NOTICE OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual general meeting of the shareholders of **CO_2 SOLUTIONS INC.** ("**CO_2 Solutions**" or the "**Corporation**") for the financial year ended June 30, 2017, will be held at **Laval University, at the Pavillon Alphonse Desjardins - Auditorium Hydro Québec (Room ADJ-2530)**, located at 2325, rue de l'Université, Québec, QC, **on Wednesday, November 22, 2017, at 2:30 p.m.** (EST) for the following purposes:

1. to receive the consolidated financial statements for the financial year ended June 30, 2017, and the auditor's report thereon;
2. to elect the directors;
3. to appoint the external auditor for the current financial year and authorize the directors to fix its remuneration; and
4. to discuss any other question that may be legally discussed during the annual general meeting.

The enclosed management information circular contains additional information on matters to be discussed at the annual general meeting of shareholders of CO_2 Solutions and of its adjournment and, in this respect, is hereby deemed to be an integral part of this notice.

Québec, this 25th day of October 2017

Upon the order of the Board of Directors,
President and Chief Executive Officer,

Evan Price

Evan Price

It is advisable that all shares held by each shareholder be represented at the meeting. Any shareholder who expects to be unable to attend the meeting is asked to complete and sign the enclosed proxy form, to insert the date and promptly return it to Computershare Investor Services Inc., 100 University Avenue – 8th Floor, Toronto, Ontario M5J 2Y1. The shareholders who plan to attend the meeting can also make their intentions known ahead of time by returning the proxy form duly completed.

These security holder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the issuer or its agent has sent these materials directly to you, your name, address and the information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

By choosing to send these materials to you directly, the Corporation (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

MANAGEMENT INFORMATION CIRCULAR

SOLICITATION OF PROXIES

This management information circular (the "**Circular**") is provided in connection with the solicitation of proxies by the Board of Directors (the "**Board**") and the management of CO_2 Solutions Inc. ("**CO_2 Solutions**" or the "**Corporation**") for use at its annual general meeting of shareholders (the "**Meeting**") to be held at the date, time and place and for the purposes set forth in the accompanying notice of meeting (the "**Notice**") and at any adjournment thereof. This solicitation is made primarily by mail and the costs related thereto are borne by the Corporation. Directors and officers of CO_2 Solutions may also solicit proxies and they do not receive any compensation in connection therewith. The Corporation shall reimburse brokers and other persons holding common shares of the Corporation (the "**Common Shares**") on their behalf or on behalf of nominees, for reasonable costs incurred in sending the proxy documents to objecting beneficial owners. The Corporation shall directly deliver proxy documents to non-objecting beneficial owners.

If you cannot attend the Meeting in person, please complete the attached proxy form and return it before 5:00 p.m. (EST), on November 20, 2017, to Computershare Investor Services Inc., 100 University Avenue – 8th Floor, Toronto, Ontario M5J 2Y1.

APPOINTMENT OF PROXIES

The persons named in the enclosed proxy form are directors or officers of CO_2 Solutions. **A shareholder has the right to appoint a person other than the ones whose names are indicated in the attached proxy form to represent such shareholder at the Meeting and to vote on his behalf.** To do so, the shareholder must write the name of his chosen proxy holder in the blank space provided on the proxy form. It is not necessary that the person selected be a shareholder of CO_2 Solutions.

To be valid, the proxy form must be signed by the shareholder or his attorney duly authorized in writing or, if the shareholder is a legal entity, by an executive officer or attorney so authorized in writing. In all cases, the proxy form must be filled out, signed and returned to Computershare Investor Services Inc., 100 University Avenue – 8th Floor, Toronto, Ontario M5J 2Y1, at any time before 5:00 p.m. (EST), on November 20, 2017, or with the Secretary of the Meeting at the time and place of the Meeting or any adjournment thereof.

REVOCATION OF PROXIES

A shareholder may revoke the proxy by way of a written instrument executed by him or by his attorney duly authorized in writing. This notification must be deposited at Computershare Investor Services Inc., 100 University Avenue – 8th Floor, Toronto, Ontario M5J 2Y1, at any time but no later than on the last business day preceding the day of the Meeting or any adjournment thereof, or with the Secretary of the Meeting, on the day of the Meeting or any adjournment thereof, or by any other means accepted by law.

NATURE OF PROXIES

Voting rights attached to CO_2 Solutions' shares represented by proxies given in favour of management by means of the proxy form or any other duly signed proxy form will be voted or withheld from voting in accordance with the instructions given by the shareholder.

Unless otherwise indicated in the attached proxy form, the voting rights attached to CO_2 Solutions' shares represented by these proxy forms will be voted IN FAVOUR of the subjects mentioned in the Notice.

DISCRETIONARY AUTHORITY

The proxy form also confers to the designated person discretionary authority with respect to amendments or variations to the matters identified in the Notice and with respect to matters other than those identified in the Notice which may properly come before the Meeting. As of the date hereof, CO_2 Solutions is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting.

NOTICE TO BENEFICIAL HOLDERS OF COMMON SHARES

The information set forth in this section is of significant importance to many shareholders, as a substantial number of shareholders do not hold Common Shares in their own name. Shareholders who do not hold their shares in their own name (referred to in this Circular as "**Beneficial Shareholders**") should note that only proxies deposited by shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a shareholder by a broker, then, in almost all cases, those Common Shares will not be registered in the shareholder's name on the records of the Corporation. Such Common Shares will likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the majority of such shares are registered under the name of CDS & Co. (the nominee of The Canadian Depository for Securities Limited, which acts as depository for many Canadian brokerage firms). Common Shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, a broker and its agents and nominees are prohibited from voting Common Shares for the broker's clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person.**

Applicable regulatory rules require intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is identical to the form of proxy provided to registered shareholders. However, its purpose is limited to instructing the registered shareholder (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 Financial Solutions, Inc. ("**Broadridge**").

Broadridge typically applies a special sticker to the proxy forms, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the proxy forms to Broadridge or to call their toll-free telephone number to vote their shares or access their website www.proxyvotecanada.com to deliver voting instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at a Meeting. **A Beneficial Shareholder receiving a proxy with a Broadridge sticker on it cannot use that proxy to vote Common Shares directly at the Meeting. The proxy must be returned to Broadridge in advance of the Meeting in order to have their shares voted at such meeting.**

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

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as disclosed in this Circular, no person who has been a director or an executive officer of the Corporation nor any proposed nominee for election as a director of the Corporation at any time since the beginning of its last completed financial year, or any associate or affiliate of any such director or officer, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As of October 25, 2017, CO_2 Solutions had a total of 147,786,012 Common Shares issued and outstanding, Common Shares being the only class of voting securities of the Corporation. At the Meeting, any holder of Common Shares is entitled to one vote for every Common Share listed in his name as of the record date, being October 24, 2017.

Any person acquiring shares later than the record date, being October 18, 2017, may vote at the Meeting, provided he produces properly endorsed certificates evidencing such shares, or otherwise establishes that he owns such shares and he must request, no later than 10 days prior to the Meeting, that his name appear on the list of shareholders authorized to receive the Notice.

As at October 25, 2017, to the best knowledge of the Corporation, the following person beneficially owned, directly or indirectly, or exercised control or direction over, more than 10% of the voting shares of the Corporation:

Name and place of business	Number of shares beneficially owned	Percentage
Robert Manherz Ancaster, Ontario	24,264,953	16.42%

BUSINESS TO BE TRANSACTED AT THE MEETING

Presentation of the Financial Statements

The audited consolidated financial statements of the Corporation for the financial year ended June 30, 2017, and the auditor's report thereon contained in the Corporation's annual report will be presented to the shareholders at the Meeting but no vote with respect thereto is required or proposed to be taken.

Election of Directors

According to the articles of CO_2 Solutions, the Board must consist of a minimum of one (1) and a maximum of eleven (11) directors. The current number of directors is five (5).

At the Meeting, five (5) directors will be proposed as candidates for election. Each director elected will hold office until the next annual meeting of shareholders of the Corporation, or until a successor is duly elected or appointed, or unless his or her office is vacated earlier. **Unless otherwise instructed in the attached proxy form, the persons named in the accompanying proxy form will vote IN FAVOUR of the election of the candidates named hereunder.**

The persons proposed as candidates for election as directors of CO_2 Solutions have been members of the Board since the date indicated under their name in the following table. Management does not expect any candidate to be unable or unwilling to serve as director, but should that occur for any reason prior to the Meeting, the persons named in the attached proxy form reserve the right to vote for another candidate at their discretion, unless otherwise instructed in the proxy form.

GLENN KELLY	INDEPENDENT
Principal Occupation and Other Directorships	
Mr. Kelly is presently President and CEO of Orbite Technologies Inc. ("Orbite Technologies"), a Canadian clean technology company operating in the resources sector. He was President and CEO of CO_2 Solutions until May, 2013. Prior to CO_2 Solutions, Mr. Kelly was President and Chief Operating Officer of Rabaska Inc., a liquefied natural gas import terminal project in Lévis, Quebec and a subsidiary of Gaz Métro, Gaz de France and Enbridge Inc. Mr. Kelly was also President and founder of Intragaz Inc., a company specialized in the development and operation of underground natural gas storage facilities. Prior to this, he worked for Chevron Canada Resources of Calgary, responsible for several important exploration projects throughout Canada. Mr. Kelly presently serves as a board and governance committee member of Avjet Holding Inc. He has also served as a member of the board of directors of Xebec Adsorption Inc., as Chair of the board of directors of Gastem inc. and as a member of the board of directors and Audit Committee of Ressources Québec Inc., a subsidiary of Investissement Québec, specializing in the mining and hydrocarbon sectors. He holds an Honours B.Sc. degree in civil engineering from Queen's University and an MBA from Laval University.	
Residence	Trois-Rivières, Quebec, Canada
Chair and Committee Membership:	Chair of the Board Member of the Audit Committee Member of the Corporate Governance and Human Resources Committee
Director since:	2008
Common Shares Beneficially Owned or Controlled or Directed:	660,798
Deferred Share Units Beneficially Owned or Controlled or Directed:	153,846

KIMBERLEY OKELL	INDEPENDENT
Principal Occupation and Other Directorships	
Ms. Kimberley Okell joined the law firm DS Lawyers Canada LLP in April 2014 and practices in the areas of corporate and commercial law, with a particular focus in securities, mergers and acquisitions. Ms. Okell was a partner at Fasken Martineau DuMoulin LLP from February 2012 to April 2014. Before February 2012, Ms. Okell was Vice President, Legal Affairs and Assistant Corporate Secretary of Vision 7 ULC (formerly known as Cossette Inc.), a communications-marketing firm with operations throughout Canada, the United States and in the United Kingdom. This corporation's predecessor was listed on the Toronto Stock Exchange until December 2009. She has been a member of the Quebec Bar since 1993.	
Residence	Québec, Quebec, Canada
Chair and Committee Membership:	Chair of the Corporate Governance and Human Resources Committee Member of the Audit Committee
Director since:	2001
Common Shares Beneficially Owned or Controlled or Directed:	72,939
Deferred Share Units Beneficially Owned or Controlled or Directed:	96,154

ROBERT MANHERZ	NOT INDEPENDENT
Principal Occupation and Other Directorships A successful entrepreneur, Mr. Manherz was the Founder and President of ReserveAmerica, Inc. Following the acquisition of ReserveAmerica, Inc. by Ticketmaster in 2000, Mr. Manherz was involved in a series of private equity and venture capital investments in healthcare, biotechnology and real estate. In 2004, Mr. Manherz founded Dundurn Capital Partners Inc. and related companies. Dundurn Capital Partners Inc. has made investments in "green" technology, sustainable development of buildings, in the nanotechnology space, energy-efficient lighting, carbon capture and developed real estate designed to the LEED® Platinum standard (Leadership in Energy and Environmental Design). Mr. Manherz holds an Honours Mathematics and Computer Science Bachelor's degree from the University of Waterloo.	
Residence	Ancaster, Ontario, Canada
Chair and Committee Membership:	Member of the Corporate Governance and Human Resources Committee
Director since:	2008
Common Shares Beneficially Owned or Controlled or Directed:	24,264,953
Deferred Share Units Beneficially Owned or Controlled or Directed:	76,923

JOCELYN PROTEAU	INDEPENDENT
Principal Occupation and Other Directorships From 1989 to 2001, Mr. Jocelyn Proteau was Chair of the board of directors and Chief Executive of the Fédération des Caisses populaires Desjardins de Montréal-et-de-l'Ouest-du-Québec. He is presently Chair of the board of trustees and member of the HR and Governance Committee of BTB Real Estate Investment Trust and Chair of the board of directors of Richelieu Hardware Ltd. He also serves on the boards of directors of various companies as non-executive director: Canadian Public Accountability Board (CPAB) (Vice-Chair) and Familiprix Inc. Mr. Proteau has served as non-executive director and Chair of the board of directors of Standard Life Insurance of Canada, Standard Life Trust, and Standard Life Financial Inc. from January 2005 to May 2009 and as non-executive director of Standard Life Plc (Scotland) from August 2003 to May 2009.	
Residence	Montréal, Quebec, Canada
Chair and Committee Membership:	Chair of the Audit Committee
Director since:	2007
Common Shares Beneficially Owned or Controlled or Directed:	101,517
Deferred Share Units Beneficially Owned or Controlled or Directed:	115,385

EVAN PRICE	NOT INDEPENDENT
Principal Occupation and Other Directorships Mr. Evan Price is the President and Chief Executive Officer ("**CEO**") of CO_2 Solutions since May 2013. He was Chair of the Board of CO_2 Solutions from October 2008 until his appointment as President and CEO. Mr. Price is also Chair of the board of directors of IOU Financial Inc., a company listed on the TSX Venture Exchange Inc. ("**TSX-V**"). He is a member of the board of directors of Gestion Solifor Inc., a limited partnership which owns and manages timberlands in the province of Quebec. He holds a Bachelor's degree in Forestry Engineering from Université Laval, an MBA from INSEAD in Fontainebleau, France and a Certificate in corporate governance from Université Laval's Collège des administrateurs.	
Residence	Île d'Orléans, Québec, Canada
Chair and Committee Membership:	-
Director since:	2008
Common Shares Beneficially Owned or Controlled or Directed:	2,517,078
Deferred Share Units Beneficially Owned or Controlled or Directed:	-

As a result of supplier related material issues with some critical equipment at its new plant, on April 3, 2017, Orbite Technologies (Orbite) filed a Notice of Intention (the "NOI") to make a proposal under the Bankruptcy and Insolvency Act (Canada) (the "BIA"). On April 28, 2017, Orbite migrated from the BIA to the Companies' Creditors Arrangement Act ("CCAA") and proceedings have been stayed until late 2017. This period is to allow Orbite to implement, with its critical equipment supplier, the solutions that could allow Orbite to resume its production efforts.

Orbite's shares were listed on the Toronto Stock Exchange "TSX'' and on the OTCQX International. On April 3, 2017, the TSX announced that Orbite's securities were suspended from trading and as of the close of business on May 16, 2017 the securities were de-listed from the TSX. Orbite's Class A Shares were subsequently listed on the NEX board on May 19, 2017 towards a possible relisting, on the TSX Venture Exchange ("TSX-V"), but they remain halted from trading for the time being.

Except for the information stated above about Orbite Technologies, none of the proposed directors is, as of the date hereof, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation) that (i) while that person was acting in that capacity, was the subject of a cease trade order or similar order or an order that denied that relevant company access to any exemption under Canadian securities legislation, for a period of more than 30 consecutive days; (ii) was the subject of a cease trade order, similar order or order that denied the relevant company access to any exemption under Canadian securities legislation, for a period of more than 30 consecutive days, that was issued after that person ceased to act as a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in such capacity; (iii) while that person was acting as director, chief executive officer or chief financial officer, or within the following financial year after that person ceased to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to any proceedings by its creditors, entered into any arrangement or compromise with them, instituted any proceedings against them, tried or took actions to enter into any arrangement or compromise with them, or had a receiver or receiver manager or trustee appointed to hold its assets; or (iv) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, become subject to any proceedings by its creditors, entered into any arrangement or compromise with them, instituted proceedings against them or had a receiver, receiver manager or trustee appointed to hold the assets of such proposed director.

In addition, none of the proposed directors has been subject to a penalty or sanction imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a security regulatory authority or any other penalty or sanction imposed by a court or regulatory body that would likely be considered important to a reasonable security holder when taking a decision relating to a placement matter.

Appointment of External Auditor

The Board, on the Audit Committee's advice, recommends the appointment of PricewaterhouseCoopers, LLP, as External Auditor of CO_2 Solutions. The auditor will be in office until the next annual meeting of the Corporation or until a successor is named. This firm was appointed for its first mandate at the annual general meeting of the Corporation held on November 23, 2011.

Unless otherwise instructed in the attached proxy form, the persons named in the accompanying proxy form will vote IN FAVOUR of the appointment of PricewaterhouseCoopers, LLP, as External Auditor of CO_2 Solutions and for the authorization of the Board to fix the auditor's remuneration.

COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

Compensation Discussion and Analysis

General

The Corporate Governance and Human Resources Committee is required to consult with and make recommendations to the Board on the compensation of the executives who served as President and Chief Executive Officer, Senior Vice President, Finance and Chief Financial Officer, Senior Vice President, Process Engineering and Chief Technology Officer and Vice President, Business Development during the last financial year (the "**Named Executive Officers**"). For the financial year ended June 30, 2017, the members of the Corporate Governance and Human Resources Committee were Ms. Kimberley Okell, Mr. Robert Manherz and Mr. Glenn Kelly. Ms. Okell and Mr. Kelly are considered independent. Mr. Manherz is not considered independent as he beneficially owns, as of the date hereof, a total of 24,264,953 Common Shares, representing 16.42% of the currently issued and outstanding Common Shares.

All members of the Corporate Governance and Human Resources Committee have held senior executive positions in other companies thus providing these committee members with direct experience relevant to his or her responsibilities in the matters of determining executive compensation and setting the Corporation's compensation policies and practices.

The compensation of the Named Executive Officers has been established with the objective to attract and retain executives critical to the Corporation's short and long-term success and to continue to provide Named Executive Officers with compensation that is in accordance with existing market standards generally. The Committee also takes into consideration the financial needs of the Corporation, its business plan and the Corporation's annual corporate objectives before determining the Corporation's executive compensation, as well as the risks associated with the Corporation's compensation policies relative to the Corporation's requirement to obtain and keep qualified executives.

The Corporate Governance and Human Resources Committee assesses the potential risks associated with the Corporation's compensation policies every year and has concluded that the Corporation's compensation policies do not create any risks that are reasonably likely to have a material adverse effect on the Corporation and do not encourage Named Executive Officers or employees to take inappropriate or excessive risks. No Named Executive Officer or director is permitted to purchase financial instruments that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the Named Executive Officer or director.

Compensation of the Corporation's Named Executive Officers is comprised of a base salary, discretionary annual cash bonuses, discretionary grant of options to purchase common shares under the amended stock option plan of the Corporation and discretionary grant of deferred share units ("**DSUs**") and restricted share units ("**RSUs**").

Through its Named Executive Officers compensation practices, the Corporation seeks to provide value to its shareholders by employing executives showing initiative and leadership. Specifically, the Corporation's Named Executive Officers compensation structure seeks to attract and retain talented and experienced Named Executive Officers, motivate and reward Named Executive Officers whose knowledge, skills and performance are critical to the Corporation's success, align the interests of the Corporation's Named Executive Officers and shareholders by motivating Named Executive Officers to increase shareholder value, and provide a competitive compensation package in which a significant portion of total compensation is determined by corporate and individual results and the creation of shareholder value and yield.

Within the context of the overall objectives of the Corporation's compensation practices, the Corporation determined the specific amounts of compensation to be paid to each of its Named Executive Officers for the financial year ended June 30, 2017, based on a number of factors, including: the Corporation's understanding of the amount of compensation generally paid by similarly situated companies to their executives with similar roles and responsibilities; the Corporation's Named Executive Officers' performance during the financial year in general and as measured against predetermined corporate and individual performance goals; the roles and responsibilities of the Corporation's Named Executive Officers; the individual experience and skills of, and expected contributions from, the Corporation's Named Executive Officers; the amounts of compensation being paid to the Corporation's other Named Executive Officers and the Corporation's financial situation. In addition, the Corporate Governance and Human Resources Committee considers publicly available economic data regarding the variation of the Consumer Price Index and publicly available data regarding forecasted salary percentage increases for the year. No independent third-party report was prepared for the compensation of the executive officers in fiscal year 2017.

Total Compensation Components

The following table sets forth the components of compensation for the Named Executive Officers of the Corporation and the objectives of each program for the 2017 financial year:

Compensation Component	Objectives	Basis
Base salary	• Attract and retain • Recognize competencies and contributions to Corporation's results	• Negotiations to attract qualified, competent individuals. • Individual competencies and contributions.
Performance bonus	• Short-term incentive to achieve individual and corporate objectives	• Corporate and individual objectives.
Restricted Share Units (RSUs)	• Short-term incentive to achieve individual and corporate objectives (in lieu of or in combination with cash bonus payments)	• Present and potential contributions of and services rendered by an individual to the success of the Corporation.
Deferred share units (DSUs)	• Motivate, attract and retain	• Present and potential contributions of and services rendered by an individual to the success of the Corporation.
Options	• Long-term incentive to retain executives • Motivate to increase the shareholder value	• Generally must be employed by the Corporation at the time of payment (options automatically expire 90 days from the date of departure provided they are vested, if not vested at time of departure, they are cancelled on the day of departure). • Corporate and individual objectives.

Base Salary

The Corporation's approach is to pay its Named Executive Officers a base salary, or in the case of the President and Chief Executive Officer, and the Senior Vice President and Chief Financial Officer for the financial period ended June 30, 2017, a base fee that is competitive with those of other executive officers in similar companies. The Corporation believes that a competitive base salary or fee is a necessary element of any compensation program that is designed to attract and retain talented and experienced executives. The Corporation also believes that attractive base salaries or fees can motivate and reward Named Executive Officers for their overall performance. The base salary or fee of each Named Executive Officer is reviewed annually and can be used as the base to determine other items of compensation and benefits.

The base salaries or fees of the Named Executive Officers reflect the initial base salaries or fees that the Corporation negotiated with them at the date of their hiring. The base salaries or fees that the Corporation negotiated with its Named Executive Officers at the date of their hiring were based on its understanding of base salaries or fees for comparable positions at similarly situated companies at the time, the individual experience and skills of, and expected contributions from each Named Executive Officer, the roles and responsibilities of the Named Executive Officers, the base salaries or fees of the Corporation's existing Named Executive Officers and other factors.

The annual base salary or fee of the Named Executive Officers is set annually by the Board taking into account the performance and the achievement of certain objectives.

Named Executive Officers' Performance Bonus

The Named Executive Officers of the Corporation have the opportunity to earn an annual bonus in the form of cash or Restricted Share Units (RSUs) or a combination of cash and RSUs based on corporate and individual performance in the context of the overall performance of the Corporation. Individual target bonuses, which are established by the Corporate Governance and Human Resources Committee, will typically vary between 15% and 40% of the base salary or fee of the Named Executive Officers. Bonuses granted to each Named Executive Officer are recommended by the Corporate Governance and Human Resources Committee to the Board which ultimately approves the award of such bonuses.

Bonuses are primarily based upon the performance of the Named Executive Officers as measured against predetermined corporate and individual goals covering business development, corporate, financial and research and development achievements. Corporate goals will generally relate to strategic requirements to advance the Corporation's position in technology development, intellectual property development, new business development (collaboration agreements), advances toward product commercialization and generation of sufficient cash flows to maintain the on-going operations of the Corporation. The objectives are proposed by the Corporate Governance and Human Resources Committee to the Board, and once approved, discussed with the Named Executive Officers. The primary objective of the Corporation's bonus payments is to motivate and reward its Named Executive Officers for meeting the Corporation's short-term objectives using a performance-based compensation program with objectively determinable goals that are specifically tailored for each Named Executive Officer. In addition, the Corporation reserves a portion of each Named Executive Officer's annual bonus to be paid at the Corporation's discretion based on the Named Executive Officer's overall performance. The Corporation maintains this discretionary portion of the annual bonuses in order to motivate its Named Executive Officers' overall performance and their performance relating to matters that are not addressed in the predetermined performance goals that the Corporation sets. The Corporation believes that every important aspect of Named Executive Officers performance is not capable of being specifically quantified in a predetermined objective goal. For example, events outside of the Corporation's control may occur after the Corporation has established the Named Executive Officers' performance goals for the year that require its Named Executive Officers to focus their attention on different or other strategic objectives.

*Restricted Share Unit Plan **(“RSU Plan”)***

The RSU Plan provides for incentive payments in the form of the issuance of Common Shares to participants in the RSU Plan for the purpose of advancing the interests of the Corporation and its affiliates through the motivation, attraction and retention of eligible employees and eligible consultants and to secure for the Corporation and the shareholders of the Corporation the benefits inherent in the ownership of Common Shares by such participants, it being generally recognized that restricted share plans aid in attracting, retaining and encouraging employees due to the opportunity offered to them to acquire a proprietary interest in the Corporation.

For the financial year ended June 30, 2017, the Corporation granted a total of 349,625 RSUs to its Named Executive Officers.

*Deferred Share Unit Plan (“**DSU Plan**”)*

The purpose of the DSU Plan is to strengthen the alignment of interests between the participants in the DSU Plan and the shareholders of the Corporation by linking a portion of annual compensation, as determined by the Board, from time to time, to the future value of the Common Shares. In addition, the DSU Plan has been adopted for the purpose of advancing the interests of the Corporation through the motivation, attraction and retention of directors, officers and employees of the Corporation and its affiliates, it being generally recognized that the DSU Plan will aid in attracting, retaining and encouraging director, officer and employee commitment and performance due to the opportunity offered to them to receive compensation in line with the value of the Common Shares.

The Corporate Governance and Human Resources Committee makes recommendations to the Board with respect to the persons who may participate in the RSU Plan and the DSU Plan, any awards of RSUs and DSUs under the RSU Plan and the DSU Plan and the provisions and restrictions with respect to such awards. The Corporate Governance and Human Resources Committee may take into consideration the present and potential contributions of and the services rendered by the particular participant to the success of the Corporation and any other factors which the Corporate Governance and Human Resources Committee deems appropriate and relevant, including taking into account previous grants, when it recommends to the Board awarding DSUs or RSUs to participants under the RSU Plan and the DSU Plan. The Board ultimately has the responsibility to award DSUs and RSUs.

The Corporate Governance and Human Resources Committee is also responsible for reviewing and reassessing the RSU Plan and the DSU Plan and reports to the Board as necessary.

Options

The Corporation’s granting of options to purchase common shares to its Named Executive Officers is a method of compensation which is used to attract and retain personnel and to provide an incentive to participate in the long-term development of the Corporation and to increase shareholder value. The relative emphasis of options for remunerating Named Executive Officers and employees will generally vary depending on the number of options to purchase common shares that are outstanding at the time. The Named Executive Officers held, as of June 30, 2017, a total of 2,809,500 stock options. These options have an exercise price between $0.10 and $0.23. The stock options generally have an exercise period of 5 years from their date of grant and the vesting schedule is determined by the Board at the time of grant. The Corporation generally expects future grants should be based on the following factors: the Named Executive Officers’ past performance, anticipated future contribution, prior option grants to such Named Executive Officers, the percentage of outstanding equity owned by the Named Executive Officers, the level of vested and unvested options, competitive market practices and the Named Executive Officers’ responsibilities and performance. The Corporation has not set specific target levels for options to Named Executive Officers but seeks to be competitive with similar companies. Additional option grants will be recommended by the Corporate Governance and Human Resources Committee to the Board which ultimately has the responsibility to award options. The Corporate Governance and Human

Resources Committee is also responsible for reviewing and reassessing the Corporation's stock option plan and reports to the Board as necessary.

For the financial year ended June 30, 2017, the Corporation granted a total of 690,000 stock options to its Named Executive Officers.

Summary Compensation Table of the Named Executive Officers

The following table sets forth compensation granted during the last three financial years to Named Executive Officers:

Name and principal position of the Named Executive Officer	Year	Salary ($)	Share-based awards[1] ($)	Option-based awards[2] ($)	Non-equity incentive plan compensation ($)		Pension value[5] ($)	All other compensation ($)	Total compensation ($)
					Annual incentive plans [3]	Long-term incentive plans[4]			
Evan Price President and Chief Executive Officer	2016-2017	-	36,840	36,432	-	-	5,388	269,415 [6]	348,075
	2015-2016	-	55,450	52,002		-	5,288	264,402 [6]	377,142
	2014-2015	-	-	16,695	27,521	-	5,103	227,625 [6]	276,944
Thom Skinner Senior Vice President, Finance and Chief Financial Officer[7]	2016-2017	-	25,685	23,276	-	-	3,563	178,152[6]	230,676
	2015-2016	-	34,397	23,915	-	-	3,430	171,521[6]	233,263
	2014-2015	-	-	10,395	38,466[8]	-	4,105	166,771[6]	219,737
Jonathan Carley Former Vice President, Business Development[9]	2016-2017	156,922	30,652	10,120	-	-	2,340	-	200,034
	2015-2016	154,239	11,333	15,408	-	-	3,085	-	184,065
	2014-2015	148,824	-	6,930	11,788	-	3,212	-	170,754

(1) The fair value of the RSUs is determined by multiplying the number of RSUs granted by the closing price of the Common Shares on the TSX-V on the last trading day preceding the date of grant, being $0.195 for the RSUs granted on October 13, 2016 which vested on January 1, 2017 and $0.15 for the RSUs granted on February 27, 2017 which vested on August 31, 2017.

(2) The fair value of each option granted was determined using the Black-Scholes option pricing model, according to Section 3870 of the Handbook of the Chartered Professional Accountants Canada. For the year ended June 30, 2017, the following assumptions have been applied to determine this fair value:
Share price: $0.15
Risk-free interest rate: 1.00%
Dividend yield: 0%
Expected Volatility: 86%
Expected life: 5 years
Weighted average fair value per option granted: $0.1012

(3) Performance bonus payments.
(4) No "long-term incentive plan" is in place.
(5) Received as a contribution of the Corporation to registered retirement savings plan.
(6) Fees paid under the terms of consulting agreements.
(7) Mr. Skinner retired from the Corporation as of July 10, 2017
(8) Includes retention bonus of $10,000 as noted below pursuant to June 2013 contract amendment
(9) Mr. Carley resigned as of February 28, 2017. His termination agreement provided for a six (6) month salary to be paid between February 28 and August 31, 2017.

Consulting and Employment Agreements of the Named Executive Officers

The services of Mr. Evan Price, as President and Chief Executive Officer of the Corporation, were provided by Mr. Price for the financial year ended June 30, 2017 under the terms of a consulting agreement entered into between Mr. Price and the Corporation on May 21, 2013. This agreement was for an initial period of 18 months and with regards to the related annual fee and Mr. Price's weekly time commitment, was amended on February 17, 2014, on July 17, 2014 and on November 26, 2014. Pursuant to the November 26, 2014 amendment, Mr. Price's fees as President and Chief Executive Officer of the Corporation for 3.5 days a week were $229,540 per annum. Mr. Price's consulting agreement was further amended on July 29, 2015 and on March 1, 2016 whereby his fees as President and Chief Executive Officer of the Corporation for 4 days a week were increased to $269,415 per annum effective January 2016. Mr. Price is also entitled to receive an annual performance bonus representing not more than 40% of his annual base fee. The agreement also stipulates that if Mr. Price's contract with the Corporation is terminated in the year following a change of control of the Corporation, Mr. Price will be entitled to receive a compensation payment representing 18 months of his base fee, which would have represented $404,122 on June 30, 2017.

The services of Mr. Thom Skinner, CPA, CA, as Senior Vice President, Finance and Chief Financial Officer of the Corporation were provided by Mr. Skinner for the financial year ended June 30, 2017 under the terms of a consulting agreement entered into between Mr. Skinner and the Corporation on March 7, 2011. This agreement, originally for a 2-year term was extended effective March 17, 2013 for 1 year, effective March 17, 2014 for an additional 2 years, and effective March 7, 2016 for 1 year under essentially the same terms. The agreement provides for an annual base fee (as revised effective January 1, 2016) to be paid to Mr. Skinner of $173,805. On December 21, 2016, the agreement was extended, effective January 2017, for another 6 months for a base fee of $91,650, based on an annual base fee of $182,500.

Mr. Skinner is also entitled to receive an annual performance bonus representing not more than 25% of his annual base fee. The agreement also stipulates that if Mr. Skinner's contract with the Corporation is terminated in the year following a change of control of the Corporation, Mr. Skinner will be entitled to receive a compensation payment representing between 12 and 18 months of his base fee, depending on his having met certain performance criteria prior to such change in control which would have represented $173,805 on June 30, 2017 for a 12-month compensation payment and $260,708 for 18 month compensation payment. Mr. Skinner retired as of July 10, 2017, but remains with the Corporation in an advisory capacity until December 31, 2017.

On May 6, 2008, the Corporation entered into an employment agreement with Mr. Jonathan Carley for an indefinite term and he benefited, for the year ended June 30, 2017 from the general employment conditions accorded to all the other employees of the Corporation with the addition that, further to an agreement signed February 13, 2014, Mr. Carley's employment contract provided that, in the event of the termination of his employment on account of (i) an involuntary termination by the Corporation for any reason other than reasonable cause, death or disability, or (ii) Mr. Carley voluntarily terminating his employment with the Corporation, in either case that occurs at the same time as, or within the six (6) months period following, the consummation of a change in control, then Mr. Carley would have been entitled, conditional upon and subject to Mr. Carley's execution of a release in a form satisfactory to the Corporation, to receive an amount equal to 12 months of Mr. Carley's base annual salary as at the date of change of control. As at June 30, 2017, this amount would have represented $153,953. On February 28, 2017, Mr. Carley resigned from his position with the Corporation.

The Corporation offers its officers to match the contribution made by the officers from their monetary compensation or monetary fee, as the case may be, to their registered retirement savings plan, up to a maximum of 2% of the gross monetary compensation or gross monetary fee, as the case may be, of the officer. Mr. Price, Mr. Skinner, and Mr. Carley received such contributions from the Corporation and such benefit is included in their employment/service agreements with the Corporation.

Outstanding Share-Based Awards and Option-Based Awards

The following table discloses the outstanding awards to the Named Executive Officers at the end of the last financial year:

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options ($)(1)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ($)	Market or payout value of vested share-based awards not paid out or distributed ($)
Evan Price President and Chief Executive Officer	360,000	0.150	November 30, 2021	7,200	-	-	-
	324,000	0.230	November 30, 2020	-	-	-	-
	265,000	0.100	November 26, 2019	18,550	-	-	-
	50,000	0.100	December 04, 2018	3,500	-	-	-
	500,000	0.115	May 23, 2018	27,500	-	-	-
	30,000	0.100	December 19, 2017	2,100	-	-	-
Thom Skinner Senior Vice President, Finance and Chief Financial Officer(2)	230,000	0.150	November 30, 2021	4,600	-	-	-
	149,000	0.230	November 30, 2020	-	-	-	-
	165,000	0.100	November 26, 2019	11,550	-	-	-
	144,000	0.100	December 04, 2018	10,080	-	-	-
Jonathan Carley Former Vice President, Business Development(3)					166,667(4)	28,333	
	100,000	0.150	November 30, 2021	2,000			-
	96,000	0.230	November 30, 2020	-	-	-	-
	110,000	0.100	November 26, 2019	7,700	-	-	-
	189,000	0.100	December 04, 2018	13,230	-	-	-
	97,500	0.100	December 19, 2017	6,825	-	-	-

(1) The value of the unexercised in-the-money options at the financial year-end is the difference between the closing price of the Common Shares on the TSX-V on June 30, 2017 ($0.17) and their respective exercise price.
(2) Mr. Skinner retired as of July 10, 2017.
(3) Mr. Carley resigned as of February 28, 2017.
(4) The market or payout value of the RSUs that have not vested at the financial year-end is determined by multiplying the number of unvested RSUs by the closing price of the Common Shares on the TSX-V on June 30, 2017 ($0.17)

Incentive Plan Awards – Value Vested or Earned during the Year

The following table sets forth the value vested or earned of the awards granted to the Named Executive Officers during the last financial year:

Name	Option-based awards – Value vested during the year ($)	Share-based awards – Value vested during the year(1) ($)	Non-equity incentive plan compensation – Value earned during the year ($)
Evan Price President and Chief Executive Officer	29,076	36,840	-
Thom Skinner Senior Vice President, Finance and Chief Financial Officer(2)	40,113	25,685	-
Jonathan Carley Former Vice President, Business Development(3)	26,055	5, 652	-

(1) The RSUs granted on October 13, 2016 vested on January 1, 2017 and Common Shares were subsequently issued on that date pursuant to the terms of the RSU Plan.
(2) Mr. Skinner retired as of July 10, 2017.
(3) Mr. Carley resigned as of February 28, 2017.

Defined contribution plans

The following table sets forth the information relating to all pension plans or pension contributions relative to monetary fees (or equivalent) paid to contracted officers of the Corporation that provide for payments or benefits at retirement to the Named Executive Officers, excluding defined benefit plans:

Name	Accumulated value at start of year ($)	Compensatory ($)	Non-compensatory ($)	Accumulated value at year end ($)
Evan Price President and Chief Executive Officer	12,919	5,388	-	18,307
Thom Skinner Senior Vice President, Finance and Chief Financial Officer(1)	19,352	3,563	-	22,915
Jonathan Carley Former Vice President, Business Development(2)	23,758	2,340	2,340 (3)	28,438

(1) Mr. Skinner retired as of July 10, 2017.
(2) Mr. Carley resigned as of February 28, 2017.
(3) Representing an amount of $2,340 deposited from the salary of Mr. Carley.

Compensation of Directors

Director Compensation Table

The following table sets forth all compensation elements provided to the directors of the Corporation during the last financial year.

Name	Fees earned ($)	Share-based awards ($)	Option-based awards ($)(1)	Non-equity incentive plan compensation ($)	Pension value ($)	All other compensation ($)	Total ($)
Glenn Kelly(4)	30,500	30,000	6,072	-	-	-	66,572
Robert Manherz	18,000	15,000	4,048	-	-	-	37,048
Kimberley Okell(2)	21,000	18,750	4,048	-	-	-	43,798
Jocelyn Proteau (3)	25,500	22,500	4,048	-	-	-	52,048

(1) The fair value of each granted option was determined using the Black-Scholes option pricing model, according to Section 3870 of the Handbook of the Canadian Institute of Chartered Professional Accountants. For the year ended June 30, 2017, the following assumptions have been applied to determine the fair value of the grants provided to directors:
Share price: $0.15
Risk-free interest rate: 1.00%
Dividend yield: nil
Expected Volatility: 86%
Expected life: 5 years
Weighted average fair value per option granted: $0.1012
(2) Chair of the Corporate Governance and Human Resources Committee.
(3) Chair of the Audit Committee.
(4) Chair of the Board of Directors

For the financial year ended June 30, 2017, CO_2 Solutions' directors, who were not employees of the Corporation, were paid an attendance fee of $1,000 for each Board meeting they attended. The Chair of the Board was paid the same amounts. Non-employee directors were also paid an annual fee of $10,000. The Chair of the Board was paid an annual fee of $20,000. In addition, under the Board remuneration plan, 20,000 options are granted annually to non-employee directors (30,000 granted to the Chair of the Board), subject to the conditions of the stock option plan. New members of the Board are automatically granted 30,000 options, or a prorated amount relative to when they join the Board. During the year ended June 30, 2017, 442,308 DSUs were granted to Directors who are not employees of the Corporation.

Committee members were paid $1,000 for each meeting they attended. Audit Committee Chair and Corporate Governance and Human Resources Chair received similar amounts and were paid a $5,000 annual fee for Audit Committee Chair and $2,500 annual fee for the Corporate Governance and Human Resources Chair.

Since February 11, 2010, when two committees hold their meeting on the same day, at the same place and one after the other, the members only receive one attendance fee for all the committee meetings they attend. Moreover, directors are entitled to the reimbursement of the travel expenses incurred to attend meetings of the Board and are entitled to indemnification pursuant to the provisions of sections 159 to 161 of the *Business Corporations Act* (Quebec).

In addition to the cash component of their annual fees, for the financial year ended June 30, 2017, CO_2 Solutions' directors, who are not employees of the Corporation were granted DSUs for total value of $15,000 and the Chair of the Board was granted DSUs for a value of $30,000.

In addition to the cash component of their annual fees to act as Chair of the Audit Committee and Corporate Governance and Human Resources Committee, such directors were granted DSUs for a value of $7,500 and $3,750 respectively. In accordance with the DSU Plan approved in November 2015, as at June 30, 2017, the directors had earned $48,250 in DSUs to be awarded during the 2018 Financial Year.

During the financial year ended June 30, 2017, the Board held seven meetings, the Corporate Governance and Human Resources Committee held three meetings and the Audit Committee held five meetings. The directors who are not employees of the Corporation received the compensation set forth above in the form indicated during this financial year.

The attendance record of each director for the Board and committee meetings held from July 1, 2016 to June 30, 2017 is as follows:

	Attendance		
Directors	**Board**	**Audit Committee**	**Corporate Governance and Human Resources Committee**
Glenn R. Kelly	7/7	5/5	3/3
Robert Manherz	6/7	-	3/3
Kimberley Okell	6/7	4/5	2/3
Jocelyn Proteau	7/7	5/5	-
Evan Price	7/7	5/5	-

Outstanding Share-Based Awards and Option-Based Awards

The following table discloses the outstanding awards to directors of the Corporation who are not also Named Executive Officers at the end of the last financial year:

Name	**Option-based Awards**				**Share-based Awards**		
	Number of securities underlying unexercised options (#)	**Option exercise price ($)**	**Option expiration date**	**Value of unexercised in-the-money options ($)[1]**	**Number of shares or units of shares that have not vested (#)**	**Market or payout value of share-based awards that have not vested ($)[2]**	**Market or payout value of vested share-based awards not paid out or distributed ($)**
Glenn Kelly[5]	-	-	-	-	153,846	26,154	-
	60,000	0.1500	November 30, 2021	1,200	-	-	-
	175,000	0.2300	November 30, 2020	-	-	-	-
	30,000	0.1000	November 26, 2019	2,100	-	-	-
	30,000	0.1000	December 4, 2018	2,100	-	-	-

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options ($)(1)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ($)(2)	Market or payout value of vested share-based awards not paid out or distributed ($)
	250,000	0.1150	May 23, 2018	13,750			
Robert Manherz	-	-	-	-	76,923	13,077	-
	40,000	0.1500	November 30, 2021	800	-	-	-
	35,000	0.2300	November 30, 2020	-	-	-	-
	20,000	0.1000	November 26, 2019	1,400	-	-	-
	20,000	0.1000	December 4, 2018	1,400	-	-	-
	20,000	0.1000	December 19, 2017	1,400	-	-	-
Kimberley Okell(3)	-	-	-	-	96,154	16,346	-
	40,000	0.1500	November 30, 2021	800	-	-	-
	35,000	0.2300	November 30, 2020	-	-	-	-
	20,000	0.1000	November 26, 2019	1,400	-	-	-
	20,000	0.1000	December 4, 2018	1,400	-	-	-
	20,000	0.1000	December 19, 2017	1,400	-	-	-
Jocelyn Proteau(4)	-	-	-	-	115,385	19,615	-
	40,000	0.1500	November 30, 2021	800	-	-	-
	35,000	0.2300	November 30, 2020	-	-	-	-
	20,000	0.1000	November 26, 2019	1,400	-	-	-
	20,000	0.1000	December 4, 2018	1,400	-	-	-
	20,000	0.1000	December 19, 2017	1,400	-	-	-

(1) The value of the unexercised in-the-money options at the financial year-end is the difference between the closing price of the Common Shares on the TSX-V on June 30, 2017 ($0.17) and their respective exercise price.
(2) The market or payout value of the DSUs that have not vested at the financial year-end is determined by multiplying the number of unvested DSUs by the closing price of the Common Shares on the TSX-V on June 30, 2017 ($0.17).
(3) Chair of the Corporate Governance and Human Resources Committee.
(4) Chair of the Audit Committee.
(5) Chair of the Board of Directors.

One director of the Corporation exercised 20,000 options from the November 24, 2011 grant on October 31, 2016. The exercise price of such options was $0.21 and the market price at the time of exercise was $0.19.

Incentive Plan Awards – Value Vested or Earned during this Year

The following table sets forth the value vested or earned awards granted to directors of the Corporation who are not also Named Executive Officers during the last financial year:

Name	Option-based awards – Value vested during the year ($)	Share-based awards – Value vested during the year ($)	Non-equity incentive plan compensation – Value earned during the year ($)
Glenn Kelly(3)	11,893	-	-
Robert Manherz	4,135	-	-
Kimberley Okell(1)	4,135	-	-
Jocelyn Proteau(2)	4,135	-	-

(1)Chair of the Corporate Governance and Human Resources Committee.
(2)Chair of the Audit Committee.
(3)Chair of the Board of Directors

EQUITY COMPENSATION PLAN INFORMATION

The following table sets forth information relating to securities of the Corporation authorized for issuance under equity compensation plans as of June 30, 2017:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans excluding securities reflected in column (a) (c)
Equity compensation plans approved by security holders	6,994,975(1)	$0.14	5,638,548

(1) Represents, as of June 30, 2017, 6,386,000 outstanding unexercised options, 166,667 outstanding unvested RSUs, and 442,308 outstanding unvested DSUs.

The purpose of CO_2 Solutions' equity compensation plans is to motivate its key employees, senior management, directors, and consultants to participate in the Corporation's growth. The existence of such plans is also a determining factor in the recruitment of key employees.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

During the financial year ended June 30, 2017, the directors and executive officers of the Corporation were not indebted towards the Corporation.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

- To CO_2 Solutions' knowledge, none of its directors, officers or principal shareholders or their associates or affiliates had any material interest in any transaction during the past three years or in any planned transaction, which has materially affected or could materially affect the Corporation.

Directors, executive officers or principal shareholders subscribed for securities of the Corporation, directly or indirectly, as follows:

- In July 2014, the Corporation announced the closing of a private placement of units of the Corporation (the "July **2014 Units**") at a price of $0.15 per July 2014 Unit (the "**July 2014 Private Placement**"). In total, the Corporation issued 20,232,333 July 2014 Units representing aggregate gross proceeds of $3,034,850 under the July 2014 Private Placement. Each July 2014 Unit was comprised of one Common Share and one common share purchase warrant (a "**July 2014 Warrant**"). Each July 2014 Warrant entitles its holder to acquire one additional Common Share at a price of $0.25 per Common Share until July 3, 2017. Pursuant to the July 2014 Private Placement, Robert Manherz, director of the Corporation, subscribed for 2,000,000 July 2014 Units (representing 2,000,000 Common Shares and 2,000,000 July 2014 Warrants); Evan Price, President, Chief Executive Officer and director of the Corporation subscribed for 666,667 July 2014 Units (representing 666,667 Common Shares and 666,667 July 2014 Warrants); Thom Skinner, Senior Vice-President, Finance and Chief Financial Officer of the Corporation, subscribed for 50,000 July 2014 Units (representing 50,000 Common Shares and 50,000 July 2014 Warrants); Louis Fradette, Senior Vice President Process Engineering and Chief Technology Officer of the Corporation, subscribed for 166,666 July 2014 Units (representing 166,666 Common Shares and 166,666 July 2014 Warrants); and Glenn Kelly, Chair of the Board, subscribed for 50,000 July 2014 Units (representing 50,000 Common Shares and 50,000 July 2014 Warrants). On May 29, 2017, the Corporation announced its intention to extend the expiry date of July 2014 Warrants so that the term would be extended by twelve (12) months from July 3, 2017 to July 3, 2018. The other terms of the Warrants, including the exercise price, remained unchanged.

- On June 5, 2015, the Corporation announced the closing of an additional private placement (the "**June 2015 Private Placement**"). In connection with the closing of the June 2015 Private Placement, the Corporation issued 15,218,400 units (the "**June 2015 Units**"), at a price of $0.25 per June 2015 Unit, representing aggregate gross proceeds of $3,804,600. Each June 2015 Unit was comprised of one Common Share and one common share purchase warrant (a "**June 2015 Warrant**"). Each June 2015 Warrant entitles its holder to acquire one additional Common Share at a price of $0.35 per Common Share until June 5, 2018. Pursuant to the June 2015 Private Placement, Robert Manherz, director of the Corporation, subscribed for 2,800,000 June 2015 Units (representing 2,800,000 Common Shares and 2,800,000 June 2015 Warrants); Thom Skinner, Senior Vice-President, Finance and Chief Financial Officer of the Corporation, subscribed for

40,000 June 2015 Units (representing 40,000 Common Shares and 40,000 June 2015 Warrants); Jonathan A. Carley, Vice-President, Business Development of the Corporation, subscribed for 200,000 June 2015 Units (presenting 200,000 Common Shares and 200,000 June 2015 Warrants); Evan Price, President, Chief Executive Officer and director of the Corporation subscribed for 40,000 June 2015 Units (representing 40,000 Common Shares and 40,000 June 2015 Warrants); Jocelyn Proteau, director of the Corporation, subscribed for 18,400 June 2015 Units (representing 18,400 Common Shares and 18,400 June 2015 Warrants); Louis Fradette, Senior Vice President Process Engineering and Chief Technology Officer of the Corporation, subscribed for 40,000 June 2015 Units (representing 40,000 Common Shares and 40,000 June 2015 Warrants) and Glenn Kelly, Chair of the Board, subscribed for 75,000 June 2015 Units (representing 75,000 Common Shares and 75,000 June 2015 Warrants).

- In December 2015 the Corporation announced the closing of a public offering (the "**December 2015 Public Offering**"). In connection with the closing of the December 2015 Public Offering and the partial exercise of the over-allotment option granted to the agents thereunder, the Corporation issued 2,195 units (the "**December 2015 Units**") at a price of $1,000 per December 2015 Unit, representing aggregate gross proceeds of $2,195,000. Each December 2015 Unit consists of a 12% convertible secured debenture in the principal amount of $1,000 (the "**2015 Convertible Debentures**") and 4,348 share purchase warrants of the Corporation (the "**December 2015 Warrants**"). Each December 2015 Warrant entitles its holder to acquire one Common Share at a price of $0.24 per Common Share until December 31, 2017. Pursuant to the December 2015 Public Offering, Robert Manherz, director of the Corporation, subscribed for 300 December 2015 Units (representing $300,000 principal amount of 2015 Convertible Debentures and 1,304,400 December 2015 Warrants); Evan Price, President, Chief Executive Officer and director of the Corporation, subscribed for 10 December 2015 Units (representing $10,000 principal amount of 2015 Convertible Debentures and 43,480 December 2015 Warrants); Thom Skinner, Senior Vice President, Finance and Chief Financial Officer of the Corporation, subscribed for one December 2015 Unit (representing $1,000 principal amount of 2015 Convertible Debentures and 4,384 December 2015 Warrants); Louis Fradette, Senior Vice President, Process Engineering and Chief technology Officer of the Corporation, subscribed for 10 December 2015 Units (representing $10,000 principal amount of 2015 Convertible Debentures and 43,480 December 2015 Warrants); Sylvie Fradette, Vice President, Research and Development of the Corporation, subscribed for three December 2015 Units (representing $3,000 principal amount of 2015 Convertible Debentures and 13,044 December 2015 Warrants); and Jocelyn Proteau, director of the Corporation, subscribed for one December 2015 Unit (representing $1,000 principal amount of 2015 Convertible Debentures and 4,348 December 2015 Warrants).

- On August 31, 2016, the Corporation announced that it had entered into a loan agreement with Dundurn Capital Partners ("**DCP**"), an affiliate of Robert Manherz, a director of the Corporation, and another arm's length lender (collectively, the "**Lenders**"), in connection with a secured loan in the amount of up to $500,000 (the "**Loan**"). In connection with the Loan, CO_2 Solutions issued an aggregate 2,941,176 non-transferable common shares purchase warrants (the "**DCP Warrants**") to the Lenders, which includes an aggregate of 1,764,704 DCP Warrants to DCP, an affiliate of Robert Manherz.

- On December 9, 2016, the Corporation announced that it had entered into a second loan agreement with DCP for a loan in the amount of $300,000. No warrants were attached to this loan.

MANAGEMENT CONTRACTS

The management functions of the Corporation are not, in any way, performed by a person or persons other than the directors or the Named Executive Officers of the Corporation.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

CO_2 Solutions maintains a directors' and officers' liability insurance providing coverage of $5 million per insurance year. Moreover, the Corporation maintains a complementary insurance policy covering certain events not covered by the base policy and for which the limit is $3 million per year of insurance. The term of the insurance coverage for both insurance policies is from May 15, 2017 to May 15, 2018. The premium paid by CO_2 Solutions for the two insurance policies was $24,416 for the financial year ended June 30, 2017. No portion of this premium was paid by a director or officer. These policies include a $25,000 deductible for any claim brought against any director or officer of CO_2 Solutions.

CORPORATE GOVERNANCE PRACTICES

CO_2 Solutions strives for ensuring quality governance for itself. The Corporate Governance and Human Resources Committee of the Corporation makes recommendations on the conformity of Corporation practices with the corporate governance guidelines set out in *Policy Statement 58-201 to Corporate Governance Guidelines* and those of related obligations on information disclosure.

The information on corporate governance practices is provided in Appendix A of the Circular, in accordance with *Regulation 58-101 respecting Disclosure of Corporate Governance Practices* and Policy 3.1 of the TSX-V Corporate Finance Manual.

AUDIT COMMITTEE

Composition of the Committee

The Corporation has an Audit Committee which currently consists of Jocelyn Proteau (Chair of Committee), Glenn Kelly and Kimberley Okell. All the members of the Audit Committee are considered to be "independent" and "financially literate" within the meaning of *Regulation 52- 110 respecting Audit Committees*.

Mandate of the Committee

The mandate of the Audit Committee is attached hereto as Appendix B.

Education and Experience of the Committee Members

The following is a brief summary of the education and experience of each member of the Audit Committee that is relevant to the performance of his or her responsibilities as a member of the Audit Committee with an understanding of the accounting principles used by the Corporation to prepare its annual and interim financial statements.

JOCELYN PROTEAU

Former Chair of the Board and Chief Executive of the Fédération des Caisses populaires Desjardins de Montréal-et-de-l'Ouest-du-Québec.

GLENN KELLY

Former President and CEO of CO_2 Solutions until May 2013. Presently President and Chief Executive Officer of Orbite Technologies Inc., a Canadian clean technology company operating in the resource sector.

KIMBERLEY OKELL

Lawyer practicing business law mainly in the areas of corporate and commercial law, with a particular focus in securities, mergers and acquisitions.

Oversight by the Committee, Policies of Prior Approval

For fiscal year 2017, the Audit Committee has proposed the appointment of PricewaterhouseCoopers LLP as external auditor and the Board has approved such appointment. The Audit Committee annually pre-approves certain types of non-audit services (with associated fees limits) that may be provided by the external auditor without obtaining specific pre-approval from the Committee, whenever required by the Corporation. The mandate of the Audit Committee also states that the external auditor shall never perform work that it could not perform under law or should not perform under auditing best practices.

EXTERNAL AUDITOR SERVICE FEES

The following table shows fees paid to PricewaterhouseCoopers LLP in the past two fiscal years for various services provided to the Corporation and its subsidiaries:

	2017	2016
Audit Fees	$83,000	$47,500
Audit-Related Fees	$49,030	$8,637
Tax Fees	$21,718	$18,460
All Other Fees	$2,700	$132,277

Audit Fees
These fees include professional services rendered and invoiced by the external auditor for statutory audits of the annual financial statements. Fluctuation of amounts between fiscal years relates to timing of interim billings of the external auditor. The total audit fees relating to the 2017 financial year audit was $48,000 compared to $49,000 for 2016 as per the respective audit plans.

Audit-Related Fees
These fees include professional services that reasonably relate to the performance of the audit or review of the Corporation's financial statements. These fees include, but are not limited to, the review and translation of the financial statements. The $40,393 difference between 2016 and 2017 relates to the review of the financial statements for contemplated financing.

Tax Fees
These fees include professional services for tax compliance, tax advice and tax planning.

All Other Fees
These fees include total fees paid to the auditor for all services other than those presented in the categories of audit fees, audit-related fees and tax-related fees, including the consultation services for the diligent audit for the purposes of financing, fund raising and certain filings, if applicable. The significant reduction in 2017 compared to 2016 relates to work that was done on a prospectus in 2016.

RECEIPT OF SHAREHOLDER PROPOSALS FOR NEXT ANNUAL MEETING

Under the *Business Corporations Act* (Quebec), a registered holder or beneficial owner of common shares that will be entitled to vote at the next annual meeting of shareholders may submit to the Corporation, before July 26, 2018, a proposal in respect of any matter to be raised at such meeting.

AVAILABLE DOCUMENTS

The financial information of the Corporation is provided in the Corporation's comparative Financial Statements and Management's Discussion and Analysis for the last financial year of the Corporation. These documents as well as additional information about the Corporation are available on the Corporation's website at www.co2solutions.com and on the SEDAR website at www.sedar.com. CO_2 Solutions will provide a copy of the documents, free of charge, to any person or corporation, upon request to the Corporation at 2300 Jean-Perrin Street, Quebec, QC, G2C 1T9.

DATE OF CIRCULAR

The information herein enclosed was established, unless otherwise stated, as at October 25, 2017.

APPROVAL OF THE MANAGEMENT INFORMATION CIRCULAR

The Board of Directors of CO_2 Solutions has approved the content of the management information circular and its transmittal to shareholders.

Québec, this 25th day of October 2017

Evan Price
President and Chief Executive Officer

APPENDIX A - INFORMATION CONCERNING CORPORATE GOVERNANCE PRACTICES

The following text states the Corporation's corporate governance practices in the form set forth in Form 58-101F2 of Regulation 58-101:

	Form 58-101F2 – Corporate Governance Disclosure (Venture issuers)	CO_2 Solutions' Governance Practices
1.	**Board of Directors**	
	Disclose how the Board of Directors (the Board) facilitates its exercise of independent supervision over management, including:	
	a) The identity of directors who are independent.	As of the date hereof, the Board is composed of three (3) independent members, being Ms. Kimberley Okell, Mr. Glenn Kelly and Mr. Jocelyn Proteau. These directors are considered independent since they are not employees of the Corporation and do not have relations with the Corporation that are liable to impede their independence.
	b) The identity of directors who are not independent, and the basis for that determination.	The Board considers that Mr. Evan Price and Mr. Robert Manherz are not independent since Mr. Price is acting as President and Chief Executive Officer of CO_2 Solutions and Mr. Manherz beneficially owns a total of 24,264,953 Common Shares of the Corporation, representing 16.42% of the currently issued and outstanding share capital of the Corporation.
2.	**Directorships**	
	If a director is presently a director of any other issuer that is a reporting issuer in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.	Mr. Jocelyn Proteau is currently Chair of the board of trustees of BTB Real Estate Investment Trust and Chair of the board of directors of Richelieu Hardware Ltd. Mr. Evan Price is currently Chair of the board of directors of IOU Financial Inc. Mr. Glenn Kelly is currently President, Chief Executive Officer and director of Orbite Technologies Inc.
3.	**Orientation and Continuing Education**	
	Describe what steps, if any, the Board takes to orient new Board members, and describe any measures the Board takes to provide continuing education for directors.	Each new Board member receives all the information concerning the Corporation and its management. He also meets with the Chair of the Board and the President and Chief Executive Officer of the Corporation.
4.	**Ethical Business Conduct**	
	Describe what steps, if any, the Board takes to encourage and promote a culture of ethical business conduct.	The Corporation covers business ethics requirements, as outlined in Policy Statement 58-201, through its various policies and procedures, including those relating to conflicts of interest, the disclosure of important information, harassment, and complaint management.

	Form 58-101F2 – Corporate Governance Disclosure (Venture issuers)	CO_2 Solutions' Governance Practices
5.	**Nomination of Directors**	
	Disclose what steps, if any, are taken to identify new candidates for Board nomination, including:	
	i. Who identifies new candidates;	The officers and the directors can propose new candidates.
	ii. The process of identifying new candidates.	When a position is vacant or a specific profile is sought, the management and/or an officer submit applications. The Board appoints certain members to conduct interviews and thereafter chooses the future Board member.
6.	**Compensation**	
	Disclose what steps, if any, are taken to determine compensation for the directors and Chief Executive Officer, including:	
	i. Who determines compensation;	The Corporate Governance and Human Resources Committee makes its recommendations to the members of the Board, who take the final decision.
	ii. The process of determining compensation.	The Corporate Governance and Human Resources Committee establishes the compensation of the Board members and its committees and of the Chief Executive Officer by analysing, amongst other things, the following: ▪ responsibilities; ▪ comparison with compensation paid by similar companies; and ▪ financial capacity of the Corporation.
7.	**Other Board Committees**	
	If the Board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.	The Corporate Governance and Human Resources Committee is responsible for reviewing and reassessing, periodically, the corporate governance practices of the Corporation to comply with applicable regulatory requirements and reports to the Board as necessary. While there is no standing nominating committee per se, this function would be addressed as required by the Corporate Governance and Human Resources Committee. The Corporate Governance and Human Resources Committee is also responsible for matters regarding compensation.
8.	**Assessments**	
	Disclose what steps, if any, that the Board takes to satisfy itself that the Board, its committees, and its individual directors are performing effectively.	The Board and committees are subject to an annual assessment. Each director is required to complete an evaluation of the performance of the Board, the Board committees and their respective chairs. These evaluations are then reviewed by the Corporate Governance and Human Resources Committee, which presents its recommendations to the Board. In addition, each director performs a self-evaluation which is presented to the Chair of the Board who makes his recommendations to the Board. The directors completed one (1) Board and Board committees assessment survey in the last year.

APPENDIX B – MANDATE OF THE AUDIT COMMITTEE

CO2 SOLUTIONS INC.
MANDATE OF THE AUDIT COMMITTEE

1. PURPOSE

The Audit Committee (the "Committee") is a standing committee of the Board of Directors. The primary function of the Committee is to assist the Board of Directors in fulfilling its oversight responsibilities with respect to monitoring the CO_2 Solutions Inc. (the "Corporation") accounting and financial reporting and practices and procedures; the adequacy of the Corporation's internal accounting controls and procedures; the quality and integrity of financial statements and other financial information provided by the Corporation to shareholders, and others; and for liaising with the external auditors of the Corporation. The Committee must also identify the main risks to which the Corporation is exposed and ensure that the appropriate risk management mechanisms are in place.

2. STRUCTURE AND OPERATIONS

The Committee shall be comprised of three or more members of the Board of Directors, who all satisfy the "independence" and "financial literacy" requirements of Regulation 52-110 – Audit Committees ("52-110"), as amended. No member of the Committee shall be an officer or employee of the Corporation, or any affiliate of the Corporation. For the purposes of this Mandate, a member of the Committee is "independent" if the member has no direct or indirect material relationship with the Corporation, as more fully defined in 52-110, and a member of the Committee is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that can reasonably be expected to be raised by the financial statements of the Corporation.

The members of the Committee shall be appointed annually by the Board of Directors and shall serve until such member's successor is duly elected and qualified or until such member's earlier resignation or removal. The members of the Committee may be removed, with or without cause, by a majority of the Board of Directors.

The Chair shall be appointed annually by the Board of Directors. The Chair shall not be entitled to a casting vote, and instead will refer any matter which results in a tie vote to the full Board of Directors for consideration and resolution. The Chair will set the agendas for Committee meetings and chair all meetings of the Committee unless the Chair is not present at such meeting in which case the members present shall elect a chair for the conduct of the meeting.

3. MEETINGS

The Committee shall meet at least quarterly or more frequently as circumstances dictate. As part of its goal to foster open communication, the Committee shall periodically meet with management and the external auditors in separate sessions to discuss any matters that the Committee or each of these groups believes should be discussed privately. The Committee may meet privately with outside counsel of its choosing and the Chief Financial Officer, as necessary.

In addition, the Committee shall meet with management and if deemed necessary, the external auditors quarterly to review the Corporation's financial statements in a manner consistent with that outlined in Section 4 of this Mandate. The external auditor can also call the members to a meeting.

The Committee may invite to its meetings any directors, management of the Corporation and such other persons as it deems appropriate in order to carry out its responsibilities. The Committee may also exclude from its meetings any persons it deems appropriate in order to carry out its responsibilities. A majority of the Committee members, but not less than two, will constitute a quorum. A majority of members present at any meeting at which a quorum is present may act on behalf of the Committee. The Committee may meet by telephone or videoconference and may take action by unanimous written consent with respect to matters that may be acted upon without a formal meeting.

The Chair of the Committee shall designate a person, who need not be a member thereof, to act as Secretary, who shall record the proceedings of the meetings. The agenda of each meeting will be prepared, upon consultation with the Chair, and, whenever reasonably practicable, circulated to each member prior to each meeting. The Committee shall maintain minutes or other records of meetings and activities of the Committee.

4. RESPONSIBILITIES, DUTIES, AUTHORITY

The following functions shall be the common recurring activities of the Committee in carrying out its responsibilities outlined in Section 1 of this Mandate. These functions should serve as a guide with the understanding that the Committee may carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal and other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board of Directors from time to time related to the purposes of this Committee outlined in Section 1 of this Mandate.

In discharging its oversight role, the Committee is empowered to investigate any matter of interest or concern that the Committee deems appropriate. In this regard, the Committee shall have the authority to retain outside counsel, accounting, or other advisors for this purpose, including authority to approve the fees payable to such advisors and other terms of retention.

The Committee shall be given full access, at its sole discretion, to the Board of Directors and to management and employees of the Corporation, directly and indirectly responsible for financial reporting, and the external auditors and relevant documents of the Corporation, as necessary, to carry out these responsibilities.

Notwithstanding the foregoing, the Committee is not responsible for certifying the financial statements of the Corporation or guaranteeing the external auditors' report.

Document Reports/Reviews and Approvals for Recommendation to the Board

Annual Financial Statements
The Committee shall review with management and the external auditors, both together and separately, prior to public dissemination:

(a) the annual audited consolidated financial statements;

(b) the external auditor's review of the annual consolidated financial statements and their report;
(c) any significant changes that were required in the external audit plan;
(d) any significant issues raised with management during the course of the audit, including any restrictions on the scope of activities or access to information; and
(e) those matters related to the conduct of the audit that are required to be discussed under generally accepted auditing standards applicable to the Corporation.

Following completion of the reviews contemplated above, if deemed appropriate the Committee shall approve these items and make a recommendation to the Board of Directors with respect to the approval of the annual financial statements with such changes contemplated and further recommended as the Committee considers necessary.

Interim Financial Statements
The Committee shall review with management and the external auditors, both together and separately, prior to public dissemination, the interim unaudited consolidated financial statements of the Corporation. The involvement of external auditors in review of interim financial statements is at the discretion of the Committee.

The Committee shall approve these interim financial statements and make a recommendation to the Board of Directors with respect to the approval of the interim financial statements with such changes contemplated and further recommended as the Committee considers necessary.

Management's Discussion and Analysis
The Committee shall review with management and the external auditors, both together and separately, prior to public dissemination, the annual and the interim Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A"). The involvement of external auditors in review of interim MD&A is at the discretion of the Committee.

The Committee shall approve the MD&A and make a recommendation to the Board of Directors with respect to the approval of the MD&A with such changes contemplated and further recommended as the Committee considers necessary.

Press Releases
If applicable (i.e. if a press release regarding the Corporation's financial results is to be issued), the Committee shall review with management, prior to public dissemination, such press releases (paying particular attention to the use of any "pro forma" or "adjusted non-GAAP" information) and shall also review with management prior to disclosure financial information and earnings guidance provided to analysts and rating agencies.

Reports and Regulatory Returns
The Committee shall review and discuss with management, and the external auditors to the extent the Committee deems appropriate, any reports and regulatory returns of the Corporation as may be specified by law.

Other Financial Information
The Committee shall review with management and the external auditors, together and separately, and approve the financial information included in any prospectus, annual information form (if applicable) or information circular prior to public dissemination, and shall make a recommendation to the Board of Directors with respect to the approval of such prospectus, annual information form or information circular with such changes contemplated and further recommended as the Committee considers necessary.

Financial Reporting Processes

Establishment and Assessment of Procedures
The Committee shall satisfy itself that adequate procedures are in place for the review of the public disclosure of financial information extracted or derived from the financial statements of the Corporation and assess the adequacy of these procedures annually.

Application of International Financial Reporting Standards (IFRS)
The Committee shall assure itself that the external auditors are satisfied that the accounting estimates and judgements made by management, and management's selection of accounting principles reflect an appropriate application of IFRS.

Practices and Policies
The Committee shall review with management and the external auditors, together and separately, the principal accounting practices and policies of the Corporation.

External Auditors

Reporting
The external auditors shall report directly to the Committee and are accountable to the Committee.

Oversight and Responsibility
The Committee is directly responsible for overseeing the work of the external auditors engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditors regarding financial reporting. The Audit Committee also ensures that the external auditor is in good standing with the Canadian Public Accountability Board ("CPAB"), and that no penalty has been imposed upon him or her by the CPAB. The Audit Committee must also ensure that the external auditor satisfies the turnover requirements concerning the partners and staff who participate in the Company's auditing process.

Performance and Review
The Committee shall annually review the performance of the external auditors and recommend to the Board of Directors the appointment (or re-appointment) of the external auditors for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation. When circumstances warrant, the Committee shall recommend to the Board of Directors the discharge of the external auditors.

Annual Audit Plan
The Committee shall review with the external auditors and management, together and separately, the overall scope of the annual audit plan and the resources the external auditors will devote to the audit. The Committee shall annually review and approve the fees to be paid to the external auditors with respect to the annual audit.

Non-Audit Services
"Non-audit services" means all services performed by the external auditors other than audit services. All "non-audit" services to be provided to the Corporation by the external auditors must either be approved explicitly in advance by the Committee, or pursuant to certain pre-approval policies and procedures established by the Committee that are detailed as to the particular services that may be pre-approved, do not permit the delegation of approval authority to the Corporation's management, and require management to inform the Committee of each service approved and performed under the policies and procedures.

The Committee may delegate to one or more members of the Committee the authority to grant such pre-approvals. The decisions of such member(s) regarding approval of “non audit” services shall be reported by such member(s) to the full Committee at its first scheduled meeting following such pre-approval. Notwithstanding the foregoing, preapproval is not necessary for certain *de minimis* non-audit services performed by the external auditors, as specified in Section 2.4 of 52-110. The Audit Committee has delegated to the committee Chair the power of approving non-audit services not exceeding $5,000 and these services shall be presented at the first planned meeting of the Audit Committee following any such approval by the Chair.

Independence Review
The Committee shall review and assess the qualifications, performance and independence of the external auditors, including the requirements relating to such independence of the law governing the Corporation. At least annually, the Committee shall receive from and review with the external auditors, their written statement delineating all relationships with the Corporation and, if necessary, recommend that the Board of Directors take appropriate action to satisfy itself of the external auditors’ independence and its accountability to the Committee.

The Audit Committee shall implement a process aimed at identifying major business risks and ensure the establishment of appropriate mechanisms in matters of risk management. This process requires the need to communicate with Management to ascertain how risks are managed and to solicit the Senior Vice President, Finance and Chief Financial Officer’s opinion on the efficiency of the risk attenuation strategies.

Reports to Board of Directors

Reports
In addition, to such specific reports contemplated elsewhere in this Mandate, the Committee shall report regularly to the full Board of Directors regarding such matters, including:
(a) with respect to any issues that arise with respect to the quality or integrity of the financial statements of the Corporation, compliance with legal or regulatory requirements by the Corporation, the performance and independence of the external auditors of the Corporation;
(b) a report to the full Board of Directors following each meeting of the Committee; and
(c) with respect to such other matters as are relevant to the Committee’s discharge of its responsibilities.

Recommendations
In addition, to such specific recommendations contemplated elsewhere in this Mandate, the Committee shall provide such recommendations as the Committee may deem appropriate. The report to the Board of Directors may take the form of an oral report by the Chair or any other member of the Committee designated by the Committee to make such report.

Whistle-Blowing

Procedures
The Committee shall establish procedures for:
(a) the receipt, retention and treatment of complaints received by the Corporation regarding questionable accounting, internal accounting controls, or auditing matters; and
(b) the confidential, anonymous submission by employees of the Corporation and of concerns regarding questionable accounting or auditing matters.

Notice to Employees

To comply with the above, the Committee shall ensure the Corporation advises all employees of the Corporation, by way of a written code of business conduct and ethics (the "Code"), or if such Code has not yet been adopted by the Board of Directors, by way of a written or electronic notice, that any employee who reasonably believes that questionable accounting, internal accounting controls, or auditing matters have been employed by the Corporation or its external auditors is strongly encouraged to report such concerns by way of written communication directly to the Chair or any other member of the Audit Committee. Matters referred to a member of the Audit Committee, may be done so anonymously and in confidence.

The Corporation shall not take or allow any reprisal against any employee for, in good faith, reporting questionable accounting, internal accounting, or auditing matters. Any such reprisal shall itself be considered a very serious breach of the whistle-blowing procedures.

All reported violations shall be investigated by the Audit Committee following rules of procedure and process as shall be recommended by outside counsel.

General

Access to Counsel

The Committee shall review, as necessary, with outside counsel of its choosing, any legal matter that could have a significant impact on the financial statements of the Corporation.

Hiring of Partners and Employees of External Auditors

The Committee shall annually review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation.

General

The Committee shall perform such other duties and exercise such powers as may, from time to time, be assigned or vested in the Committee by the Board of Directors, and such other functions as may be required of an audit committee by law, regulations or applicable stock exchange rules.

5. ANNUAL REVIEW OF PERFORMANCE AND MANDATES

Annual Review

The Committee members shall perform a review and evaluation, annually, of the performance of the Committee and its Chair, including a review of the compliance of the Committee with this Mandate. In addition, the Committee shall evaluate the adequacy of this Mandate annually and recommend any proposed changes to the Corporate Governance and Human Resources Committee.