Notice of Annual and Special Meeting of Shareholders

and

Management Information Circular

May 19, 2017

ECOSYNTHETIX INC.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual and Special Meeting of Shareholders (the "**Meeting**") of EcoSynthetix Inc. ("**EcoSynthetix**" or the "**Company**") will be held at the Ron Joyce Centre of the DeGroote School of Business located at 4350 South Service Road, Burlington, Ontario, Canada, L7L 5R8, on June 20, 2017 at 2:00 p.m. (Eastern Daylight time), for the following purposes:

(a) to receive and consider the audited consolidated financial statements of the Company for the year ended December 31, 2016 and the report of the auditors thereon;

(b) to appoint PricewaterhouseCoopers LLP, Chartered Accountants, as auditors of the Company for the ensuing year and to authorize the directors to fix their remuneration;

(c) to elect directors of the Company for the ensuing year;

(d) to consider, and if deemed appropriate, to pass, with or without variation, a resolution to approve all unallocated stock options under the Company's stock option plan as further described in the management information circular dated May 19, 2017 accompanying this notice;

(e) to consider, and if deemed appropriate, to pass, with or without variation, a resolution to approve an amendment to the Company's stock option plan to increase the plan maximum, as further described in the management information circular dated May 19, 2017 accompanying this notice; and

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

Shareholders who are unable to attend the Meeting are requested to complete, date, sign and return the enclosed form of proxy or voting instruction form, as applicable, so that as large a representation as possible may be had at the Meeting.

The Board of Directors has by resolution fixed the close of business on May 8, 2017 as the record date, being the date for the determination of the registered holders of common shares entitled to receive notice of, and to vote at, the Meeting and any adjournment thereof. The Board of Directors has by resolution fixed, 2:00 p.m. (Eastern Daylight time) on June 16, 2017, or no later than 48 hours before the time of any adjourned Meeting (excluding Saturdays, Sundays and holidays), as the time before which proxies to be used or acted upon at the Meeting or any adjournment thereof shall be deposited with the Company's transfer agent. Late proxies may be accepted or rejected by the Chairman of the Meeting in his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy.

DATED at Burlington, Ontario this 19th day of May, 2017.

By Order of the Board of Directors

"*Paul Lucas*"
Name: Paul Lucas
Title: Chairman of the Board of Directors

MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

Dear Shareholder:

On behalf of the Board of Directors of EcoSynthetix Inc., I am pleased to invite you to our 2017 annual and special meeting of shareholders, to be held at 2:00 p.m. (Eastern Daylight time) on June 20, 2017 at the Ron Joyce Centre of the DeGroote School of Business in Burlington, Ontario.

The items of business to be considered at the meeting are described in the enclosed Notice of Annual and Special Meeting of Shareholders and the accompanying Management Information Circular.

2016 Performance and Future Strategy

I would like to take this opportunity to provide some background to the information presented in the Management Information Circular and to highlight a few of our specific achievements during the 2016 fiscal year.

This past year was a watershed in the evolution of our business. Our number one priority was the commercialization of our DuraBind™ technology, which we achieved in late September. At the same time, the benefit of the focus and discipline that was brought to the team in early 2015 by streamlining our product development initiatives and by right-sizing our cost structure significantly improving our bottom line.

These achievements were the result of changes the Board and management implemented at both the leadership level and the strategic level of the business. Together with management, we have identified a path to enable improved performance, create strong customer relationships, develop and execute a growth plan and deliver value to shareholders.

- Leadership – At both the Board and executive team levels, new leadership has brought new perspective and insight. The diverse experience of this new team provides valuable input into the Company's strategic direction.
- Focus on core markets – Consumer and regulatory factors are creating demand for no added formaldehyde products**.** We are well-positioned to capitalize on these trends to rapidly grow within the $15 billion annual wood composite binder market. Our first commercial customer for our DuraBind product, SWISS KRONO, is a top five global producer of wood composites. In addition to this first win, we have attracted a deep pipeline of prospects that are conducting industrial stage trials. Our priority today is to convert the accounts in industrial trials to commercial customers.
- Positioning for growth -The Company will continue making investments that allow the business to scale as it gains traction, while retaining a disciplined approach toward its cost structure. The Company remains confident in its ability to execute on the opportunities it has identified in the wood composites and the paper and packaging market, and will remain focused on building strong customer relationships to drive growth and deliver value to its shareholders.

On behalf of the Board of Directors and management, I would like to thank our long-term shareholders for the patience and commitment you have shown. To those shareholders who have recently decided to invest in EcoSynthetix because of your belief in our growth potential, thank you for your support.

I encourage you to attend the meeting on June 20, 2017 where you will be able to meet with management and the Board of Directors to learn more about our performance in 2016 and our plans for the future. Please take time to read our circular and remember to vote your shares.

Sincerely,

"*Paul Lucas*"

Chairman of the Board of Directors

** Certain statements made in this letter in respect of the anticipated operational results and future business prospects of EcoSynthetix Inc. may constitute "forward-looking information" within the meaning of securities laws applicable in Canada. For further information, see "*Information Concerning Forward-Looking Statements*" in the Company's Management Information Circular which accompanies this letter.

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MANAGEMENT INFORMATION CIRCULAR

SOLICITATION OF PROXIES AND VOTING INSTRUCTIONS

The information contained in this management information circular is furnished in connection with the solicitation of proxies by management of EcoSynthetix Inc. (the "**Company**") from registered holders of common shares of the Corporation (the "**Common Shares**") (and of voting instructions in the case of non-registered holders of Common Shares) to be used at the annual and special meeting of shareholders of the Company to be held at 2:00 p.m. (Toronto time) on June 20, 2017 at the Ron Joyce Centre of the DeGroote School of Business located at 4350 South Service Road, Burlington, Ontario, L7L 5R8 (referred to throughout this management information circular as the "**Meeting**", unless context dictates otherwise), and at all adjournments or postponements of the Meeting, for the purposes set forth in the accompanying Notice of Annual and Special Meeting of Shareholders.

Unless otherwise stated, the information contained in this management information circular is given as at May 19, 2017.

EXCHANGE RATE

All dollar amounts referenced herein, unless otherwise indicated, are expressed in United States dollars (denoted in this management information circular as "$" or "U.S. dollars"). Unless otherwise stated, any U.S. dollar amounts which have been converted from Canadian dollars (denoted in this management information circular as "C$") to U.S. dollars have been converted at a rate of US$1.00 = C$1.325 (C$1.00 = US$0.755), being the average of the average quarterly exchange rates for Canadian dollars in terms of United States dollars for the four quarters of the financial year ended December 31, 2016 (the "**Annual Exchange Rate**"). Certain historical financial figures have, where indicated, been converted using an average annual exchange rate of US$1.00 = C$1.27 for the financial year ended December 31, 2015 (the "**2015 Annual Exchange Rate**") and an average annual exchange rate of US$1.00 = C$1.10 for the financial year ended December 31, 2014 (the "**2014 Annual Exchange Rate**"), in each case using the same methodology as was used to calculate the Annual Exchange Rate (with the exception of the time period to which the calculation was applied). All average exchange rate data was sourced from the Bank of Canada.

INFORMATION CONCERNING FORWARD-LOOKING STATEMENTS

Certain statements made in the letter of the Chairman of the Board and the management information circular in respect of the Company's growth strategy, operations and future business prospects may constitute "forward-looking information" within the meaning of securities laws applicable in Canada ("**forward-looking statements**"). These forward-looking statements include those made in respect of the effect of the Company's commercialization strategy and the nature of its addressable market, the nature and pace of the Company's innovation and development initiatives, and the effect of the Company's leadership and corporate governance changes. Forward-looking statements are based on the opinions and assumptions of the Company's management as of the date such statements are made, and they involve known and unknown risks, uncertainties and other factors which may cause actual results to be materially different from any other results expressed or implied by the forward-looking statements. The material assumptions applied in reaching the conclusions contained within forward-looking statements include, among others, that the Company's intellectual property rights will be protected, the continued lack of direct competition, and the ability of the Company to successfully implement its operational and growth strategies. Risks which may cause actual results to materially differ from the conclusions contained in the forward-looking statements include, but are not limited to, adverse changes in general economic and market conditions, an inability of the Company to protect its intellectual property rights, underperformance or delay in the Company's commercialization strategy, an inability of the Company to attract or retain key management and research personnel, and adverse changes to the Company's key operational inputs. The Company does not undertake any obligation to update or revise any forward-looking information unless required to do so by applicable law.

QUESTIONS AND ANSWERS

MEETING PROCEDURES

When is the Meeting?

The Company will hold an annual and special meeting of shareholders at 2:00 p.m. (Eastern Daylight time) on June 20, 2017 at the Ron Joyce Centre of the DeGroote School of Business, located at 4350 South Service Road, Burlington, Ontario.

The items of business to be considered at the Meeting are described in the section titled "*Particulars of Matters to be Acted Upon*", below.

Who can go to the Meeting?

Anyone who holds common shares (the "**Common Shares**") of the Company as of May 8, 2017, which is the record date for the Meeting fixed by the Board of Directors of the Company (the "**Board**"), or has been appointed proxyholder by such a shareholder, is entitled to attend the Meeting.

Who can vote at the Meeting and what are we voting on?

There are two types of shareholders who can vote at the Meeting: "registered shareholders" and "non-registered shareholders". Registered shareholders hold their Common Shares in their own name, and this name appears on the share register maintained by the Company's transfer agent. Non-registered shareholders hold their shares through an intermediary such as a bank, investment dealer, trust company or other financial institution. Common Shares held by non-registered shareholders are registered in the name of the applicable intermediary on the share register maintained by the Company's transfer agent.

If you are a registered shareholder and hold Common Shares as of the close of business on May 8, 2017, or have been appointed proxyholder by such a shareholder, you have the right to cast one vote per Common Share on the business matters set out in the accompanying Notice of Annual and Special Meeting and any other matters which properly come before the Meeting.

If you are a non-registered shareholder, in order to vote your shares, you must carefully follow the instructions provided by the financial intermediary that manages your account. **Without specific instructions, intermediaries will be prohibited from voting for their clients. Therefore, non-registered shareholders should ensure that instructions respecting the voting of their shares are communicated to the appropriate person at the appropriate time. A non-registered shareholder cannot use a voting instruction form or form of proxy to vote Common Shares directly at the Meeting. Non-registered shareholders must carefully follow the instructions provided by their financial intermediary if they wish to vote their shares at the Meeting. Voting instruction forms must be returned sufficiently in advance of the Meeting to have those Common Shares voted. Please consult with the applicable financial intermediary for further information.**

How many shareholders do you need to reach a quorum?

A quorum is reached with at least two people present who hold, or represent by proxy, in the aggregate at least 25% of the issued and outstanding Common Shares, being the shares entitled to be voted at this meeting.

How many Common Shares are outstanding?

On May 8, 2017, EcoSynthetix had 57,434,996 Common Shares issued and outstanding. Each Common Share entitles the holder thereof to one vote on all matters to be acted upon at the Meeting. In accordance with the provisions of the *Business Corporations Act* (Ontario) (the "**OBCA**"), the Company will prepare a list of holders of Common Shares as of the record date.

On August 4, 2011, the Company completed an initial public offering of 11,150,000 Common Shares at a price of C$9.00 per share for gross proceeds of C$100,350,000. In connection with the offering, EcoSynthetix Ltd. ("**EcoSynthetix U.S.**") was acquired by the Company from certain of the existing shareholders in exchange for Common Shares. As of December 31, 2016, 304,015 shares of common stock of EcoSynthetix U.S. remained outstanding (the "**Covered Shares**") and were held by retained interest holders of EcoSynthetix U.S. (the "**Retained Interest Holders**"). The Retained Interest Holders and the Company entered into a put/call agreement pursuant to which: (i) the Retained Interest Holders became entitled to sell their Covered Shares to the Company at any time prior to August 4, 2016 (the "**Put Expiry Date**") in exchange for Common Shares on the basis of seven Common Shares for one Covered Share, subject to adjustment; and (ii) the Company became entitled to purchase Covered Shares held by the Retained Interest Holders during the period commencing on August 4, 2017 and ending on August 4, 2018 (the "**Call Exercise Period**") in exchange for issuing seven Common Shares for each Covered Share purchased, subject to adjustment.

As of December 31, 2016, 304,015 Covered Shares (representing approximately 4% of the outstanding shares of common stock of EcoSynthetix U.S.) remained outstanding. Following the Put Expiry Date, Retained Interest Holders ceased to have the right to sell Covered Shares to the Company in exchange for Common Shares. During the upcoming Call Exercise Period, the Company may elect to purchase some or all of the Covered Shares outstanding in exchange for issuing up to 2,128,105 Common Shares (assuming all Covered Shares are purchased, which amount would represent approximately 4% of Common Shares issued and outstanding as of May 8, 2017).

Based on the number of Common Shares issued and outstanding as of May 8, 2017, and assuming no further increases or decreases, the Company's full exercise of its rights under the put/call agreement to purchase all of the Covered Shares would result in the equivalent of an aggregate of 59,563,101 Common Shares being issued and outstanding.

VOTING PROCEDURES

Am I a registered or non-registered shareholder?

You are a registered shareholder if you have a share certificate in your name. You are a non-registered shareholder if your shares are registered in the name of an intermediary (such as a bank, trust company, trustee, investment dealer, clearing agency or other institution). If you hold your shares through a brokerage account, it is highly likely you are a non-registered shareholder.

How can I vote if I am a registered shareholder?

- By casting your vote online at **www.cstvotemyproxy.com** or by telephone at **1-888-489-5760 (English only service) or 1-888-489-7352 (bilingual service)**, alternatively you may **return your completed proxy by mail or deliver it in accordance with the instructions on your proxy**.
- By attending the Meeting and casting your vote in person. If you have already voted by proxy and attend the Meeting and wish to vote in person, you may do so by registering with the scrutineer at the Meeting.
- By appointing someone else as proxy to attend the Meeting and vote your shares for you, by following the instructions provided on your proxy.

When voting other than at the Meeting, please ensure you leave sufficient time for your proxy to be received by CST Trust Company **before the deadline of no later than 2:00 p.m. (Eastern Daylight time) on June 16, 2017**.

How can I vote if I am a non-registered shareholder?

If you are a non-registered shareholder and you receive your materials through an investment dealer or other intermediary, complete and return the forms entitling you to vote by following the instructions in those forms.

If you wish to vote in person at the Meeting, insert your own name in the space provided on the request for voting instructions provided by your nominee to appoint yourself as proxy holder and follow the signature and return instructions of your nominee. Non-registered shareholders who appoint themselves as proxy holders should present themselves at the Meeting to a representative of CST Trust Company. Do not otherwise complete the request for voting instructions sent to you as you will be voting at the Meeting.

The majority of investment brokers and dealers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically asks non-registered shareholders to vote via the internet at www.proxyvote.com, by telephone using the number listed on the voting instruction form, or by returning the proxy forms to Broadridge. The Company may also use the Broadridge QuickVote™ service to assist eligible non-registered shareholders with voting their shares. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting.

Non-registered shareholders cannot use a voting information form provided by Broadridge to vote their Common Shares directly at the Meeting.

Non-registered shareholders should carefully follow the instructions provided by their intermediary on the voting information form. Non-registered shareholders should pay particular attention to the deadline specified on the voting information form as this deadline may be different (and earlier) than the proxy voting deadline for registered shareholders described above. CST Trust Company must receive non-registered shareholders' voting instructions from Broadridge in advance of 2:00 p.m. (Eastern Daylight time) on June 16, 2017.

How do I appoint someone else to go to the Meeting and vote my shares for me?

Mr. Paul Lucas, the Chairman of the Board and Jeff MacDonald, the Chief Executive Officer of the Company, have been named in the proxy to represent shareholders at the Meeting. **If you are a registered shareholder, you can appoint someone else to represent you at the Meeting. Just complete a paper proxy by inserting the person's name in the appropriate space on the proxy form, or complete another acceptable paper proxy. You may also follow the instructions provided on your proxy to appoint someone online. If you are a non-registered shareholder, you can also appoint someone else to represent you at the Meeting by following the instructions in the materials you receive through your investment dealer or other intermediary. In either case, the person you appoint does not need to be a shareholder but must attend the Meeting to vote your shares.**

Is there a deadline for my proxy to be received?

Yes. Your proxy must be received by CST Trust Company, Proxy Department, P. O. Box 721, Agincourt, ON, M1S 0A1 no later than 2:00 p.m. (Eastern Daylight time) on June 16, 2017. You can also vote by fax, by phone or over the internet by following the instructions on the form of proxy. If the Meeting is adjourned, your proxy must be received 48 hours, excluding weekends and holidays, before the adjourned meeting date.

Late proxies may be accepted or rejected by the Chair of the Meeting in his discretion, and the Chair is under no obligation to accept or reject any particular late proxy. The Chair of the Meeting may waive or extend the proxy cut-off time without notice.

If you have questions about the return of your proxy or methods of voting your proxy, you may contact the Company at the contact information set out under the heading "*What if I have more questions?*", below, or CST Trust Company, by telephone at 1-800-387-0825 (toll-free in North America) or 416-682-3860 (outside Canada and the United States), by facsimile at 1-888-249-6189 (toll-free in North America) or 514-985-8843 (outside Canada and the United States), or by e-mail at inquiries@canstockta.com.

How will my shares be voted if I return a proxy?

Common Shares represented by a proxy will be voted or withheld from voting, as the case may be, on any ballot that may be called for at the Meeting. A shareholder or intermediary may direct the manner in which the shares represented by the proxy are to be voted by marking the form of proxy accordingly. Where a choice is specified, the shares represented by the proxy will be voted or withheld from voting in accordance with the choice specified. **Where no choice is specified in the proxy with respect to a matter identified therein, the shares represented will be voted in favour of all the resolutions described herein and on any ballot that may be called for on that matter.**

What happens if there are amendments or variations or other matters brought before the Meeting?

The form of proxy confers discretionary authority upon the proxyholder in respect of amendments or variations to the matters identified in the accompanying notice of annual and special meeting, and in respect of any other matters that may properly come before the Meeting.

Your voting instructions provided by proxy give discretionary authority to the person you appoint as proxyholder to vote as he or she sees fit on any amendment or variation to any of the matters identified in the notice of the Meeting and any other matters that may properly be brought before the Meeting, to the extent permitted by law. As of the date of this management information circular, neither the directors nor executive officers of EcoSynthetix are aware of any variation, amendment or other matter to be presented for a vote at the Meeting.

What if I change my mind?

If you are a registered shareholder and have voted by proxy, you may revoke your proxy by subsequently delivering to CST Trust Company a duly executed proxy by paper, dated as of a later date or by delivering a form of revocation of proxy. Any new voting instructions, however, will only take effect if received by CST Trust Company, Proxy Department, P.O. Box 721, Agincourt, ON, M1S 0A1, by 2:00 p.m. (Eastern Daylight time) on June 16, 2017, or if the Meeting is adjourned, no later than 48 hours, excluding weekends and holidays, before the date and time of the adjourned meeting.

If you are a registered shareholder and have voted by proxy, you may also revoke your proxy by an instrument in writing executed by a shareholder or by a shareholder's attorney authorized in writing (or, if the shareholder is a corporation, by a duly authorized officer or attorney) and deposited either at the registered office of the Company (3365 Mainway, Burlington, Ontario L7M 1A6, Attention: Rob Haire) at any time up to and including the last business day preceding the day of the Meeting.

If you are a registered shareholder, you may also revoke your proxy and vote in person at the Meeting, or any adjournment thereof, by delivering a form of revocation of proxy to the Chairman of the Meeting at the Meeting before the vote, in respect of which the proxy is to be used, is taken. You may also revoke your proxy in any other manner permitted by law.

If you are a non-registered shareholder, you may revoke your proxy or voting instructions in accordance with the procedure set forth in your voting information form or by contacting the individual who serves your account.

Who is soliciting my proxy?

Your proxy is being solicited on behalf of management of EcoSynthetix for use at the annual and special meeting of shareholders to be held at the time and place and for the purposes set forth in the accompanying notice of meeting and EcoSynthetix will pay for the cost of solicitation.

The Company's management will solicit proxies either by mail to your latest address shown on the register of shareholders or by electronic mail to the e-mail address you provided. Additionally, employees or agents may solicit proxies by telephone or other ways at a nominal cost to EcoSynthetix.

What if I have more questions?

If you have any questions about the information contained in this management information circular or need assistance in completing your proxy form, please contact the Company by e-mail at **info@ecosynthetix.com**, or Steve Snyder, Investor Relations Contact, by phone at 289-245-4017 or by e-mail at **ssnyder@ecosynthetix.com**.

PRINCIPAL SHAREHOLDERS

To the knowledge of the directors and executive officers of the Company, and based on existing information as of the date hereof, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, voting securities of the Company carrying 10% or more of the voting rights attached to any class of voting securities of the Company, except as set forth in the table below.

Name of Shareholder	Number of Common Shares Held(1)	Percentage of Common Shares Outstanding(2)
Lions Investment Ltd.	12,559,484	21.87%

Notes:

(1) The information as to Common Shares beneficially owned, or controlled or directed, directly or indirectly, not being within the knowledge of the Company, has been obtained by the Company from information disclosed publicly, or furnished by the principle shareholders.

(2) Assuming no further increases or decreases in the Common Shares issued and outstanding as of May 8, 2017, were the Company to fully exercise its call rights under the put/call agreement and purchase all Covered Shares outstanding in exchange for issuing 2,128,105 Common Shares, Lions Investment Ltd. would hold 21.09% of the outstanding Common Shares. In addition to its holdings of Common Shares, Lions Investments Ltd. holds 21,667 options exercisable into Common Shares. If all such options were exercised, Lions Investments Ltd. would hold 21.91% of the issued and outstanding Common Shares and, assuming no further increases or decreases in the number of Common Shares outstanding, 21.12% of the Common Shares outstanding were the Company to purchase all Covered Shares outstanding pursuant to the put/call agreement.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No (a) director or executive officer who has held such position at any time during the financial year ended December 31, 2016; (b) proposed nominee for election as a director; or (c) associate or affiliate of a person in (a) or (b) has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, other than matters relating to the stock option plan, as such individuals may be entitled to participate in such plan.

PARTICULARS OF MATTERS TO BE ACTED UPON

FINANCIAL STATEMENTS

Our audited consolidated financial statements for the financial year ended December 31, 2016 and the report of the auditors thereon will be placed before the shareholders at the Meeting, but no vote thereon is required. These documents are available upon request or they can be found under our profile on SEDAR at *www.sedar.com*, or on our website at *www.ecosynthetix.com.*

APPOINTMENT OF AUDITOR

The Board and the audit committee of the Board (the "**Audit Committee**") recommend that PricewaterhouseCoopers LLP be appointed to serve as our auditors until the next annual meeting of shareholders and that shareholders authorize the Board to fix their remuneration.

Unless authority is withheld, the persons named in the accompanying proxy intend to vote FOR the appointment of PricewaterhouseCoopers LLP, Chartered Accountants, as auditors of the Company until the close of the next annual meeting of shareholders and to authorize the directors to fix their remuneration.

PricewaterhouseCoopers LLP, Chartered Accountants, were first appointed on May 20, 2011. During the years ended December 31, 2016 and 2015, we paid the following fees to PricewaterhouseCoopers LLP:

Type of Work	2016 Fees ($)(1)	2015 Fees ($)(1)
Audit fees	$98,840	$85,799
Audit-related fees	$11,883	$12,173
Tax fees	$15,845	NIL
All other fees	$3,773(2)	NIL
Total	$130,341	$97,972

Notes:

(1) Fees were paid in Canadian dollars and have been converted to U.S. dollars at the Annual Exchange Rate and the 2015 Annual Exchange Rate (as defined herein), as applicable.

(2) Includes fees related to specified procedures required by Sustainable Development Technology Canada for government grants received.

For further information see section titled "*Audit Committee – External Auditor Service Fees*" in our annual information form (the "**AIF**") dated March 30, 2017. The AIF is available under our profile at www.sedar.com.

ELECTION OF DIRECTORS

Our Articles of Incorporation (the "**Articles**") provide that the Board consist of a minimum of one and a maximum of ten directors. The Board currently consists of five directors and the term of office of each of the present directors expires at the close of the Meeting. The Board has fixed the size of the Board for election at the Meeting at five directors. At the Meeting, the five persons set out under the heading "*Election of Directors – Nominees for Election to the Board*" will be proposed for election as directors of the Company (the "**Nominees**"). Each of the Nominees is currently a director. Each director elected will hold office until the close of the next annual meeting of shareholders or until such person's successor is elected or appointed.

Unless authority is withheld, the persons named in the accompanying proxy intend to vote FOR the election of the Nominees. The Company's management does not contemplate that any of the Nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, it is intended that discretionary authority will be exercised by the persons named in the accompanying proxy to vote the proxy for the election of any other person or persons in place of any Nominee or Nominees unable to serve. All Nominees have established their eligibility and willingness to serve as directors.

Nominees for Election to the Board

The following tables set forth the details with respect to each Nominee, and is based upon information furnished by the Nominee concerned and the principal occupations, businesses or employments of each of the Nominees within the past five years are disclosed in the brief biographies.

Paul Lucas

Ontario, Canada
Age, 67
Director since May 8, 2015
Independent

Principal Occupation

Chairman of the Company, Professional Director

Board and Board Committees	Meeting Attendance	
Board of Directors	6 of 6	100%
Corporate Governance and Nominating Committee	5 of 5	100%
Compensation Committee	3 of 3	100%
Audit Committee	5 of 5	100%

Securities Holdings

Financial Year	Common Shares	Options	DSUs	Market value of Common Shares, DSUs and vested Options(2)	Value of total compensation received
2016	26,000	NIL	101,644	$218,628	$83,375
2015	6,000	NIL	29,680	$36,219	$50,519
2014	N/A	N/A	N/A	N/A	N/A
2013	N/A	N/A	N/A	N/A	N/A

Other Board Memberships and Committees

Induran Ventures Inc. (Chairman of the Board)
Rna Diagnostics (Director)
ABcann Global Inc. (Director)

Mr. Lucas was elected to the Board on May 8, 2015. Mr. Lucas served as President and CEO of GlaxoSmithKline Canada from 1994 until he retired in 2012. Previous to joining Glaxo Canada in 1986, he held progressive management positions at Eli Lilly Canada and McNeil Pharmaceutical. Mr. Lucas also served as Chairman of the board of directors for TM Bioscience, a member of the boards of directors of Biochem Pharma, the Toronto Regional Research Alliance, Montreal inVivo, and AllerGen. In addition, he was a member of the Principal's Advisory Council of the University of Toronto at Mississauga, and a member of the Board of Trustees of Queen's University. He also served as Chairman of the board of directors of Canada's Research-Based Pharmaceutical Companies (Rx&D) for three terms. Currently Mr. Lucas is also a member of the board of directors of Rna Diagnostics and ABcann Medicinals Inc., and Chair of the board of Induran Ventures Inc. He received his BSc (Honours) in Biology and Chemistry from Queen's University, and obtained his Chartered Directors designation (CDir) from the Directors College, a joint venture of McMaster University and the Conference Board of Canada, in 2009.

Voting Results		
Year	For	Withheld
2016	99.69%	0.31%
2015	99.07%	0.93%
2014	N/A	N/A

Jeff MacDonald

Ontario, Canada
Age, 48
Director since 2015
Not Independent

Principal Occupation

Chief Executive Officer and Director of the Company

Board and Board Committees	Meeting Attendance	
Board of Directors	6 of 6	100%

Securities Holdings

Financial Year	Common Shares	Options(3)	RSUs(3)	Market value of Common Shares, RSUs and vested Options(4)	Value of total compensation received
2016	44,600	1,877,377	72,518	$651,243	$532,802
2015	4,000	1,755,589	31,502	$36,212	$1,098,823
2014	NIL	145,161	11,765	$16,043	$398,786

Other Board Memberships and Committees

None

Mr. MacDonald was appointed the Chief Executive Officer effective May 1, 2015 and was the Interim Chief Executive Officer of EcoSynthetix since February 2015. Mr. MacDonald appointed to serve on the Board of Directors on May 11, 2015. Mr. MacDonald joined the company in 2014 as Chief Operating Officer. Mr. MacDonald came to EcoSynthetix with more than 15 years of executive leadership experience in a variety of roles, including operations, business development, and marketing. He spent the majority of his career at Husky, a leading manufacturer of equipment and services for the plastics industry, with more than $1 billion in annual sales. At Husky, Mr. MacDonald led the establishment of new businesses, introduced a number of new products to market and led key initiatives that had a transformational impact on overall business performance. Mr. MacDonald holds a Master of Business Administration degree from McMaster University and a Bachelor of Science degree from the University of Western Ontario.

Voting Results		
Year	For	Withheld
2016	99.99%	0.01%
2015	99.98%	0.02%
2014	NA	NA

John E. Barker

Ontario, Canada
Age, 69
Director since 2008[1]
Independent

Principal Occupation

Professional Director

Board and Board Committees	Meeting Attendance	
Board of Directors	6 of 6	100%
Corporate Governance and Nominating Committee	5 of 5	100%
Compensation Committee	3 of 3	100%
Audit Committee (Chair)	5 of 5	100%

Securities Holdings

Financial Year	Common Shares	Options	DSUs	Market value of Common Shares, DSUs and vested Options [2]	Value of total compensation received
2016	26,728	86,171	67,954	$236,482	$63,757
2015	20,000	86,171	46,825	$88,655	$83,936
2014	17,500	86,171	17,145	$85,340	$70,918

Other Board Memberships and Committees

Titan Medical Inc. (Director)

Mr. Barker is a finance professional with general management experience. During his career, Mr. Barker has held senior positions in finance and operations as well as overseeing human resources, information technology and procurement, Mr. Barker was Senior Vice President and Chief Financial Officer of Zenon Environmental Inc. from 2000 to 2006. He was responsible for managing the finance and information technology of over 35 subsidiary companies in 25 different countries. He led teams that raised over $140 million between 2002 and 2004, and assisted in the sale of Zenon Environmental Inc. to General Electric Company. He currently sits on the board of directors, and serves as Director of Titan Medical Inc. a TSX listed company. Mr. Barker is a Fellow of the Chartered Professional Accountants of Canada (Fellow of the Certified Management Accountants).

Voting Results		
Year	For	Withheld
2016	96.09%	3.91%
2015	99.80%	0.20%
2014	99.98%	0.02%

Martin Hubbes

Ontario, Canada
Age, 54
Director since January 9, 2017
Independent

Principal Occupation

Professional Director, Investment Manager

Board and Board Committees	Meeting Attendance
Mr. Hubbes was not a member of the Board during the 2016 financial year	

Securities Holdings

Financial Year	Common Shares	Options	DSUs	Market value of Common Shares, DSUs and vested Options	Value of total compensation received
2016	N/A[5]	N/A	N/A[5]	N/A	N/A
2015	N/A	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A	N/A

Other Board Memberships and Committees

H-Source Holdings Ltd. (Director)

Mr. Hubbes was appointed to the Board of Directors of EcoSynthetix on January 9, 2017. Mr. Hubbes brings decades of investment industry and capital markets experience to the Board. As Executive Vice President and Chief Investment Officer at AGF Investments, he led a team of investment professionals managing more than $35 billion in assets. Prior to his appointment as CIO in 2005, he was a Portfolio Manager at AGF overseeing an investment portfolio of more than $5 billion. Mr. Hubbes currently manages personal investments in early-stage companies and sits on the Board of Directors of H-Source Holdings Ltd., a TSXV listed company.

Voting Results		
Year	For	Withheld
2016	N/A	N/A
2015	N/A	N/A
2014	N/A	N/A

Jeffrey Nodland

Ontario, Canada
Age, 61
Director since January 1, 2016
Independent

Principal Occupation

President, Chief Executive Officer, and Director of KIK Custom Products Inc.

Board and Board Committees	Meeting Attendance	
Board of Directors	6 of 6	100%
Corporate Governance and Nominating Committee	5 of 5	100%
Compensation Committee (Chair)	3 of 3	100%
Audit Committee	5 of 5	100%

Securities Holdings

Financial Year	Common Shares	Options	DSUs	Market value of Common Shares, DSUs and vested Options (2)	Value of total compensation received
2016	N/A	N/A	65,792	$112,687	$84,211
2015	N/A	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A	N/A

Other Board Memberships and Committees

MPM Holdings Inc. (Director)
KIK Custom Products Inc. (Director)

Mr. Nodland was appointed to the Board as of January 1, 2016. Mr. Jeffrey Nodland joins EcoSynthetix as an independent board member. Mr. Nodland is President and CEO of KIK Custom Products, one of North America's largest custom manufacturers of both national and retailer-branded consumer products, with annual sales of more than $2.0 billion. Mr. Nodland's career spans more than 30 years in specialty chemicals and coatings manufacturing, serving in executive leadership positions at companies such as Valspar Corporation, Hexion Specialty Chemicals, Inc., Resolution Performance Products, and McWhorter Technologies, a specialty chemicals company acquired by Eastman Chemical. In addition, Mr. Nodland serves on the board of directors of MPM Holdings Inc. Previously, Mr. Nodland served as a member of the board of directors of California Products Corporation and Texas Petrochemicals Group.

Voting Results		
Year	For	Withheld
2016	99.79%	0.21%
2015	N/A	N/A
2014	N/A	N/A

Notes:

(1) Reflects date of appointment of such individual as a director of EcoSynthetix U.S.

(2) Total market value of equity includes the market value of Common Shares, DSUs (as defined herein) and vested in-the-money stock options. The market value of Common Shares and DSUs has been calculated based on the number of Common Shares and DSUs held by the applicable proposed director on December 31 of each year noted in the table multiplied by the closing price of the Common Shares on the Toronto Stock Exchange ("**TSX**") on that day (converted to U.S. dollars using the applicable average annual exchange rate). For the financial year ended December 31, 2016 a closing price of C$2.27 ($1.71 at the Annual Exchange Rate) was used, for the financial year ended December 31, 2015, a closing price of C$1.29 ($1.02 at the 2015 Annual Exchange Rate) was used, and for the financial year ended December 31, 2014, a closing price of C$1.50 ($1.36 at the 2014 Annual Exchange Rate) was used. The market value of vested in-the-money stock options for each year listed in the table has been calculated based on the foregoing closing prices of Common Shares on the TSX on December 31 of each applicable year, from which the exercise price of vested in-the-money stock options (converted to U.S. dollars using the Annual Exchange Rate, 2015 Annual Exchange Rate, or 2014 Annual Exchange Rate, as applicable) has been subtracted.

(3) Mr. MacDonald's stock options and RSUs (as defined herein) were granted in connection with Mr. MacDonald's tenure as an executive officer of the Company and not in connection with his tenure on the Board. As an executive officer of the Company, Mr. MacDonald does not receive compensation for his service on the Board and he is not eligible for participation in the Company's DSU plan. Certain of Mr. MacDonald's options are subject to performance and time-based vesting conditions. For further details on the Company's executive compensation methodology and policies, please see the section of this management information circular titled "*Elements of Executive Compensation*".

(4) Total market value of equity includes the market value of Common Shares, RSUs and vested in-the-money stock options. The market value of Common Shares and RSUs has been calculated based on the number of Common Shares and RSUs held by Mr. MacDonald on December 31 of each year noted in the table multiplied by the closing price of the Common Shares on the TSX on that day (converted to U.S. dollars using the applicable average annual exchange rate). For the financial year ended December 31, 2016 a closing price of C$2.27 ($1.71 at the Annual Exchange Rate) was used, for the financial year ended December 31, 2015, a closing price of C$1.29 ($1.02 at the 2015 Annual Exchange Rate) was used, and for the financial year ended December 31, 2014, a closing price of C$1.50 ($1.36 at the 2014 Annual Exchange Rate) was used. The market value of vested in-the-money stock options for each year listed in the table has been calculated based on the foregoing closing prices of Common Shares on the TSX on December 31 of each applicable year, from which the exercise price of vested in-the-money stock options (converted to U.S. dollars using the applicable average annual exchange rate) has been subtracted.

(5) As of the date of this management information circular, Mr. Hubbes beneficially owns an aggregate of 140,500 Common Shares and 4,029 DSUs. Had Mr. Hubbes owned these Common Shares and DSUs as of December 31, 2016, the aggregate market value of such securities would have been approximately $246,290, based on the closing price of the Common Shares on the TSX on December 31, 2016 of C2.27 ($1.71 at the Annual Exchange Rate).

Advance Notice By-Law

On January 26, 2015, the Board approved by-law No. 2 of the Company ("**By-Law No. 2**"), amending bylaw No. 1 of the Company. By-Law No. 2 applies in circumstances where director nominations are made by shareholders of the Company, other than in connection with (i) the requisition of a shareholders' meeting, or (ii) a shareholder proposal, in each case made pursuant to the *Business Corporations Act* (Ontario).

By-Law No. 2 fixes a deadline by which holders of record of common shares of the Company must submit director nominations to the Company prior to any annual or special meeting of shareholders and sets forth the information that a shareholder must include in the notice to the Company. In the case of an annual meeting of shareholders, notice to the Company must be given not less than 30 days prior to the date of the annual meeting. In the event that the annual meeting is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the annual meeting was made, notice may be given not later than the close of business on the 10th day following such public announcement. As of the date of this management information circular, the Company has not received notification pursuant to the terms of the Company's advance notice by-law of a shareholder nominee for election to the Board.

Majority Voting

Upon recommendation from the corporate governance and nominating committee of the Board (the "**Corporate Governance and Nominating Committee**"), the Board has adopted a majority voting policy in which shareholders vote for each nominee director individually by either voting "for" or "withhold". In the event that a nominee director receives more "withhold" votes than "for" votes the nominee director will submit his/her resignation to the Board at which time the Board will make a determination on whether to accept, or in the event of exceptional circumstances, decline such resignation. Any such decision must be made within five business days and will be announced by way of a press release.

Cease trade orders, bankruptcies, penalties or sanctions

No proposed director or executive officer of the Company is, or within ten years prior to the date hereof has been, a director, chief executive officer or chief financial officer of any company (including the Company) that, (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No proposed director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially control of the Company, (i) is, or within ten years prior to the date hereof has been, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (ii) has, within ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

No proposed director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

APPROVAL OF UNALLOCATED STOCK OPTIONS

Section 613(a) of the TSX Company Manual (the "**TSX Manual**") provides that, every three (3) years after the institution of a security based compensation arrangement by an issuer, all unallocated rights, options or other entitlements under such arrangement which do not have a fixed maximum number of securities issuable must be approved by a majority of the issuer's directors and by the issuer's security holders.

The Company's current stock option plan (the "**2011 Plan**") permits the Company to grant to directors, officers and certain other individuals the option to purchase Common Shares at a future date in accordance with the terms of the 2011 Plan (each, an "**Option**"). The 2011 Plan is considered to be a security-based compensation arrangement under the rules of the TSX Manual as it provides that the maximum number of Common Shares reserved for issuance from time to time pursuant to outstanding Options is not a fixed number, but instead shall not exceed a fixed percentage of the Common Shares issued and outstanding.

The terms of the 2011 Plan provide that the aggregate number of Common Shares issuable to all participants pursuant to the 2011 Plan and any other share compensation arrangement (other than the Rollover Plan) shall not exceed 10% of the issued and outstanding Common Shares at the time of the grant. Based on the number of Common Shares issued and outstanding as of the date of this management information circular (and assuming full exercise of the put/call option), a maximum of 5,956,310 Common Shares may be issued under the 2011 Plan and all other security-based compensation arrangements (excluding the Rollover Plan).

As of the date of this management information circular, the Company has 4,187,100 Options outstanding under the 2011 Plan (which are convertible into an equivalent number of Common Shares) and has reserved for issuance 1,000,000 Common Shares in connection with the RSU Plan (defined below, see "*Elements of Executive Compensation – Long-Term Incentives – RSUs*") and 500,000 Common Shares in connection with the DSU Plan (defined below, see "*Elements of Director Compensation – Standard Compensation Arrangements – DSU Plan*"). As a result, 269,210 Common Shares remain reserved and available for future grants under the 2011 Plan (assuming the exercise of the put/call option).

The 2011 Plan was last approved by the Company's shareholders on May 22, 2014. In accordance with the rules prescribed by the TSX Manual, the Company is seeking approval from shareholders to approve the grant of unallocated Options under the 2011 Plan. The complete text of the 2011 Plan can be found in Appendix "B" to this management information circular.

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, approve a special resolution (the "**Option Resolution**") approving the 2011 Plan and the unallocated Options thereunder. The resolution approving the 2011 Plan must be approved by a majority of the votes cast thereon by holder of Common Shares represented in person or by proxy at the Meeting.

The text of the Option Resolution is set out below:

> "BE IT RESOLVED as a special resolution of the holders of common shares of the Company that:
>
> 1. all unallocated stock options issued under the 2011 Plan are approved and authorized until June 20, 2020;
>
> 2. any one director or officer of the Company is hereby authorized, for and on behalf of the Company, to execute and deliver all such further agreements, documents and instruments and to perform all such other acts, deeds and things as such director or officer may deem to be necessary or advisable for the purpose of giving full force and effect to the provisions of this resolution, the execution and delivery by such director or

officer of any such agreement, document or instrument or the doing of any such act or thing being conclusive evidence of such determination; and

3. notwithstanding the foregoing approvals, the directors of the Company be and are hereby authorized to abandon all or any part of these resolutions at any time prior to giving effect thereto without further notice to or approval of the shareholders of the Company."

If the approval of the Option Resolution is obtained at the Meeting, the Company will not be required to seek further approval for unallocated Options under the 2011 Plan until June 20, 2020. If the approval of the Option Resolution is not obtained at the Meeting, Options which have not been allocated as of May 22, 2017 and Common Shares which are reserved for issuance pursuant to Options which are outstanding as of May 22, 2017 and which are subsequently cancelled, terminated or exercised will not be available for a new grant of Options under the 2011 Plan. Previously allocated Options will continue to be unaffected by the approval or disapproval of the Option Resolution.

The Board of Directors unanimously recommends that Shareholders vote in favour of the Option Resolution. In the absence of a contrary instruction, the person(s) designated by management of the Company in the enclosed Form of Proxy intend to vote FOR the approval of the Option Resolution.

APPROVAL OF AN AMENDMENT TO THE 2011 PLAN

Section 613(i)(iv) of the TSX Manual provides that, notwithstanding that a security based compensation arrangement contains a provision allowing amendments to certain items without security holder approval, specific security holder approval is required for an increase to the maximum number of securities issuable, either as a fixed number or a fixed percentage of the listed issuer's outstanding capital represented by such securities.

As noted in the previous section, the maximum number of Common Shares issuable under the 2011 Plan is a fixed percentage of the Common Shares outstanding from time to time. The Company's other security based compensation arrangements are the RSU Plan, the DSU Plan and the Rollover Plan. No further options are being issued under the Rollover Plan and awards under this plan are not taken into account when calculating the number of Common Shares issuable under the 2011 Plan. The maximum number of Common Shares issuable under the RSU Plan and the DSU Pan is a fixed number (1,000,000 Common Shares in the case of the RSU Plan and 500,000 Common Shares in the case of the DSU Plan). These Common Shares are said to be "reserved for issuance". As of the date of this management information circular, the Company has 4,187,000 Options, 423,359 RSUs and 235,391 DSUs outstanding under the 2011 Plan, RSU Plan and DSU Plan, respectively, with these Options, RSUs and DSUs being exercisable into an equivalent number of Common Shares.

Under the current 2011 Plan, the maximum number of Common Shares available for issuance in connection with the exercise of Options is equal to 10% of the number of Common Shares issued and outstanding from time to time (assuming the exercise of the put-call option), less the number of Common Shares reserved for issuance under the Company's security based compensation arrangements (but for which RSUs or DSUs have not necessarily been awarded), excluding the Rollover Plan. If the Option Resolution (see "*Particulars of Matters to be Acted Upon - Approval of Unallocated Stock Options*") is approved by the Company's shareholders, the Company would, as of the date of this management information circular, be able to issue Options exercisable into a further 269,210 Common Shares under the 2011 Plan (assuming the exercise of the put/call option).

The Company is proposing to amend the 2011 Plan to increase maximum number of Common Shares issuable under the 2011 Plan. The amendment would set the maximum number of Common Shares issuable in connection with the exercise of Options under the 2011 Plan to equal 10% of the Common Shares issued and outstanding from time to time (assuming the exercise of the put-call option), less the number of Common Shares to be issued upon the exercise of awards outstanding under the Company's other security based compensation arrangements (as opposed to the total number of RSUs and DSUs reserved for issuance under these plans), excluding the Rollover Plan. The TSX has conditionally approved the amendment to the 2011 Plan, subject to approval of the Company's shareholders.

If the amendment to the 2011 Plan described above is approved by the Company's shareholders, the Company would, as of the date of this management information circular, be able to issue Options exercisable into a further 1,110,460 Common Shares under the 2011 Plan (assuming the exercise of the put/call option). This increase of 841,250 Common Shares over the allocation under the current 2011 Plan terms (269,210 Common Shares) represents the difference between the number of Common Shares reserved for issuance (but not necessarily awarded) under the RSU Plan and DSU Plan (1,500,000 Common Shares in aggregate) and the number of Common Shares issuable upon the exercise of outstanding RSUs and DSUs awarded under the RSU Plan and DSU Plan (658,750 Common Shares in aggregate).

On May 19, 2017, the Board approved, subject to Shareholder and TSX approval, the amendment to the 2011 Plan described above. Assuming the Option Resolution (approving all unallocated options under the 2011 Plan) is approved, at the Meeting, Shareholders will be asked to consider and, if deemed advisable, approve a special resolution (the "**Amendment Resolution**") approving the amendment to the 2011 Plan.

The resolution approving the amended 2011 Plan must be approved by a majority of the votes cast thereon by holder of Common Shares represented in person or by proxy at the Meeting. The text of the proposed 2011 Plan, as amended, is included as Appendix "C" to this management information circular.

The text of the Amendment Resolution is set out below:

"BE IT RESOLVED as a special resolution of the holders of common shares of the Company that:

1. the amendment to the 2011 Plan to increase the maximum number of Common Shares issuable under the 2011 Plan, as amended by the Board and substantially in the form presented to the Shareholders, be and is hereby approved;

2. any one director or officer of the Company is hereby authorized, for and on behalf of the Company, to execute and deliver all such further agreements, documents and instruments and to perform all such other acts, deeds and things as such director or officer may deem to be necessary or advisable for the purpose of giving full force and effect to the provisions of this resolution, the execution and delivery by such director or officer of any such agreement, document or instrument or the doing of any such act or thing being conclusive evidence of such determination; and

3. notwithstanding the foregoing approvals, the directors of the Company be and are hereby authorized to abandon all or any part of these resolutions at any time prior to giving effect thereto without further notice to or approval of the shareholders of the Company."

If the approval of the Amendment Resolution is obtained at the Meeting, the 2011 Plan will be amended so that the maximum number of Common Shares issuable pursuant to the 2011 Plan will be equal to 10% of the Common Shares issued and outstanding from time to time (assuming the exercise of the put-call option), less the number of Common Shares to be issued upon the exercise of awards outstanding under the Company's other security based compensation arrangements (excluding the Rollover Plan).

If the approval of the Amendment Resolution is not obtained at the Meeting: (i) the terms of the unamended 2011 Plan, as approved by the Option Resolution, will remain in effect; and (ii) as of the date of this management information circular, 269,210 Common Shares would remain reserved and available for future grants under the 2011 Plan (assuming the exercise of the put/call option).

The Board of Directors unanimously recommends that Shareholders vote in favour of the Amendment Resolution. In the absence of a contrary instruction, the person(s) designated by management of the Company in the enclosed Form of Proxy intend to vote FOR the approval of the Amendment Resolution.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

INTRODUCTION

We recognize the importance of corporate governance to the effective management of the Company and to the protection of our employees and shareholders. Our approach to significant issues of corporate governance is designed with a view to ensuring that the business and affairs of the Company are effectively managed so as to enhance shareholder value.

National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**") requires issuers to disclose certain corporate governance practices they have adopted. As required by NI 58-101 and other applicable regulatory instruments, the following disclosure describes our corporate governance policies and initiatives and has been prepared by the Corporate Governance and Nominating Committee and approved by the Board.

BOARD OF DIRECTORS

Mandate

The Board is responsible for supervising the management of our business and affairs and acting with a view towards the best interests of the Company. The Board discharges its responsibilities directly and through its committees and is responsible for, among other things:

- developing and adopting the strategic direction and, at least annually, approving a strategic plan as developed and proposed by management, which takes into account our business opportunities and risks;
- reviewing and approving: (i) financial objectives, plans and actions, including significant capital allocations and expenditures; (ii) financial statements and management's discussion and analysis ("**MD&A**"); (iii) material transactions not in the ordinary course of business and (iv) annual budgets;
- identifying principal business risks and ensuring that appropriate systems are put in place to manage such risks;

A copy of the Board mandate is attached as Appendix "A" and is available on our website at www.ecosynthetix.com.

- monitoring and ensuring the integrity of internal control and procedures;
- monitoring corporate performance and ensuring appropriate standards of corporate conduct, including creating and amending the Company's Code of Business Conduct and Ethics and a disclosure policy;
- reviewing compensation of the members of the Board;
- ensuring an appropriate succession plan, including the appointment, training and monitoring of senior management and members of the Board; and
- developing our approach to corporate governance.

The Board's mandate also sets forth procedures relating to the Board's operations, including the size and selection process, qualifications, orientation and continuing education, independent meetings and committees, evaluations, compensation, nominations and access to independent advisors. The Board has the mandate to assess, among other things, the effectiveness of the Board as a whole, its committees and the contribution of individual directors, and will periodically canvas the directors to determine their training and education needs and interests.

The Board also has the responsibility of managing the risks to our business and must (i) ensure that management identifies the principal risks of the business and implements appropriate systems to manage these risks; and (ii) evaluate and assess information provided by management and others about the effectiveness of risk management systems.

Meetings of the Board

The Board fulfills its mandate at regularly scheduled meetings or as required. The directors are kept informed of our operations at these meetings as well as through reports and discussions with management throughout the year. The mandate of the Board provides that the Board will have at least four scheduled meetings per year. The frequency of the meetings and the nature of the meeting agendas are dependent upon the nature of the business and affairs which the Company faces from time to time.

The Board held six meetings in the financial year ended December 31, 2016. All directors were in attendance for all meetings.

The Board's policy requires that, at the end of each meeting of the Board, independent directors meet in the absence of management and non-independent directors to hold an open and candid discussion. For the financial year ended December 31, 2016, all Board and committee meetings were accompanied by *in-camera* sessions where management of the Company was not in attendance.

The majority of directors in office constitutes a quorum for the transaction of business and a quorum of directors may exercise all the powers of directors at a meeting. Directors are expected to attend all meetings of the Board and the committees upon which they serve, to come to such meetings fully prepared (including full review of all documentation sent prior to the meeting), and to remain in attendance for the duration of the meeting.

The Board's mandate requires it hold at least four scheduled meetings per year. Prior to each Board meeting, the Chairman of the Board shall discuss the agenda items for the meeting with the Chief Executive Office, and circulate an agenda and materials for the meeting to the Board.

In certain circumstances, non-directors will be permitted to attend Board and committee meetings to provide information and opinions to assist the directors in their deliberations. The Board, through the Chairman will determine non-director attendees for a meeting, and no non-directors will be permitted to table material at the Board meeting without the prior approval of the Chairman (in the case of the Board) or committee chair (in the case of committee of the board).

Independence

Pursuant to National Instrument 52-110 - *Audit Committees* ("**NI 52-110**"), an independent director is one who is free from any direct or indirect relationship which could, in the view of the Board, be reasonably expected to interfere with a director's independent judgement.

The Board has considered the relationship of each of the directors to the Company and has determined that four out of the five director nominees, being a majority of the members of the Board, are independent within the meaning of NI 52-110, and four of the five directors for the financial year ended December 31, 2016 were independent within the meaning of NI 52-110, as set out in the following table:

Independent Status of Directors

Name[2]	Independent Nominee	Non-Independent Nominee	Reason for Non-Independent Status
Paul Lucas	√		
Jeff MacDonald		√	Executive Officer
John E. Barker	√		
Jeffrey Nodland	√		
Dr. Arthur Carty[1]	√		
Martin Hubbes [1]	√		

Notes:

(1) Dr. Carty resigned from the board on January 9, 2017 and was replaced by Mr. Martin Hubbes on the same day.

(2) Dr. Colcleugh, formerly the non-executive Chairman of the Board, and Mr. Varghese, formerly a director of the Company, both resigned from the Board effective January 1, 2016. Dr. Colcleugh and Mr. Varghese were independent within the meaning of N 52-110 during the financial year ended December 31, 2016 and, for purposes of clarity, have not been included in the table above. Currently, four out of five directors, being a majority of the members of the Board are independent within the meaning of NI 52-110. The independent directors on the Board are currently Messrs. Barker, Lucas and Nodland, and Hubbes.

In addition to the Board being comprised of a majority of independent directors and holding *in-camera* meetings at the end of each Board meeting, we have taken steps to ensure that adequate structures and processes are in place to permit the Board to function independently of management, including:

- the appointment of an independent Chairman;
- any one director may call a meeting of the Board in accordance with our by-laws;
- additional independent committees may be appointed from time to time; and
- any items of discussion which could involve a potential conflict of interest among one or more directors will be voted on by those directors who do not have a conflict in connection with the relevant matter.

Other Directorships

No directors of the Company serve together as directors on the boards of other public companies. See the profile for each director under the heading "*Election of Directors – Nominees for Election to the Board*" for other public company directorships held by each director.

It is the Board's policy that no two directors may sit together on two or more corporate boards without the written approval of the Board. If such approval is granted, the Corporate Governance and Nominating Committee will review on an annual basis the appropriateness of that director's continued membership on the Board and will make a recommendation to the Board.

Director Term Limits

Upon recommendation from the Corporate Governance and Nominating Committee the Board has imposed a term limit of 10 years, as determined on a case by case basis by the Board, from the date of appointment of a director to the Board. To ensure continuity, the Board will, as appropriate, consider limiting the number of replacement candidates as a result of term limits to one in any applicable year.

Retirement Policy

The Board reviews the mandatory retirement age for directors from time to time. The Board has approved a policy, to be effective immediately following the Meeting, whereby no person shall stand for election or re-election to the Board if he or she attains the age of 75 years on or before the date of the annual meeting called in relation to the election of directors. The age at which a director must retire from the Board is referred to herein as the "**Retirement Age**".

In exceptional circumstances, the Board reserves the right, having regard to the specific skill and expertise of a director and the needs of the Board that any director who has reached the Retirement Age may stand for re-election at the next annual meeting of shareholders. The Corporate Governance and Nominating Committee reviews events or matters that may trigger resignation or retirement of Board members such as age, changes in principal occupation, board interlocks and other relevant circumstances.

Board Committees

The Board has the following three standing committees: (i) the Audit Committee; (ii) the Compensation Committee; and (iii) the Corporate Governance and Nominating Committee.

All of the committees report directly to the Board and are comprised of independent directors as defined under NI 52-110. From time to time, when appropriate, *ad hoc* committees of the Board may be appointed by the Board. The membership of each board committee membership of each standing committee of the Board is as follows:

Name of Independent Director	Audit Committee	Compensation Committee	Corporate Governance and Nominating Committee
Paul Lucas	✓	✓	✓
John E. Barker	**Chair**	✓	✓
Dr. Arthur Carty(1)	✓	✓	✓
Jeffrey Nodland	✓	**Chair**	✓
Martin Hubbes(1)	✓	✓	**Chair**

Notes:
(1) Dr. Carty resigned from the board on January 9, 2017 and was replaced by Mr. Martin Hubbes on the same day.

Committee Meetings

The Board is required to meet at least four times each year, however individual committees of the Board may meet more or less frequently as deemed necessary by the applicable committee. As each committee is solely comprised of independent directors, all committee meetings are considered to be independent meetings.

Equity Ownership by Directors

In 2016, the Board adopted a policy whereby each non-executive director is required to acquire Common Shares having an initial acquisition value equal to three times his or her annual retainer. Directors are expected to achieve this level of ownership within five years from the date they become directors. Directors may apply the DSUs (as defined below) that they receive as payment for all or part of their annual retainer towards this minimum equity ownership requirement. If the annual retainer is increased, all directors are required to achieve the increased minimum equity ownership level within two years of the effective date of the increase in the annual retainer. For greater certainty, the determination as to whether a director has met this minimum equity ownership level will be made with reference to the value of the Common Shares (or DSUs) at the time of their acquisition, and not the then current market price. The Corporate Governance and Nominating Committee is responsible for recommending Common Share ownership targets for non-executive directors to the Board.

BUILDING AN EFFECTIVE BOARD

Orientation

The purpose of the orientation program is to familiarize new directors with our business. New directors will have the opportunity to meet with other members of the Board, in addition to management, to obtain insight into our business, the industry, our strategic plan, and the role of the Board and its committees. In addition, new directors will be provided with an education program which will include information about the duties and obligations of directors, our policies and documents from recent meetings of the Board and its committees.

Continuing Education

The Corporate Governance and Nominating Committee oversees ongoing education by: (a) periodically canvassing the directors to determine their training and education needs and interests; (b) arranging visits to our facilities and operations; (c) arranging funding for attendance at seminars or conferences of interest and relevance to their position; and (d) encouraging and facilitating presentations by outside experts on matters of particular importance or emerging significance. Each director ultimately takes personal responsibility for staying informed with respect to developments and emerging issues and seeking opportunities to expand their knowledge base.

The Corporate Governance and Nominating Committee is responsible for providing orientation and continuing education opportunities in order to ensure directors understand issues the Company faces within its business and industry.

It is the Company's policy to provide financial support towards up to 50% of formal education programs for directors or industry-specific conferences, such support not to exceed C$2,500 (approximately $1,886 at the Annual Exchange Rate) per year per director.

Assessments

The Board is committed to regular assessments of the effectiveness of the Board, the Chairman of the Board, the committees of the Board and the individual directors. The Corporate Governance and Nominating Committee has designed a written questionnaire that is sent to each director on an annual basis to evaluate the Board as a whole, each committee, their peers and to conduct an individual self-assessment regarding each member's contribution, qualification as an independent director, as well as diversity of skills and experience. Ultimately, the Corporate Governance and Nominating Committee annually reviews and makes recommendations to the full Board regarding any changes and improvements it determines to be necessary as a result of such evaluations.

Recruitment Process and Succession Planning

The Corporate Governance and Nominating Committee, which is composed entirely of independent directors, regularly reviews the composition and needs of the Board on an as-needed basis and is responsible for recommending new candidates for nomination based upon: (i) the competencies and skills necessary for the Board as a whole and each individual director to possess and which each new nominee to the Board is expected to bring; and (ii) whether a proposed nominee to the Board will be able to devote sufficient time and resources to the Company. The Board will determine nominees to be presented to the shareholders for election based upon the required competencies and skills and the appropriate size of the Board to facilitate effective decision making.

The Corporate Governance and Nominating Committee will commit the time and resources necessary to seek a qualified director if an opening arises, and may consider expanding the Board if presented with a potential candidate whose skills would complement the current Board. When a new seat or a vacated seat is being filled, candidates that appear to best fit the needs of the Board and the Company will be identified and unless such individuals are well known to the Board, they are interviewed and further evaluated by the Corporate Governance and Nominating Committee before they will be presented to the Board for consideration.

The Corporate Governance and Nominating Committee does not set specific minimum qualifications for director positions. Instead, the Corporate Governance and Nominating Committee believes that nominations should be based on a particular candidate's merits and skills after taking into account the current composition of the Board. When evaluating candidates annually for nomination for election, the Corporate Governance and Nominating Committee considers an individual's skills, diversity, independence, experience in areas that address the needs of the Board and ability to devote adequate time to the Company. The Corporate Governance and Nominating Committee also seeks to achieve the appropriate balance of industry and business knowledge and experience, including, without limitation, expertise in the industry, management and operations experience and transactional experience in light of the function and needs of the Board, as well as independence, financial expertise, public company experience, personal integrity, judgment and reputation.

In addition, the Board has the responsibility for ensuring an appropriate succession plan, including the appointment, training and monitoring of senior management and members of the Board. In that regard, the independent members of the Board held four independent meetings in 2015 to address succession planning matters. All independent members of the Board were in attendance at each such meeting. For further details on the Board's retirement policy, see "*Statement of Corporate Governance Practices – Board of Directors – Retirement Policy*".

<u>Skills Matrix</u>

The Corporate Governance and Nominating Committee maintains a matrix of skills of the current directors. The following chart outlines the key areas of expertise and experience for each of the proposed director Nominees:

		Director Nominees				
Criteria	**Description**	**Paul Lucas**	**Jeff MacDonald**	**John E. Barker**	**Jeffrey Nodland**	**Martin Hubbes**
Independent	*Pursuant to section 1.4 of NI 52-110*	●		●	●	●
Senior Executive	*Chief Executive Officer or a senior executive experience at a large publicly traded organization*	●	●	●	●	●
Governance/ Other Directorships	*Director of a public company or performs another governance role of similar significance*	●		●	●	●
Customer/ Stakeholder	*Experience in managing stakeholders or a representative of a stakeholder group*	●	●	●	●	●
Technical Industry Experience	*Senior executive experience in related industries*	●	●	●	●	
Mergers & Acquisitions / Growth Strategy	*Senior executive experience in mergers, acquisitions or other aspects of business growth strategy*	●	●	●	●	●
Compensation and Human Resources	*Experience in human resources management and compensation policy*	●	●	●	●	●
Financial	*Senior executive experience in financial management*	●	●	●	●	●
Legal, IP and Regulatory	*Experience in dealing with legal issues, intellectual property matters or regulatory affairs, processes and agencies*	●	●	●	●	●

The Corporate Governance and Nominating Committee updates the skills matrix on a regular basis, in addition to annual review. The Corporate Governance and Nominating Committee will use the skills matrix during any nomination process as a reference tool for the ongoing assessment of Board composition to ensure that diversity is considered as new Board member candidates are being assessed.

COMMITTEE MANDATES

Audit Committee

The Audit Committee is comprised of a minimum of three directors, each of whom must at all times be financially literate and, each of whom must be independent within the meaning of NI 52-110. The members of the Company's current Audit Committee are Messrs. Barker (Chair), Lucas and Nodland and Hubbes, each of whom is independent and financially literate within the meaning of NI 52-110. Dr. Carty resigned on January 9, 2017 and was replaced by Mr. Hubbes. Each of the Audit Committee members has an understanding of the accounting principles used to prepare financial statements and varied experience as to the general application of such accounting principles, as well as an understanding of the internal controls and procedures necessary for financial reporting.

The Board has adopted a written charter for the Audit Committee which sets out the committee's responsibility in reviewing the financial statements of the Company and public disclosure documents containing financial information and reporting on such review to the Board, ensuring that adequate procedures are in place for the review of the Company's public disclosure documents that contain financial information, overseeing the work and review the independence of the external auditors and reviewing, evaluating and approving the internal control procedures that are implemented and maintained by management. A copy of the Charter of the Audit Committee is attached to the Company's annual information form dated March 30, 2017 as Schedule "A" and is also available on the Company's website at *www.ecosynthetix.com*.

The Audit Committee of the Company is composed of four directors: Messrs. Barker, Hubbes, Lucas and Nodland, each of whom is independent and financially literate. Mr. Barker acts as chairman of the Audit Committee.

As described above, the Audit Committee is responsible for reviewing the Company's financial reporting process. In discharging this duty, the Audit Committee will consult with the external auditor to review the integrity of the organization's internal and external financial and accounting controls and reporting processes, consult with the external auditor and management (and the external auditor in the absence of management) about significant risks or exposures (internal and external) to which the Company may be subject, consider the external auditor's judgments about the quality and appropriateness (not just the acceptability) of the Company's accounting principles and financial disclosure practices (with particular regard to the degree of aggressiveness or conservatism of its accounting principles and underlying estimates) and whether those principles are common practices or are minority practice. The Audit Committee will also consider and approve (if appropriate) major changes to the Company's accounting principles and practices as suggested by management with the concurrence of the external auditor.

In connection with its review and oversight of the Company's auditor, the Audit Committee will review and consider on an annual basis the independence and effectiveness of the Company's external auditor (including reviewing any significant relationships the external auditor has with the Company), review and approve requests for non-audit services to be performed by the external auditor, and review any management letters or other reports issued and discussing material differences of opinion.

Non-Audit Services

The Audit Committee must review any requests for non-audit services to be performed by the Company's external auditor. The Audit Committee must also be advised of any other study undertaken by the external auditor at the request of management that is beyond the scope of the audit engagement letter and related fees. Approval from the Audit Committee must be obtained prior to the external auditor undertaking any non-audit services, which services must not be otherwise be illegal for the external auditor to provide and must be performed in accordance with the Audit Committee's mandate. The external auditor will not be permitted to perform any of the following categories of non-audit services for the Company:

- Bookkeeping or other services related to the Company's accounting records or financial statements;
- appraisal or valuation services, fairness opinion or contributions-in-kind reports;
- actuarial services;
- legal services;
- internal audit outsourcing services;
- management functions
- human resources;
- broker or dealer, investment adviser or investment banking services;
- any other service that the Canadian Public Accountability Board or International Accounting Standards Board or other analogous board which may govern the Company's accounting standards, from time to time determines is impermissible.

The external auditor is permitted to provide non-audit services related to tax compliance, tax advice or tax planning, however, the Chief Financial Officer of the Company must consult with the Chair of the Committee, who has the authority to approve or disapprove on behalf of the Audit Committee. All other non-audit services not otherwise prohibited must be approved by the Audit Committee as a whole. The Chief Financial Officer must maintain a record of all non-audit services approved by the chair of the Audit Committee and provide a report to the Audit Committee at least once per quarter.

Compensation Committee

The Compensation Committee is comprised of four directors, all of whom are independent. A copy of the charter of the Compensation Committee is available on the Company's website at *www.ecosynthetix.com.*

The Compensation Committee of the Board is composed of four directors, Messrs. Barker, Hubbes, Lucas and Nodland, each of whom is independent. Mr. Nodland acts as chairman of the Compensation Committee.

The Compensation Committee, among other things, determines the appropriate compensation for our directors, officers and employees, as further set out in this management information circular under the headings "Director Compensation" and "*Statement of Executive Compensation*". The Compensation Committee is responsible for reviewing the compensation of members of the Board to ensure that compensation realistically reflects the responsibilities and risks involved in being a director and for reviewing the compensation of members of senior management to ensure that compensation is competitive within the industry and aligns the interests of such individual with those of the Company. The process by which appropriate compensation is determined is through periodic and annual reports to the Board from the Compensation Committee on our overall compensation and benefits philosophies. The Compensation Committee's responsibilities include reviewing and recommending to the Board annually a "Statement of Executive Compensation" to be included in this management information circular.

The Compensation Committee is responsible for, among other things: (i) reviewing the Company's compensation philosophy and guidelines, (ii) annually reviewing, approving and recommending to the Board for approval, the remuneration of the senior executives of the Company, and determining each senior executive’s entitlement to be paid incentive awards, targets, benefits and perquisites; (iii) reviewing and recommending to the Board for approval, the remuneration of directors and submitting recommendations with regard to benefits available to members of the Board and to senior executives; (iv) reviewing the Chief Executive Officer’s goals and objectives for the upcoming year and providing an appraisal of such performance at the end of the year; (v) leading the annual review process of the Chief Executive Officer and making a recommendation to the Board regarding all matters concerning the Chief Executive Officer’s remuneration, (vi) meeting with the Chief Executive Officer to discuss goals, objectives, compensation and performance of other senior executive officers; (vii) administrating stock option and incentive plans and determining such issues as participation, allocation of options/shares, performance criteria and vesting periods and periodically reviewing such plans in light of new trends and practices in the industry; (viii) comparing on an annual basis the total remuneration and main components of compensation for the senior executives, including equity ownership requirements for non-executive directors, with the compensation practices of peers in the same industry; and (ix) reviewing and recommending to the Board for approval any special employment contracts to take effect in the event of termination of employment or change in control affecting any senior executives.

The Compensation Committee also reviews and considers the implications of the potential risks associated with the Company’s compensation policies and programs, the Company’s succession plans for senior executives, and the Company’s management organization structure and any proposal for changes to that structure.

Corporate Governance and Nominating Committee

The Corporate Governance and Nominating Committee is comprised of four directors, all of whom are independent. A copy of the charter of the Corporate Governance and Nominating Committee is available on the Company’s website at www.ecosynthetix.com.

The Corporate Governance and Nominating Committee of the Company is composed of four directors: Messrs. Barker, Hubbes, Lucas and Nodland, each of whom is independent. Mr. Hubbes acts as chairman of the Corporate Governance and Nominating Committee.

The Corporate Governance and Nominating Committee is responsible for, among other things: (i) reviewing with the Board the quality of our corporate governance and, where necessary, recommending changes to corporate governance practices, including ensuring that disclosure, securities compliance and communication policies are in place; (ii) reviewing, on a periodic basis, the composition and size of the Board and the directors’ relationships with regard to potential conflicts of interests, determining whether directors are independent, and ensuring there is an appropriate number of independent directors on the Board; (iii) facilitating the independent functioning of the Board and management of the Company; (iv) evaluating, at least once per year, the effectiveness of the Board as a whole, committees of the Board, and the contribution of individual directors, and recommending the removal or non-reappointment of directors, as necessary; (v) reviewing and recommending requests by members of the Board to hire any outside consultants; (vi) establishing an orientation program for new directors and continuing education program for current members of the Board; (vii) reviewing periodically the charters of the Board and its committees; and (viii) annually reviewing the Company’s directors’ and officers’ third-party liability insurance to ensure adequate coverage is maintained.

As part of its mandate, the Corporate Governance and Nominating Committee must develop, and annually update and recommend to the Board for approval, a long-term plan for Board composition that takes into consideration various factors, including independence, individual skills and competencies of Board members, anticipated retirement dates, and the strategic direction of the Company. The Corporate Governance and Nominating Committee must also develop recommendations regarding the essential and desired experiences and skills for potential directors, taking into consideration the Board’s short-term needs and long-term succession plans.

POSITION DESCRIPTIONS

Written position descriptions have been developed by the Board for the Chairman of the Board, Chairman of the Audit Committee, Chairman of the Compensation Committee, Chairman of the Corporate Governance and Nominating Committee and Chief Executive Officer. These position descriptions have been reviewed by the Corporate Governance and Nominating Committee and approved by the Board.

Chairman

The Chairman of the Board is Mr. Paul Lucas, who is considered to be an independent director and was appointed as the Chairman of the Board subsequent to the Annual Meeting of Shareholders held on June 16, 2016. Mr. Barker served as Chairman of the Board from January 1, 2016 until the time of Mr. Lucas' appointment.

The Chairman is responsible for, among other things, chairing all meetings in a manner that promotes open meaningful discussion, ensuring that meetings are held with appropriate frequency, that resources are available to the Board as necessary, that functions are delegated to the appropriate committees of the Board and Board members understand their responsibilities. The Chairman is also responsible for working with the Corporate Governance and Nominating Committee to ensure a process is in place to, on an annual basis, assess the effectiveness of the Board (including size and composition) and the contribution of individual directors. The Chairman also acts as a liaison between the Board and management and also, at the request of the Board, represents the Company to external groups such as shareholders, community groups and government.

Chief Executive Officer

The primary role of the Chief Executive Officer is to take overall supervisory and managerial responsibility for our day-to-day operations and management in order to achieve the goals and objectives determined by the Board in the context of our strategic plan. This role includes, but is not limited to: (i) developing, implementing and maintaining our strategic plans; (ii) developing new strategic alliances to enhance shareholder value; (iii) providing high quality leadership to staff and ensuring that our human resources are managed properly; (iv) ensuring communications with our major stakeholders are managed in an optimum way and in accordance with applicable securities laws; (v) providing timely strategic, operational and reporting information to the Board; (vi) coordinating the preparation of an annual business plan; (vii) ensuring appropriate governance skills development and resources are made available to the Board; (viii) fostering an ethical culture throughout the organization; and (ix) taking responsibility for the administration of all of our sub-areas and administrative practices.

POLICIES

Ethical Business Conduct

In fulfilling its mandate and approving various decisions put forth by management, the Board ensures that the measures taken by management comply with Canadian securities regulations and other applicable legislation. Members of the Board are aware of their fiduciary duties in their capacity as directors, which are set out in the OBCA. In exercising their powers and discharging their duties, members of the Board are required to act honestly and in good faith with a view to the best interests of the Company, and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

The Board has adopted a written code of ethics titled the "Code of Business Conduct and Ethics" (the "**Ethics Code**"), which applies to all employees, officers and directors of the Company. The purpose of the Ethics Code is to, among other things, promote honest and ethical conduct, promote legal compliance, promote the avoidance of conflicts of interest, provide mechanisms to report unethical conduct and help foster a culture of honesty and accountability for the Company. A copy of the Ethics Code is available under the Company's SEDAR profile at www.sedar.com, or on the Company's website at *www.ecosynthetix.com*.

The Audit Committee is responsible for compliance issues relating to the Ethics Code, which, along with the Whistleblower Policy (described below), contains the procedures by which an individual can report actual or potential violations of the Ethics Code to the Chief Executive Officer or the Audit Committee. The Ethics Code provides that any violations of the Ethics Code by any employee, officer or director may be grounds for disciplinary action including termination of employment, office and directorship. Pursuant to the Ethics Code, directors, officers and employees of the Company are required to disclose to the Board in writing, any possible conflicts of interest, or request to have entered into the minutes of meetings of the Board the nature and extent of any such interest. The fiduciary duties placed on individual directors pursuant to corporate legislation and the common law, and the conflict of interest provisions under corporate legislation which restricts an individual director's participation in decisions of the Board in which the director has an interest, also ensure that the Board operates independently of management and in the best interests of the Company.

The Board adopted a "Corporate Disclosure, Confidentiality and Insider Trading Policy", which is governed by the Corporate Governance and Nominating Committee, to ensure, among other things: (i) that the Company complies with timely disclosure obligations under securities laws and the regulations of the stock exchanges on which the Company's securities are listed; (ii) the Company prevents the selective disclosure of material changes; (iii) that all communications to the public are informative, timely, factual, balanced, accurate and broadly disseminated; (iv) that persons to whom the policy applies understand their obligations to preserve the confidentiality of "undisclosed material information" (as defined in the policy); and (v) strict compliance by all insiders with all requirements relating to the reporting of insider trading and with respect to trading when in possession of material non-disclosed information. A copy of the Corporate Disclosure and Insider Trading Policy is available under the Company's SEDAR profile at www.sedar.com, on the Company's website at www.ecosynthetix.com.

Whistleblower Policy

The Board has adopted a written whistleblower policy (the "**Whistleblower Policy**") which establishes procedures for: (i) the receipt and treatment of complaints received by the Company regarding accounting, internal accounting controls, auditing matters or violations of the Ethics Code; and (ii) the submission by employees of the Company, on a confidential and anonymous basis, of concerns regarding questionable accounting, auditing matters or violations of the Ethics Code. A copy of the Whistleblower Policy is available under the Company's profile on *www.sedar.com* or on the Company's website *www.ecosynthetix.com*.

Investigations

Following the receipt of any complaints submitted under the Whistleblower Policy, the Audit Committee will investigate each matter so reported and shall notify the Board and the Chief Executive Officer of such investigations. If so determined, the Audit Committee will take corrective and disciplinary actions where appropriate, which may include, alone or in combination, a warning or letter of reprimand, demotion, loss of merit increase or bonus, suspension without pay or termination of employment. The Audit Committee shall retain as a part of the records of the Audit Committee any such complaints or concerns for a period of no less than seven years.

Majority Voting Policy

Upon recommendation from the Corporate Governance and Nominating Committee, the Board has adopted a majority voting policy in which shareholders vote for each nominee director individually by either voting "for" or "withhold". In the event that a nominee receives more "withhold" votes than "for" votes the nominee will submit his/her resignation to the Board at which time the Board will make a determination on whether to accept, or in the event of exceptional circumstances, decline. Any such decision must be made within 5 business days and will be announced by way of a press release.

Diversity

We have not adopted a written policy relating specifically to the identification and nomination of women directors, as the overall composition of the Board is based on numerous factors and it is ultimately the skills, experience, character and behavioural qualities of a candidate that are the determining factors in making recommendations for election or re-election to the Board. The Board assesses the mix of skills, experience, and other relevant factors, including diversity, of its members on an annual basis.

The Board values, and is committed to fostering, a diverse environment where individual differences are respected both at the Board level, and within the Company generally. The Corporate Governance and Nominating Committee considers an individual's skills, independence, experience in areas that address the needs of the Board and ability to devote adequate time to the Company. We will consider diversity in the broadest sense in the recruitment process (including diversity in gender, ethnicity, experience and background), and the level of representation of women on the Board and in executive officer positions will be considered when identifying and nominating candidates for election or appointment in such instances when the Board is in a position to expand. Our review of potential candidates for nomination to the Board will take into account the desirability of maintaining a reasonable diversity of background skills, experience and personal characteristics among the directors, and the Corporate Governance and Nominating Committee will make every effort to identify and nominate qualified women to the Board.

We do not currently have targets for women directors or executives, but are committed to reviewing this as part of our future recruitment strategies.

Currently, there are no women on the Board or in executive officer positions, each representing zero percent.

ELEMENTS OF DIRECTOR COMPENSATION

The objectives of our compensation program for directors are to attract, retain and inspire performance of members of the Board of a quality and nature that will enhance our sustainable profitability and growth, while taking into account the risks and responsibilities of being an effective director. The compensation is intended to provide an appropriate level of remuneration considering the experience, responsibilities, time requirements and accountability of directors. The compensation committee of the Board (the "**Compensation Committee**") believes that the compensation policy and its principles provide for competitive and reasonable compensation levels.

In 2016, the Board adopted a policy whereby all non-executive directors are now required to hold an equity interest in the Company to align their long-term interests with those of the shareholders. The Board has adopted a policy guideline requiring non-executive directors to acquire Common Shares having an initial acquisition value equal to at least three times the value of their annual retainer. Directors are expected to achieve this level of ownership within five years from the date they become directors and may apply any DSUs (as defined below) they receive as payment for all or part of their annual retainer towards this minimum equity ownership requirement. See "*Statement of Corporate Governance Practices – Board of Directors – Equity Ownership by Directors*", below, and see "*Election of Directors*" for the current shareholdings of our director nominees.

HOW DIRECTOR COMPENSATION IS DETERMINED

The philosophy, and market comparisons and review with respect to director compensation, is the same as for executive compensation (which is discussed under the heading "*Statement of Executive Compensation*"). The Corporate Governance and Nominating Committee reviews director compensation annually and makes recommendations to the Board. Compensation includes (i) an annual retainer and (ii) meeting fees. Directors may choose to take all or part of their retainer and meeting fees in cash or in deferred share units ("**DSUs**") in lieu of cash. For the financial year ended December 31, 2017, each of the members of the Board have elected to receive at least 50% of their compensation in the form of DSUs.

STANDARD COMPENSATION ARRANGEMENTS

Fees and Retainers

Compensation for all non-executive directors (including the Chairman) is comprised of an annual non-executive director retainer and a board meeting fee. The Chairman also receives a Chairman's fee each year. All director compensation is payable to directors either in cash, DSUs in lieu of cash, or a mixture of the two, at the election of the director.

The table on the following page sets forth the compensation structure for the directors as at December 31, 2016. The compensation structure for directors is set in May of each financial year and the values set forth in the table below became effective as of May 17, 2016.

Non-Executive Chairman(1)

Compensation Component	Amount(2)
Non-Executive Director Retainer(3)	$47,547
Board Meeting Fee(4)	$11,321
Chairman's Fee	$9,811
Total	**$68,679**

Non-Executive Directors(1)

Compensation Component	Amount(2)
Non-Executive Director Retainer(3)	$47,547
Board Meeting Fee(4)	$11,321
Total	**$58,868**

Notes:
(1) All amounts shown in the table have been converted to U.S. dollars at the Annual Exchange Rate.
(2) Paid in the form of cash and/or DSUs, at the election of the Chairman or director, as applicable.
(3) All directors are entitled to be reimbursed for expenses incurred by them in their capacity as directors.
(4) Directors receive the board meeting fee in connection with their attendance at up to 15 meetings.

Equity-Based Compensation

Directors may elect to take any portion (up to 100%) of their compensation (either the non-executive director retainer, board meeting fee and/or, as applicable, Chairman's fee) in DSUs. For the financial year ended December 31, 2016, the following DSUs were awarded to non-executive members of the Board as part of such director's overall compensation:

	Director Compensation Taken In DSUs		Director	Total Director
Name	Number of DSUs Awarded(3)	Value of DSUs Awarded(4)(5)	Compensation taken in Cash	Compensation Received
John E. Barker	27,857	$29,426	$34,331	$63,757
Dr. Arthur Carty(1)	27,857	$29,426	$29,426	$58,852
Paul Lucas	71,964	$76,018	$7,357	$83,375
Jeffrey Nodland(2)	65,792	$69,498	$14,713	$84,211

Notes:
(1) Dr. Arthur Carty resigned from the board on January 9, 2017 and was replaced by Mr. Martin Hubbes on the same day.
(2) Mr. Jeffrey Nodland was appointed to the Board as an independent director effective January 1, 2016.
(3) Represents the number of DSUs awarded to the director in connection with the portion of director compensation the director has elected to take in DSUs, in lieu of cash.
(4) Represents the grant date fair value of DSUs when granted. The grant date fair value of DSUs is calculated based on the number of DSUs granted multiplied by the weighted average trading price of a Common Share on the TSX for the five business days immediately prior to the date of grant. For grants of DSUs made to directors for the financial year ended December 31, 2016, the weighted average trading price was C$1.40 ($1.06 at the Annual Exchange Rate).
(5) DSU awards vest on a quarterly vesting schedule, with 25% of an award vesting in each consecutive quarter. All DSUs awarded in the financial year ended December 31, 2016 are, as of the date of this management information circular, fully vested.

The Company previously granted options to directors under the 2011 Plan, however, upon the adoption of the DSU Plan by the Company, the Company's general approach is to no longer grant options to non-executive directors as compensation. Rather the Company elects to issue DSUs to non-executive directors pursuant to the terms of the DSU Plan, which was approved by the Board on March 5, 2013 and approved by shareholders in 2013. In order to promote alignment with shareholders, the Company has not issued options to directors under the 2011 Plan since August, 2013. Options that were previously granted by EcoSynthetix U.S. to the directors under predecessor plans are now governed by the Rollover Plan (as defined below).

DSU Plan

On May 8, 2013, shareholders of the Company approved a deferred share unit plan (the "**DSU Plan**") pursuant to which the Company may grant DSUs. Under the DSU Plan, non-executive directors may receive a grant of DSUs in satisfaction of all or part of their non-executive director retainer and Board meeting fee in lieu of a cash payment. A copy of the DSU Plan is included as Schedule "C" to the Company's management information circular dated April 1, 2013, and can be accessed under the Company's profile on SEDAR at www.sedar.com.

Currently, DSU awards vest on a quarterly vesting schedule, with 25% of each award vesting each consecutive quarter. However, DSUs must be retained until the director leaves the Board, at which time the DSUs will be paid out in Common Shares with each DSU being equivalent to one Common Share. Each outstanding DSU held by a participant is redeemed by the Company on the participant's separation date (as defined in the DSU Plan), less applicable statutory source deductions, and fractional DSUs will be cancelled. One Common Share for each whole DSU granted or credited to each participant (the "**DSU Payment**") is paid to the participant on such date as the Company determines, not later than 60 days after the applicable separation date, without any further action on the part of the participant. In the event dividends are declared and paid, additional DSUs would be credited to reflect dividends paid on the Common Shares.

Where DSUs have been granted to a participant as director remuneration for a year, in the event such participant resigns or is not re-elected to the Board during that year, the participant will only be entitled to a pro-rated DSU Payment in respect of his or her DSU award for that year. The pro-rated payment will be based on the number of days in such year that the participant was eligible under the DSU Plan.

Subject to certain adjustments, the maximum aggregate number of Common Shares that may be issued under the DSU Plan is 500,000 Common Shares. The aggregate number of Common Shares issuable to insiders (as such term is defined in the TSX Company Manual) pursuant to DSUs and all other security-based compensation arrangements, at any time, shall not exceed 10% of the total number of Common Shares then outstanding. The aggregate number of Common Shares issued to insiders pursuant to DSUs and all other security-based compensation arrangements, within a one year period, shall not exceed 10% of the total number of Common Shares then outstanding.

The Compensation Committee may, from time to time, in its absolute discretion, amend (without shareholder approval), modify and change the provisions of the DSU Plan, provided that no such amendment, modification or change to the provisions of the DSU Plan shall: (i) materially increase the benefits of the holder under the DSU Plan to the detriment of the Company and its shareholders; (ii) increase the number of Common Shares which may be issued pursuant to the DSU Plan, other than pursuant to Section 5.04 of the DSU Plan; (iii) reduce the range of amendments requiring shareholder approval contemplated under the DSU Plan; (iv) permit DSUs to be transferred other than for normal estate settlement purposes; (v) change insider participation limits which would result in shareholder approval being required on a disinterested basis; or (vi) materially modify the requirements as to eligibility for participation in the DSU Plan. Any such amendment, modification or change will only be effective upon approval by the Company's shareholders, if such approval is required by the TSX or any other regulatory authorities having jurisdiction over the Company.

In the event there is any change to the Common Shares, whether by reason of a share dividend, share split, reverse share split, consolidation, subdivision, reclassification or otherwise, an appropriate proportionate adjustment shall be made with respect to the number of DSUs then outstanding under the DSU Plan as the Board, in its sole discretion, may determine to prevent dilution or enlargement of rights associated with such DSUs outstanding. Subject to any applicable regulatory approval, all such adjustments, as determined by the Board, shall be conclusive, final and binding for all purposes of the DSU Plan.

DIRECTOR COMPENSATION TABLE

The following table provides information regarding compensation paid to the non-executive directors for the financial year ended December 31, 2016. Directors who are employees receive no additional compensation for serving on the Board and the compensation of such directors can be viewed in the section titled "Elements of Executive Compensation – Summary Compensation Table", below.

Name(6)	Fees earned ($)(4)	Share-based awards ($)(5)	Option-based awards ($)	Non-equity incentive plan compensation ($)	Pension Value ($)	All other compensation ($)	Total ($)
John E. Barker(1)	$34,331	$29,426	NIL	NIL	NIL	NIL	$63,757
Dr. Arthur Carty(2)	$29,426	$29,426	NIL	NIL	NIL	NIL	$58,852
Paul Lucas(1)	$7,357	$76,018	NIL	NIL	NIL	NIL	$83,375
Jeffrey Nodland(3)	$14,713	$69,498	NIL	NIL	NIL	NIL	$84,211

Notes:

(1) Mr. Barker served as the non-executive Chairman of the Board until June 16, 2016. Mr. Paul Lucas was appointed by the Board of Directors as Chairman of the Board subsequent to the Annual Meeting of Shareholders held on June 16, 2016.

(2) Dr. Arthur Carty resigned from the board on January 9, 2017 and was replaced by Mr. Martin Hubbes on the same day.

(3) Mr. Jeffrey Nodland joined the Board as an independent director effective January 1, 2016.

(4) Represents the portion of director compensation for the financial year ended December 31, 2016 (non-executive director retainer, board meeting fee and, if applicable, Chairman's fee) the director has elected to be paid in cash, converted at the Annual Exchange Rate.

(5) Represents the portion of director compensation for the financial year ended December 31, 2016 the director has elected to be paid in DSUs. The value of DSUs have been calculated based on the grant date fair value of the DSUs when granted. The grant date fair value of DSUs is calculated based on the number of DSUs granted multiplied by the weighted average trading price of a Common Share on the TSX for the five business days immediately prior to the date of grant. For grants of DSUs made to directors for the financial year ended December 31, 2016, the weighted average trading price was C$1.40 ($1.06 at the Annual Exchange Rate).

(6) Dr. David Colcleugh, formerly the non-executive Chairman of the Board, and Mr. John Varghese, formerly a director of the Company, both resigned from the Board effective January 1, 2016. Dr. Colcleugh and Mr. Varghese were not awarded any compensation for their service as non-executive Chairman and director, respectively, during the financial year ended December 31, 2016 and, for purposes of clarity, have not been included in the table above.

INCENTIVE PLAN AWARDS SUMMARY

The following tables provide information regarding the incentive plan awards for each non-executive director outstanding as of December 31, 2016.

Outstanding Share-Based Awards and Option-Based Awards

	Option-based Awards[1]				Share-based Awards[2]		
Name[6]	Number of securities underlying unexercised options (#)	Option exercise price	Option expiration date	Value of unexercised in-the-money options[3]	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[4][5]
John E. Barker	24,500 24,500 24,500 12,671	C$0.79 C$0.81 C$1.19 C$3.77	October 23, 2018 August 19, 2019 August 31, 2020 August 17, 2022	$27,359 $26,989 $19,965 NIL	6,964	$11,928	$104,462 (67,954 DSUs)
Dr. Arthur Carty	12,671	C$3.77	August 17, 2022	NIL	6,964	$11,928	$104,462 (67,954 DSUs)
Paul Lucas	NIL	N/A	N/A	NIL	17,991	$30,814	$143,278 (101,644 DSUs)
Jeffrey Nodland	NIL	N/A	N/A	N/A	16,448	$28,172	$84,515 (65,792 DSUs)

Notes:

(1) Represents stock options issued under the 2011 Plan and the Rollover Plan. The Company has ceased to issue stock options to non-executive directors.

(2) Represents DSUs issued under the DSU Plan.

(3) Calculated using the closing price of the Common Shares on the TSX on December 31, 2016 of C$2.27 ($1.71 at the Annual Exchange Rate) and subtracting the exercise price of in-the-money stock options. These stock options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the Common Shares on the date of exercise.

(4) The market value of deferred share units has been calculated based on the closing price of the Common Shares on the TSX on December 31, 2016 of C$2.27 ($1.71 at the Annual Exchange Rate). These DSUs have not been paid to DSU holders as Common Shares. The value of the Common Shares awarded to DSU holders upon redemption will depend on the value of the Common Shares on the date of redemption.

(5) DSU awards vest on a quarterly vesting schedule, with 25% of an award vesting in each consecutive quarter. As of the date of this management information circular, all DSUs awarded to directors during the financial year ended December 31, 2016 have vested.

(6) Dr. Colcleugh, formerly the non-executive Chairman of the Board, and Mr. Varghese, formerly a director of the Company, both resigned from the Board effective January 1, 2016. Dr. Colcleugh and Mr. Varghese were not awarded any compensation for their service as non-executive Chairman and director, respectively, during the financial year ended December 31, 2016 and, for purposes of clarity, have not been included in the table above.

Incentive Plan Awards – Value Vested or Earned During the Year

Name[3]	Option-based awards – Value vested during the year ($)	Share-based awards – Value vested during the year[1][2] ($)	Non-equity incentive plan compensation – Value earned during the year ($)
John E. Barker	NIL	$47,559	NIL
Dr. Arthur Carty	NIL	$40,243	NIL
Paul Lucas	NIL	$96,903	NIL
Jeffrey Nodland	NIL	$84,515	NIL

Notes:

(1) Represents DSUs issued under the DSU Plan. DSU awards vest on a quarterly vesting schedule, with 25% of an award vesting in each consecutive quarter. As of the date of this management information circular, all DSUs awarded to directors during the financial year ended December 31, 2016 have vested.

(2) The market value of deferred share units has been calculated based on the closing price of the Common Shares on the TSX on December 31, 2016 of C$2.27 ($1.71 at the Annual Exchange Rate). These DSUs have not been paid to DSU holders as Common Shares. The value of the Common Shares awarded to DSU holders upon redemption will depend on the value of the Common Shares on the date of redemption.

(3) Dr. Colcleugh, formerly the non-executive Chairman of the Board, and Mr. Varghese, formerly a director of the Company, both resigned from the Board effective January 1, 2016. Dr. Colcleugh and Mr. Varghese were not awarded any compensation for their service as non-executive Chairman and director, respectively, during the financial year ended December 31, 2016 and, for purposes of clarity, have not been included in the table above.

STATEMENT OF EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

We operate in a specialized industry that requires individuals to have certain specific skills and experiences. As a result, it is a highly competitive market for executives and the attraction and retention of talented and experienced executives is one of the key objectives of our executive compensation program.

Our overall objective is to achieve significant growth by commercializing a broad range of bio-based polymer and monomer products within paper and paperboard, building materials, and other relevant markets in order to generate shareholder value while emphasizing long-term profitability. We have designed a compensation strategy that supports this business strategy by including performance-based incentives that reward our executives for achieving both annual and long-term business goals.

The following discussion describes the significant elements that comprise our executive compensation program, with particular emphasis on the process for determining compensation payable to the Chief Executive Officer, the Chief Financial Officer, and, other than the Chief Executive Officer and the Chief Financial Officer, each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity (collectively, the "**Named Executive Officers**" or "**NEOs**"). The NEOs for the financial year ended December 31, 2016 were:

- Jeff MacDonald, Chief Executive Officer;
- Robert Haire, Chief Financial Officer and Corporate Secretary;
- Edward van Egdom, Senior Vice President, Operations;
- Dr. James T. Wright, Vice President, Research and Development(1); and
- Dr. Steven Bloembergen, Executive Vice President, Technology(2).

Notes:

(1) Dr. Wright joined the Company effective as of March 7, 2016. Dr. Wright has informed the Company that he intends to resign from his position effective as of June 9, 2017.

(2) Dr. Bloembergen retired as of June 7, 2016.

Compensation Governance

Role of the Compensation Committee

The Compensation Committee is established by the Board to assist the Board in fulfilling its responsibilities relating to human resources and compensation issues. The Compensation Committee ensures that we have an executive compensation plan that is motivational and competitive while meeting the objectives of our executive compensation program.

The Compensation Committee reviews and recommends the compensation philosophy and guidelines (a) for executive officers, for recommendation to the full Board for its consideration and approval, and (b) relating to all employees, including annual salary and incentive policies and programs, and material new benefit programs, or material changes to existing benefit programs. In addition, the Compensation Committee is responsible for (a) reviewing the Chief Executive Officer's goals and objectives for the upcoming year and providing an appraisal of such performance at the end of the year, (b) meeting with the Chief Executive Officer to discuss goals, objectives, compensation and performance of other senior executive officers, and (c) administrating equity compensation plans and determining such issues as participation, allocation of options, and vesting periods. The Compensation Committee is also responsible for establishing a peer group of comparable companies and a target competitive position for our executive compensation program.

The Board looks to the past experience and the skills of each director in determining the composition of the Compensation Committee. In forming the current Compensation Committee, the Board has strived to include a range of skills to ensure the Compensation Committee is comprised of directors that have the necessary experience to act independently and think analytically about our compensation practices.

The Board believes the Compensation Committee collectively has the knowledge, experience and background required to fulfill its mandate. All of the members of the Compensation Committee have direct experience in the public and private sectors, including substantial experience in the science and technology industry. By virtue of their experience in senior management positions and directorships and their extensive experience in governance and domestic markets, the Compensation Committee has the depth of knowledge and the diversity of skills necessary to make informed and independent decisions on compensation matters. The Compensation Committee is comprised of four independent directors. The current members of the Compensation Committee are Messrs. Lucas (Chair), Barker, Nodland, and Hubbes. See the section "*Election of Directors – Nominees for Election to the Board*" for a complete biography for each member of the Compensation Committee, including the skills and experiences relevant to their role on the Compensation Committee.

Role of the Executive Officers

The Chief Executive Officer makes recommendations to the Compensation Committee regarding the Company's annual business goals and objectives, which are considered and then recommended to and approved by the Board and provide the structure by which the annual goals and objectives of the executive officers and employees throughout the Company are aligned. In addition, the Chief Executive Officer makes recommendations to the Compensation Committee regarding executive officer base salary adjustments, target short-term incentive awards and actual payouts, and long-term incentive grants, which the Compensation Committee will then consider and recommend to the Board, as appropriate. The Chief Executive Officer does not make recommendations with respect to his own compensation package, which is determined by the Compensation Committee directly for recommendation to the Board.

In addition, the Chief Executive Officer makes recommendations to the Compensation Committee regarding employee participation in our equity-based compensation plans and amendments to such plans, as necessary.

The Compensation Committee reviews the basis for the recommendations made by the Chief Executive Officer in addition to utilizing informal market comparisons and the assistance of external compensation consultants, as required. The Compensation Committee can exercise its discretion in modifying any of the recommendations from the Chief Executive Officer prior to making its recommendations to the Board. The Board considers and grants final approval for executive compensation decisions, with decisions regarding the Chief Executive Officer being made by the non-executive directors of the Board (being all Board members other than the Chief Executive Officer).

Objectives of Compensation Program

The philosophy of our compensation program is to attract, retain and inspire performance of members of senior management of a quality and nature that will enhance our growth by combining short-term cash incentives and long-term equity incentives.

The Compensation Committee approved our total rewards framework (the "**Total Rewards Framework**") which was implemented in 2013 and is based on market competitiveness and seeks to increase each employee's equity in EcoSynthetix, taking into account the roles and responsibilities of each employee. The Total Rewards Framework is comprised of salary, short-term incentives, long-term incentives, and other compensation benefits for each employee. It provides a framework for prioritizing reward program initiatives, ensures the appropriate mix and distribution of rewards for differentiated levels of performance and employee development, and reinforces our commitment to our employees.

	Total Rewards Framework				
Component:	Base Salary	Short-Term Incentives	Long-Term Incentives		Compensation Benefits
Form of compensation:	Cash	Cash(1)	Stock Options(1)	Restricted Share Units(2)	Can include life, medical, disability insurance, RRSP contributions and auto allowance

Notes:

(1) Payment or vesting, as applicable, may be subject to performance criteria.

(2) RSUs awarded subsequent to January 1, 2014 will "cliff vest" (i.e. all RSUs will vest) at the end of a three-year vesting period. RSUs awarded prior to January 1, 2014 will "cliff vest" (i.e. all RSUs will vest) at the end of a three-year vesting period, providing the Company has met certain performance-based vesting conditions (see "*Elements of Executive Compensation – Long-Term Incentives – RSUs*").

The objectives of the compensation program were developed on the above-noted philosophy and are as follows:

1. **Attract, Retain and Motivate Key Talent.** The Total Rewards Framework offers a mix of short and long-term incentives that allow executives to participate in our growth and provides a competitive package based on market evaluations. The goal is to retain executives who are performing according to their objectives, and to attract new individuals of the highest calibre.

2. **Align the Interest of Management and Shareholders.** The Total Rewards Framework provides that a portion of each executive's total direct compensation is variable, or "at-risk". This "at-risk" portion of compensation includes the short-term cash incentive, the value of which is linked to corporate and individual performance criteria during the year and a long-term incentive, the vesting of which may be linked to our overall corporate performance and is subject to time-based vesting. Our objective is to establish targets for our NEOs which, if achieved, will enhance shareholder value while ensuring that executives are not taking unnecessary risks. In addition, the ultimate value of long-term incentives is dependent on our long-term performance. If our performance falls short of achieving our expectations and objectives, "at-risk" compensation will decrease. Conversely, if individual or Company performance meets or exceeds our expectations, then "at-risk" compensation will commensurately increase.

Compensation Consultant

The Compensation Committee, from time to time, retains the services of independent advisors as needed in order to assist it in fulfilling its duties. The Compensation Committee has engaged the services of Towers Watson ("**Towers**") as an independent compensation advisor to provide, among other things, continuing support and analysis relating to the competitiveness and appropriateness of our compensation practices. For the financial year ended December 31, 2016, the scope of services provided by Towers included review and observation of the Company's executive compensation philosophy, policies and practices.

Financial year ended December 31,	Executive Compensation Related Fees[1]	All Other Fees[1][2]
2016	NIL	NIL
2015	$6,432	$6,746

Notes:

(1) Fees payable to Towers for the financial year ended December 31, 2015 were invoiced in Canadian dollars and have been converted using the 2015 Annual Exchange rate.

(2) "All other fees" were related to general compensation consulting services for non-executive employees.

Benchmarking

Although the Compensation Committee does not formally benchmark against particular companies, it does from time to time, on an *ad hoc* basis, review data related to compensation levels and programs of various companies that are similar in size to us and that operate within similar industries. The Compensation Committee also relies on the experience of its members as officers and/or directors at other companies in similar lines of business in assessing compensation levels. The purpose of this process is to: (i) understand the competitiveness of current pay levels for each executive position relative to companies with similar revenues and business characteristics; (ii) identify and understand any gaps that may exist between actual compensation levels and market compensation levels; and (iii) establish a basis for developing salary adjustments and short-term and long-term incentive awards for the Compensation Committee's approval.

Although the Compensation Committee reviews each element of a NEO's compensation for market competitiveness, and it may weigh a particular element more heavily based on the NEO's role within EcoSynthetix, it is primarily focused on remaining competitive in the market with respect to total compensation.

Risk Management

The Compensation Committee is responsible for ensuring that the application of the compensation policy is appropriately aligned to support its stated annual objectives and encourage the right management behaviours, while avoiding excessive risk-taking. Any relevant risk item related to executive or senior management compensation is discussed with and determined through active dialogue with the Compensation Committee and the Board.

The Board believes that the design of our compensation program mitigates against inappropriate risk taking and the Company has adopted practices that appropriately align compensation with the experience of shareholders. Specifically, the following practices have been adopted: (i) base salaries are fixed in amount; (ii) annual short-term incentive awards are based on various subjective and objective personal and company-wide achievements; and (iii) long-term incentives in the form of stock options and restricted share units are subject to time-based vesting schedules and may also be subject to performance-based vesting conditions that align employees' interests with those of the shareholders and the ultimate value of the awards is tied to our stock price. During the financial year ended December 31, 2016, there were no risks identified by the Board that arose from our compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

We do not currently have a policy on whether an executive or director is permitted to purchase financial instruments including, for greater certainty, prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director. However, none of our executives or directors currently own any derivative instruments that would hedge against a decrease in value of the Common Shares.

Clawback Policy

On May 2, 2017 the Board adopted a clawback policy (the "**Clawback Policy**") regarding incentive payments made to the Company's executive officers (including, the Chief Executive Officer; the Chief Financial Officer; the Senior Vice-President of Operations; the Vice-President, Research and Development; and any senior officer who acts in a capacity similar to an executive officer of the Company).

The Clawback Policy permits the Board to require reimbursement of incentive compensation (including stock options under the 2011 Plan or Rollover Plan, RSUs and STIP Awards (defined below)) paid or granted to any current or former executive officer in situations where each of the three conditions are met: (i) the incentive compensation paid was contingent on having achieved financial results which were subsequently the subject of, or affected by, a material restatement of the all or a portion of the Company's financial statements; (ii) the executive officer receiving such incentive payment engaged in intentional misconduct, fraud or gross negligence that caused or partially caused the need for restatement; and (iii) the incentive compensation payment would have been lower had the financial results been properly reported. In such circumstances (and where the Board determines it is in the best interest of the Company to do so), the Board may require the executive officer in question to reimburse all or part of the incentive compensation received (up to the amount by which the incentive compensation received exceeded the amount to which the executive officer would have otherwise been entitled had the financial results been properly reported). The Clawback Policy permits the Board to require reimbursement for incentive compensation received by an executive officer under the Company's short-term and long-term incentive plans during the 24-month period which precedes the date of any such restatement of financial results.

ELEMENTS OF EXECUTIVE COMPENSATION

Guided by our compensation objectives and in accordance with the Total Rewards Framework, the Compensation Committee uses base salary, short and long-term incentives and other compensation benefits, each as further discussed below, in order to meet our compensation objectives. The Company does not anticipate making any significant changes to the executive compensation program during the next financial year.

The following table shows the percentage weighting of each component of the Company's NEOs salary, short-term incentive and long-term incentive compensation for the financial year ended December 31, 2016.

Name and Position	Base Salary	Short-Term Performance Incentive	Long-Term Performance Incentive	Total Percentage of Pay "At Risk"
Jeff MacDonald *Chief Executive Officer*	48%	24%	29%	52%
Robert Haire *Chief Financial Officer and Corporate Secretary*	56%	22%	22%	44%
Edward van Egdom *Senior Vice President, Operations*	56%	22%	22%	44%
Dr. James T. Wright(1) *Vice President, Research and Development*	59%	24%	18%	41%
Dr. Steven Bloembergen(2) *Executive Vice President, Technology*	59%	24%	18%	41%

Notes:

(1) Dr. Wright joined the Company effective as of March 7, 2016. Dr. Wright has informed the Company that he intends to resign from his position effective as of June 9, 2017.

(2) Dr. Bloembergen retired on June 7, 2016.

BASE SALARY

Base salaries are a fixed element of compensation, which are paid in cash and are designed to attract and retain executives. Base salaries for executive officers are established based on the scope of their responsibilities, their prior relevant experience, and a subjective assessment of the individual's experience, recent and long-term performance and expected future contribution and retention requirements. In determining base salary, the Compensation Committee takes into account compensation paid by other companies in the industry for similar positions to ensure competitiveness and the overall market demand for such executives at the time of hire. Base salaries are used as the base to determine other elements of compensation and benefits.

NEO base salaries are also determined by reviewing each and all of the executive officer's compensation elements (i.e. base salary, short-term and long-term incentives and benefits, including registered retirement savings plan ("**RRSP**") contributions, etc.) to ensure that the NEO's total compensation is in line with the Company's overall compensation philosophy and market practices. The Chief Executive Officer will make a recommendation to the Compensation Committee regarding annual base salary adjustments for the executive officers, other than in respect of his own salary, which is determined by the Compensation Committee. The Compensation Committee will consider recommendations made by the Chief Executive Officer and will, as appropriate, make recommendations to the Board in respect of annual base salary adjustments for executive officers and the Chief Executive Officer's salary.

The Compensation Committee reviews base salaries annually as part of its overall review of compensation practices. Base salaries may be increased for merit reasons, based on the NEOs' success in achieving or exceeding individual annual performance objectives and may be adjusted for promotions or retention requirements, or other changes in the scope or breadth of an NEO's role or responsibilities. Market compensation rates may also be utilized in determining base salary adjustments for increased scope of accountability.

For the financial year ended December 31, 2016, the following base salaries were paid to the NEOs:

Name and Position	Base Salary(1)
Jeff MacDonald *Chief Executive Officer*	$264,084
Robert Haire *Chief Financial Officer and Corporate Secretary*	$226,358
Edward van Egdom *Senior Vice President, Operations*	$199,949
Dr. James T. Wright(2) *Vice President, Research and Development*	$140,167
Dr. Steven Bloembergen(3) *Executive Vice President, Technology*	$98,125

Notes:

(1) Salary is determined and paid in Canadian dollars, and has been converted using the Annual Exchange Rate. Dr. Bloembergen's salary was determined and paid in U.S. dollars.

(2) Dr. Wright joined the Company effective as of March 7, 2016. The value listed in the table represents the actual amount paid to Dr. Wright in the financial year ended December 31, 2016. Dr. Wright's annual base salary is $175,028. Dr. Wright has informed the Company that he intends to resign from his position effective as of June 9, 2017.

(3) Dr. Bloembergen retired on June 7, 2016. The value listed in the table represents the actual amount paid to Dr. Bloembergen in the financial year ended December 31, 2016.

SHORT-TERM INCENTIVES

Short-term incentives are a variable element of the total compensation package and are designed to reward our executive officers for maximizing our overall annual performance. Two factors are considered when determining short-term incentive awards for NEOs: (i) the assessment of corporate performance against a specific set of performance criteria; and (ii) the assessment of individual performance achievements. Our short-term incentive program includes both objective and subjective criteria.

The Company's short-term incentive compensation process involves the Compensation Committee approving a target percentage of a NEO's base salary (the "**STIP Target**") to form the value of the short-term incentive target for a particular year (the "**Target STIP Award**"). The amount of a NEO's short-term incentive award payment for a particular year will then be determined by multiplying the Target STIP Award first by a "Corporate Performance Score" determined by the Compensation Committee (see the section titled "*Corporate Performance*", below, for further details), and then by the NEO's individual performance score. The Company's objective with respect to short-term incentives is to first reward individuals in recognition of overall company performance, and then to reward an executive's individual performance only after target Company Performance has been achieved. For further details please see the headings "*Corporate Performance*" and "*Individual Performance*", below.

The Chief Executive Officer will determine whether the respective corporate and individual objectives have been achieved and the Compensation Committee will review the evaluation and make short-term incentive payout recommendations to the Board. Achieving predetermined individual and/or corporate targets and objectives, as well as general performance in day-to-day corporate activities, will trigger the award of a bonus payment to the NEOs. The NEO will receive a partial or full incentive payment depending on the number of the predetermined targets met and the Compensation Committee's and the Board's assessment of overall performance. Although based on the recommendation of the Chief Executive Officer, the determination as to whether a target has been met is ultimately made by the Board and the Board reserves the right to make positive or negative adjustments to any bonus payment if they consider them to be appropriate. Short-term incentive awards for a NEO for any one year are capped at 200% of the Target STIP Award.

The annual short-term incentive award is calculated as follows:

$$\text{Short-Term Incentive Award} = \left(\underbrace{\text{Base Salary (\$)} \times \text{STIP Target (\%)}}_{\text{Target STIP Award (\$)}} \times \text{Corporate Performance Score(\%)} \right) \times \text{Individual Performance Score(\%)}$$

<u>Corporate Performance</u>

Corporate performance is based on targets for specific objective measures. At the beginning of a financial year, the Chief Executive Officer will determine the corporate performance objectives, and the Compensation Committee approves the proposed corporate scorecard. Actual performance of each objective is assessed at the end of the year and a representative percentage score is determined (the "Corporate Performance Score") by the Chief Executive Officer. The Chief Executive Officer will make a recommendation to the Compensation Committee as to the quantum of the Corporate Performance Score, which recommendation will be reviewed and assessed by the Compensation Committee, and the Corporate Performance Score will then be approved or modified by the Compensation Committee in its sole discretion. The Compensation Committee will, in turn, make a recommendation to the Board as to the quantum of the Corporate Performance Score for the Board's final approval. The Board has the flexibility to exercise discretion to modify the final score.

In the financial year ended December 31, 2016, the corporate performance targets comprising the Corporate Performance Score for short-term incentive awards were allocated as follows:

Target	Weight	Target Achieved?
Revenue(1)	20%	No
Adjusted EBITDA(2)	20%	Partial
FTG ("Fill-the-Gap" revenue)(3)	60%	Partial
Corporate Performance Score	100%	40%

Notes:

(1) The purpose of the revenue target is to tie short-term incentives to financial performance in 2016.

(2) "Adjusted EBITDA" is defined as net income (loss) before net interest expense, income taxes, depreciation and amortization less termination costs, foreign exchange gains or losses, non-cash items (i.e. depreciation and amortization), provision for termination costs and other non-recurring items. Adjusted EBITDA is not a measure recognized under international financial reporting standards ("IFRS") and does not have a standardized meaning prescribed by IFRS. The Company uses Adjusted EBITDA as a metric to assess corporate performance because it believes it is an accurate representation of the core operating costs which are within the control of the Company's management to manage in accordance with the Company's business plan for any particular financial year. A quantitative reconciliation of Adjusted EBITDA to net loss is available on pages 9-10 of the Company's Management's Discussion and Analysis for the financial years ended December 31, 2016 and 2015, which is available for access and download on SEDAR at www.sedar.com.

(3) The term "FTG" means "fill-the-gap" revenue. The purpose of FTG as a corporate performance target is to provide an incentive to accelerate the Company's growth trajectory through the development of new products and markets and the realization of future revenues from these sources.

The Company's FTG process involves the Company's management, in consultation with the Board, identifying new products or markets that have the potential to deliver near-term revenue growth and commercialization. The Company then focuses innovation and development efforts on the products or markets to develop them into a near-term revenue source.

To be eligible for inclusion in the FTG target for a particular year's short-term incentive compensation, a new product or market must: (i) be anticipated to achieve full commercialization by the end of the current financial year, and (ii) must meet certain budget process criteria and have been included in budget commitments for the following year.

After assessing the Company's achievement with respect to its goals and corporate performance targets, the Board, at the recommendation of the Compensation Committee, determined that the Adjusted EBITDA component of the corporate performance target and the FTG component had been partially met for the financial year ended December 31, 2016. The Board, at the recommendation of the Compensation Committee, determined that the revenue component of the corporate performance target had not been met in the financial year ended December 31, 2016.

Individual Performance

Individual performance is based on both quantitative measures and qualitative strategic and operational considerations related to each NEO's role in the Company. Short-term incentive compensation based on individual performance is based on two components: (i) the individual's performance rating based on their "individual performance scorecard", and (ii) their position's salary grade.

Individual performance ratings are based on various metrics of objective criteria which are established at the start of a financial year, together with a subjective assessment (for all NEOs except for the Chief Executive Officer) by the Chief Executive Officer of that NEO's achievement of personal business-oriented goals such as percentage completion of all personal annual management objectives, specific key role accountabilities, and overall contribution to the Company's strategic growth. The Chief Executive Officer's short-term incentive payout is based on the Compensation Committee's assessment of the Chief Executive Officer's individual performance score card rating together with an assessment of the degree to which he or she achieved corporate and personal business-oriented goals in the year. The Compensation Committee considers and makes a recommendation as to the Chief Executive Officer's performance score to the Board for approval.

For the year ended December 31, 2016, the Board, taking into consideration progress made on the Company's path to sustainable growth and profitability, including the lowering of its cost footprint, focus on research and development activities and continued focus on commercialization within the building materials space, determined that individual performance scores for each NEO was 40%. The consistent scoring across each NEO was intended by the Board to reflect and incentivize the team-based approach and concerted effort required at the management level to implement the Company's path to sustainable growth and profitability.

<u>Short-Term Incentive Payouts</u>

Short-term incentive payouts for the financial year ended December 31, 2016 were determined and awarded on February 28, 2017 on the basis described above with respect to each of the listed NEO's performance during the financial year ended December 31, 2016.

Name and Position	**Short-Term Incentive Payment(1)(2)**
Jeff MacDonald *Chief Executive Officer*	$71,680
Robert Haire *Chief Financial Officer and Corporate Secretary*	$36,217
Edward van Egdom *Senior Vice President, Operations*	$31.992
Dr. James T. Wright(3) *Vice President, Research and Development*	$23,137
Dr. Steven Bloembergen(4) *Executive Vice President, Technology*	$NIL

Notes:

(1) Short-term incentive payouts are based on an assessment of (i) of corporate performance against a specific set of performance criteria (see the section titled "*Corporate Performance*" above, for further details; and (ii) individual performance achievements.

(2) All short-term incentive payouts are paid in Canadian dollars and reported herein in US dollars after being converted at the Annual Exchange Rate.

(3) Dr. Wright joined the Company effective as of March 7, 2016. Dr. Wright has informed the Company that he intends to resign from his position effective as of June 9, 2017.

(4) Dr. Bloembergen retired on June 7, 2016.

As a result of corporate and individual performance discussed herein, short-term incentive payments in the amounts set forth in the table directly above were paid to certain NEOs in connection with the financial year ended December 31, 2016. The short-term incentive payment awarded to Mr. MacDonald includes a one-time discretionary cash bonus of $18,868 awarded by the Board to Mr. MacDonald in recognition of his individual efforts, leadership and contributions over the course of the year.

LONG-TERM INCENTIVES

The Company's long-term incentive program ensures that each of the executive officers and specific senior managers (i) work towards achieving our long-term growth objectives and increasing the Company's share performance; and (ii) benefit from the future success of the organization along with shareholders.

Long-term incentive awards are a variable element of compensation that will allow executive officers and certain senior managers to be recognized and rewarded for their sustained contributions to the Company's financial performance and growth. Eligibility for awards of long-term incentives to NEOs is based entirely on the Company's prior and expected revenue.

The Company's long-term incentive program is currently composed of stock options and restricted share units ("**RSUs**"), each of which may be subject to performance and time-based vesting conditions.

Stock options are governed by the 2011 Plan, which allows for the grant of stock options to the Company's employees, directors, senior officers and consultants with vesting of those stock options being subject to the terms of the plan, any performance conditions imposed by the Board upon recommendation by the Compensation Committee, and the optionee's continued employment with the Company. A copy of the 2011 Plan is included as Appendix "B" to this management information circular.

RSUs are governed by the Company's restricted share unit plan (the "**RSU Plan**"), which provides for the grant of RSUs to certain eligible employees and contractors, with those RSUs being subject to the terms of the plan, any performance conditions imposed by the Compensation Committee and the grantee's continued employment with the Company. A copy of the RSU Plan is included as Schedule "B" to the Company's management information circular dated April 1, 2013, and can be accessed on under the Company's profile on SEDAR at www.sedar.com.

The Board believes that stock options and RSUs provide management with a strong link to long-term corporate performance and the creation of shareholder value. Stock options will typically comprise 75% of a NEO's long-term incentive award (on an expected value basis), with RSUs comprising the remaining 25% (on an expected value basis).

The Board awards long-term incentives taking into account the individual executive's position, scope of responsibility, ability to affect profits, historic and recent performance, and the value of the awards in relation to other elements of their total compensation. The Board will take previous grants of options into consideration when considering new grants of options and RSUs.

Long-term incentives awarded for the financial year ended December 31, 2016 were determined and awarded as follows:

Name and Position	Stock Options Awarded(3)	Value of Stock Options Awarded(4)	RSUs Awarded(5)	Value of RSUs Awarded(6)
Jeff MacDonald *Chief Executive Officer*	266,949(3)	$115,140	41,016	$39,489
Robert Haire *Chief Financial Officer and Corporate Secretary*	152,542(3)	$65,794	23,438	$22,565
Edward van Egdom *Senior Vice President, Operations*	134,746(3)	$58,118	20,703	$19,932
Dr. James T. Wright(1) *Vice President, Research and Development*	116,949(3)	$50,442	17,969	$17,300
Dr. Steven Bloembergen(2)(7) *Executive Vice President, Technology*	NIL	NIL	NIL	NIL

Notes:

(1) Dr. Wright joined the Company effective as of March 7, 2016. Dr. Wright has informed the Company that he intends to resign from his position effective as of June 9, 2017.

(2) Dr. Steven Bloembergen retired on June 7, 2016

(3) Awards and vesting of these amounts is subject to performance requirements. Please see "*Elements of Executive Compensation – Long-Term Incentives – Stock Options – Performance Vesting Conditions*" for more details.

(4) These amounts reflect the grant date fair value of stock options granted to the named executive officer. The grant date fair value of stock options is calculated in the following manner: Number of stock options granted multiplied by the Black-Scholes value. We chose to use the Black-Scholes model as the basis for calculating fair value of the options granted as this methodology is commonly accepted by issuers. This is consistent with the accounting values used in our financial statements. The key assumptions used under the Black-Scholes model that were used for the share option awards in the table above were as follows: (i) Risk-free interest rate: 0.63% (ii) Expected option life: 5 years, (iii) Expected volatility: 57%, and (iv) Dividend yield: Nil%. The dollar amount in this column represents the total value ascribed to the stock options.

(5) RSU awarded in the financial year ended December 31, 2016 will "cliff vest" (i.e. all RSUs will vest) at the end of a three-year vesting period and were not subject to any performance-based vesting conditions.

(6) RSUs are valued based on the grant date fair value of the RSUs when granted. The grant date fair value of RSUs is calculated based on the number of RSUs granted multiplied by the weighted average trading price of a Common Share on the TSX for the five business days immediately prior to the date of grant, converted using the Annual Exchange Rate.

(7) On March 9, 2016, the Company announced the retirement of Dr. Bloembergen. In connection with Dr. Bloembergen's retirement, any vested options held as of his effective date of retirement, being June 7, 2016, were eligible to be exercised for a 90-day period commencing on such date. Upon the 90th day following the effective date of Dr. Bloembergen's retirement, any vested options that were not exercised automatically terminated. Any unvested options and all RSUs held by Dr. Bloembergen terminated automatically as of the effective date of his retirement.

Stock Options

In connection with the Company's acquisition of substantially all of the outstanding shares of common stock of EcoSynthetix U.S., all of the predecessor options previously granted under EcoSynthetix U.S.'s 2001 and 2003 stock option plans have been exchanged for rollover options issued under a stock option plan of the Company (the "**Rollover Plan**"). The terms of the Rollover Plan are substantially similar to the terms of the 2011 Plan, except that no further options may be granted under the Rollover Plan.

A stock option represents the right, but not the obligation, to purchase Common Shares of the Company for a given period of time, subject to the optionee's continued employment with the Company. Stock options can have a ten-year or seven-year term and generally vest in one of two ways: (i) according to a four-year vesting schedule, with 25% of the option grant vesting on each anniversary of the date such options were granted, or (ii) on a three-year schedule, subject to certain performance and time-based vesting conditions being met.

The 2011 Plan is administered by the Compensation Committee, which makes recommendations to the Board and allows for the grant of incentive stock options to the Company's employees, directors, senior officers and consultants.

Under the 2011 Plan, the aggregate number of Common Shares issuable to all participants pursuant to the 2011 Plan and any other share compensation arrangement (other than the Rollover Plan (as defined below)) shall not exceed 10% of the issued and outstanding Common Shares at the time of the grant (assuming the exercise of the put/call option). As a result, any increase in the Company's issued and outstanding Common Shares will result in an increase in the available number of the Common Shares issuable under the 2011 Plan. The aggregate number of Common Shares issuable under the 2011 Plan and any other share compensation arrangement to insiders shall not exceed 10% of the Common Shares outstanding from time to time. The aggregate number of Common Shares issued upon exercise of the options granted under the 2011 Plan and any other share compensation arrangement to insiders within a one-year period shall not exceed 10% of the Common Shares then outstanding. In addition, option grants to all non-management directors shall not exceed 1% of the outstanding Common Shares at that time; provided further that the maximum value of options which may be granted to each non-management directors shall not exceed $100,000 in any financial year. At the Meeting, Shareholders are being asked to approve an amendment to the 2011 Plan which would increase the number of Common Shares available for issuance under such plan.

Options granted under the 2011 Plan are non-assignable and will have an exercise price determined and approved by the Board at the time the option is granted, but in any event shall not be less than the market value the Common Shares, being the weighted average trading price of a Common Share on the TSX for the five business days immediately prior to the date of grant. Upon a grantee's termination without cause or voluntary resignation all unvested stock options will be forfeited and all vested stock options will become exercisable for a period of 90 days following such event.

Performance Vesting Conditions

When an award of stock options subject to a performance vesting condition is made, the Company's management will recommend to the Board annual and absolute corporate performance targets and thresholds, together with a time-based vesting schedule. The Board may approve or modify the Company's recommendation. The Board also has the authority to amend the performance vesting conditions for any option previously granted, provided such amendments are otherwise in accordance with the terms of the 2011 Plan. See "*Particulars of Matters to be Acted Upon – Approval of an Amendment to the 2011 Plan*".

Currently, stock options awarded to NEOs which are subject to performance vesting conditions operate on a three-year vesting schedule subject to attaining any one of the following conditions ("**LTIP Target**"):

1) **Achieving Annual Revenue Target –** The annual revenue target is approved by the board at the recommendation of management over the three year vesting period; or

2) **Achieving Adjusted EBITDA Target –** Adjusted EBITDA for the purposes of the long-term incentive program ("**LTIP**") is defined as net income (loss) before net interest expense, income taxes, depreciation, amortization, other non-cash charges, provision for termination costs and other non-recurring expenses. The Board has determined that Adjusted EBITDA is an appropriate measure of corporate performance going forward because the Company's business has evolved to focus on delivering growth and earnings to shareholders. The Board views Adjusted EBITDA as a suitable proxy for measuring growth and earnings potential and considers the metric to be aligned with the component metrics which shareholders value as drivers of earnings and growth. The Adjusted EBITDA target is approved by the Board at the recommendation of management over the three year vesting period.

At the time of grant the Board also establishes a minimum level of corporate performance below which no stock option vesting will occur (the "**LTIP Threshold**") in the event actual performance does not meet the targeted performance hurdles established for the three LTIP vesting conditions noted above. The LTIP threshold has been established at 80% for each of the three performance conditions noted above.

Stock option awards subject to performance and time-based vesting conditions have the potential to vest over the course of three years based on a vesting schedule set by the Board (upon recommendation by the Compensation Committee) at the time the award is granted. The Board may also alter the terms of an existing stock option grant, subject to the terms of the 2011 Plan.

If actual corporate performance meets the LTIP Target, one third of the stock option grant will vest in the year in which the LTIP Target is met, up to a maximum of 100% over the course of three years. If actual corporate performance falls between LTIP Threshold (inclusive) and the LTIP target in any particular year, an amount less than one third of the stock option grant will vest in that year (the amount vested being determined by the vesting schedule). If actual performance falls within this latter performance range during each of the three years of the vesting period, an amount less than 100% of the stock option award will have vested at the expiry of the vesting period and the remaining unvested options will be forfeited (subject to the Absolute Revenue Target described below). If actual performance exceeds the LTIP Target for a particular year, one third of the stock option grant will vest in that year. The Board may, at its discretion at the time of grant or after, accelerate the vesting schedule to beyond one third of the option grant in each year actual performance exceeds the LTIP target. In such a case, it is possible that an award of stock options may fully vest prior to the expiry of the vesting period. Where actual performance falls below the LTIP Threshold in a particular year, no stock options will vest in that year and any unvested stock options remaining at the end of the vesting period will be forfeited.

Stock Option Awards

The table below shows the stock options granted and available for grant under the Rollover Plan and 2011 Plan and the percentage of Common Shares that may be issued on exercise of all outstanding options under the Rollover Plan and 2011 Plan as at December 31, 2016:

	Rollover Plan	**2011 Plan**
Maximum share reserve	1,004,011 (1.69%)(1)	4,437,961(2) (7.47%)(1)
Total Options granted	1,004,011 (1.69%)(1)	3,598,786(3) (6.06%)(1)
Total Options available for grant	NIL(3)	839,175 (1.41%)(1)
Options exercised during the financial year ended December 31, 2016	90,500	NIL
2016 Burn Rate(4)	NIL	1.88%

Notes:

(1) Represents a percent of total outstanding Common Shares. Assumes a full exercise of the put/call which, if exercised as of December 31, 2016, would have resulted in 59,379,714 Common Shares being issued and outstanding.

(2) The aggregate number of Common Shares issuable in connection with the 2011 Plan and all other security-based compensation arrangements (excluding the Rollover Plan) is equal to 10% of the issued and outstanding Common Shares at the time of grant. The figure presented assumes the full exercise of the put/call, which, if exercised as of December 31, 2016, would have resulted in 59,379,714 Common Shares being issued and outstanding and 5,937,714 Common Shares being reserved for issuance in connection with the Company's security-based compensation arrangements (excluding the Rollover Plan). On this basis, taking into account the 1,000,000 Common Shares reserved for issuance by the Company in connection with the RSU Plan and the 500,000 Common Shares reserved for issuance by the Company in connection with the DSU Plan, a total of 4,437,971 Common Shares would be issuable in connection with Options granted under the 2011 Plan.

(2) Figure quoted is net of any forfeitures of Options

(3) No additional options may be granted pursuant to the Rollover Plan.

(4) The burn rate represents the total number of Options issued under 2011 Plan (1,116,520) in the financial year ended December 31, 2016 expressed as a percentage of the Common Shares issued and outstanding as of December 31, 2016. The figures presented assume a full exercise of the put/call which, if exercised as of December 31, 2016, would have resulted in 59,379,714 Common Shares being issued and outstanding.

RSUs

An RSU represents the grant of a phantom or notional Common Share which is not issued to the holder until certain vesting criteria have been met.

On March 5, 2013, the Board approved the adoption of the RSU Plan. The Board decided that it is desirable to have a wide range of incentive plans, including the RSU Plan, in place to attract, retain and motivate employees, officers and consultants of the Company. The plan was approved by shareholders at the Company's Annual and Special Meeting which occurred on May 6, 2013.

RSU awarded in the financial year ended December 31, 2016 will "cliff vest" (i.e. all RSUs will vest) at the end of a three-year vesting period.

RSUs awarded prior to January 1, 2014 will "cliff vest" (i.e. all RSUs will vest) at the end of a three-year vesting period, providing the Company has experienced compound annual revenue growth of greater than 25% during the period and the NEO remains employed with the Company. If compound annual revenue growth falls below 25% at the end of the three-year vesting period, the RSUs awarded will be cancelled.

The number of RSUs awarded will be credited to the participant's account effective on the grant date of the RSUs. Upon vesting, each RSU entitles the holder, subject to the terms of the RSU Plan, to receive a payment in fully-paid Common Shares issued from treasury, subject to normal payroll withholding requirements.

The Compensation Committee will have the discretion to credit a participant with additional RSUs equal to the aggregate amount of any dividends that would have been paid to the participant if the RSUs had been Common Shares, divided by the market value of the Common Shares on the date on which dividends were paid by the Company.

Upon a grantee's retirement or termination of employment without cause, a *pro rata* number of the unvested RSUs credited to the grantee, based on the portion of the applicable vesting period that has been completed as of the date of retirement or termination of employment, will vest on such date and the Common Shares underlying such RSUs will be paid to the grantee. Upon the termination of a grantee's employment for any reason other than death, disability, retirement or termination without cause, except as provided for in the grantee's RSU grant letter or as determined by the Compensation Committee, all outstanding RSUs held by that grantee will be forfeited. RSUs granted under the RSU Plan are not assignable except pursuant to a will or by the laws of descent and distribution.

An aggregate of 1,000,000 Common Shares are reserved for issuance under the RSU Plan, representing approximately 1.68% of the issued and outstanding Common Shares as at the financial year ended December 31, 2016, and as at May 8, 2017, the record date. The maximum number of Common Shares issuable to insiders, at any time, pursuant to the RSU Plan together with any other security based compensation arrangements is 10% of the total number of Common Shares then outstanding. The maximum number of Common Shares issuable to insiders, within any one year period, pursuant to the RSU Plan and any other security based compensation arrangement is 10% of the total number of Common Shares then outstanding.

RSU Awards

The table below shows the RSUs granted and available for grant under the Plan as at December 31, 2016.

	RSU Plan
Maximum share reserve	1,000,000 (1.68%)(1)
Total RSUs granted	390,058(2)(0.66%)(1)
Total RSUs available for grant	609,942 (1.03%)(1)
RSU's exercised during the financial year ended December 31, 2016(3)	NIL
Burn Rate(5)	0.29%

Notes:

(1) Quoted as a percentage of total outstanding Common Shares, assuming a full exercise of the put/call, resulting in outstanding Common Shares of 59,379,714, as of December 31, 2016.

(2) Figure quoted is net of forfeitures

(3) 60,990 RSUs vested at the end of 2016 as a result of meeting the three year cliff-vesting condition two which the applicable RSU awards were subject.

(4) The burn rate is the total number of RSUs issued under RSU Plan (174,209) in the financial year ended December 31, 2016 expressed as a percentage of the 59,379,714 Common Shares that were issued and outstanding as at December 31, 2016 assuming full exercise of the put/call.

As of the date of this management information circular, 63,047 RSUs had subsequently vested and been exercised as a result of the three-year cliff vesting condition having been satisfied on December 31, 2016.

OTHER COMPENSATION AND PERQUISITES

Our employee benefit program includes life, medical, dental and disability insurance. Such benefits and other perquisites are designed to be competitive overall with equivalent positions in comparable Canadian and United States organizations.

RETIREMENT BENEFITS

The NEOs do not participate in any defined benefit pension plan, defined contribution plan or deferred compensation plan. Dr. Bloembergen participated in our 401(k) program for United States corporate employees.

401(k) Program for United States Corporate Employees

EcoSynthetix U.S. has a 401(k) profit sharing plan that became effective on January 1, 2001, as amended, which provides retirement savings options for all eligible employees. Eligible employees and employers may make contributions towards the plan. There are four types of contributions available: (i) employee salary deferral; (ii) employer safe harbour; (iii) employer discretionary matching; and (iv) employer discretionary profit sharing. The maximum limit on the amount of contributions in 2016 is the lesser of $24,000 or 100% of the eligible employee's annual compensation and the deferral limit is $18,000, plus an additional $6,000 catch-up contribution for employees who reached age 50 in 2016.

Effective June 7, 2016, Dr. Bloembergen retired from the Company. In connection with his retirement, Dr. Bloembergen, EcoSynthetix Ltd. (a subsidiary of the Company) and the Company entered into a Retirement Agreement and certain other ancillary agreements pursuant to which Dr. Bloembergen became entitled to, among other things, a retirement benefit totalling $410,000, comprising: (i) a continuance of his 2016 base salary for 12 months following the effective date of his retirement, subject to applicable withholdings; (ii) the pro-rata portion of his 2016 short-term incentive award up to the effective date of his retirement (payable within 60 days of the end of the financial year ended December 31, 2016; (iii) medical, vision and dental benefits coverage for a period of 18 months from the effective date of his retirement to the extent Dr. Bloembergen is eligible to receive such benefits under applicable benefit plans (and, if not eligible to receive such benefits, the monthly cost to Dr. Bloembergen of equivalent benefits for a period of 18 months); (iv) a lump-sum payment of $18,000 for automobile expenses; and (v) a one-time payment in the amount of $112,500. Dr. Bloembergen will also be entitled to receive, directly or indirectly, certain intellectual property agreed upon by the Company and Dr. Bloembergen in respect of medical applications which relate to a market that the Company has determined not to pursue. Dr. Bloembergen has elected to receive his retirement benefit by way of a series of payments made over the course of the Company's 2016 and 2017 financial years.

PERFORMANCE GRAPH

The following graph compares total shareholder return since December 31, 2011 against that of the overall market during the same period. It shows the change in value of C$100 invested in the Common Shares on December 31, 2011 compared to C$100 invested in the S&P/TSX Composite Index for the same period.

Cumulative Return of $100 Invested

Value of C$100 Invested

	December 31, 2011	December 31, 2012	December 31, 2013	December 31, 2014	December 31, 2015	December 31, 2016
S&P/TSX Composite Index	C$100	C$104.00	C$113.94	C$122.40	C$108.82	C$127.88
EcoSynthetix Inc.	C$100	C$69.00	C$55.00	C$30.00	C$25.80	C$45.40

Source: TMX Money, StockWatch and Yahoo Finance

We were listed on the TSX following completion of our initial public offering in August, 2011. Since that time, we have experienced a decline in share price relative to the performance of the S&P/TSX Composite Index. Over the same period of time, compensation to executive officers has not directly followed a similar trend as the share price. Since that time we have implemented a long-term incentive program in order to align compensation with our performance. Similarly, we have developed a compensation program that includes fixed and variable elements, including annual performance-based cash incentives which are based on both company and individual achievements, and long-term incentives that allow executive officers to work towards achieving long-term growth objectives. As a result, realized value from long-term incentive awards held by the NEOs will be directly affected by our share performance over the period and, as a result, NEO compensation is expected to be subject to similar trends experienced by our shareholders.

SUMMARY COMPENSATION TABLE

The following table provides information for each of the financial years ending December 31, 2016, 2015 and 2014 regarding compensation awarded to the NEOs, subject to any performance and/or time-based vesting conditions, as applicable (see *Elements of Executive Compensation – Short-Term Incentives*" and "*Elements of Executive Compensation – Long-Term Incentives*").

					Non-equity incentive plan compensation ($)			
Name and principal position	**Year**	**Salary ($)(3)**	**Share-based awards ($)(4)**	**Option-based awards ($)(5)**	**Short-term incentive plans**	**Long-term incentive plans**	**All other compensation ($)(6)**	**Total compensation ($)**
Jeff MacDonald *Chief Executive Officer and Director*	2016	264,084	39,489	115,140	71,680	NIL	42,410	532,802
	2015	269,814	23,607	741,437(8)	27,541	NIL	36,424	1,098,823
	2014	183,566(7)	27,273	162,316	NIL	NIL	25,629	398,786
Robert Haire *Chief Financial Officer and Corporate Secretary*	2016	226,358	22,565	65,794	36,217	NIL	40,638	391,572
	2015	236,069	23,607	67,034	18,886	NIL	35,902	381,497
	2014	272,727	27,272	81,818	NIL	NIL	41,477	423,295
Edward van Egdom *Senior Vice President, Operations*	2016	199,949	19,932	58,118	31,992	NIL	38,313	348,304
	2015	208,527	20,852	59,213	16,682	NIL	33,179	338,454
	2014	240,909	24,091	72,271	NIL	NIL	38,331	375,603
Dr. James T. Wright *Vice President, Research and Development(2)*	2016	140,167	17,300	50,442	23,137	NIL	80,359(9)	311,406
	2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2014	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Dr. Steven Bloembergen *Executive Vice President, Technology(1)*	2016	98,125	NIL	NIL	NIL	NIL	431,352(10)	529,477
	2015	225,000	13,279	17,625	9,000	NIL	12,000(11)	276,904
	2014	225,000	15,341	46,023	NIL	NIL	245,000(12)	531,364
Total NEO Compensation:	**2016**	**928,683**	**99,286**	**289,494**	**163,026**	**NIL**	**633,072**	**2,113,561**

Notes:

(1) Dr. Bloembergen retired on June 7, 2016.

(2) Dr. Wright was appointed as the Vice President, Research and Development of the Company on March 7, 2016. Dr. Wright has informed the Company that he intends to resign from his position effective as of June 9, 2017.

(3) With the exception of salary and certain benefits paid to Dr. Bloembergen (which were paid in U.S. dollars), values listed represent amounts that were paid in Canadian dollars and converted to United States dollars for reporting purposes in the Summary Compensation Table at the Annual Exchange Rate, 2015 Annual Exchange Rate or 2014 Annual Exchange Rate, as applicable. All average exchange rate data was sourced from the Bank of Canada.

(4) RSUs awarded subsequent to January 1, 2014 "cliff vest" (i.e. all RSUs will vest) at the end of a three-year vesting period. RSUs awarded prior to January 1, 2014 will "cliff vest" (i.e. all RSUs will vest) at the end of a three-year vesting period, providing the Company has met certain performance-based vesting conditions (see "*Elements of Executive Compensation – Long-Term Incentives – RSUs*"). The figures presented represent the grant date fair value of RSUs awarded and are calculated in the following manner: Number of RSUs granted multiplied by the weighted average trading price of a Common

Share on the TSX for the five business days immediately prior to that date, converted at the Annual Exchange Rate, 2015 Annual Exchange Rate, or 2014 Annual Exchange Rate, as applicable.

(5) Certain stock option awards may be subject to performance and time-based vesting conditions (see "*Elements of Executive Compensation – Long-Term Incentives – Stock Options – Performance Vesting Conditions*"). The figures presented reflect the grant date fair value of stock options granted to NEOs, assuming applicable performance conditions are met. Where performance and time-based vesting conditions are present, failure to attain the performance conditions necessary for vesting within the applicable timeframe may result in the forfeiture of option awards. The grant date fair value of stock options is calculated in the following manner: Number of stock options granted multiplied by the Black-Scholes value. We chose to use the Black-Scholes model as the basis for calculating fair value of the options granted as this methodology is commonly accepted by issuers. This approach is also consistent with the accounting values used in our financial statements. The key assumptions used under the Black-Scholes model that were used for the share option awards in the table above were as follows: (A), in respect of 2016 values, (i) Risk-free interest rate: 0.63% (ii) Expected option life: 5 years, (iii) Expected volatility: 57%, and (iv) Dividend yield: NIL%; (B) in respect of 2015 values, (i) Risk-free interest rate: 1.05% to 1.40% (ii) Expected option life: 5 years, (iii) Expected volatility: 56%, and (iv) Dividend yield: NIL%; and (C) in respect of 2014 values, (i) Risk-free interest rate: 1.3% (ii) Expected option life: 5 years, (iii) Expected volatility: 56%, and (iv) Dividend yield: NIL%. The dollar amount in this column represents the total value ascribed to the stock options, assuming applicable performance conditions are met. Grant date fair values of stock options have been converted using the Annual Exchange Rate, 2015 Annual Exchange Rate, and 2014 Annual Exchange Rate, as applicable.

(6) With the exception of Dr. Bloembergen, the terms of the indicated NEOs' employment agreements provide for benefit entitlements which generally comprise a retirement contribution equal to 10% of their base salary to be made into an RRSP, tax-free savings account or equivalent plan; a car allowance; and standard company medical and insurance benefits.

(7) Mr. MacDonald joined the Company on April 28, 2014. The salary listed for 2014 has been prorated to reflect the amount actually paid during the portion of the financial year ended December 31, 2014 in which he was employed with the Company.

(8) The figure presented includes 54,545 stock options which are subject to performance and time-based vesting conditions and 1,555,883 stock options subject to time-based vesting conditions. In respect of the latter grant of 1,555,883 stock options, 20% of the award vested on February 18, 2016, the remaining balance will vest at a rate of 5% per quarter thereafter, and any unexercised options will expire seven years from the date of grant

(9) Includes relocation and resettlement costs of $54,792.

(10) In connection with a retirement agreement entered into between the Company and Dr. Bloembergen, among others, the Company agreed to pay Dr. Bloembergen a retirement benefit totalling $410,000 together with the transfer of certain patents (see "*Retirement Benefits*"), above. The values presented reflect the value of Dr. Bloembergen's total retirement benefit. Dr. Bloembergen has elected to receive his retirement benefit by way of a series of payments made over the course of the Company's 2016 and 2017 financial years. Between January 1, 2016 and the date of Dr. Bloembergen's retirement, the Company also paid $5,250 to Dr. Bloembergen in connection with a car allowance and $28,283 in connection with premiums and payments for health, insurance and related benefits for Dr. Bloembergen.

(11) The figure presented represents a car allowance of $12,000.

(12) The figures presented include the value of medical benefits, 401(k) contributions and a car allowance. In addition, upon implementation of Dr. Bloembergen's employment agreement in October 2012 he received a one-time retention package consisting of a lump sum payment of $100,000, which was paid in October 2012, a one-time grant of share options equivalent to C$100,000, which was paid in October 2013 and became fully vested in June 2013, a one-time lump sum payment of $200,000, which was paid in 2013, and quarterly payments of $47,500 running from the first quarter of 2013 to the fourth quarter of 2014.

INCENTIVE PLAN AWARDS

The following table provides information regarding the long-term incentive plan awards for each Named Executive Officer outstanding as of December 31, 2016.

Outstanding Share-Based Awards and Option-Based Awards

	Option-based Awards				Share-based Awards[5]		
Name and Position	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options ($)[2]	Number of shares or units of shares that have not vested (#)[4]	Market or payout value of share-based awards that have not vested ($)[4]	Market or payout value of vested share-based awards not paid out or distributed ($)[6]
Jeff MacDonald[1] *Chief Executive Officer*	54,545[3] 1,555,883[7] 266,949	C$1.52 C$1.35 C$1.28	January 7, 2025 May 8, 2022 March 7, 2023	$30,867 $1,080,036 $199,405	60,753	$104,056	$20,151
Robert Haire *Chief Financial Officer and Corporate Secretary*	280,050 175,000 60,199 54,545[3] 68,742[3] 152,542[3]	C$0.79 C$2.51 C$3.06 C$1.52 C$1.36 C$1.28	May 14, 2018 January 9, 2021 March 7, 2023 January 7, 2025 September 21, 2022 March 7, 2023	$312,731 NIL NIL $30,867 $47,199 $113,946	43,175	$73,949	$20,471
Edward van Egdom *President, Operations*	25,200 70,000 28,246 48,182[3] 60,722[3] 134,746[3]	C$0.81 C$2.51 C$3.06 C$1.52 C$1.36 C$1.28	August 31, 2019 January 9, 2021 March 7, 2023 January 7, 2025 September 21, 2022 March 7, 2023	$27,760 NIL NIL $27,266 $41,693 $100,653	38,137	$65,320	$18,083
Dr. James T. Wright[8] *Vice President, Research and Development*	116,949[3]	C$1.28	March 7, 2023	$87,359	17,969	$30,777	NIL

Notes:

(1) Mr. MacDonald was appointed Chief Executive Officer effective May 1, 2015 and was elected to the Board, effective May 11, 2015. Mr. MacDonald did not receive any compensation in connection with his services as a director of the Company.

(2) Calculated using the closing price of the Common Shares on the TSX on December 31, 2016 of C$2.27 ($1.71 at the Annual Exchange Rate) subtracting the exercise price of in-the-money stock options. These stock options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the Common Shares on the date of exercise.

(3) Represents a grant of a stock options where the vesting schedule is subject to certain performance requirements. For further information please see the section titled "*Stock Options*" under the heading "*Elements of Executive Compensation - Long-Term Incentives*", above.

(4) The values in this column represent the value of RSUs issued in the years ended December 31, 2016 and 2015. RSUs awarded in the financial year ended December 31, 2016 will "cliff vest" (i.e. all RSUs will vest) at the end of a three-year vesting period. RSUs awarded prior to January 1, 2014 will "cliff vest" (i.e. all RSUs will vest) at the end of a three-year vesting period, providing the Company has met certain performance-based vesting conditions (see "*Elements of Executive Compensation - Long-Term Incentives – RSUs*"). For further information, please see the section above titled "*RSUs*" under the heading "*Elements of Executive Compensation - Long-Term Incentives*", above.

(5) The value of the RSUs listed is calculated using the closing price of the Common Shares on the TSX on December 31, 2016 of C$2.27 ($1.71 at the Annual Exchange Rate).

(6) Represents grants of RSUs awarded to NEOs subsequent to January 1, 2014 that have achieved the three year vesting period. The value of the RSUs listed is calculated using the closing price of the Common Shares on the TSX on December 31, 2016 of C$2.27 ($1.71 at the Annual Exchange Rate).

(7) On May 8, 2015, the Board awarded Mr. MacDonald 1,555,883 stock options in connection with the commencement of his tenure as Chief Executive Officer. The vesting of these options is subject to time-based vesting conditions. On February 18, 2016, 20% of the award vested and the remaining balance will vest at a rate of 5% per quarter thereafter. Unexercised options will expire seven years from the date of grant. For further information on the specific terms of this option award, see "*Elements of Executive Compensation – Termination and Change of Control Benefits*".

(8) Dr. Wright was appointed as the Vice President, Research and Development of the Company on March 7, 2016. Dr. Wright has informed the Company that he intends to resign from his position effective as of June 9, 2017.

During the financial year ended December 31, 2016, an aggregate of 856,121 options previously issued to NEOs under the Rollover Plan and the 2011 Plan vested, as the underlying time-based or performance-based vesting conditions, as applicable, were satisfied.

Incentive Plan Awards – Value Vested or Earned During the 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 ($)
Jeff MacDonald *Chief Executive Officer*	$450,770	$20,151	$71,680
Robert Haire *Chief Financial Officer and Corporate Secretary*	$64,309	$20,471	$36,217
Edward van Egdom *Senior Vice President, Operations*	$56,806	$18,083	$31,992
Dr. Steven Bloembergen(1) *Executive Vice President, Technology*	NIL	NIL	NIL
Dr. James T. Wright(2) *Vice President, Research and Development*	$20,675	NIL	$23,137

Notes:

(1) Dr. Bloembergen retired on June 7, 2016.

(2) Dr. Wright was appointed as the Vice President, Research and Development of the Company on March 7, 2016. Dr. Wright has informed the Company that he intends to resign from his position effective as of June 9, 2017.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides details of compensation plans under which equity securities of the Company are authorized for issuance as of December 31, 2016. Such compensation plans include the 2011 Plan, RSU Plan, DSU Plan, and the Rollover Plan, however, options are no longer issuable pursuant to the Rollover Plan.

Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding equity compensation plans (1)	Weighted-average price of outstanding equity compensation plans(2)	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by securityholders	4,292,188	C$1.52 ($1.15)(3)	1,645,783(4)
Equity compensation plans not approved by securityholders	1,004,011	C$1.87 ($1.41)	N/A
Total	5,296,199	N/A	1,645,783

Notes:

(1) Represents the number of Common Shares reserved for issuance upon exercise of outstanding options issued pursuant to the 2011 Plan and the Rollover Plan, RSUs issued pursuant to the RSU Plan and DSUs issued pursuant to the DSU Plan, all as of December 31, 2016**.**

(2) Represents stock options issued under the 2011 Plan and the Rollover Plan, RSUs and DSUs. Converted to United States dollars at the Average Annual Exchange Rate.

(3) Weighted average price is based on the weighted average of stock price for options issued pursuant to the 2011 Plan. No weighted average price has been calculated for RSUs and DSUs.

(4) Comprises 839,175 stock options issuable under the 2011 Plan, 609,942 RSUs issuable under the RSU Plan and 196,656 DSUs issuable under the DSU plan.

TERMINATION AND CHANGE OF CONTROL BENEFITS

Certain of the NEOs entered into employment agreements in connection with their respective appointments as executive officers which provides for severance payments as set out below.

Mr. MacDonald entered into an employment agreement with the Company on April 11, 2014, effective April 28, 2014. Pursuant to such agreement, the Company is entitled to terminate Mr. MacDonald without cause by providing the greater of (a) a lump sum payment of salary, inclusive of target bonuses, perquisites and allowances of 12 months with the continuation of benefits for the 12 month period or a lump sum payment in lieu of benefits at the Company's sole discretion; (b) a lump sum payment of salary, inclusive of target bonuses, perquisites and allowances for six months plus one month per year of service to a maximum of 18 months with the continuation of benefits during the period or a lump sum payment in lieu of benefits at the Company's sole discretion; or (c) the minimum amount of notice or pay in lieu of notice at the Company's option as required by the *Employment Standards Act*. In the event Mr. MacDonald's employment is terminated with or without cause, all of the 1,555,883 stock options granted to him on May 8, 2015 which have vested will become exercisable for a period of 90 days following the date his employment is terminated. In addition, following a change of control, if Mr. MacDonald's employment is either terminated without just cause or is voluntarily terminated due to a material diminishment in his job responsibilities, position level or compensation, within one year of the date on which the change of control becomes effective Mr. MacDonald shall be entitled to the greater of: (i) the applicable termination entitlement described above, and (ii) a lump sum payment equal to 18 months of base salary inclusive of target bonuses, perquisites and allowances for such period and the continuation of existing benefits or a lump sum payment in lieu of the continuation of benefits for such period at the Company's sole discretion. In the case of a change of control, the 1,555,883 stock options awarded to Mr. MacDonald on May 8, 2015 will accelerate and become vested and immediately exercisable for a period up to 90 days following the date of the termination of his employment, unless such exercise date is extended at the discretion of the Board.

Mr. Haire entered into an employment agreement with the Company on June 1, 2013. Pursuant to such agreement, the Company is entitled to terminate Mr. Haire without cause by providing the greater of (a) a lump sum payment of salary, inclusive of target bonuses, perquisites and allowances of eight months plus one month per year of service to a maximum of 18 months in addition to the continuation of all benefits during the notice period (or a lump sum payment in lieu thereof, at the Company's election) and the immediate vesting of any unvested stock options or long-term incentive awards with the ability to exercise for a period of up to 90 days following the date of termination or (b) the minimum amount of notice or, at the Company's option, pay in lieu of notice (with the continuation of benefits) as required by the provisions of the *Employment Standards Act*. In addition, following a change of control, if Mr. Haire's employment is either terminated without cause or voluntarily terminated due to material diminishment in job responsibilities or position level, Mr. Haire shall be entitled to the greater of: (i) the applicable termination entitlement described above, and (ii) a lump sum payment of 18 months' base salary inclusive of *pro rata* target bonuses, perquisites and allowances, the continuation of benefits for the notice period (or payment in lieu thereof) and the immediate vesting of any unvested stock options or long-term incentive awards with the ability to exercise such awards for a period of up to 90 days following the date of termination of Mr. Haire's employment.

Mr. van Egdom entered into an employment contract with the Company on June 1, 2013. Pursuant to such agreement, the Company is entitled to terminate Mr. van Egdom without cause by providing a lump sum payment of salary, inclusive of target bonuses, perquisites and allowances of six months plus one month per year of service to a maximum of 18 months in addition to the continuation of all benefits during the notice period (or payment in lieu thereof, at the Company's election) and the immediate vesting of any unvested stock options or long-term incentive awards granted to Mr. van Egdom with the ability to exercise such awards for a period of up to 90 days following the date of termination. In the event of a change of control, should Mr. van Egdom's employment be terminated without just cause or voluntarily terminated because of a material change in job responsibilities or position level, within one year of the change of control, Mr. van Egdom shall be entitled to the greater of: (i) the applicable termination entitlement described above and (ii) a lump sum payment of 18 months base salary inclusive of target bonuses, perquisites and allowances and the continuation of benefits for the notice period (or payment in lieu of such benefits) and the immediate vesting of any unvested stock options or long-term incentive awards granted to him, with the ability to exercise such awards for a period of up to 90 days following the date of termination of Mr. van Egdom's employment.

Dr. Wright entered into an employment agreement with the Company on January 22, 2016 effective March 7, 2016. Pursuant to such an agreement, the Company is entitled to terminate Dr. Wright without cause by providing the greater of (a) a lump sum payment of salary, inclusive of target bonuses, perquisites and allowances of six months plus one month per year of service to a maximum of twelve months; or (b) the minimum amount of notice, or at the Company's option pay in lieu of notice (with benefits continuance), as required by the provisions of the *Employment Standards Act (Ontario)*. Dr. Wright has informed the Company that he intends to resign from his position effective as of June 9, 2017.

ESTIMATED INCREMENTAL PAYMENTS ON CHANGE OF CONTROL, TERMINATION WITHOUT CAUSE AND OTHER TERMINATION

Change of Control

The following table provides details regarding the estimated incremental payments from the Company to each of NEO whose employment agreement contemplates an incremental payment upon the occurrence of a Change of Control (assuming termination of employment for any of the NEOs), assuming a triggering event occurred on December 31, 2016). All dollar values reported in the table on the following page have been converted to U.S. dollars at the December 31, 2016 Bank of Canada closing spot rate of $1.00=C$ 1.343 (the "**Year End Spot Rate**").

	Jeff MacDonald	**Robert Haire**	**Edward van Egdom**
Severance Entitlement	18 months base salary, including target bonuses, perquisites and allowances, the continuation of benefits. Accelerated vesting of any unvested stock option or LTIP awards	18 months base salary, including target bonuses, perquisites and allowances, the continuation of benefits. Accelerated vesting of any unvested stock option or LTIP awards	18 months base salary, including target bonuses, perquisites and allowances, the continuation of benefits. Accelerated vesting of any unvested Stock option of LTIP awards
Severance Payment(2)	$628,425	$495,813	$426,994
Benefits(3)	$66,995	$66,517	$62,551
Unvested equity-based compensation(3)	$951,175	$199,053	$175,829
TOTALS	**$1,646,595**	**$761,383**	**$665,374**

Notes:

(1) Severance payment includes bonuses.
(2) Benefits includes health benefits, retirement benefits, and car allowance.
(3) Unvested stock options and RSUs at December 31, 2016. The value of unvested stock options is calculated using the closing price of the Common Shares on the TSX on December 31, 2016 of C$2.27 ($1.69 at the Year End Spot Rate) subtracting the exercise price of unvested in-the-money stock options. The value of the unvested RSUs listed is calculated using the closing price of the Common Shares on the TSX on December 31, 2016 of C$2.27 ($1.69 at the Year End Spot Rate).

Termination Without Cause

The following table provides details regarding the estimated incremental payments from the Company to each of the NEOs, on termination without cause, assuming a triggering event occurred on December 31, 2016. All dollar values reported in the below table, have been converted to U.S. dollars at the Year End Spot Rate.

	Jeff MacDonald	Robert Haire	Dr. James T. Wright (4)	Edward van Egdom
Severance Entitlement	6 months base salary plus 1 month for every year of service, not to exceed 18 months, and not less than 12 months, including target bonuses, perquisites and allowances, the continuation of benefits	8 months base salary plus 1 month for every year of service, not to exceed 18 months, including target bonuses, perquisites and allowances, the continuation of benefits. Accelerated vesting of any unvested stock option or LTIP awards	6 months base salary plus 1 month for every year of service, not to exceed 12 months, including perquisites and allowances, the continuation of benefits	6 months base salary plus 1 month for every year of service, not to exceed 18 months, including target bonuses, perquisites and allowances, the continuation of benefits. Accelerated vesting of any unvested stock option or LTIP awards
Severance Payment(1)(2)	$418,950	$468,268	$102,100	$426,994
Benefits(2)	$46,327	$63,686	$19,148	$62,551
Unvested LTIP awards(3)	N/A	$199,053	N/A	$175,829
TOTALS	**$465,277**	**$731,007**	**$121,248**	**$665,374**

Notes:

(1) Severance payment includes bonuses

(2) Benefits includes perquisites and benefits where the NEO's contract provides for such inclusions in the severance entitlement

(3) The terms of the applicable award agreements provide that vesting of any unvested stock options and RSUs granted to the NEO will accelerate and become immediately exercisable for a period up to 90 days following the date of the termination of such NEO's employment. The value of unvested stock options is calculated using the closing price of the Common Shares on the TSX on December 31, 2016 of C$2.27 ($1.69 at the Year End Spot Rate) subtracting the exercise price of unvested in-the-money stock options. The value of the unvested RSUs listed is calculated using the closing price of the Common Shares on the TSX on December 31, 2016 of C$2.27 ($1.69 at the Year End Spot Rate).

(4) Dr. Wright has informed the Company that he intends to resign from his position effective as of June 9, 2017.

Dr. Bloembergen retired prior to the financial year ended December 31, 2016 and, accordingly, has not been included in the table above.

OTHER INFORMATION

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

We have in place a directors' and officers' liability insurance policy effective July 26, 2016. The policy provides coverage for costs incurred to defend and settle claims against directors and officers of the Company to an annual limit of C$25 million (approximately $18.86 million at the Annual Exchange Rate) with a C$100,000 (approximately $75,500 at the Annual Exchange Rate) deductible per indemnifiable claim. The cost of coverage for 2016 was determined and paid in Canadian dollars and was approximately C$83,082 (approximately $62,723) at the Annual Exchange Rate). Directors and officers do not pay any portion of the premiums and no claims were made or became payable in 2016.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

We do not make personal loans or extensions of credit to our directors or executive officers. None of our directors or executive officers, or former directors or executive officers, nor any associate of such individuals, is as at the date hereof, or has been, during the financial year ended December 31, 2016, indebted to EcoSynthetix or any of its subsidiaries in connection with a purchase of securities or otherwise. In addition, no indebtedness of these individuals to another entity has been the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding with EcoSynthetix or any of its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

The Company's management is not aware of any material interest, direct or indirect, of any informed person of the Company, any proposed director or any associate or affiliate of any informed person or proposed director in any transaction since the commencement of our most recently completed financial year, or in any proposed transaction, that has materially affected or would materially affect EcoSynthetix or any of its affiliates or subsidiaries.

ADDITIONAL INFORMATION

Additional information, including financial information, which is provided in our audited comparative annual financial statements and MD&A for the financial year ended December 31, 2016, can be found on SEDAR at *www.sedar.com*, or on our website at *www.ecosynthetix.com*. Shareholders may also contact us at info@ecosynthetix.com or Steve Snyder, Investor Relations Contact, by phone at 289-245-4017 or by e-mail at ssnyder@ecosynthetix.com to request copies of these documents free of charge.

CONTACTING THE BOARD OF DIRECTORS

Shareholders, employees and other interested parties may communicate directly with the Board by:

1. writing to: EcoSynthetix Inc.
3365 Mainway
Burlington ON L7M 1A6
2. calling: (289) 245-4007
3. emailing: info@EcoSynthetix.com

DIRECTORS' APPROVAL

The contents of this management information circular and the sending thereof to the shareholders of the Company have been approved by the Board.

BY ORDER OF THE BOARD OF DIRECTORS

"*Paul Lucas*" (signed)
Chairman of the Board of Directors

May 19, 2017
Burlington, Ontario

Appendix "A"

ECOSYNTHETIX INC.

MANDATE OF THE BOARD OF DIRECTORS

1. PURPOSE

The purpose of this Mandate is to detail how the board of directors (the "**Board**") of EcoSynthetix Inc. (the "**Corporation**") fulfills its statutory duty to manage the Corporation.

2. MEETINGS

a. The Board meets a minimum of four times per year, usually every quarter.

b. The Chairman of the Board, in consultation with the Chief Executive Officer and the Corporate Secretary, as applicable, develops the agenda for each Board meeting. All directors may, and are encouraged to, provide input to the agenda.

c. The Board has at least four scheduled meetings a year. Prior to each Board meeting, the Chairman of the Board shall circulate an agenda to the Board. The Chairman of the Board shall discuss the agenda items for the meeting with the Chief Executive Officer. Materials for each meeting will be distributed to directors in advance of the meetings.

d. The Board may adopt the use of consent resolutions for its convenience from time to time.

e. The majority of directors in office constitutes a quorum for the transaction of business at a meeting and a quorum of directors may exercise all the powers of directors at a meeting. No business shall be transacted by the directors at a meeting unless a quorum is present.

f. A director may participate in a Board meeting by means of such telephonic, electronic or other communication facilities as to permit all persons participating in the meeting to communicate adequately with each other. A member participating in such a meeting by any such means is deemed to be present at the meeting.

g. Directors will maintain the absolute confidentiality of Board deliberations and decisions and information received at meetings, except as may be specified by the Chairman of the Board, if the information is publicly disclosed by the Corporation, or as required by applicable law. The views or opinions of individual directors or managers shall be treated with an appropriate level of respect and confidence.

h. At Board and Committee meetings there exists an open atmosphere that encourages discussion of alternative views. From time to time, informal offsite sessions may be held to further enhance/encourage discussion of ideas, strategies and issues.

i. Directors are expected to attend all meetings of the Board and the Committees upon which they serve, to come to such meetings fully prepared (including full review of all documentation sent prior to the meeting), and to remain in attendance for the duration of the meeting. Where a director's absence from a meeting is unavoidable, the director should, as soon as practicable after the meeting, contact the Chairman of the Board and the Chief Executive Officer or the Corporate Secretary for a briefing on the substantive elements of the meeting.

The Board appreciates the value of having non-directors attend Board meetings to provide information and opinions to assist the directors in their deliberations.

j. The Board, through the Chairman, will determine non-director attendees at Board meetings. For issues that fall within the terms of reference of a committee, a committee Chair may also recommend non-director attendees to the Board Chair.

k. No non-directors shall attend or table material at the Board without prior approval of the Chairman, and in the case of Board committee meetings, the committee Chair.

3. RESPONSIBILITIES AND DUTIES

As steward of the Corporation's best interests, the Board has responsibility for the following matters (either itself, or through duly appointed and constituted committees of the Board in accordance with applicable laws):

a. The Board has primary responsibility for the development and adoption of the strategic direction of the Corporation. The Board contributes to the development of strategic direction by approving, at least annually, a strategic plan developed and proposed by management. The plan will take into account the business opportunities and business risks of the Corporation. The Board reviews with management from time to time the strategic planning environment, the emergence of new opportunities, trends and risks and the implications of these developments for the strategic direction of the Corporation. The Board reviews and approves the Corporation's financial objectives, plans and actions, including significant capital allocations and expenditures.

b. The Board monitors corporate performance against the strategic and business plans, including assessing operating results to evaluate whether the business is being properly managed.

c. The Board identifies the principal business risks of the Corporation and ensures that there are appropriate systems put in place to manage these risks.

d. The Board monitors and ensures the integrity of the internal controls and procedures (including adequate management information systems) within the Corporation and its financial reporting procedures of the Corporation.

e. The Board is responsible for ensuring appropriate standards of corporate conduct including, adopting a corporate code of business conduct and ethics (the "**Code of Business Conduct and Ethics**") for all employees and senior management, and monitoring compliance with such code, if appropriate. Any waiver from any part of the corporate Code of Business Conduct and Ethics for officers or directors requires the express approval of the Board and, if required by applicable securities regulatory authorities, public disclosure.

f. The Board is responsible for the review and approval of quarterly and annual financial statements, management's discussion and analysis related to such financial statements, and forecasts.

g. The Board is responsible for establishing and reviewing from time to time a dividend policy for the Corporation.

h. The Board is responsible for reviewing the compensation of members of the Board to ensure that the compensation realistically reflects the responsibilities and risks involved in being an effective director and for reviewing the compensation of members of the senior management team to ensure that they are competitive within the industry and that the form of compensation aligns the interests of each such individual with those of the Corporation.

i. The Board reviews and approves material transactions not in the ordinary course of business.

j. The Board reviews and approves the budget on an annual basis, including the spending limits and authorizations, as recommended by the Audit Committee.

k. The Board ensures that there is in place appropriate succession planning, including the appointment, training and monitoring of senior management and members of the Board.

l. The Board is responsible for assessing its own effectiveness in fulfilling its mandate and evaluating the relevant disclosed relationships of each independent director and shall make an affirmative determination that such relationship does not preclude a determination that the director is independent.

m. The Board approves a disclosure policy that includes a framework for investor relations and a public disclosure policy.

n. The Board is responsible for satisfying itself as to the integrity of the chief executive officer (the "**Chief Executive Officer**") and other senior officers and that the Chief Executive Officer and other senior officers create a culture of integrity throughout the organization. The Board is responsible for developing and approving goals and objectives which the Chief Executive Officer is responsible for meeting.

o. The Board is responsible for developing the Corporation's approach to corporate governance principles and guidelines that are specifically applicable to the Corporation.

p. The Board is responsible for performing such other functions as prescribed by law or assigned to the Board in the Corporation's governing documents.

q. Set forth below are procedures relating to the Board's operations:

    i. Size of Board and selection process – The directors of the Corporation are elected each year by the shareholders at the annual meeting of shareholders. The Board will determine nominees to be presented to the shareholders for election based upon the following considerations: (i) the competencies and skills which the Board as a whole should possess; (ii) the competencies and skills which each existing director possesses; and (iii) the appropriate size of the Board to facilitate effective decision-making. Any shareholder may propose a nominee for election to the Board either by means of a shareholder proposal upon compliance with the requirements of the *Business Corporations Act* (Ontario) ("**OBCA**") or at the annual meeting. Between annual meetings, the Board may appoint directors to serve until the next annual meeting, subject to compliance with the OBCA. Individual Board members are responsible for assisting the Board in identifying and recommending new nominees for election to the Board, as needed or appropriate.

ii. Qualifications – Directors should have the highest personal and professional ethics and values and be committed to advancing the best interests of the Corporation. They should possess skills and competencies in areas that are relevant to the Corporation's activities. A majority of the directors will be "independent" directors within the meaning of National Instrument 52-110 – *Audit Committees*, of the Canadian Securities Administrators.

iii. Director orientation and continuing education – The Board, together with the Corporate Governance and Nominating Committee is responsible for providing a comprehensive orientation and education program for new directors which fully sets out:

   a. the role of the Board and its committees;

   b. the nature and operation of the business of the Corporation; and

   c. the contribution which individual directors are expected to make to the Board in terms of both time and resource commitments.

   In addition, the Board together with the Corporate Governance and Nominating Committee is also responsible for providing continuing education opportunities to existing directors so that individual directors can maintain and enhance their abilities and ensure that their knowledge of the business of the Corporation remains current. The Corporate Governance and Nominating Committee shall periodically canvas the directors to determine their training and education needs and interests.

iv. Independent Meetings - The independent directors shall meet at the end of each Board meeting without management and non-independent directors present. The independent directors shall appoint a chairman to chair these meetings.

v. Committees – The Board has established the following standing committees to assist the Board in discharging its responsibilities: the Audit Committee, the Corporate Governance and Nominating Committee, and the Compensation Committee. Special committees are established from time to time to assist the Board in connection with specific matters. The chair of each committee reports to the Board following meetings of the committee. The terms of reference of each standing committee are reviewed annually by the Board.

vi. Evaluation – The Corporate Governance and Nominating Committee performs an annual evaluation of the effectiveness of the Board as a whole, the committees of the Board, and the contributions of individual directors.

vii. Compensation – The Compensation Committee recommends to the Board the compensation and benefits for non-management directors. The Compensation Committee seeks to ensure that such compensation and benefits reflect the responsibilities and risks involved in being a director of the Corporation and align the interests of the directors with the best interests of the shareholders.

viii. Nomination – The Corporate Governance and Nominating Committee from time to time, will identify and recommend new nominees as directors of the Corporation, based upon the following considerations

a. the competencies and skills necessary for the Board as a whole to possess;

b. the competencies and skills necessary for each individual director to possess;

c. competencies and skills which each new nominee to the Board is expected to bring; and

d. whether the proposed nominees to the Board will be able to devote sufficient time and resources to the Corporation.

The Corporate Governance and Nominating Committee will annually review the general and specific criteria applicable to candidates to be considered for nomination in order to maintain the composition of the Board in a way that provides the best mix of skills and experience to guide the long-term strategy and business operations of the Corporation. The review will take into account the desirability of maintaining a reasonable diversity of background skills and experience and personal characteristics among the directors, along with the key common characteristics required for effective Board participation

ix. Access to independent advisors – The Board may at any time retain outside financial, legal or other advisors at the expense of the Corporation. Any director may, subject to the approval of the Corporate Governance and Nominating Committee, retain an outside advisor at the expense of the Corporation.

x. Director Terms - While directors are elected annually by shareholders, there is an informal expectation by the Board that each director commit to serving for at least eight to ten years and there is a term limit of ten years, as determined on a case by case basis by the Board. To ensure continuity, the Board will, as appropriate, consider limiting the number of replacement candidates as a result of term limits to one in any applicable year.

xi. Retirement – No person may be nominated for election to the Board at the annual meeting of shareholders next held following the date on which he or she attains the age of 75 years. The Board may, having regard to the specific skills and expertise of a director and the needs of the Board, determine that a director who would otherwise be prevented from standing for election to the Board due to his or her age, may stand for re-election to the Board.

xii. Director Interlocks – No two directors shall sit together on two or more corporate boards without the approval of the Board. If such a situation does exist, the Corporate Governance and Nominating Committee shall annually review the continued appropriateness of the situation and make a recommendation to the Board.

xiii. Multiple Board Memberships - No director shall sit on six or more corporate boards without the approval of the Board. If such a situation does exist, the Corporate Governance and Nominating Committee shall annually review the appropriateness of that director's continued membership on the Board and make a recommendation to the Board.

xiv. Equity Ownership Guidelines - Each director is required to acquire common shares of the Company having an initial acquisition value equal to three times his or her annual retainer. Directors are expected to achieve this level of ownership within five years from the date they become directors. Directors may apply the deferred share units that they receive as payment for all or part of their annual retainer towards this minimum equity ownership requirement. If the annual retainer is increased, all directors are required to achieve the increased minimum equity ownership level within two years of the effective date of the increase in the annual retainer. For greater certainty, the determination as to whether a director has met this minimum equity ownership level will be made with reference to the value of the common shares (or deferred share units) at the time of their acquisition, and not the then current market price.

3. LEAD DIRECTOR

a. The Board will appoint a Lead Director in circumstances in which the Chairman of the Board is not considered independent under applicable securities laws, in order to provide independent leadership to the Board and for the other purposes set forth below.

b. The Lead Director will hold office at the pleasure of the Board, until a successor has been duly elected or appointed or until the Lead Director resigns or is otherwise removed from the office by the Board.

c. The Lead Director will provide independent leadership to the Board and will facilitate the functioning of the Board independently of the Corporation's management. Together with the Chair of the Corporate Governance and Nominating Committee, the Lead Director will be responsible for the corporate governance practices of the Corporation.

4. REPORTING

The Board is responsible for reviewing and submitting to the shareholders of the Corporation recommendations concerning any matters to be voted upon at any meeting of the shareholders of the Corporation and assuring that all reporting requirements of the Corporation to its shareholders are met at all times.

The Board approves the content of the Corporation's major communications to shareholders and the investing public, including the interim and annual reports, the Management Proxy Circular, the Annual Information Form, any prospectuses that may be issued and significant press releases.

5. AUTHORITY

The Board has the authority to:

a. manage, or supervise the management of, the business and affairs of the Corporation in accordance with law;

b. engage independent counsel and other advisors including accounting or other consultants or experts as it determines necessary to carry out its duties;

c. set and pay the compensation for advisors employed by the Board;

d. access, on an unrestricted basis, the books and records of the Corporation; and

e. conduct any investigation appropriate to its responsibilities, and it may request the external auditors, as well as any officer of the Corporation, or outside counsel for the Corporation, to attend a meeting of the Board or to meet with any members of, or advisors to, the Board or any Committees of the Board.

Dated: August 10, 2011, as amended on April 13, 2015 and May 9, 2016.

Schedule "A"

ECOSYNTHETIX INC.

**POSITION DESCRIPTION FOR THE
CHAIRMAN OF THE BOARD OF DIRECTORS**

1. PURPOSE

The Chairman of the Board shall be a director who is designated by the full Board to act as the leader of the Board.

2. WHO MAY BE CHAIRMAN

The Chairman will be selected amongst the directors of the Corporation who have a sufficient level of experience with corporate governance issues to ensure the leadership and effectiveness of the Board.

The Chairman will be selected annually at the first meeting of the Board following the annual general meeting of shareholders."

3. RESPONSIBILITIES

The following are the responsibilities of the Chairman. The Chairman may delegate or share, where appropriate, certain of these responsibilities with the Corporate Governance and Nominating Committee and/or any other independent committee of the Board:

a. Chairing all meetings of the Board in a manner that promotes meaningful discussion.

b. Providing leadership to the Board to enhance the Board's effectiveness, including:

    1. Ensuring that the responsibilities of the Board are well understood by both management and the board;

    2. Ensuring that the Board works as a cohesive team with open communication;

    3. Ensuring that the resources available to the Board (in particular timely and relevant information) are adequate to support its work;

    4. Together with the Corporate Governance and Nominating Committee, ensuring that a process is in place by which the effectiveness of the Board and its committees (including size and composition) is assessed at least annually; and

5. Together with the Corporate Governance and Nominating Committee, ensuring that a process is in place by which the contribution of individual directors to the effectiveness of the Board is assessed at least annually.

c. Managing the Board, including:

   1. Preparing the agenda of the Board meetings and ensuring pre-meeting material is distributed in a timely manner and is appropriate in terms of relevance, efficient format and detail;

   2. Adopting procedures to ensure that the Board can conduct its work effectively and efficiently, including committee structure and composition, scheduling, and management of meetings;

   3. Ensuring meetings are appropriate in terms of frequency, length and content;

   4. Ensuring that, where functions are delegated to appropriate committees, the functions are carried out and results are reported to the Board;

   5. Ensuring that a succession planning process is in place to appoint senior members of management when necessary;

   6. Together with any special committee appointed for such purpose, approaching potential candidates once potential candidates are identified, to explore their interest in joining the Board and proposing new nominees for appointment to the Board and its committees; and

   7. Ensuring procedures are established to assess and recommend new nominees for appointment to the Board and its committees.

d. Acting as liaison between the Board and management to ensure that relationships between the Board and management are conducted in a professional and constructive manner. This involves working with the Corporate Governance and Nominating Committee to ensure that the Corporation is building a healthy governance culture.

e. At the request of the Board, representing the Corporation to external groups such as shareholders and other stakeholders, including community groups and governments.

Schedule "B"

ECOSYNTHETIX INC.

POSITION DESCRIPTION FOR THE CHIEF EXECUTIVE OFFICER

The Chief Executive Officer's primary role is to take overall supervisory and managerial responsibility for the day to day operations of the Corporation's business and to manage the Corporation in an effective, efficient and forward-looking way and to fulfil the priorities, goals and objectives determined by the Board in the context of the Corporation's strategic plans, budgets and responsibilities set out below, with a view to increasing shareholder value. The Chief Executive Officer is responsible to the Board.

Without limiting the foregoing, the Chief Executive Officer is responsible for the following:

1. Develop and maintain the Corporation's goal to operate to the highest standards of the industry.

2. Maintain and develop with the Board strategic plans for the Corporation and implement such plans to the best abilities of the Corporation.

3. Provide quality leadership to the Corporation's staff and ensure that the Corporation's human resources are managed properly.

4. Provide high-level policy options, orientations and discussions for consideration by the Board.

5. Together with any special committee appointed for such purpose, maintain existing and develop new strategic alliances and consider possible merger or acquisition transactions with other companies which will be constructive for the Corporation's business and will help enhance shareholder value.

6. Provide support, co-ordination and guidance to various responsible officers and managers of the Corporation.

7. Ensure communications between the Corporation and major stakeholders, including and most importantly the Corporation's shareholders, are managed in an optimum way and are done in accordance with applicable securities laws.

8. Provide timely strategic, operational and reporting information to the Board and implement its decisions in accordance with good governance, with the Corporation's policies and procedures, and within budget.

9. Act as an entrepreneur and innovator within the strategic goals of the Corporation.

10. Co-ordinate the preparation of an annual business plan.

11. Ensure appropriate governance skills development and resources are made available to the Board.

12. Provide a culture of high ethics throughout the organization.

13. Take primary responsibility for the administration of all of the Corporation's sub-areas and administrative practices.

Schedule "C"

POSITION DESCRIPTION FOR THE LEAD DIRECTOR

The Lead Director will:

1. In conjunction with the Chair of the Corporate Governance and Nominating Committee, provide leadership to ensure that the Board functions independently of management of the Corporation;

2. In the absence of the Chairman, act as chair of meetings of the Board;

3. Recommend, where necessary, the holding of special meetings of the Board;

4. Review with the Chairman and the Chief Executive Officer items of importance for consideration by Board;

5. Consult and meet with any or all of the Corporation's independent directors, at the discretion of either party and with or without the attendance of the Chairman, and represent such directors in discussions with management of the Corporation concerning corporate governance issues and other matters;

6. Together with the Chairman, ensure that all business required to come before the Board is brought before the Board, such that the Board is able to carry out all of its duties to supervise the management of the business and affairs of the Corporation;

7. Together with the Chairman and the Chair of the Corporate Governance and Nominating Committee, ensure that the Board, committees of the Board, individual directors and senior management of the Corporation understand and discharge their duties and obligations under the approach to corporate governance adopted by the Board from time to time;

8. Mentor and counsel new members of the Board to assist them in becoming active and effective directors;

9. Facilitate the process of conducting director evaluations;

10. Promote best practices and high standards of corporate governance; and

11. Perform such other duties and responsibilities as may be delegated to the Lead Director by the Board from time.

Appendix "B"

ECOSYNTHETIX INC.

2011 Stock Option Plan

ARTICLE 1
PURPOSE

1.1 Purpose

The purpose of this Plan is to advance the interests of EcoSynthetix Inc. (the "**Corporation**") by enhancing the ability of the Corporation and any corporations owned or controlled by the Corporation (each a "**Subsidiary**") to attract and retain employees, managers and directors, to reward such individuals for their sustained contributions and to encourage such individuals to take into account the long-term corporate performance of the Corporation and the creation of shareholder value through their participation in the Corporation's share capital by receiving common shares in the capital of the Corporation (the "**Common Shares**").

ARTICLE 2
INTERPRETATION

2.1 Definitions

When used herein the following terms have the following meanings, respectively:

"**2003 Options**" mean the outstanding, unexercised stocks options granted pursuant to the 2003 Stock Option Plan of EcoSynthetix Inc.

"**Affiliate**" or "**Affiliated**" with respect to any Person, means any other Person which directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, such specified Person (for the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as used with respect to any Person other than a natural Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise).

"**Associate**" where used to indicate a relationship with an individual, means (i) any partner of that individual, and (ii) the spouse of that individual and that individual's children, as well as that individual's relatives and that individual's spouse's relatives, if they share that individual's residence.

"**Black-Out Period**" means the period during which designated directors, officers, employees and consultants of the Corporation and, if applicable, any Subsidiary, cannot trade Common Shares pursuant to the Corporation's insider trading policy which is in effect at that time (which, for greater certainty, does not include the period during which a cease trade order is in effect to which the Corporation, or in respect of an Insider, that Insider, is subject).

"**Board**" means the board of directors of the Corporation.

"**Cause**" with respect to any Participant (a) has the meaning, if any, set forth in the employment agreement then in effect, if any, between such Participant and the Corporation or any Subsidiary, or (b) if there is no such meaning set forth in such employment agreement or there is no such employment agreement then in effect, means the following events or conditions, as determined by the Board in its reasonable judgment: (i) willful misconduct of the Participant with regard to the

Corporation and its Affiliates which constitutes a material breach of any of his or her obligations set forth in any written agreement governing the terms of the Participant's service with the Corporation and the Subsidiaries as the same may then be in effect and such breach, if curable, has not been cured within fifteen (15) days after written notice by the Corporation or a Subsidiary to the Participant; (ii) fraud, embezzlement, theft or other material dishonesty by the Participant with respect to the Corporation or any of its Affiliates; (iii) the Participant's material breach of his or her fiduciary duties as an officer or manager of the Corporation or any of its Affiliates, or as an officer, trustee, director or other fiduciary of any pension or benefit plan of the Corporation or its Affiliates or willful misconduct which has, or could reasonably be expected to have, a material adverse effect upon the business, interests or reputation of the Corporation or any of its Affiliates and such breach or conduct, if curable, has not been cured within fifteen (15) days after written notice by the Corporation or a Subsidiary to the Participant; (iv) the Participant's indictment for, or a plea of *nolo contendere* to, any felony or an analogous provision under the laws of a local jurisdiction; or (v) refusal or failure by the Participant to attempt in good faith to follow or carry out the reasonable written instructions of the Board which failure, if curable, does not cease within fifteen (15) days after written notice of such failure is given to the Participant by the Board. For purposes of this paragraph, no act, or failure to act, on the Participant's part shall be considered "willful" unless done or omitted to be done by him or her not in good faith and without reasonable belief that his or her action or omission was in the best interests of the Corporation. Notwithstanding the foregoing, to the extent that (x) the Participant is a party to a service agreement with the Corporation or any Subsidiary which includes an alternative definition of Cause or (y) an alternative definition of Cause is provided in the Participant's Option Agreement, "Cause" shall have the meaning assigned thereto in such service agreement or Option Agreement; provided that any alternative definition of Cause in the Option Agreement shall govern and supersede any alternative definition of Cause in such service agreement to the extent of any inconsistencies between such definitions.

"**Change of Control**" means the occurrence of (i) any transaction or series of related transactions, whether or not the Corporation is a party thereto, after giving effect to which in excess of fifty percent (50%) of the Corporation's voting power is owned directly, or indirectly through one or more entities, by any Person and its Affiliates, or (ii) a sale, lease or other disposition of all or substantially all of the assets of the Corporation other than in connection with an internal reorganization.

"**Committee**" has the meaning set forth in Section 3.2 of this Plan.

"**Common Shares**" has the meaning set forth in Section 1.1 of this Plan.

"**Corporation**" has the meaning set forth in Section 1.1 of this Plan.

"**Date of Grant**" means, for any Option, the date specified by the Board at the time it grants the Option or, if no such date is specified, the date upon which the Option was granted.

"**Director**" means a member of the Board.

"**Exercise Notice**" means a notice in writing, in the form set out in Schedule B, signed by an Optionee and stating the Optionee's intention to exercise a particular Option.

"**Exercise Period**" means the period of time during which an Option granted under this Plan may be exercised, provided, however, that the Exercise Period may not exceed 10 years from the relevant Date of Grant.

"**Exercise Price**" means the price at which a Common Share may be purchased pursuant to the exercise of an Option.

"**Fair Market Value**" means, with respect to any particular date, the weighted average trading price of a Common Share on the TSX for the five business days immediately prior to that date.

"**Insider**" has the meaning given to such term in the *Securities Act* (Ontario), as such legislation may be amended, supplemented or replaced from time to time.

"**Officer**" means an executive officer of the Corporation.

"**Option**" means a non-assignable, non-transferable (other than as contemplated in Section 3.6 of this Plan) right to purchase Common Shares under this Plan.

"**Option Agreement**" means a signed, written agreement between an Optionee and the Corporation evidencing the terms and conditions on which an Option has been granted substantially in the form attached hereto at Schedule "A".

"**Optionee**" means a Participant who has been granted one or more Options.

"**Original Optionee**" has the meaning set forth in Section 3.6 of this Plan.

"**Participant**" means a Director, an Officer, a director or an officer of any Subsidiary, or a current or past full-time or part-time employee or consultant of the Corporation or any Subsidiary and includes Registered Retirement Savings Plans or Registered Retirement Income Funds of which any such director, officer or individual employee or consultant is the annuitant and any corporation of which any such director, officer or individual employee or consultant is the sole shareholder.

"**Performance Vesting Condition**" means any condition established by the Board, from time to time, which may include conditions based on the Participant's personal performance and the financial performance of the Corporation, and that is to be used to determine the vesting of the Options.

"**Person**" means any individual, partnership, corporation, company, association, trust, joint venture, limited liability company, unincorporated organization, entity or division, or any government, governmental department or agency or political subdivision thereof.

"**Plan**" means this 2011 Stock Option Plan.

"**Put/Call Option**" means the put/call option pursuant to the put/call agreement between the Corporation, a subsidiary of the Corporation and shareholders of such subsidiary.

"**Rollover Plan**" means the Rollover Stock Option Plan of the Corporation.

"**Share Compensation Arrangement**" means a stock option, stock option plan, employee stock purchase plan, long-term incentive plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares to one or more Directors, Officers, directors or officers of any Subsidiary, current or past full-time or part-time employees of the Corporation or any Subsidiary, Insiders or service providers or consultants of the Corporation or any Subsidiary including a share purchase from treasury by one or more Directors, Officers, directors or officers of any Subsidiary, current or past full-time or part-time employees of the Corporation or any Subsidiary, Insiders or service providers or consultants of the Corporation or any Subsidiary which is financially assisted by the Corporation or any Subsidiary by way of a loan, guarantee or otherwise.

"**Subsidiary**" has the meaning set forth in Section 1.1 of this Plan.

"**Successor Corporation**" means, for purposes of Section 5.3, the issuer of the shares or other securities into which the Common Shares are reclassified or reorganized, or otherwise changed into or exchanged for, or the Person resulting or continuing from a consolidation, merger or amalgamation as contemplated in Section 5.3.

"**Termination Date**" means in the case of an Optionee whose employment or term of office with the Corporation or any Subsidiary terminates in the circumstances set out in Subsection 4.8(b) or 4.8(a), the date that is designated by the Corporation or any Subsidiary, as the last day of the Optionee's employment or term of office with the Corporation or such Subsidiary, provided that in the case of termination of employment or term of office by voluntary resignation by the Optionee, such date shall not be earlier than the date notice of resignation was given, and "Termination Date" specifically does not mean the date on which any period of reasonable notice that the Corporation or any Subsidiary may be required at law to provide to the Optionee would expire.

"**Time Vesting Condition**" has the meaning set forth in Section 4.4 of this Plan.

"**Trading Day**" means any day on which the TSX is opened for trading.

"**TSX**" means the Toronto Stock Exchange.

2.2 Interpretation

(a) Whenever the Board or, where applicable, the Committee is to exercise discretion in the administration of the terms and conditions of this Plan, the term "discretion" means the sole and absolute discretion of the Board or the Committee, as the case may be.

(b) As used herein, the terms "Article", "Section", "Subsection" and "clause" mean and refer to the specified Article, Section, Subsection and clause of this Plan, respectively.

(c) Words importing the singular include the plural and vice versa and words importing any gender include any other gender.

(d) The words "including" and "includes" mean "including (or includes) without limitation".

(e) Unless otherwise specified, all references to money amounts are to Canadian currency.

(f) In the case of an individual who was granted Options and who has transferred such Options to the Registered Retirement Savings Plan or the Registered Retirement Income Fund of which he is the annuitant, or to a corporation of which he is the sole shareholder, such individual shall be the Participant or the Optionee for the purposes of the definition of "Termination Date" and also for the purpose of the death of the Participant or Optionee.

ARTICLE 3
ADMINISTRATION

3.1 Administration

Subject to Section 3.2, this Plan will be administered by the Board and the Board has sole and complete authority, in its discretion, to:

(a) determine the individuals (from among the Participants) to whom Options may be granted;

(b) grant Options in such amounts and, subject to the provisions of this Plan, on such terms and conditions as it determines including:

(i) the time or times at which Options may be granted;

(ii) the Exercise Price;

(iii) the time or times when each Option vests and becomes exercisable and, subject to Section 4.3, the duration of the Exercise Period;

(iv) whether any Option is subject to any Performance Vesting Condition;

(v) whether restrictions or limitations are to be imposed on the Options and the nature of such restrictions or limitations (including the conditions of exercise set forth in Article 4); and

(vi) any acceleration of exercisability or waiver of termination regarding any Option, based on such factors as the Board may determine;

(vii) interpret this Plan and adopt, amend and rescind administrative guidelines and other rules and regulations relating to this Plan; and

(viii) make all other determinations, settle all controversies and disputes that may arise under this Plan and take all other actions necessary or advisable for the implementation and administration of this Plan.

The Board's determinations and actions under this Plan are conclusive and binding on the Corporation and all other Persons. The day to day administration of this Plan may be delegated to such officers and employees of the Corporation as the Board determines.

3.2 Delegation to Committee

To the extent permitted by applicable law, the Board may, from time to time, delegate to a committee of the Board (the "**Committee**") all or any of the powers conferred on the Board under this Plan. In such event, the Committee will exercise the powers delegated to it by the Board in the manner and on the terms authorized by the Board. Any decision made or action taken by the Committee arising out of or in connection with the administration or interpretation of this Plan in this context is final and conclusive.

No member of the Board or of the Committee shall be liable for any action or determination taken or made in good faith in the administration, interpretation, construction or application of this Plan or any Options granted hereunder, nor shall any member of the Board be liable for any action or determination taken or made in good faith by the Committee or a member thereof.

3.3 Eligibility

All Participants are eligible to participate in this Plan, subject to Section 4.8. Eligibility to participate does not confer upon any Participant any right to be granted Options pursuant to this Plan. The extent to which any Participant is entitled to be granted Options pursuant to this Plan will be determined in the sole and absolute discretion of the Board.

3.4 Total Common Shares Subject to Options

(a) The maximum number of Common Shares issuable under this Plan, together with all other Share Compensation Arrangements (other than the Rollover Plan), at any time shall not exceed 10% of the total issued and outstanding Common Shares of the

Corporation outstanding from time to time (assuming the exercise of the Put/Call Option). At all times, the Corporation will reserve and keep available a sufficient number of Common Shares to satisfy the requirements of all outstanding Options granted under this Plan.

(b) No Option may be granted if such grant would have the effect of causing the total number of Common Shares subject to Options to exceed the total number of Common Shares reserved for issuance pursuant to the exercise of Options and set forth in Subsection 3.4(a).

(c) The aggregate number of Common Shares issuable pursuant to this Plan, together with all other Share Compensation Arrangements, at any time to Insiders shall not exceed 10% of the Common Shares outstanding from time to time.

(d) The aggregate number of Common Shares issued upon exercise of the Options granted pursuant to this Plan, together with all other Share Compensation Arrangements, at any time to Insiders within a one-year period shall not exceed 10% of the Common Shares then outstanding.

(e) Option grants to all non-management Directors shall not exceed 1% of the outstanding Common Shares at that time; provided further that the maximum value of Options which may be granted to each non-management Director shall not exceed $100,000, in any fiscal year.

3.5 Option Agreements

All grants of Options under Section 4.1 of this Plan will be evidenced by Option Agreements. Such Option Agreements will be subject to the applicable provisions of this Plan and will contain such provisions as are required by this Plan, applicable law and the rules of the TSX or other stock exchange upon which the Common Shares are listed and any other provisions that the Board may, in its discretion, determine. Any one Director or Officer is authorized and empowered to execute and deliver, for and on behalf of the Corporation, an Option Agreement to each Optionee.

3.6 Non-transferability

Subject to Section 4.8 and except as specifically provided in an Option Agreement approved by the Board, Options granted under this Plan may only be exercised during the lifetime of the Optionee by such Optionee personally. No sale, assignment, encumbrance or other transfer of Options, whether voluntary, involuntary, by operation of law or otherwise (other than upon the death of the Optionee), vests any interest or right in such Options whatsoever in any assignee or transferee (except that an Optionee may transfer Options to Registered Retirement Savings Plans or Registered Retirement Income Funds of which he is the annuitant and to a corporation in respect of which the Optionee is the sole shareholder with the prior written approval of the Corporation) and immediately upon any assignment or transfer, or any attempt to make the same, such Options will terminate and be of no further force or effect. If any Optionee (the "**Original Optionee**") has transferred Options to a Registered Retirement Savings Plan or a Registered Retirement Income Fund or a corporation pursuant to this Section 3.6, such Options will terminate and be of no further force or effect if at any time the Original Optionee should cease to be the annuitant of such Registered Retirement Savings Plans or Registered Retirement Income Funds or cease to own all of the issued shares of such corporation, as the case may be, other than by reason of death, in which case the provisions of Section 4.8 shall apply, *mutatis mutandis*.

ARTICLE 4
GRANT OF OPTIONS

4.1 Grant of Options

The Board may, from time to time by resolution, subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, grant Options to any individual from among the Participants.

4.2 Exercise Price

The Exercise Price for Common Shares that are the subject of any Option shall be fixed by the Board or the Committee, as the case may be, when such Option is granted, but shall not be less than the Fair Market Value of such Common Shares at the time of the grant.

4.3 Expiration of Options

Subject to any accelerated termination as set forth in this Plan (including, without limitation, as provided in Sections 4.8 and 4.9), each Option expires on the 10th anniversary of the Date of Grant. Unless otherwise determined by the Board or the Committee, all unexercised Options shall be cancelled at the expiry of such Options.

Should the expiration date for an Option fall within a Black-Out Period or within nine Trading Days following the expiration of a Black-Out Period, such expiration date shall be automatically extended without any further act or formality to that date which is the tenth Trading Day after the end of the Black-Out Period, such tenth Trading Day to be considered the expiration date for such Option for all purposes under this Plan. Notwithstanding Article 6 hereof, the ten Trading Day period referred to in this Section 4.3 may not be extended by the Board.

4.4 Vesting

Unless otherwise specified in the Option Agreement entered into in connection with the grant of such Option, Options will vest over a four-year period, as to twenty-five percent (25%) of the Options on each anniversary of the Date of Grant, commencing on the first anniversary of the Date of Grant (the "**Time Vesting Condition**"). The Options may also be subject to Performance Vesting Conditions. Unless otherwise specified in the Option Agreement entered into in connection with the grant of such Option, an Option will be capable of exercise on vesting.

4.5 Conditions of Exercise and Exercise Period

An Option remains exercisable until expiration or termination of the Option in accordance with the Plan, unless otherwise specified by the Board in the Option Agreement. Each Option may be exercised at any time or from time to time, in whole or in part, for up to the total number of Common Shares with respect to which it is then exercisable. For greater certainty, no Option shall be exercised by a Participant during a Black-Out Period. Subject to the provisions of this Plan and any Option Agreement, Options shall be exercised by the Participant delivering to the Corporation a fully completed Exercise Notice together with a bank draft or certified cheque in an amount equal to the aggregate Exercise Price of the Common Shares to be purchased plus an amount sufficient to cover the withholding taxes payable on the exercise of such Options as computed by the Board in its sole discretion.

4.6 Payment of Exercise Price

No Common Shares will be issued until full payment for the Common Shares to be purchased and an amount sufficient to cover the withholding taxes payable on the exercise of such Options has been received by the Corporation. As soon as practicable after receipt of any Exercise Notice and full payment, the Corporation will forthwith cause the transfer agent and registrar of the Common Shares to deliver to the Optionee, or as the Optionee directs, a certificate or certificates in the name of the Optionee, or as the Optionee directs, or a statement of account, at the discretion of the Optionee, representing in the aggregate the purchased Common Shares.

4.7 Use of an Administrative Agent and Trustee.

The Board may in its sole discretion appoint from time to time one or more entities to act as administrative agent to administer the Options granted under this Plan and to act as trustee to hold and administer the assets that may be held in respect of Options granted under this Plan, the whole in accordance with the terms and conditions determined by the Board in its sole discretion. The Corporation and the administrative agent will maintain records showing the number of Options granted to each Optionee under this Plan as well as records showing any assignments or transfers of Options by an Optionee as permitted under Section 3.6.

4.8 Termination of Service

(a) All Options held by the Participant (whether vested or unvested) shall terminate automatically upon the termination of the Participant's service with the Company or any of its Subsidiaries for any reason other than as set forth in Section 4.8(b).

(b) In the case of a termination of the Participant's service by reason of (A) termination by the Company or any of its Subsidiaries other than for Cause, or (B) voluntary resignation, only the Participant's unvested Options shall terminate automatically as of such date, and any time during the ninety (90) day period commencing on the date of such termination of service (or, if earlier, the Termination Date), the Participant (or his or her executor or administrator, or the Person or Persons to whom the Participant's Share Options are transferred by will or the applicable laws of descent and distribution) will be eligible to exercise his vested Options and upon the 90th day following such termination of service (or, if earlier, the Termination Date) any Options that have not been exercised shall automatically terminate. In the case of a termination of the Participant's service by reason of the Participant's death, only the Participant's unvested Options shall terminate automatically as of such date, and any time during the 365 day period commencing on the date of such termination of service (or, if earlier, the Termination Date), the Participant (or his or her executor or administrator, or the Person or Persons to whom the Participant's Share Options are transferred by will or the applicable laws of descent and distribution) will be eligible to exercise his vested Options and upon the 365th day following such termination of service (or, if earlier, the Termination Date) any Options that have not been exercised shall automatically terminate.

(c) For greater certainty, where an Optionee's employment or term of office terminates by reason of termination by the Corporation or any Subsidiary for Cause then any Options held by the Optionee, whether or not vested at the Termination Date, immediately expire and are cancelled on the Termination Date or at a time as may be determined by the Board, in its sole discretion.

(d) An Optionee's eligibility to receive further grants of Options under this Plan ceases as of the date that the Corporation or any Subsidiary provides the Optionee with written notification that the Optionee's employment or term of office, as the case may be, is terminated, notwithstanding that such date may be prior to the Termination Date.

(e) For the purposes of the Plan, an Optionee shall not be deemed to have terminated service where: (i) the Optionee remains in employment or office within or among the Corporation or any Subsidiary or (ii) the Optionee is on a leave of absence approved by the Board.

4.9 Discretion to Permit Exercise

Notwithstanding the provisions of Sections 4.3, 4.4, 4.5, 4.8 and 4.9 the Board may, in its discretion, at any time prior to or following the events contemplated in such Sections and in any Option Agreement, permit the exercise of any or all Options held by the Optionee in the manner and on the terms authorized by the Board, provided that, subject to an extension pursuant to Section 4.3 resulting from a Black-Out Period, the Board will not, in any case, authorize the exercise of an Option pursuant to this Section beyond the expiration of the Exercise Period of the particular Option.

4.10 Change of Control

Except as otherwise set forth in any Option Agreement, in the event of any Change of Control transaction, the Board may provide for substitute or replacement options of similar value from, or the assumption of outstanding Options by, the acquiring or surviving entity, any such substitution, replacement or assumption to be on such terms as the Board in good faith determines; provided, however, that in the event of a Change of Control transaction the Board may take, as to any outstanding Option, any one or more of the following actions:

(a) provide that any or all Options shall thereupon terminate; provided that any such outstanding Options that have vested shall remain exercisable until consummation of such Change of Control;

(b) make any outstanding option exercisable in full; and

(c) terminate any Option where the Exercise Price of such Option is equal to or greater than the fair market value of a Common Share.

4.11 Conditions of Exercise

Each Optionee will, when requested by the Corporation, sign and deliver all such documents relating to the granting or exercise of Options which the Corporation deems necessary or desirable.

ARTICLE 5
SHARE CAPITAL ADJUSTMENTS

5.1 General

The existence of any Option does not affect in any way the right or power of the Corporation or its shareholders to make, authorize or determine any adjustment, recapitalization, reorganization or any other change in the Corporation's capital structure or its business, or any amalgamation, combination, plan of arrangement, merger or consolidation involving the Corporation, to create or issue any bonds, debentures, Common Shares or other securities of the Corporation or to determine the rights and conditions attaching thereto, to effect the dissolution or liquidation of the Corporation or any sale or transfer of all or any part of its assets or business, or to effect any other corporate act or proceeding, whether of a similar character or otherwise, whether or not any such action referred to in this Section would have an adverse effect on this Plan or any Option granted hereunder.

5.2 Reorganization of the Corporation's Capital

(a) In the event of any subdivision of the Common Shares into a greater number of Common Shares at any time after the grant of an Option to a Optionee and prior to the expiration of the Exercise Period of such Option, the Corporation will deliver to such Optionee at the time of any subsequent exercise of such Option in accordance with the terms hereof in lieu of the number of Common Shares to which such Optionee was theretofore entitled upon such exercise, but for the same aggregate consideration payable therefor, such number of Common Shares as such Optionee would have held as a result of such subdivision if on the record date thereof the Optionee had been the registered holder of the number of Common Shares to which such Optionee was theretofore entitled upon such exercise.

(b) In the event of any consolidation of Common Shares into a lesser number of Common Shares at any time after the grant of an Option to any Optionee and prior to the expiration of the Exercise Period of such Option, the Corporation shall deliver to such Optionee at the time of any subsequent exercise of such Option in accordance with the terms hereof in lieu of the number of Common Shares to which such Optionee was theretofore entitled upon such exercise, but for the same aggregate consideration payable therefor, such number of Common Shares as such Optionee would have held as a result of such consolidation if on the record date thereof the Optionee had been the registered holder of the number of Common Shares to which such Optionee was theretofore entitled upon such exercise.

5.3 Other Events Affecting the Corporation

If at any time prior to the expiration of the Exercise Period of such Option, the Common Shares shall be reclassified, reorganised or otherwise changed into or exchanged for a different number or class of shares or other securities of the Corporation or of a Successor Corporation (otherwise than as specified in Section 5.1 and Section 5.2 hereof), or the Corporation shall consolidate, merge or amalgamate with or into another Person, the Optionee will, subject to the provisions of Article 6 hereof, be entitled to receive at the time of any subsequent exercise of such Option in accordance with the terms hereof and will accept in lieu of the number of Common Shares then subscribed for an aggregate consideration payable therefor, adjusted, if necessary, to preserve proportionately the rights and obligations of the Optionee, the aggregate number of shares of the appropriate class or other securities of the Corporation or the Successor Corporation (as the case may be) or other consideration from the Corporation or the Successor Corporation (as the case may be) that such Optionee would have been entitled to receive as a result of such reclassification, reorganization or other change or exchange of shares or, subject to the provisions of Article 6 hereof, as a result of such consolidation, merger or amalgamation, as if on the record date of such reclassification, reorganization or other change or exchange of shares or the effective date of such consolidation, merger or amalgamation, as the case may be, such Optionee had been the registered holder of the number of Common Shares to which such Optionee was immediately theretofore entitled upon such exercise.

5.4 Distribution to Securityholders

If, at any time prior to the expiration of the Expiration Period of such Option, the Corporation makes a distribution to all holders of Common Shares of shares or other securities, cash, evidences of indebtedness or other assets in the capital of the Corporation (excluding a regular ordinary course dividend in cash or Common Shares, but including common shares or equity interests in a subsidiary or business unit of the Corporation or one of its Subsidiaries or cash proceeds of the disposition of such a subsidiary or business unit), or should the Corporation effect any transaction or change having a similar effect, then the Exercise Price, or the number of Common Shares to which the Optionee is entitled upon exercise of Options, or any combination thereof, will be adjusted to take into account such distribution, transaction or change. Subject to the TSX approval, the Board will determine the appropriate adjustments to be made in such circumstances in order to maintain the Optionee’s economic rights in respect of their Options in connection with such distribution, transaction or change.

5.5 Immediate Exercise of Options

Where the Board determines that the steps provided in Sections 5.2 and 5.3 would not preserve proportionately the rights and obligations of the Optionees in the circumstances or otherwise determines that it is appropriate, the Board may permit the immediate exercise of any outstanding Options that are not otherwise exercisable.

5.6 Issue by Corporation of Additional Common Shares

Except as expressly provided in this Article 5, neither the issue by the Corporation of shares of any class or securities convertible into or exchangeable for shares of any class, nor the conversion or exchange of such shares or securities, affects, and no adjustment by reason thereof is to be made with respect to: (i) the number of Common Shares that may be acquired on the exercise of any outstanding Options, or (ii) the Exercise Price of any outstanding Options.

5.7 Fractions

No fractional Common Shares will be issued on the exercise of an Option. Accordingly, if, as a result of any adjustment pursuant to this Article 5, an Optionee would become entitled to a fractional Common Share, the Optionee has the right to acquire only the adjusted number of whole Common Shares and no payment or other adjustment will be made with respect to the fractional Common Shares so disregarded.

5.8 Conditions of Exercise

The Plan and each Option are subject to the requirement that if at any time the Board determines that the listing, registration or qualification of the Common Shares subject to such Option upon any stock exchange or under any provincial, state or federal law, or the consent or approval of any governmental body or stock exchange or of the holders of the Common Shares generally, is necessary or desirable, as a condition of, or in connection with, the granting of such Option or the issue or purchase of Common Shares thereunder, no such Option may be granted or exercised in whole or in part unless such listing, registration, qualification, consent or approval has been effected or obtained free of any conditions not acceptable to the Board. The Optionees shall, to the extent applicable, cooperate with the Corporation in relation to such listing, registration, qualification, consent or other approval and shall have no claim or cause of action against the Corporation or any of its directors or officers as a result of any failure by the Corporation to obtain or to take any steps to obtain any such registration, qualification or approval.

ARTICLE 6
AMENDMENT OR DISCONTINUANCE OF THE PLAN

6.1 Amendments or Discontinuance of the Plan

Subject to compliance with the applicable rules of the TSX, or any other stock exchange upon which the Common Shares are listed, and subject to Section 6.2 below, the Board may from time to time amend, suspend or terminate this Plan, or the terms of any previously granted Option, without obtaining the approval of shareholders of the Corporation, provided that no such amendment to the terms of any previously granted Option may, except as expressly provided in the Plan, or with the written consent of the Optionee, adversely alter or impair the terms or conditions of such Option previously granted to such Optionee under this Plan.

Any amendment to this Plan, or to the terms of any Option previously granted, is subject to compliance with all applicable laws, rules, regulations and policies of any applicable governmental entity or TSX, or any other stock exchange upon which the Common Shares are listed, including receipt of any required approval from such governmental entity or stock exchange.

If this Plan is terminated, the provisions of this Plan and any administrative guidelines or other rules adopted by the Board and in force at the time of such termination shall continue in effect as long as any Options under the Plan or any rights pursuant thereto remain outstanding. Notwithstanding such termination of the Plan, the Board may make any amendments to the Plan or to the terms of any outstanding Options that it would be entitled to make if the Plan were still in effect.

6.2 Amendments Requiring Shareholder Approval

The Board may, subject to receipt of requisite shareholder and regulatory approval, make the following amendments to the Plan or any Options granted thereunder:

(a) any amendment to increase the number of securities issuable under the Plan;

(b) any amendment to the exercise price of any Option issued under the Plan where such amendment reduces the exercise price of such Option (for this purpose, a cancellation or termination of an Option of a Participant prior to its expiry for the purpose of re-issuing Options to the same Participant with a lower exercise price shall be treated as an amendment to reduce the exercise price of an Option);

(c) any amendment of this Plan that would permit an extension beyond the original expiry date of outstanding Options;

(d) any change to the definition of "Participant" which would have the potential of broadening or increasing Insider participation;

(e) any amendment to the Insider and non-management Director limits in Section 3.4;

(f) any amendment to Section 3.6 of this Plan that would permit Options to be assigned or transferred, other than for normal estate settlement purposes;

(g) any amendment to this Section 6 relating to the amending provisions of this Plan;

(h) any other amendments that may lead to significant or unreasonable dilution in the Corporation's outstanding securities or may provide additional benefits to eligible participants, especially insiders of the Corporation, at the expense of the Corporation and its existing shareholders.

ARTICLE 7
MISCELLANEOUS PROVISIONS

7.1 Legal Requirement

This Plan, and the Options granted under this Plan, shall at all times be subject to the ongoing requirements of applicable law and the rules of the TSX or other stock exchange upon which the Common Shares are listed.

The Corporation is not obligated to grant any Options, issue any Common Shares or other securities, make any payments or take any other action if, in the opinion of the Board, in its sole discretion, such action would constitute a violation by a Participant or the Corporation of any provision of any applicable statutory or regulatory enactment of any government or government agency.

7.2 Conformity to Plan

In the event that an Option is granted or an Option Agreement is executed which does not conform in all particulars with the provisions of this Plan, or purports to grant Options on terms different from those set out in this Plan, the Option, or the grant of such Option shall not be in any way void or invalidated, but the Option so granted will be adjusted to become, in all respects, in conformity with this Plan.

7.3 Optionee's Entitlement

Except as otherwise provided in this Plan, Options previously granted under this Plan, whether or not then vested or exercisable, are not affected by any change in the ownership of the Corporation.

7.4 Expenses

All fees and expenses incurred by the Corporation in connection with this Plan shall be borne by the Corporation. All expenses incurred by a Participant in connection with a grant or exercise of Options, including all fees and expenses of financial or legal advisors retained by such Participant in connection therewith, shall be borne by the Participant.

7.5 Withholding Taxes

The exercise of each Option granted under the Plan is subject to the condition that if at any time the Corporation determines, in its discretion, that the satisfaction of withholding tax or other withholding liabilities is necessary or desirable in respect of such exercise, such exercise is not effective unless such withholding has been effected to the satisfaction of the Corporation. In such circumstances, the Corporation may require that an Optionee pay to the Corporation, in addition to and in the same manner as the Exercise Price for the Common Shares, such amount as the Corporation is obliged to remit to the relevant taxing authority in respect of the exercise of the Option**.** Alternatively, the Corporation shall have the right in its discretion to satisfy any such liability for withholding by retaining any amount payable to an Optionee by the Corporation, whether or not such amounts are payable under the Plan. In the further alternative, if directed by an Optionee, the Corporation may withhold and cause to be sold, by it as agent on behalf of the Optionee, such number of Common Shares as it determines to be necessary to satisfy the withholding obligation. By so directing the Corporation, the Optionee consents to such sale and authorizes the Corporation to effect the sale of such Common Shares on behalf of the Optionee and to remit the appropriate amount to the applicable governmental authorities. Where so directed the Corporation shall not be responsible for obtaining any particular price for the Common Shares.

7.6 Rights of Participant/Optionee

No Participant has any claim or right to be granted an Option (including an Option granted in substitution for any Option that has expired pursuant to the terms and conditions of this Plan), and the granting of any Option is not to be construed as giving an Optionee a right to remain in the employ of the Corporation or any Subsidiary. No Optionee has any rights as a shareholder of the Corporation in respect of Common Shares issuable on the exercise of rights to acquire Common Shares under any Option (including the payment of dividends or other distributions) until the allotment and issuance to the Optionee of a certificate or certificates in the name of the Optionee or a statement of account, at the discretion of the Optionee, representing such Common Shares. The loss of existing or potential profit in Options granted under this Plan will not constitute an element of damages in the event of termination of an Optionee's employment or service in any office or otherwise.

7.7 Indemnification

Every Director or member of the Committee will at all times be indemnified and saved harmless by the Corporation from and against all costs, charges and expenses whatsoever including any income tax liability arising from any such indemnification, that such Director or member of the Committee may sustain or incur by reason of any action, suit or proceeding, taken or threatened against such Director or member of the Committee, otherwise than by the Corporation, for or in respect of any act done or omitted by such Director or member of the Committee in respect of this Plan, such costs, charges and expenses to include any amount paid to settle such action, suit or proceeding or in satisfaction of any judgment rendered therein. This shall be in addition to any indemnification agreement between the Corporation and the Directors.

7.8 Participation in this Plan

The participation of any Participant in this Plan is entirely voluntary and not obligatory and shall not be interpreted as conferring upon such Participant any rights or privileges other than those rights and privileges expressly provided in this Plan. In particular, participation in this Plan does not constitute a condition of employment nor a commitment on the part of the Corporation or any Subsidiary to ensure the continued employment of such Participant or Optionee. The Plan does not provide any guarantee against any loss which may result from fluctuations in the market value of the Common Shares. Neither the Corporation nor any Subsidiary assumes any responsibility for the income or other tax consequences resulting to the Optionees and they are advised to consult with their own tax advisors.

7.9 Effective Date

This Plan was adopted by the Board on August 4, 2011, and amended on April 15, 2014. Should any changes to this Plan be required by any securities commission or other governmental body of any jurisdiction of Canada to which this Plan has been submitted or by any stock exchange on which the Common Shares may from time to time be listed, such changes will be made to this Plan as are necessary to conform with such requests and, if such changes are approved by the Board, this Plan, as amended, will remain in full force and effect in its amended form as of and from that date.

7.10 Governing Law

This Plan is created under and is to be governed, construed and administered in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

APPENDIX 1

US RESIDENT EMPLOYEES

The terms of the Plan are hereby modified with respect to those Participants who are resident in the U.S.:

SPECIAL APPENDIX
to the
EcoSynthetix Inc.
2011 Stock Option Plan
Special Provisions Applicable to Participants Subject to
Section 409A of the United States Internal Revenue Code

This Appendix sets forth special provisions of the EcoSynthetix Inc. 2011 Stock Option Plan (the "Plan") that apply to Participants whose compensation is subject to section 409A of the United States Internal Revenue Code of 1986, as amended. Terms defined in the Plan and used herein and in any Option Agreement applicable to any Option issued under the Plan shall have the meanings set forth in the Plan document, as amended from time to time.

1. Definitions.

For purposes of this Appendix:

1. "Code" means the United States Internal Revenue Code of 1986, as amended, and any applicable United States Treasury Regulations and other binding regulatory guidance thereunder.

2. "Section 409A" means section 409A of the Code.

3. "Separation From Service" shall have the meaning as set forth in United States Treasury Regulation Section 1.409A 1(h).

4. "US Taxpayer" means a Participant whose compensation from the Corporation or any of its Affiliates is subject to Section 409A.

2. Exemption from Section 409A.

In General. Notwithstanding any provision of the Plan to the contrary, it is intended that Options granted under the Plan to US Taxpayers be exempt from Section 409A, and all provisions of the Plan shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A. Each US Taxpayer is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or for the account of such US Taxpayer in connection with the Plan (including any taxes and penalties under Section 409A), and neither the Corporation nor any Affiliate of the Corporation shall have any obligation to indemnify or otherwise hold such US Taxpayer (or any beneficiary) harmless from any or all of such taxes or penalties.

3. Exercise Price.

Notwithstanding any other provision of the Plan, so long as at the time of the grant of an Option the Common Shares are "readily tradable" as determined under United States Treasury Regulation Section 1.409A-1(b)(5)(vi)(G), the Exercise Price shall be the closing sale price of the Common Shares reported on the primary securities exchange on which the Common Shares are listed on the last business day on which such exchange is open for trading prior to the date of grant of such Option, and if at the time of grant the Common Shares are not "readily tradable" as determined under United States Treasury Regulation Section 1.409A-1(b)(5)(vi)(G), the Exercise Price shall be determined by the reasonable application of a reasonable valuation method in accordance with Treasury Regulation Section 1.409A-1(b)(5)(iv)(B).

4. Expiry of Option/Trading Blackouts.

Notwithstanding any other provision of the Plan and any provisions of the Option Agreement to the contrary, Options granted to US Taxpayers may not be exercised under any circumstance following the 10th anniversary of the Date of Grant.

5. Adjustments to Options.

Notwithstanding Article IV and Article V of the Plan or any provision of the Option Agreement to the contrary, in connection with any adjustment to the Options, the number of Shares deliverable on the exercise of an Option held by a US Taxpayer and the Exercise Price of an Option held by a US Taxpayer shall be adjusted in a manner intended to keep the Options exempt from Section 409A.

6. Amendment of Appendix

The Board shall retain the power and authority to amend or modify this Appendix to the extent the Board in its sole discretion deems necessary or advisable to comply with any guidance issued under Section 409A. Such amendments may be made without the approval of any US Taxpayer.

7. Non-transferability of Awards.

Notwithstanding Section 3.6 or 4.8 or any other provision of the Plan, except as otherwise set forth in the applicable Option Agreement, no Stock Option or any interest or participation therein may be transferred other than by will or by the laws of descent and distribution.

SCHEDULE A

OPTION AGREEMENT

NOTICE OF GRANT OF STOCK OPTIONS

[Name & Address] **[Date]**

Dear **[Name]:**

This is to advise you that you have been selected to participate in the EcoSynthetix Inc. 2011 Stock Option Plan (the "**Plan**").

Effective______, you will be granted___Options to acquire Common Shares

at a price of Cdn.$_____per Common Share.

Your Options will vest as to one-quarter of the total number of Options granted to you, or _ on each of the first four anniversaries following the Date of Grant.

Your Options are subject to the provisions of the Plan, a copy of which is enclosed. Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Plan. In the event of any discrepancy or conflict between this Notice of Grant and the Plan text, the Plan text shall govern.

Subject to earlier termination in accordance with the Plan, the Expiry Date of your Options is the 10th anniversary of the Date of Grant.

You should carefully review the terms and conditions of the Plan and seek advice from your legal and other advisors, prior to exercising your Options.

The Option grant described above is strictly confidential and the information concerning the number or price of Common Shares granted under this Option Agreement should not be disclosed to anyone.

If you have any questions about the Plan or your Options, please contact ●.

Please sign and return a copy of this Notice of Grant.

Yours sincerely,

* * * * * *

I acknowledge receipt of this Notice of Grant, a copy of the Plan (including all the schedules to the Plan), and agree to be bound by the terms thereof. By accepting this grant, I represent and warrant to the Corporation that my participation in the Plan is voluntary and has not been induced by expectation of engagement, appointment, employment, continued engagement, continued appointment or continued employment, as applicable.

DATED this _____ day of ______________, 2011.

____
Name (please print)

____
Signature

SCHEDULE B

Stock Option Plan Exercise Notice Form - Options

I, ____, hereby exercise the option
(print name)
to purchase ________________________ Common Shares of EcoSynthetix Inc. (the "**Corporation**") at a purchase price of $__________________per Common Share of the Corporation. This Exercise Notice is delivered in respect of the option to purchase __________Common Shares of the Corporation that was granted to me on ___________________________________pursuant to the Option Agreement entered into between the Corporation and me.

In connection with the foregoing, I enclose cash, a certified cheque, bank draft or money order payable to the Corporation in the amount of $___________________ as full payment for the Common Shares to be received upon exercise of the Option and the applicable withholding taxes.

______________________________	______________________________
Date	Optionee's Signature
	______________________________
	(Print name)

Appendix "C"

ECOSYNTHETIX INC.

2011 Stock Option Plan

ARTICLE 1
PURPOSE

1.1 Purpose

The purpose of this Plan is to advance the interests of EcoSynthetix Inc. (the "**Corporation**") by enhancing the ability of the Corporation and any corporations owned or controlled by the Corporation (each a "**Subsidiary**") to attract and retain employees, managers and directors, to reward such individuals for their sustained contributions and to encourage such individuals to take into account the long-term corporate performance of the Corporation and the creation of shareholder value through their participation in the Corporation's share capital by receiving common shares in the capital of the Corporation (the "**Common Shares**").

ARTICLE 2
INTERPRETATION

2.1 Definitions

When used herein the following terms have the following meanings, respectively:

"**2003 Options**" mean the outstanding, unexercised stocks options granted pursuant to the 2003 Stock Option Plan of EcoSynthetix Inc.

"**Affiliate**" or "**Affiliated**" with respect to any Person, means any other Person which directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, such specified Person (for the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as used with respect to any Person other than a natural Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise).

"**Associate**" where used to indicate a relationship with an individual, means (i) any partner of that individual, and (ii) the spouse of that individual and that individual's children, as well as that individual's relatives and that individual's spouse's relatives, if they share that individual's residence.

"**Award**" means an award under a Share Compensation Arrangement.

"**Black-Out Period**" means the period during which designated directors, officers, employees and consultants of the Corporation and, if applicable, any Subsidiary, cannot trade Common Shares pursuant to the Corporation's insider trading policy which is in effect at that time (which, for greater certainty, does not include the period during which a cease trade order is in effect to which the Corporation, or in respect of an Insider, that Insider, is subject).

"**Board**" means the board of directors of the Corporation.

"**Cause**" with respect to any Participant (a) has the meaning, if any, set forth in the employment agreement then in effect, if any, between such Participant and the Corporation or any Subsidiary, or (b) if there is no such meaning set forth in such employment agreement or there is no such employment agreement then in effect, means the following events or conditions, as determined by the Board in its reasonable judgment: (i) willful misconduct of the Participant with regard to the Corporation and its Affiliates which constitutes a material breach of any of his or her obligations set forth in any written agreement governing the terms of the Participant's service with the Corporation and the Subsidiaries as the same may then be in effect and such breach, if curable, has not been cured within fifteen (15) days after written notice by the Corporation or a Subsidiary to the Participant; (ii) fraud, embezzlement, theft or other material dishonesty by the Participant with respect to the Corporation or any of its Affiliates; (iii) the Participant's material breach of his or her fiduciary duties as an officer or manager of the Corporation or any of its Affiliates, or as an officer, trustee, director or other fiduciary of any pension or benefit plan of the Corporation or its Affiliates or willful misconduct which has, or could reasonably be expected to have, a material adverse effect upon the business, interests or reputation of the Corporation or any of its Affiliates and such breach or conduct, if curable, has not been cured within fifteen (15) days after written notice by the Corporation or a Subsidiary to the Participant; (iv) the Participant's indictment for, or a plea of *nolo contendere* to, any felony or an analogous provision under the laws of a local jurisdiction; or (v) refusal or failure by the Participant to attempt in good faith to follow or carry out the reasonable written instructions of the Board which failure, if curable, does not cease within fifteen (15) days after written notice of such failure is given to the Participant by the Board. For purposes of this paragraph, no act, or failure to act, on the Participant's part shall be considered "willful" unless done or omitted to be done by him or her not in good faith and without reasonable belief that his or her action or omission was in the best interests of the Corporation. Notwithstanding the foregoing, to the extent that (x) the Participant is a party to a service agreement with the Corporation or any Subsidiary which includes an alternative definition of Cause or (y) an alternative definition of Cause is provided in the Participant's Option Agreement, "Cause" shall have the meaning assigned thereto in such service agreement or Option Agreement; provided that any alternative definition of Cause in the Option Agreement shall govern and supersede any alternative definition of Cause in such service agreement to the extent of any inconsistencies between such definitions.

"**Change of Control**" means the occurrence of (i) any transaction or series of related transactions, whether or not the Corporation is a party thereto, after giving effect to which in excess of fifty percent (50%) of the Corporation's voting power is owned directly, or indirectly through one or more entities, by any Person and its Affiliates, or (ii) a sale, lease or other disposition of all or substantially all of the assets of the Corporation other than in connection with an internal reorganization.

"**Committee**" has the meaning set forth in Section 3.2 of this Plan.

"**Common Shares**" has the meaning set forth in Section 1.1 of this Plan.

"**Corporation**" has the meaning set forth in Section 1.1 of this Plan.

"**Date of Grant**" means, for any Option, the date specified by the Board at the time it grants the Option or, if no such date is specified, the date upon which the Option was granted.

"**Director**" means a member of the Board.

"**Exercise Notice**" means a notice in writing, in the form set out in Schedule B, signed by an Optionee and stating the Optionee's intention to exercise a particular Option.

"**Exercise Period**" means the period of time during which an Option granted under this Plan may be exercised, provided, however, that the Exercise Period may not exceed 10 years from the relevant Date of Grant.

"**Exercise Price**" means the price at which a Common Share may be purchased pursuant to the exercise of an Option.

"**Fair Market Value**" means, with respect to any particular date, the weighted average trading price of a Common Share on the TSX for the five business days immediately prior to that date.

"**Insider**" has the meaning given to such term in the *Securities Act* (Ontario), as such legislation may be amended, supplemented or replaced from time to time.

"**Officer**" means an executive officer of the Corporation.

"**Option**" means a non-assignable, non-transferable (other than as contemplated in Section 3.6 of this Plan) right to purchase Common Shares under this Plan.

"**Option Agreement**" means a signed, written agreement between an Optionee and the Corporation evidencing the terms and conditions on which an Option has been granted substantially in the form attached hereto at Schedule "A".

"**Optionee**" means a Participant who has been granted one or more Options.

"**Original Optionee**" has the meaning set forth in Section 3.6 of this Plan.

"**Participant**" means a Director, an Officer, a director or an officer of any Subsidiary, or a current or past full-time or part-time employee or consultant of the Corporation or any Subsidiary and includes Registered Retirement Savings Plans or Registered Retirement Income Funds of which any such director, officer or individual employee or consultant is the annuitant and any corporation of which any such director, officer or individual employee or consultant is the sole shareholder.

"**Performance Vesting Condition**" means any condition established by the Board, from time to time, which may include conditions based on the Participant's personal performance and the financial performance of the Corporation, and that is to be used to determine the vesting of the Options.

"**Person**" means any individual, partnership, corporation, company, association, trust, joint venture, limited liability company, unincorporated organization, entity or division, or any government, governmental department or agency or political subdivision thereof.

"**Plan**" means this 2011 Stock Option Plan.

"**Put/Call Option**" means the put/call option pursuant to the put/call agreement between the Corporation, a subsidiary of the Corporation and shareholders of such subsidiary.

"**Rollover Plan**" means the Rollover Stock Option Plan of the Corporation.

"**Share Compensation Arrangement**" means a stock option, stock option plan, employee stock purchase plan, long-term incentive plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares to one or more Directors, Officers, directors or officers of any Subsidiary, current or past full-time or part-time employees of the Corporation or any Subsidiary, Insiders or service providers or consultants of the Corporation or any Subsidiary including a share purchase from treasury by one or more Directors, Officers, directors or officers of any Subsidiary, current or past full-time or part-time employees of the Corporation or any Subsidiary, Insiders or service providers or consultants of the Corporation or any Subsidiary which is financially assisted by the Corporation or any Subsidiary by way of a loan, guarantee or otherwise.

"**Subsidiary**" has the meaning set forth in Section 1.1 of this Plan.

"**Successor Corporation**" means, for purposes of Section 5.3, the issuer of the shares or other securities into which the Common Shares are reclassified or reorganized, or otherwise changed into or exchanged for, or the Person resulting or continuing from a consolidation, merger or amalgamation as contemplated in Section 5.3.

"**Termination Date**" means in the case of an Optionee whose employment or term of office with the Corporation or any Subsidiary terminates in the circumstances set out in Subsection 4.8(b) or 4.8(a), the date that is designated by the Corporation or any Subsidiary, as the last day of the Optionee's employment or term of office with the Corporation or such Subsidiary, provided that in the case of termination of employment or term of office by voluntary resignation by the Optionee, such date shall not be earlier than the date notice of resignation was given, and "Termination Date" specifically does not mean the date on which any period of reasonable notice that the Corporation or any Subsidiary may be required at law to provide to the Optionee would expire.

"**Time Vesting Condition**" has the meaning set forth in Section 4.4 of this Plan.

"**Trading Day**" means any day on which the TSX is opened for trading.

"**TSX**" means the Toronto Stock Exchange.

2.2 Interpretation

(a) Whenever the Board or, where applicable, the Committee is to exercise discretion in the administration of the terms and conditions of this Plan, the term "discretion" means the sole and absolute discretion of the Board or the Committee, as the case may be.

(b) As used herein, the terms "Article", "Section", "Subsection" and "clause" mean and refer to the specified Article, Section, Subsection and clause of this Plan, respectively.

(c) Words importing the singular include the plural and vice versa and words importing any gender include any other gender.

(d) The words "including" and "includes" mean "including (or includes) without limitation".

(e) Unless otherwise specified, all references to money amounts are to Canadian currency.

(f) In the case of an individual who was granted Options and who has transferred such Options to the Registered Retirement Savings Plan or the Registered Retirement Income Fund of which he is the annuitant, or to a corporation of which he is the sole shareholder, such individual shall be the Participant or the Optionee for the purposes of the definition of "Termination Date" and also for the purpose of the death of the Participant or Optionee.

ARTICLE 3
ADMINISTRATION

3.1 Administration

Subject to Section 3.2, this Plan will be administered by the Board and the Board has sole and complete authority, in its discretion, to:

(a) determine the individuals (from among the Participants) to whom Options may be granted;

(b) grant Options in such amounts and, subject to the provisions of this Plan, on such terms and conditions as it determines including:

(i) the time or times at which Options may be granted;

(ii) the Exercise Price;

(iii) the time or times when each Option vests and becomes exercisable and, subject to Section 4.3, the duration of the Exercise Period;

(iv) whether any Option is subject to any Performance Vesting Condition;

(v) whether restrictions or limitations are to be imposed on the Options and the nature of such restrictions or limitations (including the conditions of exercise set forth in Article 4); and

(vi) any acceleration of exercisability or waiver of termination regarding any Option, based on such factors as the Board may determine;

(vii) interpret this Plan and adopt, amend and rescind administrative guidelines and other rules and regulations relating to this Plan; and

(viii) make all other determinations, settle all controversies and disputes that may arise under this Plan and take all other actions necessary or advisable for the implementation and administration of this Plan.

The Board's determinations and actions under this Plan are conclusive and binding on the Corporation and all other Persons. The day to day administration of this Plan may be delegated to such officers and employees of the Corporation as the Board determines.

3.2 Delegation to Committee

To the extent permitted by applicable law, the Board may, from time to time, delegate to a committee of the Board (the "**Committee**") all or any of the powers conferred on the Board under this Plan. In such event, the Committee will exercise the powers delegated to it by the Board in the manner and on the terms authorized by the Board. Any decision made or action taken by the Committee arising out of or in connection with the administration or interpretation of this Plan in this context is final and conclusive.

No member of the Board or of the Committee shall be liable for any action or determination taken or made in good faith in the administration, interpretation, construction or application of this Plan or any Options granted hereunder, nor shall any member of the Board be liable for any action or determination taken or made in good faith by the Committee or a member thereof.

3.3 Eligibility

All Participants are eligible to participate in this Plan, subject to Section 4.8. Eligibility to participate does not confer upon any Participant any right to be granted Options pursuant to this Plan. The extent to which any Participant is entitled to be granted Options pursuant to this Plan will be determined in the sole and absolute discretion of the Board.

3.4 Total Common Shares Subject to Options

(a) The maximum number of Common Shares issuable under this Plan at any time shall not exceed 10% of the total issued and outstanding Common Shares of the Corporation outstanding from time to time (assuming the exercise of the Put/Call Option) less the number of Awards outstanding under all other Share Compensation Arrangements (other than the Rollover Plan). At all times, the Corporation will reserve and keep available a sufficient number of Common Shares to satisfy the requirements of all outstanding Options granted under this Plan.

(b) No Option may be granted if such grant would have the effect of causing the total number of Common Shares subject to Options to exceed the total number of Common Shares reserved for issuance pursuant to the exercise of Options and set forth in Subsection 3.4(a).

(c) The aggregate number of Common Shares issuable pursuant to this Plan, together with all other Share Compensation Arrangements, at any time to Insiders shall not exceed 10% of the Common Shares outstanding from time to time.

(d) The aggregate number of Common Shares issued upon exercise of the Options granted pursuant to this Plan, together with all other Share Compensation Arrangements, at any time to Insiders within a one-year period shall not exceed 10% of the Common Shares then outstanding.

(e) Option grants to all non-management Directors shall not exceed 1% of the outstanding Common Shares at that time; provided further that the maximum value of Options which may be granted to each non-management Director shall not exceed $100,000, in any fiscal year.

3.5 Option Agreements

All grants of Options under Section 4.1 of this Plan will be evidenced by Option Agreements. Such Option Agreements will be subject to the applicable provisions of this Plan and will contain such provisions as are required by this Plan, applicable law and the rules of the TSX or other stock exchange upon which the Common Shares are listed and any other provisions that the Board may, in its discretion, determine. Any one Director or Officer is authorized and empowered to execute and deliver, for and on behalf of the Corporation, an Option Agreement to each Optionee.

3.6 Non-transferability

Subject to Section 4.8 and except as specifically provided in an Option Agreement approved by the Board, Options granted under this Plan may only be exercised during the lifetime of the Optionee by such Optionee personally. No sale, assignment, encumbrance or other transfer of Options, whether voluntary, involuntary, by operation of law or otherwise (other than upon the death of the Optionee), vests any interest or right in such Options whatsoever in any assignee or transferee (except that an Optionee may transfer Options to Registered Retirement Savings Plans or Registered Retirement Income Funds of which he is the annuitant and to a corporation in respect of which the Optionee is the sole shareholder with the prior written approval of the Corporation) and immediately upon any assignment or transfer, or any attempt to make the same, such Options will terminate and be of no further force or effect. If any Optionee (the "**Original Optionee**") has transferred Options to a Registered Retirement Savings Plan or a Registered Retirement Income Fund or a corporation pursuant to this Section 3.6, such Options will terminate and be of no further force or effect if at any time the Original Optionee should cease to be the annuitant of such Registered Retirement Savings Plans or Registered Retirement Income Funds or cease to own all of the issued shares of such corporation, as the case may be, other than by reason of death, in which case the provisions of Section 4.8 shall apply, *mutatis mutandis*.

ARTICLE 4
GRANT OF OPTIONS

4.1 Grant of Options

The Board may, from time to time by resolution, subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, grant Options to any individual from among the Participants.

4.2 Exercise Price

The Exercise Price for Common Shares that are the subject of any Option shall be fixed by the Board or the Committee, as the case may be, when such Option is granted, but shall not be less than the Fair Market Value of such Common Shares at the time of the grant.

4.3 Expiration of Options

Subject to any accelerated termination as set forth in this Plan (including, without limitation, as provided in Sections 4.8 and 4.9), each Option expires on the 10th anniversary of the Date of Grant. Unless otherwise determined by the Board or the Committee, all unexercised Options shall be cancelled at the expiry of such Options.

Should the expiration date for an Option fall within a Black-Out Period or within nine Trading Days following the expiration of a Black-Out Period, such expiration date shall be automatically extended without any further act or formality to that date which is the tenth Trading Day after the end of the Black-Out Period, such tenth Trading Day to be considered the expiration date for such Option for all purposes under this Plan. Notwithstanding Article 6 hereof, the ten Trading Day period referred to in this Section 4.3 may not be extended by the Board.

4.4 Vesting

Unless otherwise specified in the Option Agreement entered into in connection with the grant of such Option, Options will vest over a four-year period, as to twenty-five percent (25%) of the Options on each anniversary of the Date of Grant, commencing on the first anniversary of the Date of Grant (the "**Time Vesting Condition**"). The Options may also be subject to Performance Vesting Conditions. Unless otherwise specified in the Option Agreement entered into in connection with the grant of such Option, an Option will be capable of exercise on vesting.

4.5 Conditions of Exercise and Exercise Period

An Option remains exercisable until expiration or termination of the Option in accordance with the Plan, unless otherwise specified by the Board in the Option Agreement. Each Option may be exercised at any time or from time to time, in whole or in part, for up to the total number of Common Shares with respect to which it is then exercisable. For greater certainty, no Option shall be exercised by a Participant during a Black-Out Period. Subject to the provisions of this Plan and any Option Agreement, Options shall be exercised by the Participant delivering to the Corporation a fully completed Exercise Notice together with a bank draft or certified cheque in an amount equal to the aggregate Exercise Price of the Common Shares to be purchased plus an amount sufficient to cover the withholding taxes payable on the exercise of such Options as computed by the Board in its sole discretion.

4.6 Payment of Exercise Price

No Common Shares will be issued until full payment for the Common Shares to be purchased and an amount sufficient to cover the withholding taxes payable on the exercise of such Options has been received by the Corporation. As soon as practicable after receipt of any Exercise Notice and full payment, the Corporation will forthwith cause the transfer agent and registrar of the Common Shares to deliver to the Optionee, or as the Optionee directs, a certificate or certificates in the name of the Optionee, or as the Optionee directs, or a statement of account, at the discretion of the Optionee, representing in the aggregate the purchased Common Shares.

4.7 Use of an Administrative Agent and Trustee.

The Board may in its sole discretion appoint from time to time one or more entities to act as administrative agent to administer the Options granted under this Plan and to act as trustee to hold and administer the assets that may be held in respect of Options granted under this Plan, the whole in accordance with the terms and conditions determined by the Board in its sole discretion. The Corporation and the administrative agent will maintain records showing the number of Options granted to each Optionee under this Plan as well as records showing any assignments or transfers of Options by an Optionee as permitted under Section 3.6.

4.8 Termination of Service

(a) All Options held by the Participant (whether vested or unvested) shall terminate automatically upon the termination of the Participant's service with the Company or any of its Subsidiaries for any reason other than as set forth in Section 4.8(b).

(b) In the case of a termination of the Participant's service by reason of (A) termination by the Company or any of its Subsidiaries other than for Cause, or (B) voluntary resignation, only the Participant's unvested Options shall terminate automatically as of such date, and any time during the ninety (90) day period commencing on the date of such termination of service (or, if earlier, the Termination Date), the Participant (or his or her executor or administrator, or the Person or Persons to whom the Participant's Share Options are transferred by will or the applicable laws of descent and distribution) will be eligible to exercise his vested Options and upon the 90th day following such termination of service (or, if earlier, the Termination Date) any Options that have not been exercised shall automatically terminate. In the case of a termination of the Participant's service by reason of the Participant's death, only the Participant's unvested Options shall terminate automatically as of such date, and any time during the 365 day period commencing on the date of such termination of service (or, if earlier, the Termination Date), the Participant (or his or her executor or administrator, or the Person or Persons to whom the Participant's Share Options are transferred by will or the applicable laws of descent and distribution) will be eligible to exercise his vested Options and upon the 365th day following such termination of service (or, if earlier, the Termination Date) any Options that have not been exercised shall automatically terminate.

(c) For greater certainty, where an Optionee's employment or term of office terminates by reason of termination by the Corporation or any Subsidiary for Cause then any Options held by the Optionee, whether or not vested at the Termination Date, immediately expire and are cancelled on the Termination Date or at a time as may be determined by the Board, in its sole discretion.

(d) An Optionee's eligibility to receive further grants of Options under this Plan ceases as of the date that the Corporation or any Subsidiary provides the Optionee with written notification that the Optionee's employment or term of office, as the case may be, is terminated, notwithstanding that such date may be prior to the Termination Date.

(e) For the purposes of the Plan, an Optionee shall not be deemed to have terminated service where: (i) the Optionee remains in employment or office within or among the Corporation or any Subsidiary or (ii) the Optionee is on a leave of absence approved by the Board.

4.9 Discretion to Permit Exercise

Notwithstanding the provisions of Sections 4.3, 4.4, 4.5, 4.8 and 4.9 the Board may, in its discretion, at any time prior to or following the events contemplated in such Sections and in any Option Agreement, permit the exercise of any or all Options held by the Optionee in the manner and on the terms authorized by the Board, provided that, subject to an extension pursuant to Section 4.3 resulting from a Black-Out Period, the Board will not, in any case, authorize the exercise of an Option pursuant to this Section beyond the expiration of the Exercise Period of the particular Option.

4.10 Change of Control

Except as otherwise set forth in any Option Agreement, in the event of any Change of Control transaction, the Board may provide for substitute or replacement options of similar value from, or the assumption of outstanding Options by, the acquiring or surviving entity, any such substitution, replacement or assumption to be on such terms as the Board in good faith determines; provided, however, that in the event of a Change of Control transaction the Board may take, as to any outstanding Option, any one or more of the following actions:

(a) provide that any or all Options shall thereupon terminate; provided that any such outstanding Options that have vested shall remain exercisable until consummation of such Change of Control;

(b) make any outstanding option exercisable in full; and

(c) terminate any Option where the Exercise Price of such Option is equal to or greater than the fair market value of a Common Share.

4.11 Conditions of Exercise

Each Optionee will, when requested by the Corporation, sign and deliver all such documents relating to the granting or exercise of Options which the Corporation deems necessary or desirable.

ARTICLE 5
SHARE CAPITAL ADJUSTMENTS

5.1 General

The existence of any Option does not affect in any way the right or power of the Corporation or its shareholders to make, authorize or determine any adjustment, recapitalization, reorganization or any other change in the Corporation's capital structure or its business, or any amalgamation, combination, plan of arrangement, merger or consolidation involving the Corporation, to create or issue any bonds, debentures, Common Shares or other securities of the Corporation or to determine the rights and conditions attaching thereto, to effect the dissolution or liquidation of the Corporation or any sale or transfer of all or any part of its assets or business, or to effect any other corporate act or proceeding, whether of a similar character or otherwise, whether or not any such action referred to in this Section would have an adverse effect on this Plan or any Option granted hereunder.

5.2 Reorganization of the Corporation's Capital

(a) In the event of any subdivision of the Common Shares into a greater number of Common Shares at any time after the grant of an Option to a Optionee and prior to the expiration of the Exercise Period of such Option, the Corporation will deliver to such Optionee at the time of any subsequent exercise of such Option in accordance with the terms hereof in lieu of the number of Common Shares to which such Optionee was theretofore entitled upon such exercise, but for the same aggregate consideration payable therefor, such number of Common Shares as such Optionee would have held as a result of such subdivision if on the record date thereof the Optionee had been the registered holder of the number of Common Shares to which such Optionee was theretofore entitled upon such exercise.

(b) In the event of any consolidation of Common Shares into a lesser number of Common Shares at any time after the grant of an Option to any Optionee and prior to the expiration of the Exercise Period of such Option, the Corporation shall deliver to such Optionee at the time of any subsequent exercise of such Option in accordance with the terms hereof in lieu of the number of Common Shares to which such Optionee was theretofore entitled upon such exercise, but for the same aggregate consideration payable therefor, such number of Common Shares as such Optionee would have held as a result of such consolidation if on the record date thereof the Optionee had been the registered holder of the number of Common Shares to which such Optionee was theretofore entitled upon such exercise.

5.3 Other Events Affecting the Corporation

If at any time prior to the expiration of the Exercise Period of such Option, the Common Shares shall be reclassified, reorganised or otherwise changed into or exchanged for a different number or class of shares or other securities of the Corporation or of a Successor Corporation (otherwise than as specified in Section 5.1 and Section 5.2 hereof), or the Corporation shall consolidate, merge or amalgamate with or into another Person, the Optionee will, subject to the provisions of Article 6 hereof, be entitled to receive at the time of any subsequent exercise of such Option in accordance with the terms hereof and will accept in lieu of the number of Common Shares then subscribed for an aggregate consideration payable therefor, adjusted, if necessary, to preserve proportionately the rights and obligations of the Optionee, the aggregate number of shares of the appropriate class or other securities of the Corporation or the Successor Corporation (as the case may be) or other consideration from the Corporation or the Successor Corporation (as the case may be) that such Optionee would have been entitled to receive as a result of such reclassification, reorganization or other change or exchange of shares or, subject to the provisions of Article 6 hereof, as a result of such consolidation, merger or amalgamation, as if on the record date of such reclassification, reorganization or other change or exchange of shares or the effective date of such consolidation, merger or amalgamation, as the case may be, such Optionee had been the registered holder of the number of Common Shares to which such Optionee was immediately theretofore entitled upon such exercise.

5.4 Distribution to Securityholders

If, at any time prior to the expiration of the Expiration Period of such Option, the Corporation makes a distribution to all holders of Common Shares of shares or other securities, cash, evidences of indebtedness or other assets in the capital of the Corporation (excluding a regular ordinary course dividend in cash or Common Shares, but including common shares or equity interests in a subsidiary or business unit of the Corporation or one of its Subsidiaries or cash proceeds of the disposition of such a subsidiary or business unit), or should the Corporation effect any transaction or change having a similar effect, then the Exercise Price, or the number of Common Shares to which the Optionee is entitled upon exercise of Options, or any combination thereof, will be adjusted to take into account such distribution, transaction or change. Subject to the TSX approval, the Board will determine the appropriate adjustments to be made in such circumstances in order to maintain the Optionee’s economic rights in respect of their Options in connection with such distribution, transaction or change.

5.5 Immediate Exercise of Options

Where the Board determines that the steps provided in Sections 5.2 and 5.3 would not preserve proportionately the rights and obligations of the Optionees in the circumstances or otherwise determines that it is appropriate, the Board may permit the immediate exercise of any outstanding Options that are not otherwise exercisable.

5.6 Issue by Corporation of Additional Common Shares

Except as expressly provided in this Article 5, neither the issue by the Corporation of shares of any class or securities convertible into or exchangeable for shares of any class, nor the conversion or exchange of such shares or securities, affects, and no adjustment by reason thereof is to be made with respect to: (i) the number of Common Shares that may be acquired on the exercise of any outstanding Options, or (ii) the Exercise Price of any outstanding Options.

5.7 Fractions

No fractional Common Shares will be issued on the exercise of an Option. Accordingly, if, as a result of any adjustment pursuant to this Article 5, an Optionee would become entitled to a fractional Common Share, the Optionee has the right to acquire only the adjusted number of whole Common Shares and no payment or other adjustment will be made with respect to the fractional Common Shares so disregarded.

5.8 Conditions of Exercise

The Plan and each Option are subject to the requirement that if at any time the Board determines that the listing, registration or qualification of the Common Shares subject to such Option upon any stock exchange or under any provincial, state or federal law, or the consent or approval of any governmental body or stock exchange or of the holders of the Common Shares generally, is necessary or desirable, as a condition of, or in connection with, the granting of such Option or the issue or purchase of Common Shares thereunder, no such Option may be granted or exercised in whole or in part unless such listing, registration, qualification, consent or approval has been effected or obtained free of any conditions not acceptable to the Board. The Optionees shall, to the extent applicable, cooperate with the Corporation in relation to such listing, registration, qualification, consent or other approval and shall have no claim or cause of action against the Corporation or any of its directors or officers as a result of any failure by the Corporation to obtain or to take any steps to obtain any such registration, qualification or approval.

ARTICLE 6
AMENDMENT OR DISCONTINUANCE OF THE PLAN

6.1 Amendments or Discontinuance of the Plan

Subject to compliance with the applicable rules of the TSX, or any other stock exchange upon which the Common Shares are listed, and subject to Section 6.2 below, the Board may from time to time amend, suspend or terminate this Plan, or the terms of any previously granted Option, without obtaining the approval of shareholders of the Corporation, provided that no such amendment to the terms of any previously granted Option may, except as expressly provided in the Plan, or with the written consent of the Optionee, adversely alter or impair the terms or conditions of such Option previously granted to such Optionee under this Plan.

Any amendment to this Plan, or to the terms of any Option previously granted, is subject to compliance with all applicable laws, rules, regulations and policies of any applicable governmental entity or TSX, or any other stock exchange upon which the Common Shares are listed, including receipt of any required approval from such governmental entity or stock exchange.

If this Plan is terminated, the provisions of this Plan and any administrative guidelines or other rules adopted by the Board and in force at the time of such termination shall continue in effect as long as any Options under the Plan or any rights pursuant thereto remain outstanding. Notwithstanding such termination of the Plan, the Board may make any amendments to the Plan or to the terms of any outstanding Options that it would be entitled to make if the Plan were still in effect.

6.2 Amendments Requiring Shareholder Approval

The Board may, subject to receipt of requisite shareholder and regulatory approval, make the following amendments to the Plan or any Options granted thereunder:

(a) any amendment to increase the number of securities issuable under the Plan;

(b) any amendment to the exercise price of any Option issued under the Plan where such amendment reduces the exercise price of such Option (for this purpose, a cancellation or termination of an Option of a Participant prior to its expiry for the purpose of re-issuing Options to the same Participant with a lower exercise price shall be treated as an amendment to reduce the exercise price of an Option);

(c) any amendment of this Plan that would permit an extension beyond the original expiry date of outstanding Options;

(d) any change to the definition of "Participant" which would have the potential of broadening or increasing Insider participation;

(e) any amendment to the Insider and non-management Director limits in Section 3.4;

(f) any amendment to Section 3.6 of this Plan that would permit Options to be assigned or transferred, other than for normal estate settlement purposes;

(g) any amendment to this Section 6 relating to the amending provisions of this Plan;

(h) any other amendments that may lead to significant or unreasonable dilution in the Corporation's outstanding securities or may provide additional benefits to eligible participants, especially insiders of the Corporation, at the expense of the Corporation and its existing shareholders.

ARTICLE 7
MISCELLANEOUS PROVISIONS

7.1 Legal Requirement

This Plan, and the Options granted under this Plan, shall at all times be subject to the ongoing requirements of applicable law and the rules of the TSX or other stock exchange upon which the Common Shares are listed.

The Corporation is not obligated to grant any Options, issue any Common Shares or other securities, make any payments or take any other action if, in the opinion of the Board, in its sole discretion, such action would constitute a violation by a Participant or the Corporation of any provision of any applicable statutory or regulatory enactment of any government or government agency.

7.2 Conformity to Plan

In the event that an Option is granted or an Option Agreement is executed which does not conform in all particulars with the provisions of this Plan, or purports to grant Options on terms different from those set out in this Plan, the Option, or the grant of such Option shall not be in any way void or invalidated, but the Option so granted will be adjusted to become, in all respects, in conformity with this Plan.

7.3 Optionee's Entitlement

Except as otherwise provided in this Plan, Options previously granted under this Plan, whether or not then vested or exercisable, are not affected by any change in the ownership of the Corporation.

7.4 Expenses

All fees and expenses incurred by the Corporation in connection with this Plan shall be borne by the Corporation. All expenses incurred by a Participant in connection with a grant or exercise of Options, including all fees and expenses of financial or legal advisors retained by such Participant in connection therewith, shall be borne by the Participant.

7.5 Withholding Taxes

The exercise of each Option granted under the Plan is subject to the condition that if at any time the Corporation determines, in its discretion, that the satisfaction of withholding tax or other withholding liabilities is necessary or desirable in respect of such exercise, such exercise is not effective unless such withholding has been effected to the satisfaction of the Corporation. In such circumstances, the Corporation may require that an Optionee pay to the Corporation, in addition to and in the same manner as the Exercise Price for the Common Shares, such amount as the Corporation is obliged to remit to the relevant taxing authority in respect of the exercise of the Option**.** Alternatively, the Corporation shall have the right in its discretion to satisfy any such liability for withholding by retaining any amount payable to an Optionee by the Corporation, whether or not such amounts are payable under the Plan. In the further alternative, if directed by an Optionee, the Corporation may withhold and cause to be sold, by it as agent on behalf of the Optionee, such number of Common Shares as it determines to be necessary to satisfy the withholding obligation. By so directing the Corporation, the Optionee consents to such sale and authorizes the Corporation to effect the sale of such Common Shares on behalf of the Optionee and to remit the appropriate amount to the applicable governmental authorities. Where so directed the Corporation shall not be responsible for obtaining any particular price for the Common Shares.

7.6 Rights of Participant/Optionee

No Participant has any claim or right to be granted an Option (including an Option granted in substitution for any Option that has expired pursuant to the terms and conditions of this Plan), and the granting of any Option is not to be construed as giving an Optionee a right to remain in the employ of the Corporation or any Subsidiary. No Optionee has any rights as a shareholder of the Corporation in respect of Common Shares issuable on the exercise of rights to acquire Common Shares under any Option (including the payment of dividends or other distributions) until the allotment and issuance to the Optionee of a certificate or certificates in the name of the Optionee or a statement of account, at the discretion of the Optionee, representing such Common Shares. The loss of existing or potential profit in Options granted under this Plan will not constitute an element of damages in the event of termination of an Optionee's employment or service in any office or otherwise.

7.7 Indemnification

Every Director or member of the Committee will at all times be indemnified and saved harmless by the Corporation from and against all costs, charges and expenses whatsoever including any income tax liability arising from any such indemnification, that such Director or member of the Committee may sustain or incur by reason of any action, suit or proceeding, taken or threatened against such Director or member of the Committee, otherwise than by the Corporation, for or in respect of any act done or omitted by such Director or member of the Committee in respect of this Plan, such costs, charges and expenses to include any amount paid to settle such action, suit or proceeding or in satisfaction of any judgment rendered therein. This shall be in addition to any indemnification agreement between the Corporation and the Directors.

7.8 Participation in this Plan

The participation of any Participant in this Plan is entirely voluntary and not obligatory and shall not be interpreted as conferring upon such Participant any rights or privileges other than those rights and privileges expressly provided in this Plan. In particular, participation in this Plan does not constitute a condition of employment nor a commitment on the part of the Corporation or any Subsidiary to ensure the continued employment of such Participant or Optionee. The Plan does not provide any guarantee against any loss which may result from fluctuations in the market value of the Common Shares. Neither the Corporation nor any Subsidiary assumes any responsibility for the income or other tax consequences resulting to the Optionees and they are advised to consult with their own tax advisors.

7.9 Effective Date

This Plan was adopted by the Board on August 4, 2011, and amended on April 15, 2014. Should any changes to this Plan be required by any securities commission or other governmental body of any jurisdiction of Canada to which this Plan has been submitted or by any stock exchange on which the Common Shares may from time to time be listed, such changes will be made to this Plan as are necessary to conform with such requests and, if such changes are approved by the Board, this Plan, as amended, will remain in full force and effect in its amended form as of and from that date.

7.10 Governing Law

This Plan is created under and is to be governed, construed and administered in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

[Amended: June 20, 2017]

APPENDIX 1

US RESIDENT EMPLOYEES

The terms of the Plan are hereby modified with respect to those Participants who are resident in the U.S.:

SPECIAL APPENDIX
to the
EcoSynthetix Inc.
2011 Stock Option Plan
Special Provisions Applicable to Participants Subject to
Section 409A of the United States Internal Revenue Code

This Appendix sets forth special provisions of the EcoSynthetix Inc. 2011 Stock Option Plan (the "Plan") that apply to Participants whose compensation is subject to section 409A of the United States Internal Revenue Code of 1986, as amended. Terms defined in the Plan and used herein and in any Option Agreement applicable to any Option issued under the Plan shall have the meanings set forth in the Plan document, as amended from time to time.

8. Definitions.

For purposes of this Appendix:

5. "Code" means the United States Internal Revenue Code of 1986, as amended, and any applicable United States Treasury Regulations and other binding regulatory guidance thereunder.

6. "Section 409A" means section 409A of the Code.

7. "Separation From Service" shall have the meaning as set forth in United States Treasury Regulation Section 1.409A 1(h).

8. "US Taxpayer" means a Participant whose compensation from the Corporation or any of its Affiliates is subject to Section 409A.

9. Exemption from Section 409A.

In General. Notwithstanding any provision of the Plan to the contrary, it is intended that Options granted under the Plan to US Taxpayers be exempt from Section 409A, and all provisions of the Plan shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A. Each US Taxpayer is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or for the account of such US Taxpayer in connection with the Plan (including any taxes and penalties under Section 409A), and neither the Corporation nor any Affiliate of the Corporation shall have any obligation to indemnify or otherwise hold such US Taxpayer (or any beneficiary) harmless from any or all of such taxes or penalties.

10. Exercise Price.

Notwithstanding any other provision of the Plan, so long as at the time of the grant of an Option the Common Shares are "readily tradable" as determined under United States Treasury Regulation Section 1.409A-1(b)(5)(vi)(G), the Exercise Price shall be the closing sale price of the Common Shares reported on the primary securities exchange on which the Common Shares are listed on the last business day on which such exchange is open for trading prior to the date of grant of such Option, and if at the time of grant the Common Shares are not "readily tradable" as determined under United States Treasury Regulation Section 1.409A-1(b)(5)(vi)(G), the Exercise Price shall be determined by the reasonable application of a reasonable valuation method in accordance with Treasury Regulation Section 1.409A-1(b)(5)(iv)(B).

11. Expiry of Option/Trading Blackouts.

Notwithstanding any other provision of the Plan and any provisions of the Option Agreement to the contrary, Options granted to US Taxpayers may not be exercised under any circumstance following the 10th anniversary of the Date of Grant.

12. Adjustments to Options.

Notwithstanding Article IV and Article V of the Plan or any provision of the Option Agreement to the contrary, in connection with any adjustment to the Options, the number of Shares deliverable on the exercise of an Option held by a US Taxpayer and the Exercise Price of an Option held by a US Taxpayer shall be adjusted in a manner intended to keep the Options exempt from Section 409A.

13. Amendment of Appendix

The Board shall retain the power and authority to amend or modify this Appendix to the extent the Board in its sole discretion deems necessary or advisable to comply with any guidance issued under Section 409A. Such amendments may be made without the approval of any US Taxpayer.

14. Non-transferability of Awards.

Notwithstanding Section 3.6 or 4.8 or any other provision of the Plan, except as otherwise set forth in the applicable Option Agreement, no Stock Option or any interest or participation therein may be transferred other than by will or by the laws of descent and distribution.

SCHEDULE A

OPTION AGREEMENT

NOTICE OF GRANT OF STOCK OPTIONS

[Name & Address] **[Date]**

Dear **[Name]:**

This is to advise you that you have been selected to participate in the EcoSynthetix Inc. 2011 Stock Option Plan (the "**Plan**").

Effective______, you will be granted___Options to acquire Common Shares

at a price of Cdn.$_____per Common Share.

Your Options will vest as to one-quarter of the total number of Options granted to you, or _ on each of the first four anniversaries following the Date of Grant.

Your Options are subject to the provisions of the Plan, a copy of which is enclosed. Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Plan. In the event of any discrepancy or conflict between this Notice of Grant and the Plan text, the Plan text shall govern.

Subject to earlier termination in accordance with the Plan, the Expiry Date of your Options is the 10th anniversary of the Date of Grant.

You should carefully review the terms and conditions of the Plan and seek advice from your legal and other advisors, prior to exercising your Options.

The Option grant described above is strictly confidential and the information concerning the number or price of Common Shares granted under this Option Agreement should not be disclosed to anyone.

If you have any questions about the Plan or your Options, please contact ●.

Please sign and return a copy of this Notice of Grant.

Yours sincerely,

* * * * * *

I acknowledge receipt of this Notice of Grant, a copy of the Plan (including all the schedules to the Plan), and agree to be bound by the terms thereof. By accepting this grant, I represent and warrant to the Corporation that my participation in the Plan is voluntary and has not been induced by expectation of engagement, appointment, employment, continued engagement, continued appointment or continued employment, as applicable.

DATED this _____ day of ______________, 2011.

____
Name (please print)

____
Signature

SCHEDULE B

Stock Option Plan Exercise Notice Form - Options

I, ____, hereby exercise the option
(print name)
to purchase _____________________ Common Shares of EcoSynthetix Inc. (the "**Corporation**") at a purchase price of $________________per Common Share of the Corporation. This Exercise Notice is delivered in respect of the option to purchase _________Common Shares of the Corporation that was granted to me on ______________________________pursuant to the Option Agreement entered into between the Corporation and me.

In connection with the foregoing, I enclose cash, a certified cheque, bank draft or money order payable to the Corporation in the amount of $_________________ as full payment for the Common Shares to be received upon exercise of the Option and the applicable withholding taxes.

Date	Optionee's Signature
	(Print name)