Article 82 of the Company's articles of association (the "**Articles of Association**") provides that at every annual meeting one-third of the directors who are subject to retirement by rotation (or, if their number is not three or a multiple of three, the number nearest to one-third) shall retire from office. The term of office for each Director or proposed Director will expire only upon retirement by rotation.

Notwithstanding that the Articles of Association only require annual election of some of the Directors, issuers listed on the Toronto Stock Exchange (the "**TSX**") are required to elect all Directors annually. As a result, election for each Director is required to be held at the Meeting.

In order to be effective, the resolutions relating to the election of Directors must each be approved by a majority of the votes cast in relation to the resolution (ignoring for this purpose any votes which are cast as neither for nor against). While the Company has not adopted a policy requiring that Directors be approved by the majority of the votes cast at the Meeting, the Company is subject to majority voting requirements as a result of its governing corporate laws (the UK Companies Act 2006).

**In the absence of a contrary instruction (assuming that one of the Directors or a senior executive of the Company attending the Meeting in person acts as Chairman of the Meeting), the Chairman of the Meeting intends to vote FOR the election as a Director of each of the proposed Directors, each of whose names is set forth below, and who has been a Director since the date indicated below opposite his name.**

The following table sets forth the name and province or state and country of residence of each Director of the Company, as well as such individual's position within the Company, principal occupation and number of securities beneficially owned or controlled or directed, directly or indirectly by each such Director. The statement as to securities beneficially owned, or controlled or directed, directly or indirectly, by the Directors hereinafter named in each instance is based upon information furnished by the person concerned and is as at the date of this Circular:

<b>Name, Place of Residence and Position Held Within the Company</b>	<b>Principal Occupation</b>	<b>Director Since</b>	<b>Number of Ordinary Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly</b>
<b>Cristiano Veloso</b> United Kingdom Director	Founder, Chairman and Chief Executive Officer of the Company	August 2006	9,451,547
<b>Getulio Lamartine de Paula Fonseca</b> <sup>(2) (3)</sup> Brasília, Brazil Director	Consultant, GL Consultoria Ltda.	June 2007	479,956
<b>Renato Gomes</b> <sup>(1) (2) (3)</sup> Finland Director	President and Chief Executive Officer of Atlantica Mining Corporation	June 2009	449,975
<b>Alysson Paolinelli</b> Brazil Director	President of the Brazilian Association of Corn Producers	January 2014	69,665
<b>Paulo Sergio Machado Ribeiro</b> <sup>(1)</sup> Belo Horizonte, Brazil Director	Mining and Energy Consultant	February 2017	325,665
<b>Michael St Aldwyn</b> <sup>(1) (2) (3)</sup> United Kingdom Director	Consultant and Board Member	June 2018	203,217

**Notes:**

- (1) Member of the Corporate Governance and Nominating Committee
- (2) Member of the Audit Committee.
- (3) Member of the Compensation Committee.

Additional biographical information about each of the Directors (being each of management's nominees for election) is set out below.

***Alysson Paolinelli***

Mr. Paolinelli, 85, a Director of the Company, is the President of the Brazilian Association of Corn Producers. Mr. Paolinelli has held positions such as the Brazilian Minister of Agriculture, President of the National Confederation of Agriculture, Congressman, Secretary of Agriculture for Minas Gerais State, and Professor and Dean of Lavras University. In 2006 he was awarded the World Food Prize. Having served twice as Secretary of Agriculture of Minas Gerais, between 1971-1974 and between 1991- 1998, Mr. Paolinelli was instrumental in realizing the potential of the Cerrado to make Brazil a breadbasket for the world. In 1974, Mr. Paolinelli was nominated Brazil's Minister of Agriculture. As Minister, he established the Brazilian Agricultural Research Corporation (EMBRAPA), the world's leading tropical agriculture research institution. Mr. Paolinelli also established the Cerrado Center (CPAC), which focuses on agricultural development in that region.

Mr. Paolinelli received his Agronomy Engineering degree in 1959 from the Federal University of Lavras, in Minas Gerais State, where he later served as Professor and Dean, having been integral in establishing the school as one of the top agricultural universities in Brazil.

***Paulo Sergio Machado Ribeiro***

Mr. Ribeiro, 61, a Director of the Company, is a former Vale executive and has spent his career developing and operating large mining projects. From 1988 to 2002, Mr. Ribeiro was General Manager of the Igarapé Bahia de Vale Gold Mine, then the largest gold producer in Latin America, where he was responsible for the implementation, operation and decommissioning. Between 2002 and 2006 he was Director of all iron ore mines in the central region of Minas Gerais, overseeing the management and operation of mining activities, power plants and rail terminals. Mr. Ribeiro holds a degree in Mining and Geology Engineering from the Federal



University of Minas Gerais (UFMG) and was a member of the Board of Directors of CEMIG, one of the largest and most important electric power companies in Brazil and Subsecretary of Mines and Energy for Minas Gerais state from 2007 to 2014.

### ***Cristiano Veloso***

Mr. Veloso, 41, is the Founder, Chief Executive Officer and Chairman of the Company. Mr. Veloso founded Verde Agritech in 2005 and has since led its development. During 2004, Mr. Veloso was employed with Eastland Medical Systems Plc working on financing and regulatory issues. From 2000 to 2003, he was employed by Banco do Brasil S.A. in its International Business Development Department, and prior to that, in the Corporate Branch. During 1999, Mr. Veloso worked at Companhia Energetica de Minas Gerais S.A. (CEMIG), a leading South American energy and gas company. Mr. Veloso is fluent in four languages and was awarded scholarships by the German Academic Exchange Service (DAAD) and the British Council (U.K.). Mr. Veloso is a qualified solicitor and a member of the Brazilian Bar Association.

Mr. Veloso holds a Business Management diploma from Escola Tecnica de Formaço/SEBRAE, Brazil, a Bachelor of Law degree from the Universidade Federal de Minas Gerais, Brazil, and a Master of Laws (International Business and Commercial Law) from the University of East Anglia, United Kingdom.

### ***Getulio Lamartine de Paula Fonseca***

Mr. Fonseca, 84, a Director of the Company, is a senior economist with over 40 years of government and consulting experience in the Brazilian resource, electrical and power generation sectors, and served as Deputy Minister of the Environment (Brazil) in 1994. Since 1990, Mr. Fonseca has been employed by GL Consultoria Ltd. as consultant to the Brazilian resource, electric and power generation industries and industrial development. In that role, Mr. Fonseca has assisted businesses such as Bank of Montreal, Samarco Mineraço S.A., Klabin S.A., Alcoa Inc., KLM Aerocarto B.V., Construtora Norberto Odebrecht S.A., Acesita S.A. and Dow Corning Company with major projects in Brazil. From 1985 to 1990, Mr. Fonseca was the General Director of the National Department of Power and Water Supply (DNAEE) at the Brazilian Ministry of Mining and Power Supply, and from 1979 to 1984, was the Executive Secretary of the Industrial Development Council at the Brazilian Industry and Commerce Ministry. For various periods between 1972 and 1979, Mr. Fonseca was the Associate Secretary for the Minas Gerais State Industry, Commerce and Tourism Secretariat, and also served as the Co-ordinator of the Economic Advisory Team to the Minas Gerais State Finance Secretariat. From 1971 to 1972, he was employed with the Minas Gerais State Industrial Development Institute, and the Office of the Industry, Commerce and Tourism Superintendant. From 1966 to 1971, Mr. Fonseca held positions with Companhia Energetica de Minas Gerais S.A. (CEMIG).

Mr. Fonseca holds a degree in economics from Faculdade de Ciências Econômicas da Universidade Federal de Minas Gerais. He is a former President of both the Industrialization Council of Minas Gerais State and Befiex (the Brazilian federal government agency for promotion of exports). Mr. Fonseca also served on the advisory board of several Brazilian companies, including Vallourec & Mannesmann Tubes Company (steel and tubes), Siderurgia Brasileira S.A. (steel), Usiminas Mecânica S.A. (mechanics), Companhia de Pesquisa de Recursos Minerais (CPRM) (mineral prospecting) and Cia Ferro Ligas da Bahia (Ferbasa) (ferro-alloys).

### ***Renato Gomes***

Mr. Gomes, 42, is currently the President of Pix Force Inc., a technology company he co-founded in 2015 and in 2020 was ranked as Brazil's number one artificial intelligence startup by 100 Open Startups. He is also co-Founder and a Board Director of Graphite Company of the Americas, which is developing a graphite mine and processing plant in Brazil. He was formerly Chief Executive Officer of Atlantica Mining Corporation, which developed iron ore opportunities in Brazil; he served as director of the ABCI Institute (Brazilian International Trade Scholars) and was a researcher at Georgetown University, focused on the Brazilian government, its development agenda, and foreign investment.

Mr. Gomes is a qualified attorney and a member of the Brazilian Bar Association, the Portuguese Bar Association and the New York State Bar Association. His previous professional experience includes a number of consultancies on government-business relations in Brazil, legal practice with a leading Brazilian law firm and serving as legal officer to Nobel Peace Prize laureate Martti Ahtisaari at the United Nations Office of the Special Envoy in Vienna.

Mr. Gomes holds a technical degree in electronics from Colégio Técnico and an LL.B. from Faculdade de Direito, both from the Universidade Federal de Minas Gerais, an LL.M. from the London School of Economics and Political Science (Graduate Merit Award and AlBan scholar) and an LL.M. from Georgetown University (Instituto Ling scholar), and is currently concluding his doctoral thesis at Georgetown University (CAPES-Fulbright scholar).

### ***Michael St Aldwyn***

Mr. St Aldwyn, 72, a Director of the Company, is an executive with strong connections with global investment markets and long track record in Latin America. He worked in Brazil from 1973-1979. From 1979 to 1994, Mr. St. Aldwyn worked at ED&F Man, an agricultural commodities trader with over 7,000 staff spread across 60 countries started in 1783, in both the New York and London offices responsible for Latin American markets. Mr. St Aldwyn subsequently established his own company from 1994 to 2010 dedicated to the promotion of hedge funds. He also served as Chairman of the Anglo-Brazilian Society from 1996 to 2002 and as a Director of BlackRock Latin American Investment Trust from 1996 to 2017. He is fluent in Portuguese and obtained a Master's degree in "Brazil in Global Perspective" from King's College London.

### **Cease Trade Orders or Bankruptcies**

Except as disclosed below, no proposed Director:

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

For the purpose of the preceding paragraph "order" means:

- (a) a cease trade order;
- (b) an order similar to a cease trade order; or
- (c) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days.

### **Penalties and Sanctions**

No proposed Director has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

#### **OTHER MATTERS WHICH MAY COME BEFORE THE MEETING**

The Company knows of no matters to come before the Meeting other than the matters referred to in the accompanying Notice.

#### **STATEMENT OF EXECUTIVE COMPENSATION**

The Company's Statement of Executive Compensation has been prepared in accordance with the requirements of Form 51-102F6 – *Statement of Executive Compensation* ("**Form 51-102F6**"). Pursuant to Form 51-102F6, the Company is required to disclose the compensation paid, made payable, awarded, granted, given or otherwise provided to each named executive officer and to each director. A named executive officer (the "**Named Executive Officer**" or "**NEO**") includes (i) any individual who acted as Chief Executive Officer ("**CEO**") or Chief Financial Officer ("**CFO**") for any part of the year ended December 31, 2021, (ii) each of the three most highly compensated executive officers of the Company, including any of its subsidiaries, other than the CEO and the CFO, at December 31, 2021 whose total compensation was more than \$150,000 for the year ended December 31, 2021, and (iii) each individual who would be a named executive officer under (ii) but for the fact that the individual was not an executive officer of the Company or its subsidiaries on December 31, 2021.

The Company's NEOs with respect to the year ended December 31, 2021 are set out below:

Cristiano Veloso	Founder, Chief Executive Officer and Chairman
Felipe Paolucci	Chief Financial Officer

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

##### ***Objectives of the Compensation Program***

The Company's executive compensation program is based on the objectives of (i) recruiting and retaining the executives critical to the success of the Company, (ii) providing fair and competitive compensation, (iii) aligning the interests of executives and Shareholders, and (iv) rewarding performance, both individual and corporate.

The objective of providing fair and competitive compensation is accomplished by providing base salaries that are comparative to companies of similar size and scope of operations as the Company, companies that are within a reasonable size range in total assets and market capitalization and companies with whom the Company would compete for talent.

The objectives of recruiting and retaining executives and rewarding performance are accomplished by using annual performance-based cash incentives, milestone incentives and granting stock options.

The objective of aligning interests of executives and Shareholders of the Company is accomplished by granting stock options.

##### ***Overview of the Compensation Philosophy***

The following principles guide the Company's overall compensation philosophy:

- (a) compensation is determined on an individual basis by the need to attract and retain talented, high-achievers;
- (b) calculating total compensation is set with reference to the market for similar jobs in similar locations;

- (c) a large portion of total compensation is variable and linked to performance, thus rewarding executives when they successfully achieve individual and corporate performance objectives; and
- (d) internal equity is maintained such that individuals in similar jobs and locations are treated fairly.

### ***Role of the Compensation Committee***

The Company has a Compensation Committee to assist the Board in fulfilling its responsibilities relating to executive compensation. Members of the Compensation Committee are appointed by the Board. The Compensation Committee ensures that the Company has an executive compensation plan that is both motivational and competitive so that it will attract, hold and inspire performance of executive officers of a quality and nature that will enhance the growth of the Company.

Verde's mission requires it to challenge the status quo in plant nutrition through the development and dissemination of innovative products focused on the highly competitive Brazilian agricultural market. To achieve its goals, Verde has designed and implemented a compensation philosophy to attract, retain and incentivize talented, qualified and committed professionals who share the Company's philosophy and are driven toward overcoming the sectorial challenges to achieve these goals.

As of March 2020, the Compensation Committee is composed of Getulio Fonseca (Chair), Renato Gomes and Michael St Aldwyn, each of whom is an independent director within the meaning of National Instrument 52-110 - *Audit Committees* ("**NI 52-110**") and is responsible for, among other things, reviewing executive compensation matters and making recommendations to the Board for its approval. The three Compensation Committee members are executives with significant experience in hiring, managing, and setting compensation policies in other companies operating in Brazil.

The Compensation Committee's mandate includes developing appropriate compensation policies for the senior management and Directors of the Company, including the Company's stock option plan, and evaluating senior management. These responsibilities include reporting and making recommendations to the Board for its consideration and approval. The Committee meets, via telephone conference, on an as needed basis but no less than once a year. The Compensation Committee has the authority to engage the services of outside consultants to assist in making decisions regarding the establishment of the Company's compensation amount, programs and philosophy. No such consultants were engaged by the Compensation Committee or Verde specifically with respect to executive or director compensation during 2020 or 2021.

Finally, the Compensation Committee took note of the cumulated functions performed by certain executives, in terms of scope and financial gains. Among others, the Company does not employ a Country Manager, Vice President Sales, Vice President Marketing and a Chief Operating Officer, among other positions common in mining companies that are in production and rapidly gaining market share through increased production and sales. The Compensation Committee considered objectives within a long-term strategy, breaking large, long-term goals into manageable shorter-term objectives to keep the team focused on the most important tasks, in the right sequence and in the timeframes required, to make the Company's long-term vision and objectives a reality.

## **Elements of Compensation**

For the financial year ended December 31, 2021, the Company's executive compensation program for NEOs included the following elements: base salary, annual performance-based cash incentives and stock options, as elaborated below.

*Base Salary* - Salaries form an essential element of the Company's compensation mix as they are the first base measure to compare and remain competitive relative to peer groups. Base salaries are fixed and therefore not subject to uncertainty and are used as the base to determine other elements of compensation and benefits. The Compensation Committee and the Board review executive salaries on a year basis and make adjustments on an as-needed basis. In determining the base salary to be paid to a particular executive officer, the Board also considers the particular responsibilities related to the position, the experience level of the executive officer, his or her past performance at the Company, the financial condition of the Company, the advisory opinion of any acting consultants and competitive market practices. The assessment of base salary is discretionary.

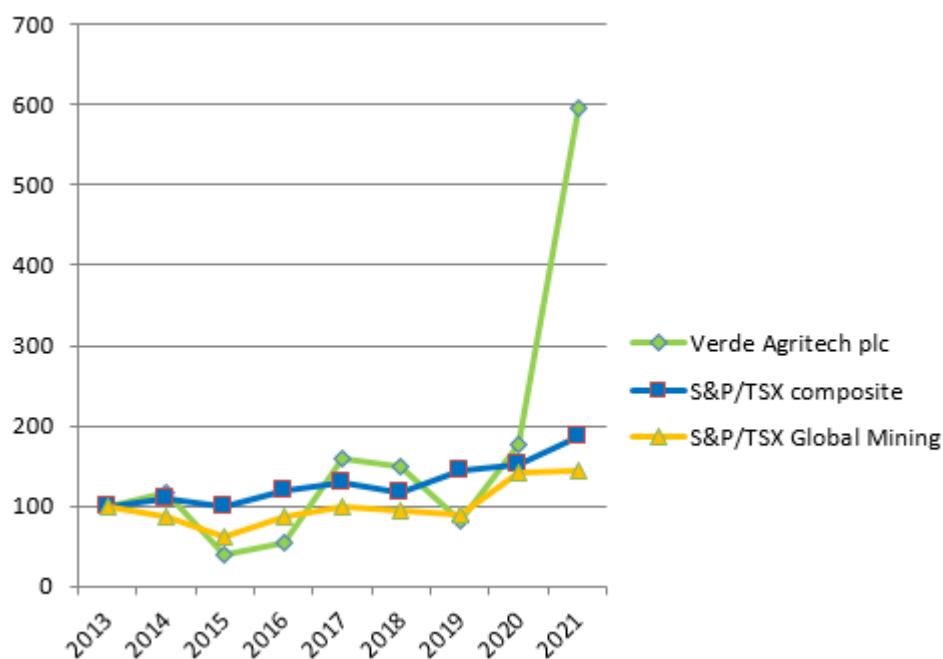
*Annual Performance-Based Cash Incentives* - Any bonus paid to an executive officer is within the discretion of the Board following recommendations by the Compensation Committee. In making bonus determinations, the Board reviews corporate and individual performance. Annual performance-based cash bonuses are a variable component of compensation designed to reward executive officers for meeting annual performance goals and objectives and to retain and motivate executive officers critical to the success of the Company's growth. Bonus criteria assessed for 2021 included company growth and sales targets.

*Stock Options* - The granting of stock options is a variable component of compensation intended to reward executive officers for their efforts for the continued success and growth of the Company and to encourage equity participation. Stock options are the primary vehicle for offering long-term incentives because it aligns the compensation to long-term performance and creates an ownership culture. In addition, the vesting features of Verde's stock options awards contribute to executive retention because these features provide an incentive to our named executive officers to remain in our employ during the scheduled vesting periods or until the achievement of the applicable performance milestones, which are expected to be achieved over the medium- to long-term. To determine the granting of stock options to its NEOs, the Compensation Committee considers (i) stock options granted to executives in similar roles in comparative companies; (ii) the number of stock options previously granted to the individual; (iii) the executive's current and future expected contribution to the advancement of corporate objectives; and (iv) the number of options available under the Plan. The Compensation Committee then makes a recommendation to the Board.

*Milestone Incentives* - Certain milestone cash incentives or special awards may be paid to executive officers in the future if certain milestones are met that relate to the development of the Company's mining operations.

## **Performance Graph**

The following graph compares the percentage change in the cumulative total shareholder return on the Ordinary Shares with the cumulative total return of the S&P/TSX Composite Index and the S&P/TSX Global Mining Index of the TSX during the period from December 31, 2013 to December 31, 2021, assuming \$100 was invested on December 31, 2013 and assuming reinvestment of all dividends where applicable.



The Company started trading on the TSX in April 2012. Prior to April 2012, the Company was trading on the TSXV. Whilst the Company's share price has been on an increasing trend, the compensation paid to NEOs, in the form of salaries, has remained unchanged throughout all such period with the exception of an interlude when no cash compensation was paid, replaced with share grants at the then prevailing market price.

There is no direct correlation between the performance of the Ordinary Shares and executive compensation. The Ordinary Share price may be affected by a number of factors beyond the control of the Company, including general and industry-specific economic and market conditions. The Compensation Committee evaluates performance by reference to the overall direction and success of the Company rather than by any short-term fluctuations in the trading price of the Ordinary Shares.

## 2021 Named Executive Officer Compensation

### *Chief Executive Officer*

Cristiano Veloso is the Founder, CEO and Chairman of the Company. The Board, based on a recommendation from the Compensation Committee, must approve Mr. Veloso's compensation. Historically, in developing compensation recommendations for Mr. Veloso, the Compensation Committee has sought both to appropriately reward Chief Executive Officer's previous and current contributions and to create incentives for him to continue to contribute significantly to successful results in the future.

The Compensation Committee conducted its independent analysis of the Company's 2021 compensation program based on the previous reports provided by an external consultant. Based on the Compensation Committee's analysis, the external consultant's recommendation remained unaltered in 2022.

Cristiano Veloso received a base salary of £249,000 in accordance with his service agreement.

As of December 31, 2021, no remuneration remained outstanding for Mr. Veloso. A bonus of \$420,000 was awarded after the successful attainment of a Company growth and sales target was met for 2021.

In addition to serving as Chief Executive Officer since 2007, Mr. Veloso has contributed significantly and actively to Verde by recruiting executives and engineers, contributing to product development, sales and marketing, raising capital for the Company, and raising public awareness of Verde's mission. Over the last three years, in particular, the Company has cut costs by significantly expanding the responsibility of the CEO. Mr. Veloso has successfully cumulated other responsibilities which are usually the purview of specialized professionals. For example, contrary to most foreign companies operating in Brazil, the Company does not have a Country Manager, a Vice President of Sales or a Chief Operating Officer, all roles effectively exercised by Mr. Veloso.

Mr. Veloso purchased 456,208 shares from the exercise of share warrants and was also awarded 399,000 shares in settlement of \$486,780 compensation. However, these shares cannot be traded until the following conditions are met:

- a) 50% of the total number of shares once the Company share value achieves \$6.45 per unit.
- b) 50% of the total number of shares if the Company achieves a full year Audited EBITDA of R\$50,000,000 Brazilian Reais (“R\$”)

In 2021 Mr Veloso was awarded 750.000 stock options. As of December 31, 2021, Mr. Veloso held a total of 1,992,308 stock options.

*Chief Financial Officer*

Felipe Paolucci received a base salary of R\$37,113 per month. An annual performance-based cash incentive of R\$388,673 was paid to Mr. Paolucci relating to the company results for 2021. During the year ended December 31, 2021, Mr. Paolucci purchased 83,333 shares from the exercise of share warrants and was also awarded 100,000 shares in settlement of \$122,000 compensation. However, these shares cannot be traded until the following conditions are met:

- a) 50% of the total number of shares once the Company share value achieves \$6.45 per unit.
- b) 50% of the total number of shares if the Company achieves a full year Audited EBITDA of R\$50,000,000

No stock options were awarded to him in 2021. As of December 31, 2021, Mr. Paolucci held a total of 275,000 stock options.

**Summary Compensation Table**

The following tables set forth all annual and long term compensation for services in all capacities to the Company for the three most recently completed financial years of the Company in respect of each of the Company’s NEOs. As of the date of this Information Circular, bonus payments have been awarded for the 2021 fiscal year.

The following table outlines the information for the financial years ended December 31, 2021, December 31, 2020 and December 31, 2019.

	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension Value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
<b>Cristiano Veloso</b> <sup>(1)</sup> Founder, Chief Executive Officer and Chairman	2021	\$411,625	Nil	\$855,000 <sup>(5)</sup>	\$420,000 <sup>(4)</sup>	Nil	Nil	\$486,780 <sup>(7)</sup>	\$2,173,405
	2020	\$420,000	Nil	\$3,460 <sup>(5)</sup>	\$550,990 <sup>(3)</sup>	Nil	Nil	Nil	\$974,450
	2019 <sup>(2)</sup>	\$420,000	Nil	\$507,773 <sup>(5)</sup>	Nil	Nil	Nil	Nil	\$927,773
<b>Felipe Paolucci</b> Chief Financial Officer	2021	\$101,805	Nil	\$20,625 <sup>(5)</sup>	\$88,089 <sup>(4)(6)</sup>	Nil	Nil	\$122,000 <sup>(7)</sup>	\$332,519
	2020	\$94,820	Nil	\$27,844 <sup>(5)</sup>	\$56,824	Nil	Nil	Nil	\$179,488
	2019	\$19,386	Nil	\$44,172 <sup>(5)</sup>	Nil	Nil	Nil	Nil	\$63,558

**Notes:**

- (1) Mr. Veloso also serves as a Director of the Company. No portion of the amounts paid to Mr. Veloso were paid in relation to his role as Director, a position he serves in without any additional compensation.
- (2) Mr. Veloso’s salaries for 2019 was settled by the issue of shares in order to preserve the company’s cashflow.
- (3) Mr. Veloso used all proceeds from his annual incentive plan payment to exercise his share options and his share warrants in the Company. This is the first time that Verde has paid a bonus to Mr. Veloso in six years, despite Mr. Veloso having repeatedly met and surpassed the performance targets outlined by the Board. This is tantamount to an annual bonus of \$84,628 over this six-year period if the Company had paid any bonuses to Mr Veloso. It was, however, at Mr Veloso’s behest that the Board of Directors paid no bonuses until the Company became profitable.

- (4) The annual incentive plan payments to Mr. Veloso and Mr. Paolucci were partly used to exercise share options in the company.  
 (5) Options granted in March 2021 vested in one tranche in July 2021.

Options granted in March 2019 vested in six tranches, 10% immediately and 10% on each of the first, second, third and fourth anniversaries of the date of grant, with the remaining 50% vesting on the fifth anniversary of the date of grant.

Options granted in September 2018 vested in one tranche a year after issue.

The grant date fair value of options was estimated using a Black-Scholes model based on the following assumptions:

	2021	2020	2019
Expected life of options	5 year	5 year	1 years
Risk-free interest rate	0.94%	1.80%	0.02%
Expected stock price volatility	114.86%	102.1%	137.5%
Expected dividend yield	0%	0%	0%

- (6) Converted from Brazilian Real to Canadian Dollars using the closing noon buying rate for R\$ reported by the Bank of Canada for the fiscal periods ended December 31, 2021, being R\$1.00 = \$0.230  
 (7) Bonuses were paid by issue of shares which cannot be traded until the following conditions are met: (a) 50% of the total number of shares once the Company Share value achieves CAD6.45 per unit and (b) 50% of the total number of shares if the Company achieves a full year Audited EBITDA of BRL50,000,000.

### Incentive Plan Awards

The following table provides information regarding the incentive plan awards for each NEO outstanding as of December 31, 2021.

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

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(5)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Cristiano Veloso	1,092,308 <sup>(2)</sup>	\$0.61	September 24, 2028	2,501,385	N/A	N/A	N/A
	150,000 <sup>(3)</sup>	\$0.63	March 1, 2029	340,500			
	750,000 <sup>(4)</sup>	\$1.22	March 5, 2031	1,260,000			
Felipe Paolucci	275,000 <sup>(1)</sup>	\$0.63	March 1, 2029	624,250	N/A	N/A	N/A

**Notes:**

- (1) These options vest in six tranches, 10% immediately and 10% on each of the first, second, third and fourth anniversaries of the date of grant, with the remaining 50% vesting on the fifth anniversary of the date of grant.  
 (2) These options vest in one tranche, 100% on the first anniversary of the date of grant.  
 (3) These options vest in one tranche, immediately on the date of grant.  
 (4) These options vest in one tranche, four months from date of grant.  
 (5) These amounts, if any, are calculated based on the difference between the market value of the securities underlying the options as at December 31, 2021 (which was \$2.90) and the exercise price of the options. Where the market value was less than the option exercise price, there is no value in the options.

The value vested or earned during the most recently completed financial year of incentive plan awards granted to NEOs are set out in the table below.



### Value Vested or Earned During the Year

Name	Option-based awards – Value vested during the year <sup>(1)</sup> (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Cristiano Veloso	Nil <sup>(1)</sup>	N/A	N/A
Felipe Paolucci	Nil <sup>(1)</sup>	N/A	N/A

**Notes:**

(1) The value of options which vested during the year ended December 31, 2021 was calculated based on the difference between the closing price of the Ordinary Shares on the TSX on the vesting date and the exercise price of the options. The options may never be exercised and actual gain, if any, on exercise will depend on the value of the Ordinary Shares on the date of exercise. Options vested during 2021 had a vesting price less than the exercise price, therefore the value was nil.

### Pension Plan Benefits

The Company does not currently provide pension plan benefits to its NEOs.

### Termination and Change of Control Benefits

The Company has entered into executive employment agreements or arrangements involving each of its NEOs, as described below.

#### ***Cristiano Veloso***

Pursuant to the terms of an executive service agreement (the “**Veloso Agreement**”) dated August 3, 2021, the Company retained Mr. Veloso to serve as the President and Chief Executive Officer of the Company as well as its intervening parties, Verde Fertilizantes Ltda and FVS Mineração Ltda. Mr. Veloso is also the Founder of the Company and its intervening parties for an initial fixed term of 36 months expiring on August 3, 2026 and shall continue thereafter unless or until terminated by either party giving the other not less than 12months’ notice in writing, expiring on or after the expiry date.

If the Veloso Agreement is terminated at will by the Company or by Mr. Veloso giving either party not less than 12 months notice in writing, Mr. Veloso will be entitled to receive a payment in lieu of notice equal to the basic salary (as at the termination date) within 5 days. In the event of a “Change of Control” (as that term is defined in the Veloso Agreement), Mr. Veloso shall be entitled to terminate the Veloso Agreement by giving notice to the Company within 12 months of the date of the Change of Control and the Veloso Agreement will be deemed to terminate two weeks after the date of such notice. Change of control occurs if a person who controls any body corporate ceases to do so or if another person acquires control of it. Change of jurisdiction via a new company acquisition would not constitute a change of control. In this instance, or if Mr. Veloso is terminated for any reason within 12 months of a Change of Control, Mr. Veloso will be entitled to receive a sum equal to 3% of the total price paid for the acquisition of the company.

Following termination of the Veloso Agreement, Mr. Veloso will be subject to certain specified non-solicitation and non-disclosure covenants. Mr. Veloso shall not canvas, solicit or approach anyone who was negotiating with the Company 12 months prior to his termination and solicit or entice any senior employees or key personnel or an individual employed in a sales capacity or as a Director of the Company or its associated companies with whom he had contact or dealings 12 months prior to his termination.

#### ***Felipe Paolucci***

Pursuant to the terms of an executive service agreement (the “**Paolucci Agreement**”) dated March 1, 2019, the Company retained Mr. Paolucci to serve as the Chief Finance Officer of the Company as well as its intervening parties Verde Fertilizantes Ltda and FVS Mineração Ltda.

If the Paolucci Agreement is terminated by the Company “Without Reason” (as that term is defined in the Paolucci Agreement), Mr. Paolucci will receive at least 30 days written notice, after which Mr. Paolucci will be entitled to receive six months remuneration from the closing date to be paid in cash or in shares converted on the closing date. If termination of the Paolucci Agreement at any time is at the request of Mr. Paolucci, only the notice period is required. In the event of a “Change of Control” (as that term is defined in the Paolucci Agreement), the Paolucci Agreement will be terminated and the Company will pay Mr. Paolucci twenty-four months of the fixed remuneration amount. Following termination of the Paolucci Agreement, Mr. Paolucci will be subject to certain specified non-solicitation and non-disclosure covenants. Mr. Paolucci shall not canvas, solicit or approach anyone who was negotiating with the Company 12 months prior to his termination and solicit or entice any senior employees or key personnel or an individual employed in a sales capacity or as a Director of the Company or its associated companies with whom he had contact or dealings 12 months prior to his termination.

### **Estimated Termination Payment on Change of Control**

The following table provides details regarding the estimated termination payments from the Company upon a change of control, assuming a triggering event occurred on December 31, 2021.

#### **Termination Payments**

<b>NEO and Agreement</b>	<b>Severance Period (# of months)</b>	<b>Base Salary (\$)</b>	<b>Other Compensation (\$)</b>	<b>Value of Option-Based Awards if Exercised on Termination (\$)</b>	<b>Total Incremental Payment (\$)</b>
<b>Cristiano Veloso</b> Executive Service Agreement	N/A	nil	\$4,384,680 <sup>(1)</sup>	\$4,101,885	\$8,486,565
<b>Felipe Paolucci</b> Executive Service Agreement	24	\$218,314 <sup>(2)</sup>	nil	\$187,275	\$405,589
<b>TOTALS</b>		<b>\$218,314</b>	<b>\$4,384,680</b>	<b>\$4,289,160</b>	<b>\$8,892,154</b>

**Notes:**

- (1) Mr. Veloso is entitled to a sum equal to 3% of the total price paid for the acquisition of the company in the event of change of control. Change of control occurs if a person who controls any body corporate ceases to do so or if another person acquires control of it. Change of jurisdiction via a new company acquisition would not constitute a change of control.
- (2) Converted from Brazilian Real to Canadian Dollars using the closing noon buying rate for BRL reported by the Bank of Canada for the fiscal periods ended December 31, 2021, being BRL1.00 = \$0.2451

### **Director Compensation**

The Board meets annually to review the adequacy and form of Directors’ compensation. In 2021, each non-executive Director was paid a year-total retainer of \$22,000. The non-executive Directors are not compensated for attendance at Board, Committee or shareholders’ meetings.

Non-executive Directors are entitled to receive compensation, to the extent that they provide services to the Company, at rates that would be charged by such Directors for such services to arm’s length parties. During the year ended December 31, 2021, no such additional compensation was paid to any of the Company’s non-executive Directors.

The following table provides information regarding compensation paid to the non-executive Directors during the financial year ended December 31, 2021.

### Summary Compensation Table

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	All other Compensation (\$)	Total (\$)
Alysson Paolinelli	\$22,000	N/A	N/A	N/A	Nil	\$22,000
Paulo Sergio Machado Ribeiro	\$22,000	N/A	N/A	N/A	Nil	\$22,000
Getulio Lamartine de Paula Fonseca	\$22,000	N/A	N/A	N/A	Nil	\$22,000
Renato Gomes	\$22,000	N/A	N/A	N/A	Nil	\$22,000
Michael St Aldwyn	\$22,000	N/A	N/A	N/A	Nil	\$22,000
<b>TOTALS</b>	\$110,000	N/A	N/A	N/A	Nil	\$110,000

### Incentive Plan Awards

The following table provides information regarding the incentive plan awards for each non-executive Director outstanding as of December 31, 2021.

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

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Alysson Paolinelli	61,538 <sup>(3)</sup> 165,000 <sup>(4)</sup>	0.40 0.63	January 31, 2027 March 1, 2029	153,845 374,550	N/A	N/A	N/A
Paulo Sergio Machado Ribeiro	200,000 <sup>(2)</sup> 20,000 <sup>(5)</sup> 36,000 <sup>(4)</sup>	0.40 0.61 0.63	February 9, 2027 September 24, 2028 March 1, 2029	360,000 45,800 81,720	N/A	N/A	N/A
Getulio Lamartine de Paula Fonseca	165,000 <sup>(2)</sup> 66,000 <sup>(5)</sup> 71,438 <sup>(4)</sup>	0.425 0.61 0.63	December 10, 2024 September 24, 2028 March 1, 2029	220,523 151,140 162,164	N/A	N/A	N/A
Renato Gomes	165,000 <sup>(2)</sup> 66,000 <sup>(5)</sup> 71,438 <sup>(4)</sup>	0.425 0.61 0.63	December 10, 2024 September 24, 2028 March 1, 2029	220,523 151,140 162,164	N/A	N/A	N/A
Michael St Aldwyn	200,000 <sup>(6)</sup>	1.02	May 30, 2028	376,000	N/A	N/A	N/A

**Notes:**

- (1) These amounts, if any, are calculated based on the difference between the market value of the securities underlying the options as at December 31, 2021 (which was \$2.90) and the exercise price of the options.
- (2) These options vest in six tranches, 10% immediately and 10% on each of the first, second, third and fourth anniversaries of the date of grant, with the remaining 50% vesting on the fifth anniversary of the date of grant.
- (3) These options vest in two tranches, 50% immediately with the remaining 50% vesting on the second anniversary of the date of grant.
- (4) These options vest in one tranche immediately on the date of grant.
- (5) These options vest in one tranche on the first anniversary of the date of grant.
- (6) These options vest in six tranches, 10% on the first anniversary and 10% on each of the second, third, fourth and fifth anniversaries of the date of grant, with the remaining 50% vesting on the sixth anniversary of the date of grant.

The following table provides information regarding the value vested or earned from incentive plan awards for each non-executive Director for the financial year ended December 31, 2021,

**Value Vested or Earned During the Year**

<b>Name</b>	<b>Option-based awards – Value vested during the year<sup>(1)</sup> (\$)</b>	<b>Share-based awards – Value vested during the year (\$)</b>	<b>Non-equity incentive plan compensation – Value earned during the year (\$)</b>
Alysson Paolinelli	N/A	N/A	N/A
Paulo Sergio Machado Ribeiro	14,800	N/A	N/A
Getulio Lamartine de Paula Fonseca	N/A	N/A	N/A
Renato Gomes	N/A	N/A	N/A
Michael St Aldwyn	3,000	N/A	N/A

**Notes:**

- (1) The value of options which vested during the year ended December 31, 2021 was calculated based on the difference between the closing price of the Ordinary Shares on the TSX on the vesting date and the exercise price of the options. The options may never be exercised and actual gain, if any, on exercise will depend on the value of the Ordinary Shares on the date of exercise.

**Retirement Policy for Directors**

The Company does not have a retirement policy for its Directors.

**STATEMENT OF CORPORATE GOVERNANCE PRACTICES**

**Corporate Governance Disclosure**

The information required to be disclosed by National Instrument 58-101 – *Disclosure of Corporate Governance Practices* is attached to this Circular as Schedule “A”.

**Meetings of the Board of Directors and Committees (Audit Committee, Compensation Committee and Corporate Governance and Nominating Committee)**

The Board corresponds regularly via e-mail and meets via teleconference at least quarterly, thus providing effective leadership and overall control of the Company’s affairs through the schedule of matters reserved for its decision. This includes the approval of the budget and business plan, major capital expenditure, risk management policies and the approval of the financial statements. Formal agendas, papers and reports are sent to the Directors in a timely manner, prior to Board meetings. The Board delegates certain of its responsibilities to Board committees that have clearly defined terms of reference. Between Board meetings, the executive directors, the Chief Financial Officer, non-executive directors and key operations personnel meet on a regular basis to review and discuss progress. The Board has established an Audit Committee, a Compensation Committee and a Corporate Governance and Nominating Committee.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out information as of December 31, 2021<sup>10</sup> with respect to compensation plans under which equity securities of the Company are authorized for issuance.

### Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by securityholders	3,825,499,227,745	\$0.7558	1,212,644,635,765
Equity compensation plans <b>not</b> approved by securityholders <sup>(1)</sup>	N/A	N/A	N/A
<b>TOTAL</b>	3,825,499,227,745	\$0.7558	1,212,644,635,765

**Note:**

(1) The only equity compensation plan in place as of December 31, 2021<sup>10</sup> was the Plan.

### Stock Option Plan

The following is a summary of certain material terms of the existing Plan, as amended on May 10, 2021. A complete copy of the Plan is attached hereto as Schedule "B".

*Purpose.* The purpose of the Plan is to attract and retain superior directors, officers, advisors, employees and other persons or companies engaged to provide ongoing services to the Company or its affiliate entities, to provide an incentive for such persons to put forth maximum effort for the continued success and growth of the Company, and in combination with these goals, to encourage their equity participation in the Company.

*Eligible Participants.* Any director, executive officer, consultant or employee of the Company or of a related entity of the Company will be eligible to participate.

*Number of Ordinary Shares Reserved.* The aggregate number of Ordinary Shares reserved for issuance under the Plan shall not exceed 10% of the issued and outstanding Ordinary Shares from time to time, subject to adjustment as provided in Section 10 thereof and subject to reloading permitted under section 4.4 (which reloading shall increase the aggregate number of Ordinary Shares that may be issued under the Plan by the number of additional Ordinary Shares permitted to be reserved under Subsection 4.4). As of the date of this Circular, there were 51,240,694 Ordinary Shares outstanding and 3,032,760 Ordinary Shares reserved for issuance under the Plan at this time. If any option expires or otherwise terminates for any reason (including exercise of the option), the number of Ordinary Shares in respect of which the option expired or terminated will again be available for purposes under the Plan.

Options that have been exercised shall be available for subsequent grants under the Plan and the Company shall reserve additional Shares for issuance pursuant to such Options. No fractional Shares may be purchased or issued under the Plan.

*Maximum Percentage to Insiders.* Including all security based compensation arrangements, no more than 10% of the issued and outstanding Ordinary Shares will be issuable to insiders of the Company at any time pursuant to the Plan, and no more than 10% of the issued and outstanding Ordinary Shares will be issued to insiders within a one-year period.

*Limitations on Individual Grants.* The total number of Ordinary Shares that may be reserved for issuance to any one person pursuant to Options granted under the Plan in any one year shall not exceed 5% of the Ordinary Shares outstanding on a non-diluted basis on the grant date of the Options.

*Limitations on Non-executive Director Participation:* The number of Options granted to non-executive directors under the Plan, in combination with all other equity awards granted to non-executive directors under any other security based compensation Arrangement, shall be limited to an annual equity award value (based on Black-Scholes as determined by the Board) of \$150,000 per non-executive director, provided that the total

value (based on Black-Scholes as determined by the Board) of Options issuable to any one non-executive director in any one year period shall not exceed CCD\$100,000. The aggregate number of Ordinary Shares reserved for issuance to non-executive directors under the Plan shall not exceed 1.0% of the total number of issued and outstanding Ordinary Shares.

*Determination of Exercise Price.* The Board shall determine, in its sole discretion, the Option Price applicable to each Option, provided that the Option Price shall not be less than the Market Value per Share on the Grant Date.

*Determination of Market Value of Ordinary Shares.* Where the Ordinary Shares are listed on a Stock Exchange, the market value will be the closing board lot sale price per share of the Ordinary Shares on the Stock Exchange on the trading day immediately preceding the relevant date, and if there was not a board lot sale on the Stock Exchange on such date, then the last board lot sale prior thereto.

*Vesting.* The Board in its sole discretion may determine and impose terms upon which each Option shall become vested in respect of Ordinary Shares including without limitation the terms under which vesting of the Option may be accelerated. All options, however, will vest immediately upon a change of control.

*Change in Control.* The Plan defines a change in control as any of the following events: (i) an acquisition of 30% of the voting rights of the outstanding Ordinary Shares by one person or group of persons acting in concert; (ii) the amalgamation, consolidation, combination or merger of the Company with another person unless the Company is the surviving entity and after the transaction 70% of the voting shares are owned by persons who previously owned 70% of the voting shares of the Company; (iii) the sale of 75% or more of the assets of the Company to any person unless the disposition is to a corporation and immediately after the disposition at least 70% of the voting rights attached to all outstanding voting shares of such corporation are owned by the Company or its related entities, or by persons who held at least 70% of the voting rights attached to all outstanding voting shares of the Company immediately before the sale; or (iv) a reconstitution of the Board so that the majority of the Board is comprised of persons who were not members of the Board before the reconstitution.

*Term.* Each option granted will have a term specified by the Board, up to a maximum of ten years from the date of grant.

*Termination of Employment.* Should an option holder cease to be an eligible person during the term of an option for any reason other than death, disability, or cause, the option will be exercisable for a maximum of 90 days thereafter, or until option expiry, whichever comes first. If an option holder dies during the term of an option while in employment, engagement, or while a director of the Company or its related entity, such option will be exercisable by the optionee's estate for a maximum of 365 days from the date of the optionee's death, or until option expiry, whichever comes first. If an option holder's employment, engagement or directorship is terminated due to an optionee's disability, such option will be exercisable by the optionee for a maximum of 365 days from the date of termination, or until option expiry, whichever comes first. If an option holder ceases to be an eligible person under the Plan as a result of being terminated for cause, the term of any options held will be deemed to expire immediately upon termination.

*Non-Transferable.* An option issued under the Plan is non-assignable and non-transferrable, except on death of an optionee or, with the board of director's approval, to a person that is an employee, executive officer, director or consultant of that Company or related entity, a holding entity, RRSP or RRIF. If the option is assigned or transferred with the Board's approval, the option expires immediately upon termination of the director, executive officer, employee or consultant that was originally granted the option.

*Expiry During Black-Out Period.* If an option expires during a trading black-out period imposed by the Company to restrict trades in the Company's securities, then the option shall expire ten business days after the trading black-out period is lifted by the Company.

*Amendments Requiring Shareholder Approval.* The following amendments by the Board will require Shareholder approval: (i) any amendment to the amendment provisions of the Plan; (ii) any increase in the maximum number of Ordinary Shares issuable under the Plan (not including reloading); (iii) such other matters that may require Shareholder approval under the rules and policies of the Stock Exchange; and (iv) any reduction in an option price or extension of the option period benefitting an eligible person under the Plan.

*Amendments Not Requiring Shareholder Approval.* The Board may, in its discretion and without shareholder approval; (i) suspend or terminate the Plan (without affecting outstanding options); (ii) amend, modify or terminate any outstanding options (where it would not adversely affect the optionee) except for a reduction in the option price or extension of the option period benefitting an insider; (iii) make any amendment, modification or termination to the Plan that is required by any securities regulators or stock exchange as a

condition of approval to a distribution to the public of any Ordinary Shares or to obtain or maintain a listing of Ordinary Shares; (iv) change the vesting provisions; (v) add any form of financial assistance; (vi) change the termination provisions; (vii) add a cashless exercise feature that is payable in cash; and (viii) make amendments of a housekeeping nature to the Plan (such as the rectification of ambiguities, defective or inconsistent provisions, errors, and updating provisions to comply with governing laws).

Cashless Exercise. In lieu of exercising an Option, the Board may permit an optionee to elect to receive, without payment by the optionee of any additional consideration, Ordinary Shares equal to the value of the Option (or the portion thereof being exercised) by surrender of the Option at the principal office of the Company, together with written notice reflecting such “cashless” exercise, in which event the Company shall issue to the optionee a number of Shares computed using the following formula:

$$X = \frac{Y (A - B)}{A}$$

Where: X = The number of Ordinary Shares to be issued to the optionee pursuant to the cashless exercise;  
 Y = The number of Ordinary Shares in respect of which the cashless exercise election is made;  
 A = The Market Value of one Ordinary Share on the date of exercise of the Option; and  
 B = The exercise price of the Option.

As at the date of this Circular, the Company has granted options to acquire up to a total of 3,032,760 Ordinary Shares (representing approximately 5.9% of the Ordinary Shares currently outstanding).

Since incorporation in 2006, the Company has issued 4,501,073 shares from the exercise of options, representing an average of 281,317 shares per year.

During the year ended December 31, 2021, stock options were granted to Directors and key management as follows:

**Options Granted During the Most Recently Completed Financial Year**

<b>Name</b>	<b>Granted</b>	<b>Balance as at December 31, 2021</b>
Cristiano Veloso	750,000	1,992,308
Felipe Paolucci	Nil	275,000
Getulio Lamartine de Paula Fonseca	Nil	226,538
Renato Gomes	Nil	226,538
Alysson Paolinelli	Nil	226,538
Paulo Sergio Machado Ribeiro	Nil	200,000
Michael St Aldwyn	Nil	200,000
<b>GRAND TOTAL</b>	<b>750,000</b>	<b>3,346,922</b>

**Burn Rate**

Pursuant to section 613 of the TSX Company Manual, the following table sets out the burn rate under the Plan during each of the past three calendar years, with the burn rate reflecting the number of securities granted under each plan as a percentage of the weighted average number of issued and outstanding Ordinary Shares during the year:

	2019		2020		2021	
	Issued	Burn Rate (%)	Issued	Burn Rate (%)	Issued	Burn Rate (%)
<b>Options</b>	983,876	2.2%	380,375	0.8%	941,221	1.9%
<b>Total</b>	<b>3,738,922</b>	<b>8.2%</b>	<b>3,199,715</b>	<b>6.7%</b>	<b>3,825,277</b>	<b>7.6%</b>
<b>Weighted I/O Ordinary Shares</b>	<b>45,345,440</b>		<b>47,582,730</b>		<b>50,321,384</b>	

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

No individual who is, or at any time during the most recently completed financial year of the Company, was, a director or executive officer of the Company, and no associate of any of the foregoing, is (or at any time since January 1, 2021) has been indebted to the Company or its subsidiaries or has (or at any time since January 1, 2021, has had) any indebtedness to another entity that is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Company or its subsidiaries.

As of the date hereof, no employee, or former executive officer, director or employee is indebted to the Company or indebted to another entity where such indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

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

Except as disclosed below or in "*Employment Contracts*" above, since the commencement of the Company's most recently completed financial year, no informed person of the Company, nominee for election as director, or associate or affiliate of any informed person or nominee has, or has had, any material interest, direct or indirect, in any transaction or proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries or affiliates.



### **AUDIT COMMITTEE INFORMATION**

Information required by National Instrument 52-110 - *Audit Committees* can be found under the heading "Audit Committee Information" of the Company's Annual Information Form dated March 22, 2022.

### **ADDITIONAL INFORMATION**

Additional information relating to the Company can be viewed via the System for Electronic Data Analysis and Retrieval ("**SEDAR**") at [www.sedar.com](http://www.sedar.com). Shareholders may request copies of the Company's financial statements and MD&A by contacting the Company's transfer agent, TSX Trust Company, at 301 - 100 Adelaide Street West, Toronto, Ontario M5H 4H1, Canada.

Copies of the Company's most recent audited financial statements for the period ended December 31, 2021, together with a report of the auditors thereon, and this Circular is available on SEDAR and will be available upon request from the Company.

### **DIRECTORS' APPROVAL**

The contents and the sending of this Circular to Shareholders of the Company have been approved by the Directors of the Company.

DATED May 24, 2022

**BY ORDER OF THE BOARD OF DIRECTORS**

*"Cristiano Veloso"*

Cristiano Veloso  
Director

**SCHEDULE “A”**  
**VERDE AGRITECH Plc**  
**(the “Company”)**  
**FORM 58-101F1**  
**CORPORATE GOVERNANCE DISCLOSURE**

---

Pursuant to National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”), the Company is required and hereby discloses its corporate governance practices as of the date of this Circular:

**1. Board of Directors**

The Board of Directors is composed of 6 Directors: Cristiano Veloso; Getulio Lamartine de Paula Fonseca; Renato Gomes; Alysson Paolinelli; Paulo Sérgio Machado Ribeiro; and Michael St Aldwyn. Getulio Lamartine de Paula Fonseca, Renato Gomes, Alysson Paolinelli, Paulo Sérgio Machado Ribeiro and Michael St Aldwyn are independent Directors within the meaning of NI 58-101. Cristiano Veloso is not an independent Director by virtue of his management position with the Company.

It is the Board's policy to maintain independence by having at least half of the Board comprising non-executive Directors. The majority of the Directors are independent. The structure of the Board ensures that no one individual or group dominates the decision-making process.

The independent Directors do not hold regularly scheduled meetings at which non-independent Directors are not in attendance. The Board encourages informal discussion amongst the independent Directors, via telephone calls and email, in order to facilitate open and candid discussion among its independent Directors.

Cristiano Veloso acts as the Chairman of the Board and Michael St Aldwyn acts as Lead Independent Director of the Board. The principal role of the Chairman is to manage and to provide leadership to the Board of Directors of the Company. More specifically, the duties and responsibilities of the Chairman include: to act as liaison between management and the Board; to keep abreast generally of the activities of the Company and its management; to ensure that the Directors are properly informed and that sufficient information is provided to enable the Directors to form appropriate judgments; to act as Chair at meetings of the Board and to review and sign minutes of Board meetings; to sit on other Committees of the Board where appropriate as determined by the Board; to call special meetings of the Board where appropriate; to act as Chair at meetings of shareholders; to recommend to the Board, after consultation with the Directors, management and the Governance and Nominating Committee, the appointment of members of the Committees of the Board; to assess and make recommendations to the Board annually regarding the effectiveness of the Board as a whole, the Committees of the Board and individual Directors; and to ensure that regularly, upon completion of the ordinary business of a meeting of the Board, the Directors hold discussions without management present. The duties and responsibilities of the Lead Independent Director include: to appraise the performance of the Board Chair; to serve as an intermediary between the Chair, the Board and Verde's stakeholders; and to oversee the best practices of corporate governance at the corporate and Board level.

The following table presents a detailed record of attendance at Board and Committee meetings held during the year ended December 31, 2021, together with a list of directorships held by directors with other reporting issuers (or the equivalent) in a jurisdiction of Canada or a foreign jurisdiction as at December 31, 2021.

Name of Director	Directorships with other Reporting Issuer(s) <sup>(1)</sup>	Attendance at Board Meetings	Attendance at Audit Committee Meetings	Attendance at Nominating and Governance Committee Meetings	Attendance at Compensation Committee Meetings
Cristiano Veloso	N/A	4 of 4	N/A	N/A	N/A
Getulio Lamartine de Paula Fonseca	N/A	4 of 4	4 of 4	N/A	3 of 3
Renato Gomes	N/A	4 of 4	4 of 4	3 of 3	3 of 3
Alysson Paolinelli	N/A	3 of 4	N/A	N/A	N/A
Paulo Sérgio Machado Ribeiro	N/A	4 of 4	N/A	3 of 3	N/A
Michael St Aldwyn	N/A	4 of 4	4 of 4	3 of 3	3 of 3

Notes:

(1) Information as to directorships with other reporting issuers is provided by the directors.

## 2. Board Mandate

While the Board has no written mandate as such, its duties and activities are performed in a manner that is considered responsive to statutory and other legal requirements and in accordance with best corporate governance practices.

The Board establishes overall policies and standards for the Company. The Board expects management to conduct the business of the Company in accordance with the Company's ongoing strategic plan as adopted by the Board. The Board regularly reviews management's progress in meeting these expectations. The Directors are kept informed of the Company's operations at meetings of the Board and its committees and through reports and analyses and discussions with management. The Board normally meets at least four times a year in person as well as by telephone conference, with additional meetings being held as needed.

## 3. Position Descriptions

While the Board has not developed a written position description for the CEO, the general terms of the CEO's responsibilities are set out in his employment agreement with the Company.

The Board has not developed written position descriptions for the chair of the committees of the Board. The chair of each committee is expected to be responsible for ensuring that the mandate of the committee for which he or she serves as chair is adhered to and that the objectives of each committee are accomplished.

## 4. Orientation and Continuing Education

To date, the Board has not required a formal orientation or education program for new recruits to the Board of Directors. The Board may consider more formal procedures if warranted in the future.

## 5. Ethical Business Conduct

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

Under Chapter 2 of the UK Companies Act 2006, directors owe a number of duties to the Company. Though not exhaustive, these duties include: the duty to act in accordance with the Company's constitution and only to exercise powers for the purposes for which they are conferred; the duty to act in good faith to promote the success

of the company for the benefit of its members as a whole ; the duty to exercise independent judgement; the duty to exercise reasonable care, skill and diligence; the duty to avoid conflicts of interest; the duty not to accept benefits from third parties; and the duty to declare an interest in proposed and existing transactions or arrangements.

For these reasons, the Board has not adopted a formal written code of conduct to date but the Board is considering adopting policies and procedures in this respect.

## **6. Board Committees**

### ***Audit Committee***

In 2021 and as of March 2022, the Audit Committee is composed of Renato Gomes (Chair), Michael St Aldwyn and Getulio Fonseca, all of whom are independent Directors. The Audit Committee reviews the annual and interim financial statements of the Company and makes recommendations to the Board of Directors with respect to such statements and documents. The Audit Committee also reviews the nature and scope of the annual audit as proposed by the auditors and management, and the adequacy of the internal accounting control procedures and systems within the Company. The Company has in place a series of procedures and controls designed to identify and prevent the risk of loss. The Audit Committee has reviewed the systems in place and considers these to be appropriate.

### ***Corporate Governance and Nominating Committee***

In 2021 and as of March 2022, the Corporate Governance and Nominating Committee was composed of Michael St Aldwyn (Chair), Renato Gomes and Paulo Sérgio Machado Ribeiro, all of whom are independent Directors.

The Corporate Governance and Nominating Committee's mandate regarding corporate governance includes: (1) monitoring the appropriateness of the Company's governance systems with regard to internal and external governance standards, "best practices" guidelines and with an emphasis on ongoing improvements. (2) ensuring compliance with all regulatory authorities including Canadian and UK Securities regulations, the rules of the Toronto Stock Exchange, and all money-laundering legislation.

The Corporate Governance and Nominating Committee assists the Board in fulfilling its obligations by assessing the skill sets required by the Board, assessing if any are lacking and identifying individuals qualified to become new Directors and recommending to the Board new Director nominees for the next annual meeting of shareholders. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, show support for the Company's mission and strategic objectives, and a willingness to serve.

### **Compensation Committee**

The Compensation Committee assists the Board in fulfilling its obligations relating to compensation matters of the Company. See “*Executive Compensation – Compensation Discussion and Analysis*” for disclosure regarding the compensation practices of the Board.

#### **7. Other Board Committees**

The Board has established an Audit Committee, a Compensation Committee and a Corporate Governance and Nominating Committee. Other than these three, the Board does not have any other standing committees.

#### **8. Assessments**

Other than the regular Board meetings and its Corporate Governance and Nominating Committee, the Board does not have a separate committee charged with responsibility for assessing the effectiveness of the Board, its committees or individual directors. The Board monitors the adequacy of information given to directors, communication between the board and management and the strategic direction and processes of the Board and Committees.

#### **9. Director Term Limits and Other Mechanisms of Board Renewal**

The Company does not have term limits for its directors. While there is benefit to adding new perspectives to the Board from time to time, there are also benefits to be achieved through continuity and Directors having in depth knowledge of each facet of the Company’s business and strategy, insights which necessarily take time to develop. Also, setting Director term limits forces valuable, experienced and knowledgeable directors to leave. Board renewal is one of many factors taken into consideration as part of the Board’s quarterly meetings. Pursuant to requirements for issuers listed on the TSX, Directors of the Company are to be elected (including the re-election of incumbent directors) at each annual meeting of the Company, and in all cases, the term of any Director will expire at the close of the next annual meeting of shareholders following such Director’s appointment.

## **10. Policies Regarding the Representation of Women on the Board**

The Company does not have a formal policy with respect to the identification and nomination of female directors, or adopted targets for the representation of women on the Board.

Diversity is an issue of importance across all levels of the Company, from its mine pits to its executives. The Board believes that the key to effective leadership is to choose Directors that, having regard to a wide array of factors, possess the range of necessary independence, skills, experience, commitment and qualifications that are best suited to fostering effective leadership and decision making at the Company. The Board reviews its size and composition from time to time to determine the impact the Directors have on its effectiveness, and the Board and the Company's management. The Corporate Governance and Nominating Committee adopts a rigorous identification and selection process for new Directors, having regard to a variety of factors, and through these processes the Board believes that it is well-positioned to address any problems or deficiencies that may arise.

## **11. Consideration of the Representation of Women in the Director Identification and Selection Process**

According to the Charter of the Corporate Governance and Nominating Committee, when identifying new candidates, the Committee takes into consideration the criteria approved by the Board and such other factors, as it deems appropriate. These factors include judgement, skill, integrity, independence, diversity, experience with business and organizations of comparable size, the interplay of a candidate's experience with the experience of other Board members, willingness to commit the necessary time and energy to serve as a director, and a genuine interest in the Company's business. The Company believes the aforementioned factors are all encompassing and although gender is not specifically listed as one of the factors, gender is taken into account when considering diversity in director nominations.

## **12. Consideration Given to the Representation of Women in Executive Officer Appointments**

The Company takes into consideration an array of factors when identifying new candidates to the executive management team. These include skill, diversity, integrity, experience with business and organizations of comparable size, and a genuine interest in the Company's businesses. Although gender is not specifically listed as one of the factors, gender is taken into account when considering diversity in executive officer appointments.

## **13. Issuer's Targets Regarding the Representation of Women on the Board and in Executive Officer Positions**

The Company has not adopted targets for the representation of women on the Board and in Executive Officer positions. Although the Company and the Board do not believe that quotas or strict policies necessarily result in the identification or selection of the best candidates, the Board is mindful of the benefits of gender diversity on the Board and in executive positions and the need to maximize effectiveness of the Board and management teams decision-making abilities. Accordingly, although the Board believes that the current Directors comprise an appropriate mix of individuals with accounting, financial, legal, specific industry and general business experience that is appropriate for the Company's current size, as the Company's business grows, it plans to expand the size of its Board and in conducting searches for new Directors. The Board intends to focus on increasing the level of female representation but does not have a representation target at this time. Similarly, although there is no current intention to make changes or additions to the Company's executive team, the Board will be mindful of the benefit of gender diversity in any appointment of new executive officers. The Board believes that the current executive management team comprises an appropriate number and mix of individuals with considerable experience in the agriculture resource industry that is appropriate for the Company's current size.

## **14. Number of Women on the Board and in Executive Officer Positions**

The Board is currently comprised of six men and no women, such that 0% of the Company's directors are women.

The Company's executive team is currently comprised of two men and no women, such that 0% of the Company's executive officers are women. However, approximately 59% of the staff within administrative departments in the organization including Corporate, Marketing, Finance and Human Resources Departments are women. The percentage of women in leadership positions, such as managers and coordinators, is 40%. Women comprise 34% of all Verde's employees, including workers at the Mine and Plant.

**SCHEDULE "B"**  
**2012 STOCK OPTION PLAN**

**VERDE AGRITECH Plc**  
**(the "Corporation")**

**1. Purpose of the Plan**

1.1 The purpose of the Plan is to attract and retain superior directors, officers, advisors, employees and other persons or companies engaged to provide ongoing services to the Corporation or its affiliate entities, to provide an incentive for such persons to put forth maximum effort for the continued success and growth of the Corporation, and in combination with these goals, to encourage their equity participation in the Corporation.

**2. Definitions**

2.1 For the purposes of the Plan, the following terms have the respective meanings set forth below:

- (a) **"Addendum"** means the addendum attached to and forming a part of this Plan;
- (b) **"Affiliate"** has the same meaning ascribed to that term as set out in the OSA;
- (c) **"Associate"** has the same meaning ascribed to that term as set out in the OSA;
- (d) **"Black-Out Period"** means that period during which a trading black-out period is imposed by the Corporation to restrict trades in the Corporation's securities by an Eligible Person or Permitted Assign;
- (e) **"Board"** means the board of directors of the Corporation;
- (f) **"Change of Control"** means:
  - (i) an acquisition of 30% or more of the voting rights attached to all outstanding voting shares of the Corporation by a person or combination of persons acting in concert by virtue of an agreement, arrangement, commitment or understanding, or by virtue of a related series of such events, and whether by transfer of existing shares or by issuance of shares from treasury or both;
  - (ii) the amalgamation, consolidation or combination of the Corporation with, or merger of the Corporation into, any other person, whether by way of amalgamation, arrangement or otherwise, unless (1) the Corporation is the surviving person or the person formed by such amalgamation, consolidation or combination, or into which the Corporation has merged, is a corporation and (2) immediately after giving effect to such transaction at least 70% of the voting rights attached to all outstanding voting shares of the Corporation or the corporation resulting from such amalgamation, consolidation or combination, or into which the Corporation is merged, as the case may be are owned by persons who held at least 70% of the voting rights attached to all outstanding voting shares of the Corporation immediately before giving effect to such transaction;
  - (iii) the direct or indirect transfer, conveyance, sale, lease or other disposition, by virtue of a single event or a related series of such events, of 75% or more of the assets of the Corporation based on gross fair market value to any person unless (1) such disposition is to a corporation and (2) immediately after giving effect of such disposition, at least 70% of the voting rights attached to all outstanding voting shares of such corporation are owned by the Corporation or its related entities or by persons who held at least 70% of the voting rights attached to all outstanding voting shares of the Corporation immediately before giving effect to such disposition; or



- (iv) a reconstitution of the Board so that the majority of the Board is comprised of persons who were not members of the Board before the reconstitution;
- (g) **“Compensation Committee”** means the committee of the Board constituted as provided in Section 3 hereof and if none is so constituted, means the full Board;
- (h) **“Consultant”** means a person, other than an employee, senior officer, or director of the Corporation, that:
  - (i) is engaged to provide services to the Corporation or a related entity of the Corporation, other than services provided in relation to a distribution;
  - (ii) provides the services under a written contract with the Corporation or a related entity of the Corporation; and
  - (iii) spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or a related entity of the Corporation;

and includes, for an individual consultant, a company of which the individual consultant is an employee or shareholder, and a partnership of which the individual consultant is an employee or partner;
- (i) **“Corporation”** means Verde Agritech plc or its successor;
- (j) **“Disability”** means a physical or mental incapacity of a nature which the Board determines prevents or would prevent the Optionee from satisfactorily performing the substantial and material duties of his or her position with the Corporation or its related entities;
- (k) **“Eligible Person”** means, from time to time, any director, executive officer or employee of the Corporation or of a related entity of the Corporation and any Consultant;
- (l) **“Exchange”** means, if the Shares are listed on the TSX, the TSX and, if the Shares are not listed on the TSX, any other principal exchange upon which the Shares are listed;
- (m) **“executive officer”** has the same meaning ascribed to that term as set out in National Instrument 51-102 – Continuous Disclosure Obligations;
- (n) **“Grant Date”** has the meaning ascribed to that term in Subsection 5.1 hereof;
- (o) **“Insider”** means a reporting insider as defined under National Instrument 55-104 – Insider Reporting Requirements and Exemptions and also includes Associates and Affiliates of Insiders;
- (p) **“Market Value”** of a Share means, on any given day:
  - (i) where the Share is not listed on an Exchange, the fair market value of a Share on that day determined by the Board in good faith; and
  - (ii) where the Share is listed on an Exchange, the closing board lot sale price per share of the Shares on the Exchange on the trading day immediately preceding the relevant date and if there was not a board lot sale on the Exchange on such date, then the last board lot sale prior thereto;
- (q) **“NI 45-106”** means National Instrument 45-106 – Prospectus and Registration Exemptions;
- (r) **“Option”** means an option, granted pursuant to Section 5 hereof, to purchase a Share;
- (s) **“Option Period”** has the meaning ascribed to that term in Subsection 6.3 hereof;
- (t) **“Option Price”** means the price per Share at which Shares may be purchased under the Option, as determined pursuant to Paragraph 5.1(b) hereof and as may be adjusted in accordance with Section 10 hereof;
- (u) **“Optionee”** means an Eligible Person to whom an Option has been granted;

- (v) “**OSA**” means the Securities Act (Ontario), as amended;
- (w) “**Permitted Assign**” means for a person that is an employee, executive officer, director or Consultant of the Corporation or related entity, a holding entity (as defined in Section 2.22 of NI 45-106) or an RRSP or RRIF of that person;
- (x) “**person**” includes an individual, corporation, partnership, party, trust, fund, association and any other organized group of persons and the personal or other legal representative of a person to whom the context can apply according to law;
- (y) “**Plan**” means the Stock Option Plan of the Corporation as set forth herein as the same may be amended and/or restated from time to time;
- (z) “**related entity**” has the same meaning ascribed to that term as set out in Section 2.22 of NI 45-106;
- (aa) “**Securities Regulators**” has the meaning ascribed to that term in Section 11 hereof;
- (bb) “**Share**” means, subject to Section 10 hereof, an ordinary share of \$0.3918 par value in the capital of the Corporation;
- (cc) “**Shareholder**” means a registered holder of Shares; and
- (dd) “**TSX**” means the Toronto Stock Exchange.

2.2 Unless otherwise indicated, all dollar amounts referred to in this Option Plan are in Canadian funds.

2.3 As used in this Plan, words importing the masculine gender shall include the feminine and neuter genders, words importing the singular shall include the plural and vice versa, unless the context otherwise requires and references to person includes any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation (with or without share capital), unincorporated association, trust, trustee, executor, administrator or other legal representative.

### 3. Administration of the Plan

3.1 The Plan shall be administered by the Board with the assistance of the Compensation Committee and the chief executive officer as provided herein.

3.2 The members of the Compensation Committee shall be appointed from time to time by, and serve at the pleasure of, the Board. A majority of the Compensation Committee shall constitute a quorum thereof. Acts approved in writing by all members of the Compensation Committee shall constitute valid acts of the Compensation Committee as if taken at a meeting at which a quorum was present.

3.3 The chief executive officer of the Corporation shall periodically make recommendations to the Compensation Committee as to the grant of Options.

3.4 The Compensation Committee shall periodically make recommendations to the Board as to the grant of Options.

3.5 In addition to the powers granted to the Board under the Plan and subject to the terms of the Plan, the Board shall have full and complete authority to grant Options, interpret the Plan, to prescribe such rules and regulations as it deems necessary for the proper administration of the Plan and to make such determinations and to take such actions in connection therewith as it deems necessary or advisable. Any such interpretation, rule, determination or other act of the Board shall be conclusively binding upon all persons.

3.6 The Board may authorize one or more officers of the Corporation to execute and deliver and to receive documents on behalf of the Corporation.

### 4. Shares Subject to the Plan

4.1 The maximum aggregate number of Shares which may be issued under the Plan shall not exceed 10% of the issued and outstanding shares from time to time, subject to adjustment as provided in Section 10 hereof and

subject to reloading permitted under section 4.4 (which reloading shall increase the aggregate number of Shares that may be issued under the Plan by the number of additional Shares permitted to be reserved under Subsection 4.4).

4.2 The total number of Shares that may be reserved for issuance to any one person pursuant to Options granted under the Plan in any one year shall not exceed 5% of the Shares of the Corporation outstanding on a non-diluted basis on the Grant Date of the Options.

4.3 Anything in this Plan to the contrary notwithstanding:

- (a) the maximum number of Shares issuable to Insiders of the Corporation, at any time, under this Plan together with all security based compensation arrangements of the Corporation, shall not exceed 10% of the issued and outstanding Shares;
- (b) the maximum number of Shares issued to Insiders of the Corporation, within any one-year period, under this Plan together with all security based compensation arrangements of the Corporation, shall not exceed 10% of issued and outstanding Shares;
- (c) the number of Options granted to non-employee directors under this Plan, in combination with all other equity awards granted to non-employee directors under any other security based compensation arrangements, shall be limited to an annual equity award value (based on Black-Scholes as determined by the Board) of \$150,000 per non-employee director, provided that the total value (based on Black-Scholes as determined by the Board) of Options issuable to any one non-employee director in any one year period shall not exceed \$100,000; and
- (d) the aggregate number of Shares reserved for issuance to non-employee directors under the Plan shall not exceed 1.0% of the total number of issued and outstanding Shares.

Any entitlement to acquire Shares granted pursuant to the Plan or any other Options prior to the grantee becoming an Insider shall be excluded for the purposes of the limits set out in Paragraph (b) above.

4.4 Options may be granted in respect of authorized and unissued Shares. Shares in respect of which Options have expired, were cancelled or otherwise terminated for any reason without having been exercised shall be available for subsequent Options under the Plan. Options that have been exercised shall be available for subsequent grants under the Plan and the Corporation shall reserve additional Shares for issuance pursuant to such Options. No fractional Shares may be purchased or issued under the Plan.

## 5. Grants of Options

5.1 Subject to the provisions of the Plan, the Board shall, in its sole discretion and from time to time, determine those Eligible Persons to whom Options shall be granted and the date on which such Options are to be granted (the “**Grant Date**”). The Board shall also determine, in its sole discretion, in connection with each grant of Options:

- (a) the number of Options to be granted;
- (b) subject to the provisions of the Addendum, the Option Price applicable to each Option, provided that the Option Price shall not be less than the Market Value per Share on the Grant Date; and
- (c) the other terms and conditions (which need not be identical and which, without limitation, may include non-competition provisions) of all Options covered by any grant.

## 6. Eligibility, Vesting and Terms of Options

6.1 Options may be granted to Eligible Persons only.

6.2 Subject to the adjustments provided for in Section 10 hereof, each Option shall entitle the Optionee to purchase one Share.

6.3 Subject to the provisions of the Addendum, the option period (the “**Option Period**”) of each Option commences on the Grant Date and expires on a date as determined by the Board in its sole discretion provided in no event shall the Option Period expire later than 4:30 p.m. (Toronto time) on the tenth anniversary of the Grant

Date. If an Option expires during a Black-Out Period then, notwithstanding any other provision of the Plan, the Option shall expire 10 business days after the Black-Out Period is lifted by the Corporation.

6.4 Subject to Section 8, an Option which is subject to vesting, may, once vested, be exercised at any time during the Option Period. Subject to Section 8, an Option which is not subject to vesting may be exercised at any time during the Option Period.

6.5 The Board in its sole discretion may determine and impose terms upon which each Option shall become vested in respect of Shares including without limitation the terms under which vesting of the Option may be accelerated.

6.6 Notwithstanding Section 6.5, Options shall vest immediately upon a Change of Control.

6.7 An Option is personal to the Optionee and is non-assignable and non-transferable otherwise than (a) by will or by the laws governing the devolution of property in the event of death of the Optionee or (b) with the prior consent of the board, to a Permitted Assign.

## **7. Option Agreement**

7.1 Upon the grant of an Option, the Corporation and the Optionee shall enter into an option agreement, in a form set out in Appendix A or in such form as approved by the Board, subject to the terms and conditions of the Plan, which agreement shall set out the Optionee's agreement that the Options are subject to the terms and conditions set forth in the Plan as it may be amended or replaced from time to time, the Grant Date, the name of the Optionee, the Optionee's position with the Corporation, the number of Options, the Option Price, the expiry date of the Option Period, vesting terms and such other terms and conditions as the Board may deem appropriate.

## **8. Termination of Employment, Engagement or Directorship**

8.1 Any Optionee whose employment, engagement or directorship with the Corporation or its related entity is terminated due to Disability shall have 365 days from the date of such termination to exercise any Option granted hereunder to the extent such Option was exercisable and had vested on the date of such termination; provided, however, that no Option shall be exercisable following the expiration of the Option Period applicable thereto.

8.2 In the event of the death of an Optionee, while in the employment, engagement or while a director of the Corporation or its related entity, the Optionee's estate may, within 365 days from the date of the Optionee's death, exercise any Option granted hereunder to the extent such Option was exercisable and had vested on the date of the optionee's death; provided, however, that no Option shall be exercisable following the expiration of the Option Period applicable thereto. The Optionee's estate shall include only the executors or administrators of such estate and persons who have acquired the right to exercise such Option directly from the optionee by bequest or inheritance.

8.3 In the event an Optionee's employment, engagement or directorship with the Corporation or its related entity terminates for any reason other than death, Disability or cause, the Optionee may exercise any Option granted hereunder to the extent such Option was exercisable and had vested on the date of termination no later than ninety(90) days after such termination or such later date within the Option Period first established by the Board for such Option as the Board may fix. In the event an Optionee's employment, engagement or directorship is terminated for cause, each Option held by the Optionee that has not been effectively exercised prior to such termination shall lapse and become null and void immediately upon such termination.

8.4 The Board may also in its sole discretion increase the periods permitted to exercise all or any of the Options covered by any Grant following a termination of employment, engagement or directorship as provided in Subsections 8.1, 8.2 or 8.3 above, if allowable under applicable law; provided, however, that in no event shall any Option be exercisable following the expiration of the Option Period applicable thereto.

8.5 For the purposes of this Plan, "cause" means the entitlement of the Corporation to terminate the employment of an Optionee without the obligation to provide the Optionee with a severance package, or any monies, benefits or notice, as specified in the Optionee's employment agreement, or any act, which at common law

in the applicable jurisdiction would be considered cause for dismissal without the obligation to provide notice or pay in lieu of notice.

8.6 The Plan shall not confer upon any Optionee any right with respect to a continuation of employment or engagement by, or directorship of, the Corporation or its related entity nor shall it interfere in any way with the right of the Corporation or its related entity to terminate any Optionee's employment, engagement or directorship at any time.

8.7 Unless otherwise agreed to in writing by the Board in accordance with Subsection 8.3, references to "termination" or "the date of such termination" or similar references in this Section 8:

- (a) in the case of an employee (including executive officers who are also employees), is deemed to be the last day of active employment by the employee with the Corporation or its Related Entity, as the case may be, regardless of any salary continuance, notice period required under applicable law or the reason for termination of employment (whether with or without cause or with or without notice);
- (b) in the case of a Consultant is deemed to be the "termination" or "the date of such termination" of the person engaged as a consultant to provide services to the Corporation or Related Entity; and
- (c) in the case of a Permitted Assign is deemed to be the "termination" or "the date of such termination" of the director, executive officer, employee or Consultant that the Permitted Assign is related to.

8.8 For greater certainty, an Option that had not become vested at the time that the relevant termination event referred to in this Section 8 occurred, shall not be or become exercisable and shall be cancelled.

## 9. Exercise of Options

9.1 Subject to the provisions of the Plan, an Option may be exercised from time to time by delivery to the Corporation at its registered office of a written notice of exercise addressed to the Secretary of the Corporation specifying the number of Shares with respect to which the Option is being exercised, together with a certified cheque, bank draft or other appropriate form of payment to be determined by the Corporation, for the aggregate of the Option Prices to be paid for the Shares to be purchased. Certificates for such Shares shall be issued and delivered to the Optionee within a reasonable time following the receipt of such notice and payment.

9.2 No less than 100 Options may be exercised at any one time, except where a smaller number of Options is or remains exercisable pursuant to a grant, in which case, such smaller number of Options must be exercised at one time.

9.3 In lieu of exercising an Option in accordance with Subsection 9.1, the Board may permit an Optionee to elect to receive, without payment by the Optionee of any additional consideration, Shares equal to the value of the Option (or the portion thereof being exercised) by surrender of the Option at the principal office of the Corporation, together with written notice reflecting such "cashless" exercise, in which event the Corporation shall issue to the Optionee a number of Shares computed using the following formula:

$$X = \frac{Y (A - B)}{A}$$

Where:

- X = The number of Shares to be issued to the Optionee pursuant to the cashless exercise;
- Y = The number of Shares in respect of which the cashless exercise election is made;
- A = The Market Value of one Share on the date of exercise of the Option; and
- B = The exercise price of the Option.

## 10. Adjustment on Alteration of Share Capital

10.1 In the event of a subdivision, consolidation or reclassification of outstanding Shares or other capital adjustment, the number of Shares reserved or authorized to be reserved under the Plan, the number of Shares receivable on the exercise of an Option and the Option Price therefor shall be increased or reduced proportionately

and such other adjustments shall be made as may be deemed necessary or equitable by the Board in its sole discretion and such adjustment shall be binding for all purposes of the Plan.

10.2 If the Corporation amalgamates, consolidates or combines with or merges with or into another body corporate, whether by way of amalgamation, statutory arrangement or otherwise (the right to do so being hereby expressly reserved), any Share receivable on the exercise of an Option shall be converted into the securities, property or cash which the Optionee would have received upon such amalgamation, consolidation, combination or merger if the Optionee had exercised his or her Option immediately prior to the effective date of such amalgamation, consolidation, combination or merger and the Option Price shall be adjusted as may be deemed necessary or equitable by the Board in its sole discretion and such adjustment shall be binding for all purposes of the Plan.

10.3 In the event of a change in the Corporation's currently authorized Shares which is limited to a change in the designation thereof, the shares resulting from any such change shall be deemed to be Shares within the meaning of the Plan.

10.4 In the event of any other change affecting the Shares, such adjustment, if any, shall be made as may be deemed necessary or equitable by the Board in its sole discretion to properly reflect such event and such adjustment be binding for all purposes of the Plan.

10.5 No adjustment provided in this Section 10 shall require the Corporation to issue a fractional Share and the total adjustment with respect to each Option shall be limited accordingly.

10.6 If, at any time when an Option granted under the Plan remains unexercised, an offer to purchase all of the Shares of the Corporation is made by a third party, the Corporation shall use its best efforts to bring such offer to the attention of the Optionee as soon as practicable and the Board may, in a fair and equitable manner, at its option, require the acceleration of the time for the exercise of the Options granted under the Plan and of the time for the fulfillment of any conditions or restrictions on such exercise (including without limitation, vesting requirements).

10.7 Notwithstanding any other provision herein, if because of a proposed merger, amalgamation or other corporate arrangement or reorganization, the exchange or replacement of shares in the Corporation for securities, property or cash in or from another company is imminent ("**Business Combination**"), the Board may, in a fair and equitable manner, determine the manner in which all unexercised option rights granted under the Plan shall be treated including, for example, requiring the acceleration of the time for the exercise of such rights by the Optionees and of the time for the fulfillment of any conditions or restrictions on such exercise (including without limitation, vesting requirements) or providing that any Share which would be receivable prior to the effective time of the Business Combination on the exercise of an Option be replaced with the securities, property or cash which the Optionee would have received if the Optionee had exercised his or her Option immediately prior to the effective time of the Business Combination and make any necessary adjustment, including adjustments to the Option Price, as may be deemed necessary or equitable by the Board in its sole discretion. All determinations of the Board under this Subsection 10.7 shall be binding for all purposes of the Plan. Any adjustments made by the Board in the context of a Business Combination are subject to Exchange approval.

10.8 In order to permit Optionees to participate in a proposed offer for shares made by means of a take-over bid circular ("**Take-over Bid**") or a proposed Business Combination that could result in a Change of Control, the Board may make appropriate provisions for the exercise of options (whether vested or not) conditional upon the Shares resulting therefrom being taken up and paid for under the Take-over Bid or the completion of the Business Combination, as applicable.

## 11. Regulatory Approval

11.1 Notwithstanding any of the provisions contained in the Plan or any Option, the Corporation's obligation to issue Shares and to issue and deliver certificates for such securities to an Optionee pursuant to the exercise of an Option shall be subject to:

- (a) compliance with all applicable laws, regulations, rules, orders of governmental or regulatory authorities in Canada and the United Kingdom ("**Securities Regulators**");

- (b) compliance with the requirements of the Exchange; and
- (c) receipt from the Optionee of such covenants, agreements, representations and undertakings, including as to future dealings in such Shares, as the Corporation determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction.

11.2 The Corporation shall in no event be obligated to take any action in order to cause the issuance and delivery of such certificates to comply with any laws, regulations, rules, orders or requirements.

11.3 Notwithstanding any provisions in the Plan or any Option if any amendment, modification or termination to the provisions hereof or any Option made pursuant hereto are required by any Securities Regulators, a stock exchange or a market as a condition of approval to a distribution to the public of any Shares or to obtain or maintain a listing or quotation of any Shares, the Board is authorized to make such amendments and thereupon the terms of the Plan, any Options, including any option agreement made pursuant hereto, shall be deemed to be amended accordingly without requiring the consent or agreement of any Optionee or shareholder approval.

## **12. Miscellaneous**

12.1 An Optionee entitled to Shares as a result of the exercise of an Option shall not be deemed for any purpose to be, or to have rights as, a shareholder of the Corporation by such exercise, except to the extent Shares are issued therefor and then only from the date such Shares are issued. No adjustment shall be made for dividends or distributions or other rights which the record date is prior to the date such Shares are issued pursuant to the exercise of Options.

12.2 If the Corporation shall be required to withhold any amounts by reason of any federal, provincial, state, local or other rules or regulations concerning taxes or social security contributions in respect of the issuance or delivery of Shares to the Optionee, the Company may deduct and withhold such amount or amounts from any payment made by the Corporation to such Optionee, whether or not such payment is made pursuant to this Plan. In addition, or as an alternative to such withholding from payments, the Corporation may require an Optionee, as a condition of exercise of an Option, to pay to the Corporation an amount not exceeding the total of the withholding obligation of the Corporation arising in respect of the issuance or delivery of Shares to the Optionee, or to reimburse the Corporation for such amount. Under no circumstances shall the Corporation be responsible for funding the payment of any tax on behalf of any Eligible Person, any Permitted Assign or any transferee of an Option as permitted hereunder, or for providing any tax advice to them.

## **13. Effective Date, Amendment and Termination**

13.1 The Plan is effective as of April 11, 2012.

13.2 The Board may, subject to shareholder approval, amend the Plan at any time. Notwithstanding the foregoing, the Board is specifically authorized to amend or revise the terms of the Plan without obtaining Shareholder approval in the following circumstances:

- (a) to change the vesting provisions;
- (b) add any form of financial assistance;
- (c) to change the termination provisions of the Options or Plan which does not extend beyond the original expiry date;
- (d) to add a cashless exercise feature, payable in cash, whether or not the feature provides for a full deduction of the number of underlying Shares from the reserved Shares; and
- (e) other amendments of a housekeeping nature, including the correction or rectification of any ambiguities, defective or inconsistent provisions, errors, mistakes or omissions herein and updating provisions herein to reflect changes in the governing laws, including tax laws, and the Exchange requirements.

Shareholder approval will be required in the case of (i) any amendment to the amendment provisions of the Plan, and (ii) any increase in the maximum number of Shares issuable under the Plan, in addition to such other matters

that may require Shareholder approval under the rules and policies of Exchange. For greater certainty, an increase in the maximum number of Shares does not include reloading after exercise under a fixed maximum number or percentage provided the fixed maximum or percentage is not increased and the Plan otherwise permits reloading.

13.3 The Board may suspend or terminate the Plan at any time. No action by the Board to terminate the Plan pursuant to this Section 13 shall affect any Options granted hereunder prior to such termination.

13.4 Except as set out below, the Board may (without Shareholder approval) amend, modify or terminate any outstanding Option, including, but not limited to, substituting another award of the same or of a different type or changing the date of exercise; provided, however that, the Optionee's consent to such action shall be required unless the Board determines that the action, when taken with any related action, would not materially and adversely affect the Optionee or is specifically permitted hereunder.

Shareholder approval will be required in the case of any reduction in the Option Price or extension of the Option Period benefiting an Eligible Person and disinterested Shareholder approval, in accordance with the Exchange requirements, will be required in the case of any reduction in the Option Price or extension of the Option Period benefiting an Insider.

13.5 Notwithstanding any provision contained in the Plan, effective April 11, 2012, the Plan must be reconfirmed, every three years, by a resolution passed by a majority of the votes cast by Shareholders at the annual meeting of Shareholders (commencing in 2012) and if the Plan is not reconfirmed by the Shareholders as required by this provision, no further grants of options may be made under the Plan.

Approved by the board of directors on March 27, 2012.

Amendments approved by the Board on May 10, 2021.