



Notice of Annual & Special Meeting of Shareholders

and

Management Information Circular

April 13, 2015

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**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 DeGroot School of Business located at 4350 South Service Road, Burlington, ON, Canada, L7L 5R8 on May 8, 2015 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, 2014 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 a resolution to ratify the implementation of amended and restated By-Law No. 2; and
- (e) 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 April 6, 2015 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 May 6, 2015, 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 13th day of April, 2015

By Order of the Board of Directors

"David Colcleugh"

Name: David Colcleugh

Title: Chairman of the Board of Directors

MANAGEMENT INFORMATION CIRCULAR

Unless otherwise stated, the information contained in this management information circular is as of April 13, 2015.

MEETING PROCEDURES

Who can go to the meeting?

Anyone who holds common shares (the “**Common Shares**”) of EcoSynthetix Inc. (“**EcoSynthetix**” or the “**Company**”) as of April 6, 2015, which is the record date for the meeting fixed by 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 April 6, 2015, 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 April 6, 2015, EcoSynthetix had 54,282,134 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, 2014, 313,618 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 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 of the Company on the basis of seven common shares for one Covered Share, subject to adjustment. In addition, the Company is entitled to purchase the Covered Shares held by the Retained Interest Holders at any time from the period commencing on August 4, 2017 to August 4, 2018 in exchange for seven common shares for one Covered Share, subject to adjustment. As of December 31, 2014, 313,618 Covered Shares (representing 5% of the outstanding shares of common stock of EcoSynthetix U.S.) remain outstanding, exchangeable into 2,195,326 Common Shares (representing 4% of the outstanding Common Shares). Assuming a conversion of all rights pursuant to the put/call agreement, as at April 6, 2015 the Company had the equivalent of 56,477,460 Common Shares 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**, 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 May 6, 2015.**

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 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 holders 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 any 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 May 6, 2015.

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

Mr. David Colcleugh, the Chairman of the Board of Directors and Jeff MacDonald, the Interim 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, P. O. Box 721, Agincourt, ON, M1S 0A1 no later than 2:00 p.m. (Eastern Daylight Time) on May 6, 2015. 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 without notice.

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 April 13, 2015, 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 delivering to CST Trust Company a duly executed proxy by paper, with 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, P.O. Box 721, Agincourt, ON, M1S 0A1, by 2:00 p.m. (Eastern Daylight Time) on May 6, 2015, 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.

The Company has retained the services of the Shorecrest Group Ltd. ("**Shorecrest**") to solicit shareholder proxies in connection with the meeting. The Company anticipates Shorecrest will solicit proxies by mail, telephone, electronic mail or by facsimile. Shorecrest will be paid fees of up to approximately C\$40,000 plus out of pocket expenses payable by the Company if certain criteria set out in the agreement between Shorecrest and the Company are met. The costs of the solicitation by management will be borne by the Company.

What if I have more questions?

If you have any questions about the information contained in this circular or need assistance in completing your proxy form, please contact Shorecrest by e-mail at contact@shorecrestgroup.com, or at the following telephone numbers:

- within Canada or the United States (toll-free): 1-888-637-5789; or
- outside Canada and the United States (by collect call): 647-931-7454.

EXCHANGE RATE

All dollar amounts referenced herein, unless otherwise indicated, are expressed in United States dollars and Canadian dollars are referred to as "C\$". Unless otherwise stated, any United States dollar amounts which have been converted from Canadian dollars have been converted at the exchange rate of US\$1.00 = C\$1.10, being the average annual exchange rate for Canadian dollars in terms of United States dollars as quoted by the Bank of Canada for the financial year ended December 31, 2014 (the "Annual Exchange Rate")

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
Lions Investment Ltd. ⁽²⁾	12,338,484 ⁽³⁾	22.73% ⁽⁴⁾
Invesco Canada Ltd.	9,504,339	17.51% ⁽⁵⁾

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) Mr. John van Leeuwen is an investment advisor to Lions Investment Ltd. Mr. van Leeuwen has advised the Company that he does not have a beneficial ownership interest in Lions Investment Ltd.
- (3) In addition, Lions Investment Ltd. holds 21,667 options exercisable into Common Shares. If all of its options were exercised, Lions Investment Ltd. would hold 22.77% of the outstanding Common Shares. Assuming all Retained Interest Holders exchanged their Covered Shares for Common Shares, Lions Investment Ltd., upon exercise of its options, would hold 21.89% of the outstanding Common Shares.
- (4) Assuming all Retained Interest Holders exchange their Covered Shares for Common Shares, Lions Investment Ltd. would hold 21.85% of the outstanding Common Shares.
- (5) Assuming all Retained Interest Holders exchange their Covered Shares for Common Shares, Invesco Canada Ltd. would hold 16.82% of the outstanding Common Shares.

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, 2014; (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.

PARTICULARS OF MATTERS TO BE ACTED UPON

FINANCIAL STATEMENTS

Our audited consolidated financial statements for the financial year ended December 31, 2014 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 of Directors (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, 2014 and 2013, we paid the following fees to PricewaterhouseCoopers LLP:

<u>Type of Work</u>	<u>2014 Fees (\$)⁽¹⁾</u>	<u>2013 Fees (\$)⁽¹⁾</u>
Audit fees	\$94,772	\$94,955
Audit-related fees	\$13,865	\$10,925
Tax fees	NIL	NIL
All other fees	\$7,160 ⁽²⁾	NIL
<u>Total</u>	<u>\$115,797</u>	<u>\$105,880</u>

Notes:

- (1) Fees were paid in Canadian dollars and have been converted to U.S. dollars at the Annual Exchange Rate and the 2013 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 the “Audit Committee – External Auditor Service Fees” section in our annual information form (the “**AIF**”) dated March 31, 2015. 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 six directors. At the meeting, the six 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**”). With the exception of Mr. Jeff MacDonald and Mr. Paul Lucas, each of whom is standing for election to the Board for the first time, 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.

ADVANCE NOTICE BY-LAW

On January 26, 2015, the Board approved by-law No.2 of the Company ("**By-Law No. 2**"), amending by-law No. 1 of the Company ("**By-Law No. 1**") by adding Section 3.03A to the pre-existing text of By-Law No. 1. On April 13, 2015 the Board approved an amended and restated By-Law No.2 ("**Amended By-Law No. 2**") to amend By-Law No.2 in order to align the by-law with recent updates to evolving industry guidelines.

In order to reflect updated guidance from institutional proxy services regarding advance notice by-laws which was issued prior to the printing of this circular, the following provision was removed from Section 3.03A of By-Law No. 2 by way of the Amended By-Law No.2 that is being submitted to shareholders for their ratification:

"The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee. Such information, if requested and received, will be made publicly available to all shareholders by the Corporation."

We ask that all shareholders refer to the recently updated Amended By-Law No.2, the full text of which is provided as Appendix "A" of this management information circular, in their consideration of the ratification of the Amended By-Law No.2.

Amended By-Law No. 2 implements certain changes to the director nomination procedure (the "**Advance Notice Provision**") which would apply 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 OBCA. Among other things, the Advance Notice Provision fixes a deadline by which holders of record of Common Shares 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.

The Board believes that the Advance Notice Provision is in the best interests of the Company as it provides a clear process for shareholders to follow for director nominations, sets out a reasonable time frame for nominee submissions and should ensure that all shareholders receive adequate notice of the nominations to be considered at a meeting. In addition, the Advance Notice Provision should assist in facilitating an orderly and efficient meeting process.

At the Meeting, the shareholders of the Company will be asked to consider and approve resolutions to ratify the adoption of the Amended By-Law No.2 as set forth in the resolution below. A copy of such Amended By-Law No. 2 is attached as Appendix "A" to this management information circular. Pursuant to the OBCA, the Amended By-Law No. 2 will cease to be effective unless confirmed by a resolution passed by a simple majority of votes cast by shareholders at the Meeting.

Shareholders will be asked to consider and approve resolutions in the following form:

"BE IT RESOLVED THAT:

1. By-Law No.2 as amended and restated in Appendix "A" to the management information circular dated April 13, 2015, be authorized, confirmed and approved as a new By-Law of the Company; and

2. any director or officer of the Company is hereby authorized and directed, acting for, in the name of and on behalf of the Company, to execute or cause to be executed, under the seal of the Company or otherwise and to deliver or to cause to be delivered, all such other deeds, documents, instructions and assurances and to do or cause to be done all such other acts as in the opinion of such director or officer of the Company may be necessary or desirable to carry out the terms of the foregoing resolutions.”

The Board recommends the adoption of the above resolutions. In order to be effective, the resolutions confirming the Amended By-Law No. 2 must be approved by not less than a majority of the votes cast by the holders of Common Shares present in person, or represented by proxy, at the Meeting. Unless a shareholder specifies otherwise in a proxy, the persons named in the accompanying proxy intend to vote in favour of such resolutions.

ELECTION OF DIRECTORS

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.

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.

David W. Colcleugh



Ontario, Canada

Age, 77

Director since 2008⁽¹⁾

Independent

Principal Occupation

Chairman and Director of the Company

Board and Board Committees

	Meeting Attendance	
Board of Directors	6 of 6	100%
Corporate Governance and Nominating Committee	6 of 6	100%
Compensation Committee	6 of 6	100%
Audit Committee	2 of 2 ⁽²⁾	100% ⁽²⁾

Securities Holdings

Financial Year	Common Shares	Options	DSUs	Market value of Common Shares, DSUs and Options ⁽³⁾	Value of total compensation received
2014	128,631	131,688	37,591	\$271,563	\$129,562
2013	108,631	131,688	10,091	\$462,299	\$171,359
2012	108,631	117,958	NIL	\$371,029	\$188,595

Other Board Memberships and Committees

Chemtrade Logistics Income Fund (Director)

Mr. Colcleugh earned a B.A., M.A. Sc. and Ph.D. in Chemical Engineering from the University of Toronto where he is Leadership Development Professor in the Faculty of Applied Science and Engineering. He joined DuPont Canada Inc. (“DuPont”) in 1963 as a Research Engineer. During his career with DuPont, he held many senior management positions. Prior to being appointed Chair, President and Chief Executive Officer of DuPont Canada Inc. in 1997, a position held until retirement in 2003, he was the president of DuPont Asia Pacific. He currently sits on the Board of Directors for Chemtrade Logistics Income Fund and was appointed as a Fellow of the Canadian Academy of Engineering.

Year	Voting Results	
	For	Withheld
2014	98.94%	1.06%
2013	96.45%	3.55%
2012	99.66%	0.34%

Jeff MacDonald⁽⁴⁾



Ontario, Canada

Age, 46

First-time nominee for director

Not Independent

Principal Occupation

Chief Executive Officer of the Company

Board and Board Committees

Mr. MacDonald was not a member of the Board during the 2014 financial year

Meeting Attendance

Securities Holdings

Financial Year	Common Shares	Options	RSUs ⁽⁵⁾	Market value of Common Shares, RSUs and Options ⁽⁶⁾	Value of total compensation received
2014	NIL	145,161	11,765	16,043	\$398,786
2013	N/A	N/A	N/A	N/A	N/A
2012	N/A	N/A	N/A	N/A	N/A

Other Board Memberships and Committees

None

Voting Results

Year	For	Withheld
2014	N/A	N/A
2013	N/A	N/A
2012	N/A	N/A

Mr. MacDonald was appointed the Chief Executive Officer to be effective May 1, 2015 and has been Interim Chief Executive Officer of EcoSynthetix since February 2015. Mr. MacDonald joined the company in 2014 as Chief Operating Officer. Previously, Mr. MacDonald's principal employment was as Vice-President, Marketing & Business Development (a role he held since 2003) at Husky Injection Molding Systems. 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.

John E. Barker



Ontario, Canada

Age, 67

Director since 2008⁽¹⁾

Independent

Principal Occupation

Director of the Company

Board and Board Committees

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

Securities Holdings

Financial Year	Common Shares	Options	DSUs	Market value of Common Shares, DSUs and Options ⁽³⁾	Value of total compensation received
2014	17,500	86,171	17,145	\$85,340	\$70,918
2013	17,500	86,171	6,728	\$190,519	\$75,728
2012	17,500	86,171	NIL	\$59,771	\$87,615

Other Board Memberships and Committees

Titan Medical Inc. (Chair of the Compensation Committee, Audit Committee)

Mr. Barker is a finance professional with general management experience. 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 Chair of the Compensation Committee, 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
2014	99.98%	0.02%
2013	99.21%	0.79%
2012	99.54%	0.46%

John Varghese



Ontario, Canada

Age, 50

Director since 2011

Independent

Principal Occupation

President and Chief Executive Officer of Revive Capital Investment Management Inc.

Board and Board Committees

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

Securities Holdings

Financial Year	Common Shares	Options	DSUs	Market value of Common Shares, DSUs and Options ⁽³⁾	Value of total compensation received
2014	5,500	12,671	17,145	\$30,883	\$73,191
2013	5,500	12,671	6,728	\$32,648	\$75,728
2012	5,500	12,671	NIL	\$18,785	\$87,615

Other Board Memberships and Committees

Pinetree Capital Ltd. (Director)

Francium Corporation (formerly Direct Media Technologies Inc.) (Chairman)

Mr. Varghese is currently President and CEO of Revive Capital Investment Management Inc., a private investment company. Mr. Varghese is a senior professional with extensive experience having served on over 20 Board of Directors of public and private companies, industry associations and not for profit organizations. In addition to being on the Board of the Company, Mr. Varghese is Chairman of Francium Corp., as well as a board member of Pinetree Capital Ltd. ("PNP.TO") and is also on the Advisory Council of Wellington Financial LP. Previously, he was Executive Chairman of Sprott Power Corp. ("SPZ.TO"), Chairman of Ventus Energy Inc. and Orion Securities Inc. (formerly Yorkton Securities). Mr. Varghese was CEO and co-owner of VentureLink Innovation Fund Inc., (formerly a wholly owned subsidiary of C.I. Mutual Funds). Mr. Varghese's professional experience ranges from venture capital, private equity and investment banking to senior management and board of director roles in various industries. Mr. Varghese has held senior management roles within multi-national corporations and early stage entities including CI Financial Inc., Royal Bank Capital Corporation, Midland Walwyn Capital Inc. (Merrill Lynch Canada), Dell Computer Corporation and Jim Pattison Industries Ltd. He was on the Executive Committee and on the board of directors of the Canadian Venture Capital and Private Equity Association. Mr. Varghese was a founding Board member of Bay Street Fore a Cause Inc., a not-for-profit corporation that supports numerous children's charities across Toronto. Mr. Varghese is a past member of University of Toronto's Business board of directors and a past board member of the University of Toronto Asset Management Corporation. Mr. Varghese graduated from the University of Western Ontario with an Economics degree in 1988, has been a member of the Chartered Professional Accountants of Canada (Chartered Accountant) since 1991 and holds the designation of ICD.D, granted by the Institute of Corporate Directors.

Voting Results

Year	For	Withheld
2014	99.99%	0.01%
2013	99.21%	0.79%
2012	99.66%	0.34%

Paul Lucas



Ontario, Canada

Age, 64

First-time nominee for director

Independent

Principal Occupation

Professional Director

Board and Board Committees

Mr. Lucas was not a member of the Board during the 2014 financial year

Securities Holdings

Financial Year	Common Shares	Options	DSUs	Market value of Common Shares, DSUs and Options ⁽⁴⁾	Value of total compensation received
2014	N/A	N/A	N/A	N/A	N/A
2013	N/A	N/A	N/A	N/A	N/A
2012	N/A	N/A	N/A	N/A	N/A

Other Board Memberships and Committees

Ontario Genomic Institute

Voting Results

Year	For	Withheld
2014	N/A	N/A
2013	N/A	N/A
2012	N/A	N/A

Mr. Lucas served as President and CEO of GlaxoSmithKline Canada from 1994 until 2012, where he was responsible for all pharmaceutical operations in Canada. During his time with GSK, he built the company into a national manufacturing leader, producing and shipping more than CAD \$2 billion worth of products, representing approximately 25 per cent of the total Canadian pharmaceutical shipments. Previous to joining Glaxo Canada in 1986, he held progressive management positions at Eli Lilly Canada and McNeil Pharmaceutical. Mr. Lucas sits on the Board of Directors for the Ontario Genomic Institute, was Chairman and member of the Board of Directors for TM Bioscience, was on the Board of Directors of the Toronto Regional Research Alliance and is a member of the Principal's Advisory Council of the University of Toronto at Mississauga. He served in the past as Chairman of the Board of Directors of Canada's Research-Based Pharmaceutical Companies (Rx&D). He received his B.Sc. (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.

Dr. Arthur Carty



Ontario, Canada

Age, 74

Director since 2011

Independent

Principal Occupation

Executive Director, Waterloo Institute for Nanotechnology

Board and Board Committees

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

Securities Holdings

Financial Year	Common Shares	Options	DSUs	Market value of Common Shares, DSUs and Options ⁽³⁾	Value of total compensation received
2014	5,500	12,671	17,145	\$30,883	\$70,918
2013	5,500	12,671	6,728	\$31,313	\$75,728
2012	5,500	12,671	NIL	\$17,078	\$83,160

Other Board Memberships and Committees

None

Dr. Carty is currently the Executive Director, Waterloo Institute for Nanotechnology. Prior to this appointment, Dr. Carty was the National Science Advisor to the Prime Minister and to the Government of Canada from 2004 to 2008. From 1994 to 2004, Dr. Carty served as the President of the National Research Council of Canada. Prior to this role, Dr. Carty spent two years at Memorial University and then 27 years at the University of Waterloo where he was successively professor of chemistry, director of the Guelph-Waterloo Center for Graduate Work in Chemistry, Chair for two terms and Dean of Research. Dr. Carty has 315 publications in peer reviewed journals and five patents to his credit. He is a former president of the Canadian Society for Chemistry, an honorary fellow of the Chemical Institute of Canada and a fellow of the Royal Society of Canada and the Fields Institute. Amongst his many awards are the Alcan Award and the Montreal Medal of the Chemical Institute of Canada, E.W.R Steacie Award of the Canadian Society for Chemistry, the Queen Elizabeth II Golden Jubilee Medal and the Taiwan National Science Council Professional Medal. He has been accorded fourteen honorary degrees from Canadian and foreign universities. Dr Carty is an Officer of the Order of Canada and has also been honoured by France as Officier de l'Ordre National du Merite. Most recently he received the National Leader Award, Genome British Columbia in 2010, was elected an Honorary Fellow of the Canadian Academy of Engineering in 2009 and was awarded the Queen Elizabeth II Diamond Jubilee Medal in 2012. Currently, Dr. Carty is a Council member, Science and Technology in Society Forum (STS) (Japan), and a Member of the Advisory Board of Taiwan's National Science Council. He is also Chair of the Council of Canadian Academies, Expert Panel on "the State of Science Culture in Canada". Dr. Carty holds a Bachelor of Science, Chemistry and a Ph.D. (Inorganic Chemistry) from the University of Nottingham.

Voting Results

Year	For	Withheld
2014	99.20%	0.80%
2013	96.84%	3.16%
2013	99.66%	0.34%

Notes:

- (1) Reflects date of appointment of such individual as a director of EcoSynthetix U.S.
- (2) Mr. Colcleugh was appointed to the Audit Committee in November, 2014, and attended all of the 2014 meetings of the Audit Committee held subsequent to his appointment.
- (3) Total market value of equity includes the market value of Common Shares, vested in-the-money stock options and DSUs (as defined herein). The market value of Common Shares and DSUs has been calculated based on the closing price of the Common Shares on the Toronto Stock Exchange ("TSX") on December 31, 2014 of C\$1.50 (\$1.36 at the Annual Exchange Rate). The market value of in-the-money stock options has been calculated based on the closing price of Common Shares on the TSX on December 31, 2014 of C\$1.50 (\$1.36 at the Annual Exchange Rate) from which the exercise price of in-the-money stock options has been subtracted.
- (4) Mr. MacDonald has been appointed Chief Executive Officer of the Company, effective May 1, 2015, replacing Mr. van Leeuwen.
- (5) Mr. MacDonald's RSUs (as defined herein) were granted to him on May 1, 2014 in connection with his appointment as Chief Operating Officer of the Company.
- (6) Total market value of equity includes the market value of vested in-the-money stock options and RSUs (as defined below). The market value of RSUs has been calculated based on the closing price of the Common Shares on the TSX on December 31, 2014 of C\$1.50 (\$1.36 at the Annual Exchange Rate). The market value of in-the-money stock options has been calculated based on the closing price of Common Shares on the TSX on December 31, 2014 of C\$1.50 (\$1.36 at the Annual Exchange Rate) from which the exercise price of in-the-money stock options has been subtracted.

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.

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.

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, 2015, Mr. Colcleugh has elected to have his retainer and meeting fees paid entirely in DSUs, and Dr. Carty and Messrs. Barker and Varghese have elected to have 50% of their non-executive director retainer and Board meeting fee paid in DSUs, with the remaining portion to be paid in cash.

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 following table sets forth the compensation structure for the directors for the financial year ended December 31, 2014:

Non-Executive Chairman⁽¹⁾⁽²⁾		Non-Executive Directors⁽²⁾	
Compensation Component	Amount⁽³⁾	Compensation Component	Amount⁽³⁾
Non-Executive Director Retainer ⁽⁴⁾	\$57,280	Non-Executive Director Retainer ⁽⁴⁾	\$57,280
Board Meeting Fee ⁽⁵⁾	\$13,638	Board Meeting Fee ⁽⁵⁾	\$13,638
Chairman's Fee	\$43,642	Total	\$70,918
Total	\$114,560		

Notes:

- (1) Mr. Colcleugh currently acts as the non-executive Chairman of the Board and held this position throughout the financial year ended December 31, 2014. Mr. Colcleugh was, for a period of time during the 2014 financial year, on retainer as a consultant to the Company. During this time, Mr. Colcleugh was paid cash consulting fees in the amount of C\$16,500 (US\$15,002 at the Annual Exchange Rate). Effective May 22, 2014, Mr. Colcleugh ceased to act as a consultant to the Company and has received no further consulting fees subsequent to this date.
- (2) All amounts shown in the table have been converted to U.S. dollars at the Annual Exchange Rate.
- (3) Paid in the form of cash and/or DSUs, at the election of the Chairman or director, as applicable.
- (4) All directors are entitled to be reimbursed for expenses incurred by them in their capacity as directors.
- (5) Directors receive the board meeting fee in connection with 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, 2014, the following DSUs were awarded to non-executive members of the Board as part of such director's overall compensation:

Name	Director Compensation Taken In DSUs ⁽¹⁾		Director Compensation taken in Cash	Total Director Compensation Received
	Number of DSUs Awarded ⁽²⁾	Value of DSUs Awarded ⁽³⁾⁽⁴⁾		
David Colcleugh	27,500	\$60,007	\$54,553	\$114,560 ⁽⁵⁾
John E. Barker	10,417	\$22,730	\$48,188	\$70,918
John Varghese	10,417	\$22,730	\$48,188	\$73,191 ⁽⁶⁾
Dr. Arthur Carty	10,417	\$22,730	\$48,188	\$70,918

Notes:

- (1) DSU awards vest on a quarterly vesting schedule, with 25% of the award vesting upon issuance, and in each consecutive quarter thereafter. As of the date of this management information circular, all DSUs awarded in the financial year ended December 31, 2014 have vested. Redemption of vested DSUs and the associated payout of Common Shares does not occur until the holder of the DSU ceases to be a director of the Company.
- (2) 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.
- (3) 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, 2014, the weighted average trading price was C\$2.40(\$2.18 at the Annual Exchange Rate).
- (4) 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, 2014 are, as of the date of this management information circular, fully vested.
- (5) Mr. Colcleugh was, for a period of time during the 2014 financial year, on retainer as a consultant to the Company. During this time, Mr. Colcleugh was paid cash consulting fees in the amount of C\$16,500 (\$15,002 at the Annual Exchange Rate). Effective May 22, 2014, Mr. Colcleugh ceased to act as a consultant to the Company and has received no further consulting fees subsequent to this date. The balance quoted does not include the \$15,002 in consulting fees received by Mr. Colcleugh in 2014.
- (6) For the financial year ended December 31, 2014, the Company paid C\$2,500 (\$2,273 at the Annual Exchange Rate) towards a continuing education program attended by Mr. Varghese.

The Company previously granted options to directors under the 2011 Plan (as defined below), 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, DSUs vest on a quarterly schedule, with 25% of a DSU award vesting upon issuance, and in each consecutive quarter thereafter. 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, 2014. 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 entitled “Elements of Executive Compensation – Summary Compensation Table”, below.

Name	Fees earned (\$)⁽¹⁾	Share-based awards (\$)⁽²⁾	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	All other compensation (\$)	Total (\$)
David W. Colcleugh	54,553	60,007	N/A	N/A	15,002 ⁽³⁾	129,562
John E. Barker	48,188	22,730	N/A	N/A	N/A	70,918
John Varghese	48,188	22,730	N/A	N/A	2,273 ⁽⁴⁾	73,191
Dr. Arthur Carty	48,188	22,730	N/A	N/A	N/A	70,918

Notes:

- (1) Represents the portion of director compensation for the financial year ended December 31, 2014 (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.
- (2) Represents the portion of director compensation for the financial year ended December 31, 2014 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, 2014, the weighted average trading price was C\$2.40 (\$2.18 at the Annual Exchange Rate).
- (3) Mr. Colcleugh was retained as a consultant to the Company in 2014, for which he received C\$16,500 (\$15,002 at the Annual Exchange Rate) in consulting fees, paid in cash. Mr. Colcleugh ceased to act as a consultant to the Company as of May 22, 2014 and received no additional compensation subsequent to that date.
- (4) For the financial year ended December 31, 2014, the Company paid C\$2,500 (\$2,273 at the Annual Exchange Rate) towards a continuing education program attended by Mr. Varghese.

Incentive Plan Awards Summary

Incentive Plan Awards

The following tables provide information regarding the incentive plan awards for each non-executive director outstanding as of December 31, 2014.

Outstanding Share-Based Awards and Option-Based Awards

Name	Option-based Awards ⁽¹⁾				Share-based Awards ⁽²⁾		
	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⁾
David W. Colcleugh	35,000	C\$0.79	May 14, 2018	\$22,594	NIL	NIL	\$51,267 (37,591 DSUs)
	24,500	C\$0.81	August 31, 2019	\$15,370			
	24,500	C\$1.19	August 31, 2020	\$6,905			
	33,958	C\$3.77	August 17, 2022	NIL			
	13,730	C\$4.77	August 7, 2023	NIL			
John E. Barker	24,500	C\$0.79	October 23, 2018	\$15,816	NIL	NIL	\$23,380 (17,145 DSUs)
	24,500	C\$0.81	August 19, 2019	\$15,370			
	24,500	C\$1.19	August 31, 2020	\$6,905			
	12,671	C\$3.77	August 17, 2022	NIL			
John Varghese	12,671	C\$3.77	August 17, 2022	NIL	NIL	\$23,380 (17,145 DSUs)	
Dr. Arthur Carty	12,671	C\$3.77	August 17, 2022	NIL	NIL	\$23,380 (17,145 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, 2014 of C\$1.50 (\$1.36 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 Toronto Stock Exchange on December 31, 2014 of C\$1.50 (\$1.36 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% vesting upon issuance, and each consecutive quarter thereafter. As of the date of this management information circular, all DSUs awarded to directors during the financial year ended December 31, 2014 have vested.

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 ⁽¹⁾⁽²⁾ (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
David W. Colcleugh	NIL	\$37,500	NIL
John E. Barker	NIL	\$14,205	NIL
John Varghese	NIL	\$14,205	NIL
Dr. Arthur Carty	NIL	\$14,205	NIL

Notes:

- (1) Represents DSUs issued under the DSU Plan. DSU awards vest on a quarterly vesting schedule, with 25% of the award vesting upon issuance, and in each consecutive quarter thereafter. As of the date of this management information circular, all DSUs awarded to directors during the financial year ended December 31, 2014 have vested.
- (2) The market value of deferred share units has been calculated based on the closing price of the Common Shares on the Toronto Stock Exchange on December 31, 2014 of C\$1.50 (\$1.36 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.

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;

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

- identifying principal business risks and ensuring that appropriate systems are put in place to manage such risks;
- 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'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, 2014, all Board and committee meetings were accompanied by *in-camera* sessions where management of the Company was not in attendance.

The Board held six meetings in the financial year ended December 31, 2014. All directors were in attendance for all meetings.

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, for the financial year ended December 31, 2014, four out of five directors, being a majority of the members of the Board, are independent within the meaning of NI 52-110 as set out in the following table:

Independent Status of Directors

Name	Independent	Non-Independent	Reason for Non-Independent Status
John E. Barker	√		
David W. Colcleugh	√		
John Varghese	√		
Dr. Arthur Carty	√		
John van Leeuwen ⁽¹⁾		√	Executive Officer

Notes:

(1) Mr. MacDonald has been appointed Chief Executive Officer of the Company, effective May 1, 2015, replacing Mr. van Leeuwen. Mr. MacDonald, a nominee at the meeting, will not be considered an independent director as he is an executive officer of the Company. Mr. Lucas, a nominee at the meeting, will be considered an independent director.

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.

There is no retirement policy for directors.

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
John E. Barker	✓	✓	✓
David W. Colcleugh	✓	✓	✓
John Varghese	✓	✓	✓
Dr. Arthur Carty	✓	✓	✓

Committee Meetings

Each committee of the Board is required to meet at least four times each year or more 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.

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 (\$2,273 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 2014 to address succession planning matters. All independent members of the Board were in attendance at each such meeting.

Skills Matrix

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:

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

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), Colcleugh, Varghese, and Dr. Carty, each of whom is independent and financially literate within the meaning of NI 52-110. 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 of Directors, 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 31, 2015 as Schedule "A" and is also available on the Company's website at www.ecosynthetix.com.

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.

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

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, among other things, determines the appropriate compensation for our directors, officers and employees, as further set out in this 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 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) administering 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

The Compensation Committee of the Board is composed of four directors, Messrs. Barker, Colcleugh, Varghese and Carty, each of whom is independent. Mr. Varghese acts as chairman of the Compensation Committee.

practices in the industry; (viii) comparing on an annual basis the total remuneration and main components of compensation for the senior executives 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 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.

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

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. David Colcleugh, who is considered to be an independent director. 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 of Directors has adopted a written code of ethics entitled 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 of Directors 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.

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, 2014 were:

- John van Leeuwen, Chief Executive Officer⁽¹⁾;
- Jeff MacDonald, Chief Operating Officer⁽¹⁾;
- Dr. Steven Bloembergen, Executive Vice President, Technology;
- Robert Haire, Chief Financial Officer and Corporate Secretary; and
- Edward van Egdorn, Senior Vice President, Market Realization and Product Manufacturing.

Notes:

- (1) Mr. MacDonald has been appointed Chief Executive Officer of the Company, effective May 1, 2015, replacing Mr. van Leeuwen.

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) administering 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 Mr. John Varghese (Chair), Mr. John Barker, Mr. David W. Colcleugh, and Dr. Arthur Carty. 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 ⁽¹⁾	Can include life, medical, disability insurance, RRSP contributions and auto allowance

Notes:

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

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 is linked to our overall corporate performance. 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. During the financial year ended December 31, 2014, Towers Watson (“**Towers**”) was engaged by the Compensation Committee as an independent compensation advisor to provide an analysis of the competitiveness and appropriateness of our compensation practices. The scope of services includes review and observation of the current executive compensation philosophy, policies and practices. We have paid the following in fees to Towers for compensation advice, which have been converted from Canadian dollars at the Annual Exchange Rate.

Financial year ended December 31,	Executive Compensation Related Fees	All Other Fees⁽¹⁾
2014	\$33,733	\$27,191
2013	\$13,090	\$30,017

Notes:

(1) “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 vesting schedules and 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, 2014, 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.

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, 2014.

Name and Position	Base Salary	Short-Term Performance Incentive	Long-Term Performance Incentive	Total Percentage of Pay "At Risk"⁽²⁾
John van Leeuwen <i>Chief Executive Officer</i> ⁽¹⁾	41%	24%	35%	59%
Jeff MacDonald <i>Chief Operating Officer</i> ⁽¹⁾	56%	22%	22%	44%
Dr. Steven Bloembergen <i>Executive Vice President, Technology</i>	59%	24%	18%	41%
Robert Haire <i>Chief Financial Officer and Corporate Secretary</i>	56%	22%	22%	44%
Edward van Egdom <i>Senior Vice President, Market Realization and Product Manufacturing</i>	56%	22%	22%	44%

Notes:

- (1) Mr. MacDonald has been appointed Chief Executive Officer of the Company, effective May 1, 2015, replacing Mr. van Leeuwen.
- (2) Compensation "at risk" is comprised of short-term incentive awards and long-term incentive awards, all of which are subject to performance-based vesting conditions.

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, 2014, the following base salaries were paid to the NEOs:

Name and Position	Base Salary
John van Leeuwen ⁽¹⁾ <i>Chief Executive Officer</i>	\$413,238 ⁽³⁾
Jeff MacDonald ⁽¹⁾⁽²⁾ <i>Chief Operating Officer</i>	\$183,566 ⁽³⁾
Dr. Steven Bloembergen <i>Executive Vice President, Technology</i>	\$225,000
Robert Haire <i>Chief Financial Officer and Corporate Secretary</i>	\$272,727 ⁽³⁾
Edward van Egdom <i>Senior Vice President, Market Realization and Product Manufacturing</i>	\$240,909 ⁽³⁾

Notes:

- (1) Mr. MacDonald has been appointed Chief Executive Officer of the Company, effective May 1, 2015, replacing Mr. van Leeuwen.
- (2) 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 period of time he has been employed with the Company.
- (3) Salary is determined and paid in Canadian dollars, and has been converted using the Annual Exchange Rate. Mr. Bloembergen's salary is determined and paid in U.S. dollars.

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 the Corporate Performance Score, and then by the NEO's individual performance score. The Company's objective with respect to short-term incentives is to first award individuals in recognition of overall company performance, and 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:

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

} Target STIP Award (\$)

Corporate Performance

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 the Chief Executive Officer makes a recommendation to the Compensation Committee, who in turn makes a recommendation to the Board.

In the financial year ended December 31, 2014, the corporate performance targets for short-term incentive awards were allocated as follows:

Target	Weight
Revenue ⁽¹⁾	20%
Adjusted EBITDA ⁽²⁾	10%
FTG ("Fill-the-Gap" revenue) ⁽³⁾	70%
Total Corporate Performance	100%

Notes:

- (1) The purpose of the revenue target is to tie short-term incentives to financial performance in 2014.
- (2) Adjusted EBITDA is defined as consolidated net income (loss) before interest, income taxes, depreciation, amortization, 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 frequently used by securities analysts, investors and other interested parties as a measure of financial performance.
- (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.

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, 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.

Short-Term Incentive Payouts

As the Company did not meet its corporate performance targets, no short-term incentive payouts were made to NEOs for the financial year ended December 31, 2014.

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-based vesting conditions.

Stock options are governed by the Company's 2011 stock option plan (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 the Company's management information circular dated April 16, 2014 and can be accessed under the Company's profile on SEDAR at www.sedar.com.

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, 2014 were determined and awarded as follows:

Name and Position	Stock Options Awarded (Subject to performance-based vesting conditions)⁽²⁾	Value of Stock Options Awarded (Subject to performance-based vesting conditions)⁽²⁾ ⁽³⁾	RSUs Awarded (Subject to performance-based vesting conditions)⁽²⁾	Value of RSUs Awarded (Subject to performance-based vesting conditions)⁽²⁾ ⁽⁴⁾
John van Leeuwen ⁽¹⁾ <i>Chief Executive Officer</i>	235,595	\$263,438	38,484	\$88,163
Jeff MacDonald ⁽¹⁾ <i>Chief Operating Officer</i>	145,161	\$162,316	11,765	\$26,953
Dr. Steven Bloembergen <i>Executive Vice President, Technology</i>	41,159	\$46,023	6,723	\$15,402
Robert Haire <i>Chief Financial Officer and Corporate Secretary</i>	73,171	\$81,818	11,952	\$27,381
Edward van Egdom <i>Senior Vice President, Market Realization and Product Manufacturing</i>	64,634	\$72,271	10,588	\$24,187

Notes:

- (1) Mr. MacDonald has been appointed Chief Executive Officer of the Company, effective May 1, 2015, replacing Mr. van Leeuwen.
- (2) Vesting of these amounts is subject to performance requirements. Please see “Elements of Executive Compensation – Long Term Incentives – Stock Options – Performance Vesting Conditions” and “Elements of Executive Compensation – Long Term Incentives – RSUs” for more details.
- (3) Awards are subject to performance-based vesting conditions (see “Elements of Executive Compensation – Long Term Incentives – Stock Options – Performance Vesting Conditions”) 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: 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.
- (4) Awards are subject to performance-based vesting conditions (see “Elements of Executive Compensation – Long Term Incentives – RSUs”). 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.

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 EcoSynthetix (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 have a ten-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 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.

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 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.

Currently, stock options awarded to NEOs operate on a three-year vesting schedule subject to attaining any one of the following two conditions:

1) an annual corporate performance target is met (the "LTIP Target"):

The LTIP Target is comprised of: (i) a revenue target and (ii) an FTG ("fill-the-gap" revenue) target, which combine to create a corporate performance target for the year of grant and each of the two following years.

The revenue component of the LTIP Target is based on a target three-year compound annual revenue growth rate (the "**Revenue Growth Target**") which Revenue Growth Target is set for each year of the three-year vesting schedule (each being an "**Annual Revenue Target**"). The FTG component of the LTIP Target is based on a management recommendation to the Board at the time of grant, who will then set an FTG target for each year of the three-year vesting schedule (the "**Annual FTG Target**"). Both the Annual Revenue Target and the Annual FTG Target must be met for the LTIP Target to be have been met.

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. Like the LTIP Target, the LTIP Threshold is comprised of a revenue threshold (based on revenue growth) and an FTG threshold. The revenue threshold is set using a process similar to that which is used to set the Annual Revenue Target (except with a lower rate of revenue growth).

Stock option awards subject to performance-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 (subject to the Absolute Revenue Target discussed below).

2) an absolute revenue target is met (the “Absolute Revenue Target”):

Concurrent with the setting of LTIP Targets, the Board (upon recommendation by the Compensation Committee) will set an Absolute Revenue Target. The Absolute Revenue Target is generally set as the three-year future value of the previous year’s reported revenue having grown at the Revenue Growth Target in each year. If the Absolute Revenue Target is met in any year of the stock option award’s three-year vesting period, 100% of the award will vest in the year in which the Absolute Revenue Target is met.

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, 2014:

	Rollover Plan	2011 Plan
Maximum share reserve	4,298,948 (7.61%)	5,647,746 (10%) ⁽¹⁾
Total Options granted	4,298,948 (7.61%) ⁽¹⁾	2,152,041 ⁽²⁾ (3.81%) ⁽¹⁾
Total Options available for grant	NIL ⁽³⁾	3,495,705 (6.19%) ⁽¹⁾
Options exercised during the financial year ended December 31, 2014	287,959	NIL
2014 Burn Rate ⁽⁴⁾	NIL ⁽³⁾	1.45%

Notes:

- (1) Represents a percent of total outstanding Common Shares. Assumes a full exercise of the put/call, resulting in 56,477,460 Common Shares outstanding as of December 31, 2014.
- (2) Figure quoted is net of forfeitures of stock options which resulted from the termination of the employment of a former executive.
- (3) No additional options may be granted pursuant to the Rollover Plan.
- (4) The burn rate is the number of options issued under 2011 Plan (818,683) for the financial year ended December 31, 2014 expressed as a percentage of the 56,477,460 Common Shares that were issued and outstanding as at December 31, 2014 assuming full exercise of the put/call.

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.

Currently, RSU awards 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 1.77% of the issued and outstanding Common Shares as at the financial year ended December 31, 2014, and 1.84% of the Common Shares issued and outstanding as at the April 6, 2015, 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, 2014.

	RSU Plan
Maximum share reserve	1,000,000 (1.77%) ⁽¹⁾
Total RSUs granted	168,935 ⁽²⁾ (0.30%) ⁽¹⁾
Total RSUs available for grant	831,065 (1.47%) ⁽¹⁾
Burn Rate ⁽³⁾	0.19%

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 56,477,460, as of December 31, 2014.
- (2) Figure quoted is net of forfeitures which resulted from the termination of the employment of a former executive.
- (3) The burn rate is the number of RSUs issued under RSU Plan (106,536) for the financial year ended December 31, 2014 expressed as a percentage of the 56,477,460 Common Shares that were issued and outstanding as at December 31, 2014 assuming full exercise of the put/call.

No previously awarded RSUs vested in 2014 as the performance-based vesting conditions were not met.

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

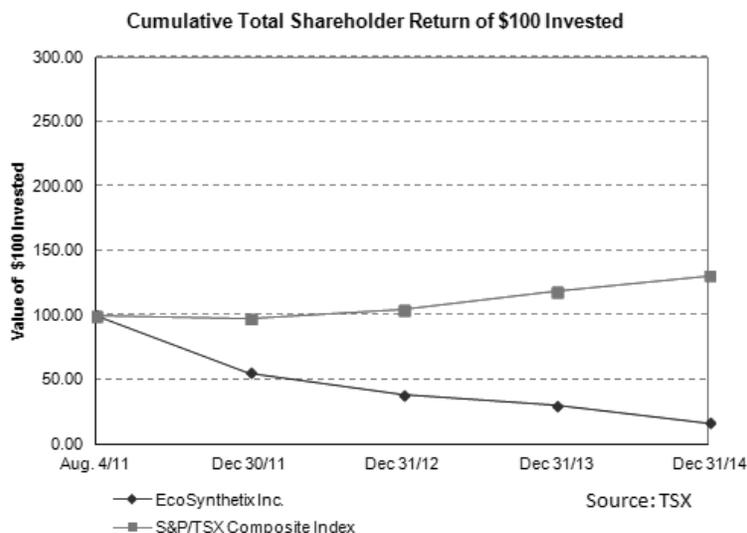
The NEOs do not participate in any defined benefit pension plan, defined contribution plan or deferred compensation plan. Mr. Bloembergen participates in our 401(k) program for United States corporate employees.

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 2014 is the lesser of \$52,000 or 100% of the eligible employee's annual compensation and the deferral limit is \$17,500, plus an additional \$5,500 catch-up contribution for employees who reached age 50 in 2014.

PERFORMANCE GRAPH

The following graph compares total shareholder return since listing on the TSX on August 4, 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 August 4, 2011 compared to C\$100 invested in the S&P/TSX Composite Index for the same period.



	Value of \$100 Invested				
	August 4, 2011	December 31, 2011	December 31, 2012	December 31, 2013	December 31, 2014
EcoSynthetix Inc.	100.00	55.56	38.33	30.56	16.67
S&P/TSX Composite Index	100.00	97.75	104.77	118.38	130.88

Source: TSX

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, 2014, 2013 and 2012 regarding compensation awarded to the NEOs, subject to any performance-based vesting conditions, as applicable (see “Elements of Executive Compensation – Short-Term Incentives” and “Elements of Executive Compensation – Long-Term Incentives”).

Name and principal position	Year	Salary (\$) ⁽²⁾	Share-based awards (\$) ⁽³⁾	Option-based awards (\$) ⁽⁴⁾	Non-equity incentive plan compensation (\$)		All other compensation (\$) ⁽²⁾	Total compensation (\$)
					Short-term incentive plans ⁽²⁾	Long-term incentive plans		
John van Leeuwen Chief Executive Officer and Director ⁽¹⁾	2014	413,238	87,813	263,438	N/A	N/A	63,636 ⁽⁵⁾	828,126
	2013	442,016	93,782	562,685	56,357	N/A	76,201 ⁽⁵⁾	1,231,041
	2012	402,782	N/A	352,031	66,459	N/A	100,696 ⁽⁵⁾	921,968
Jeff MacDonald Chief Operating Officer ⁽¹⁾	2014	183,566 ⁽⁶⁾	27,273	162,316	N/A	N/A	25,629 ⁽⁵⁾	398,786
	2013	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2012	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Dr. Steven Bloembergen Executive Vice President, Technology	2014	225,000	15,341	46,023	N/A	N/A	245,000 ⁽⁷⁾⁽⁸⁾	531,364
	2013	225,000	16,382	98,301 ⁽⁸⁾	27,000	N/A	451,747 ⁽⁷⁾⁽⁸⁾	818,430
	2012	210,481	N/A	143,513	18,900	N/A	161,000 ⁽⁷⁾⁽⁸⁾	484,894
Robert Haire Chief Financial Officer and Corporate Secretary	2014	272,727	27,272	81,818	N/A	N/A	41,477 ⁽⁵⁾	423,295
	2013	291,720	29,124	174,757	37,924	N/A	50,998 ⁽⁵⁾	584,523
	2012	254,925	N/A	93,812	35,849	N/A	75,611 ⁽⁵⁾	460,197
Edward van Egdom Senior Vice President, Market Realization and Product Manufacturing	2014	240,909	24,091	72,271	N/A	N/A	38,331 ⁽⁵⁾	375,603
	2013	257,686	25,727	154,369	35,045	N/A	47,832 ⁽⁵⁾	520,659
	2012	213,445	N/A	44,018	46,080	N/A	70,043 ⁽⁵⁾	373,586
Total NEO Compensation:	2014	1,335,441	181,791	625,868	N/A	N/A	414,074	2,557,174

Notes:

- (1) Mr. MacDonald has been appointed Chief Executive Officer of the Company, effective May 1, 2015, replacing Mr. van Leeuwen. Mr. van Leeuwen does not receive any compensation for his role as a director.
- (2) With the exception of salary and certain benefits paid to Mr. Bloembergen (which are 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 for the financial year ended December 31, 2014, at an average annual exchange rate of US\$1.00 = C\$1.03 for the financial year ended December 31, 2013 (the “2013 Annual Exchange Rate”), and at an average annual exchange rate of US\$1.00 = C\$1.01 for the financial year ended December 31, 2012 (the “2012 Annual Exchange Rate”).
- (3) These amounts represent the grant date fair value of RSUs awarded 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, 2013 Annual Exchange Rate, or 2012 Annual Exchange Rate, as applicable.
- (4) Certain stock option awards are subject to performance-based vesting conditions (see “Elements of Executive Compensation – Long-Term Incentives – Stock Options – Performance Vesting Conditions”). These amounts presented in this table reflect the grant date fair value of stock options granted to the NEO, assuming applicable performance conditions are met. Where performance-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: (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, 2013 Annual Exchange Rate, and 2012 Annual Exchange Rate, as applicable.

- (5) The terms of the indicated NEOs' employment agreements provide for benefit entitlements comprising 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.
- (6) 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 period of time in the financial year ended December 31, 2014 he was employed with the Company.
- (7) All other compensation includes quarterly retention payments of \$47,500 from for each quarter of such year and medical benefits, 401K contribution and a car allowance.
- (8) Upon execution of Mr. Bloembergen's current employment agreement in October, 2012 he received a one-time retention package comprised of a lump-sum payment of \$100,000, payable in October, 2012, a one-time lump-sum payment of \$200,000 payable in 2013, quarterly payments of \$47,500 running from the first quarter of 2013 to the fourth quarter of 2014, and a one-time grant of share options equivalent to C\$100,000, which vested fully in June, 2013.

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, 2014

Outstanding Share-Based Awards and Option-Based Awards

Name and Position	Option-based Awards				Share-based Awards ⁽⁵⁾		
	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 (#)	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 (\$) ⁽⁵⁾
John van Leeuwen ⁽¹⁾ <i>Chief Executive Officer and Director</i>	768,502 875,000 112,000 635,950 350,000 225,895 267,081 ⁽³⁾ 235,595 ⁽³⁾	C\$0.08 C\$0.08 C\$0.81 C\$0.81 C\$2.51 C\$3.06 C\$4.32 C\$2.51	November 8, 2015 November 8, 2015 August 31, 2019 August 31, 2019 January 9, 2021 March 7, 2023 June 12, 2023 March 6, 2024	\$992,066 \$1,129,545 \$70,255 \$398,914 NIL NIL NIL NIL	60,844	\$82,969	NIL
Jeff MacDonald ⁽¹⁾ <i>Chief Operating Officer</i>	145,161 ⁽³⁾	C\$2.55	March 6, 2024	NIL	11,765	\$16,043	NIL
Dr. Steven Bloembergen <i>Executive Vice President, Technology</i>	262,500 35,000 70,000 60,195 27,922 46,659 ⁽³⁾ 41,159 ⁽³⁾	C\$0.08 C\$0.81 C\$2.49 C\$3.35 C\$3.06 C\$4.32 C\$2.51	November 8, 2020 August 31, 2019 January 9, 2021 March 7, 2023 March 7, 2023 June 12, 2023 Mach 6, 2024	\$338,864 \$21,955 NIL NIL NIL NIL NIL	10,629	\$14,494	NIL
Robert Haire <i>Chief Financial Officer and Corporate Secretary</i>	280,050 175,000 60,199 82,949 ⁽³⁾ 73,171 ⁽³⁾	C\$0.79 C\$2.51 C\$3.06 C\$4.32 C\$2.51	May 14, 2018 January 9, 2021 March 7, 2023 June 12, 2023 March 6, 2024	\$180,760 NIL NIL NIL NIL	18,896	\$25,767	NIL
Edward van Egdorn <i>President, Market Realization and Product Manufacturing</i>	25,200 70,000 28,246 73,272 ⁽³⁾ 64,633 ⁽³⁾	C\$0.81 C\$2.51 C\$3.06 C\$4.32 C\$2.51	August 31, 2019 January 9, 2021 March 7, 2023 June 12, 2023 March 6, 2024	\$15,807 NIL NIL NIL NIL	16,692	\$22,762	NIL

Notes:

- (1) Mr. MacDonald has been appointed Chief Executive Officer of the Company, effective May 1, 2015, replacing Mr. van Leeuwen.
- (2) Calculated using the closing price of the Common Shares on the TSX on December 31, 2014 of C\$1.50 (\$1.36 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 entitled "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, 2013 and 2014. The vesting of these RSUs is subject to performance vesting conditions. For further information, please see the section above entitled "RSUs" under the heading "Elements of Executive Compensation - Long-Term Incentives", above. The value of the RSUs listed is calculated using the closing price of the Common Shares on the TSX on December 31, 2014 of C\$1.50 (\$1.36 at the Annual Exchange Rate). These RSUs are subject to performance vesting conditions and the value of actual awards received, if any, will depend on the value of the Common Shares on the date of vesting.

(5) Represents grants of RSUs awarded to NEOs for the financial years ended December 31, 2013 and December 31, 2014. Vesting of RSUs awards is subject to performance conditions.

During the financial year ended December 31, 2014, none of the options granted to the NEOs under the 2011 Plan or the Rollover Plan vested.

Incentive Plan Awards – Value Vested or Earned During the Year

Name	Option-based awards – Value	Share-based awards – Value	Non-equity incentive plan
	vested during the year	vested during the year	compensation – Value earned
	(\$)	(\$)	(\$)
John van Leeuwen ⁽¹⁾ <i>Chief Executive Officer and Director</i>	NIL	NIL	NIL
Jeff MacDonald ⁽¹⁾ <i>Chief Operating Officer</i>	NIL	NIL	NIL
Dr. Steven Bloembergen <i>Executive Vice President, Technology</i>	NIL	NIL	NIL
Robert Haire <i>Chief Financial Officer and Corporate Secretary</i>	NIL	NIL	NIL
Edward van Egdom <i>President, Market Realization and Product Manufacturing</i>	NIL	NIL	NIL

Notes:

(1) Mr. MacDonald has been appointed Chief Executive Officer of the Company, effective May 1, 2015, replacing Mr. van Leeuwen.

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, 2014. 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	2,410,001	C\$3.99 (\$3.63) ⁽³⁾	4,737,745 ⁽⁴⁾
Equity compensation plans not approved by securityholders	4,298,948	C\$1.57 (\$1.43)	N/A
Total	6,708,949	N/A	4,737,745

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 and DSUs as of December 31, 2014.
- (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) Comprised of 3,495,705 stock options issuable under the 2011 Plan, 831,065 RSUs issuable under the RSU Plan and 410,975 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. van Leeuwen entered an employment agreement with EcoSynthetix U.S. on August 18, 2008, effective September 1, 2008. Pursuant to such agreement, the Company is entitled to terminate Mr. van Leeuwen's employment without cause by providing notice, or pay in lieu of notice consisting of 12 months' salary plus two additional months' salary per year of service, to a maximum of 24 months inclusive of bonuses, perquisites and allowances and option grants. In addition, in the event the Company enters into negotiations for a trade sale, privatization or transfer of majority ownership of outstanding shares, Mr. van Leeuwen is entitled to receive a one-time deal bonus of two times annual compensation inclusive of bonuses, perquisites and allowances and option grants upon successful completion of such transaction.

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 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.

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. Bloembergen entered into a new employment agreement with EcoSynthetix Ltd. on October 1, 2012. Pursuant to such agreement, if the Company terminates Mr. Bloembergen's employment without cause or if Mr. Bloembergen voluntarily terminates his employment for Good Reason (as defined below) within three months of the event resulting in Good Reason, the Company must continue to pay Mr. Bloembergen for the amount of time between the termination date and the date Mr. Bloembergen is hired as an employee or consultant by another entity, but such severance period shall not be less than 12 months and not longer than 1.5 years worth of salary. During such severance period, Mr. Bloembergen shall be entitled to unpaid short-term incentive plan awards whose performance conditions have been met, pro rated long-term incentive plan awards, together with medical benefits on substantially the same terms as what was provided during his employment. In addition, if, within 12 months following a Change of Control (as defined below) Mr. Bloembergen's employment is terminated without cause by the Company or Mr. Bloembergen voluntarily terminates his employment with the Company due to a material diminishment in his job responsibilities or position level, then all of the shares of capital stock subject to any option previously awarded to Mr. Bloembergen (excluding performance-based shares and certain retention-based share options) that have not vested shall automatically become fully vested and exercisable as of the date of such termination. In addition, Mr. Bloembergen will receive a severance payment equal to 1.5 years of his base salary then in effect as of the date of termination. For the purposes of Mr. Bloembergen's employment agreement only, a "Change of Control" means (i) the sale by the Company of all or substantially all of Company's assets in one transaction or a series of related transactions (ii) any transaction or series of related transactions that results in any single entity becoming the beneficial owner, directly or indirectly, of 50% or more of the aggregate voting power of all classes of shares of the Company; (iii) any reorganization, consolidation or merger of the Company where the outstanding voting securities of the Company immediately before the transaction represent or are converted into less than 50% of the outstanding voting power of the surviving entity (or its parent corporation) immediately after the transaction. "Good Reason" means (i) without Mr. Bloembergen's consent, a significant reduction of Mr. Bloembergen's duties, position or responsibilities relative to Mr. Bloembergen's duties, position or responsibilities in effect immediately prior to such reduction; provided, however, that a reduction in duties, position or responsibilities solely by virtue of the Company being acquired and made part of a larger entity (as, for example, when the President of the Company remains as such following an acquisition of the Company but is not made the President of the acquiring corporation) will not constitute Good Reason or (ii) without Mr. Bloembergen's consent, a more than 10%

reduction by the Company of Mr. Bloembergen's base salary as in effect immediately prior to such reduction. The determination of whether Good Reason exists shall be made by the Board in good faith.

Mr. van Egdome entered into an employment contract with the Company on June 1, 2013. Pursuant to such agreement, the Company is entitled to terminate Mr. van Egdome 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 Egdome 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 Egdome'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 Egdome 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 Egdome's employment.

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 the NEOs, except for Mr. van Leeuwen (please see the section entitled "Payments Associated with the termination of the employment of Mr. van Leeuwen", below), on a Change of Control (assuming termination of employment for any of the NEOs), assuming a triggering event occurred on December 31, 2014. All dollar values reported in the below table, with the exception of those for Mr. Bloembergen, have been converted to U.S. dollars at the December 31, 2014 Bank of Canada closing spot rate of \$1=C\$1.16 (the "Year End Spot Rate").

	Jeff MacDonald⁽¹⁾	Robert Haire	Dr. Steven Bloembergen	Edward van Egdome
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 ⁽²⁾	18 months base salary, including target bonuses, perquisites and allowances, the continuation of benefits. Accelerated vesting of any unvested stock option or LTIP awards ⁽²⁾	18 months base salary. Accelerated vesting of any unvested stock options which vest within severance period ⁽²⁾	18 months base salary, including target bonuses, perquisites and allowances, the continuation of benefits. Accelerated vesting of any unvested Stock option of LTIP awards ⁽²⁾
Severance Payment ⁽³⁾	\$543,103	\$543,103	\$337,500	\$479,741
Benefits ⁽⁴⁾	\$54,914	\$64,702	NIL	\$63,606
TOTALS	\$598,017	\$607,805	\$337,500	\$543,348

Notes:

- (1) Mr. MacDonald has been appointed Chief Executive Officer of the Company, effective May 1, 2015, replacing Mr. van Leeuwen.
- (2) As at the financial year ended December 31, 2014, the value of the unvested stock option award was NIL, based on a Black-Scholes valuation.
- (3) Severance payment includes bonuses.
- (4) Benefits includes health benefits, retirement benefits, and car allowance.

Termination Without Cause

The following table provides details regarding the estimated incremental payments from the Company to each of the NEOs, with the exception of Mr. van Leeuwen (please see the section entitled “Payments Associated with the Termination of the Employment of Mr. van Leeuwen”, below), on termination without cause, assuming a triggering event occurred on December 31, 2014. All dollar values reported in the below table, with the exception of those for Mr. Bloembergen, have been converted to U.S. dollars at the Year End Spot Rate.

	Jeff MacDonald⁽¹⁾	Robert Haire	Dr. Steven Bloembergen	Edward van Egom
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	12 to 18 months base salary and 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
Severance Payment ⁽²⁾	\$362,069	\$452,586	\$337,500	\$479,741
Benefits ⁽³⁾	\$41,983	\$58,236	\$92,619	\$63,606
TOTALS	\$404,052	\$510,822	\$430,119	\$543,348

Notes:

- (1) Mr. MacDonald has been appointed Chief Executive Officer of the Company, effective May 1, 2015, replacing Mr. van Leeuwen.
- (2) Severance payment includes bonuses
- (3) Benefits includes perquisites and benefits where the NEO's contract provides for such inclusions in the severance entitlement.

Payments Associated with the Termination of the Employment Mr. van Leeuwen

Effective May 1, 2015, Mr. van Leeuwen's employment with the Company has been terminated. As a result of this termination of employment, Mr. van Leeuwen is entitled to an aggregate of C\$1,107,993 (\$955,166 at the Year-End Spot Rate), representing a 24 month severance period, inclusive of all salary, perquisites, allowances, statutory entitlements and bonus amounts (such bonus amounts being based on the average of bonuses paid to Mr. van Leeuwen in the previous two years). In addition, Mr. van Leeuwen will be entitled to participate in all employee benefit plans in which he was enrolled and will remain eligible for such plans for the duration of the 24 month severance period.

The value in respect of long-term incentives for Mr. van Leeuwen's 24 month severance period is estimated to range from NIL to approximately \$700,000.

OTHER INFORMATION

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

We have in place a directors' and officers' liability insurance policy effective July 26, 2014. 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 (\$22.7 million at the Annual Exchange Rate) with a C\$100,000 (\$90,909 at the Annual Exchange Rate) deductible per indemnifiable claim. The cost of coverage for 2014 was determined and paid in Canadian dollars and was approximately C\$77,768 (\$70,698 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 2014.

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, 2014, 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.

NORMAL COURSE ISSUER BID

On November 19, 2014, we announced our notice of intention to make a normal course issuer bid (the "NCIB") to purchase, between November 21, 2014 and November 20, 2015, up to 2,714,106 Common Shares, representing approximately 5% of the outstanding Common Shares as at November 17, 2014. Shareholders may obtain a copy of the notice of intention to make the NCIB, without charge, by contacting the Company.

The actual number of Common Shares which may be purchased pursuant to the NCIB and the timing of any such purchases will be determined by management. As at November 17, 2014 there were 54,282,134 Common Shares outstanding. Pursuant to the terms of the NCIB, we will not acquire on any given trading day more than 25% of the average daily trading volume of Common Shares for the most recently completed six month period, other than block purchase exceptions. All purchases made pursuant to the NCIB will be made through the facilities of the TSX or other Canadian market places and we will cancel any such Common Shares purchased pursuant to the NCIB.

The NCIB has been authorized by the Board to allow us to purchase Common Shares if in the opinion of management the purchases can be made on terms which will enhance the value of the remaining outstanding Common Shares. We are undertaking the NCIB because we believe that the market may undervalue the Common Shares from time to time and that the Common Shares may trade in a price range which may not adequately reflect the value of such shares in relation to our business, assets and future prospects from time to time.

Since November 21, 2014, the Company has not purchased any Common Shares pursuant to the NCIB. Pursuant to the previous normal course issuer bid undertaken by the Company, an aggregate of 406,840 Common Shares were purchased for the period from November 13, 2013 to November 12, 2014 at an average weighted price of C\$2.04 per Common Share.

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, 2014, 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 Marina Proskurovsky, Investor Relations Contact, by phone at 416-815-0700 ext. 288 or by e-mail at mproskurovsky@tmxequicom.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

"David Colcleugh" (signed)
Chairman of the Board

April 13, 2015
Burlington, Ontario

APPENDIX "A"

ECOSYNTHETIX INC.

BY-LAW NO. 2 (AMENDED AND RESTATED)

ADVANCE NOTICE OF NOMINATIONS OF DIRECTORS

By-Law No. 2 of the Corporation is hereby amended and restated as the following:

"By-Law No. 1 of the Corporation is hereby amended by adding the following thereto as Section 3.03A, following Section 3.03 and preceding Section 3.04:

3.03A Nomination of Directors

Subject only to the Act and the articles of the Corporation, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the board may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors:

- (a) by or at the direction of the board (or any duly authorized committee thereof) or an authorized officer of the Corporation with the prior approval of the board, including pursuant to a notice of meeting;
- (b) by or at the direction or request of one or more shareholders pursuant to a proposal within the meaning of, and made in accordance with the provisions of the Act or a requisition of the shareholders made in accordance with the provisions of the Act; or
- (c) by any person (a "Nominating Shareholder"): (i) who, at the close of business on the date of the giving of the notice provided for below in this section and at the close of business on the record date for notice of such meeting, is entered in the securities register of the Corporation as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (ii) who complies with the notice procedures set forth below in this section.

In addition to any other requirements under applicable laws, for a nomination to be validly made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the Corporate Secretary of the Corporation at the principal executive offices of the Corporation in accordance with this section.

To be timely, a Nominating Shareholder's notice to the Corporate Secretary of the Corporation must be made:

- (a) in the case of an annual meeting of shareholders, not less than 30 days prior to the date of the annual meeting of shareholders, provided, however, that in the event that the annual meeting of shareholders is called for a date that is less than 50 days after the date (the "**Notice Date**") on which the first public announcement (as defined below) of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and
- (b) in the case of a special meeting of shareholders (which is not also an annual meeting of shareholders) called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

To be in proper written form, a Nominating Shareholder's notice to the Corporate Secretary of the Corporation must set forth:

- (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director:
 - i. the name, age, business address and residential address of the person;
 - ii. the principal occupation(s) or employment(s) of the person;
 - iii. the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and
 - iv. any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below); and
- (b) as to the Nominating Shareholder giving the notice, full particulars regarding any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote or direct the voting of any shares of the Corporation and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws.

No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this section; provided, however, that nothing in this section shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

For purposes of this section, (A) "**public announcement**" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com; and (B) "**Applicable Securities Laws**" means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada.

Notwithstanding any other provision of this by-law, notice given to the Corporate Secretary of the Corporation pursuant to this section may only be given by personal delivery or facsimile transmission, and shall be deemed to have been given and made only at the time it is served by personal delivery or sent by facsimile transmission (provided that receipt of confirmation of such facsimile transmission has been received) to the Corporate Secretary at the address of the principal executive offices of the Corporation; provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Toronto time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

Notwithstanding the foregoing, the board may, in its sole discretion, waive any requirement in this section.

By-law No. 1 of the Corporation, as amended from time to time, and this by-law shall be read together and shall have effect, so far as practicable, as though all the provisions thereof were contained in one by-law of the Corporation. All terms contained in this by-law which are defined in By-law No. 1 of the Corporation, as amended from time to time, shall, for all purposes hereof, have the meanings given to such terms in the said By-law No. 1 unless expressly stated otherwise or the context otherwise requires.”

APPENDIX "B"

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 – There is no retirement policy for directors.
- 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.

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.

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.

QUESTIONS MAY BE DIRECTED TO THE PROXY SOLICITOR

Shorecrest

NORTH AMERICAN TOLL-FREE

1-888-637-5789

Banks and Brokers and collect calls outside North America

647-931-7454

REGISTERED SHAREHOLDERS

(YOU HOLD A PHYSICAL SHARE CERTIFICATE REGISTERED IN YOUR NAME.)



VOTE BY INTERNET

Go to: **www.cstvotemyproxy.com**
and vote using your Control Number
located on the front of your proxy.
Follow the voting instructions on
screen.



VOTE BY TELEPHONE

Call toll-free **1-888-489-5760** and vote
using your Control Number located on
your proxy

You can also VOTE BY MAIL by completing your proxy form and return it in the enclosed postage-paid envelope.

BENEFICIAL SHAREHOLDERS

(YOU HOLD SHARES THROUGH A BANK, BROKER OR INTERMEDIARY)



VOTE BY INTERNET

Go to: **www.proxyvote.com** and vote
using the 16 digit control number
located on your Voting Instruction
Form.



VOTE BY TELEPHONE

Call toll-free number listing on your
Voting Instruction Form and vote using
the 16 digit control number located on
your Voting Instruction Form

You can also VOTE BY MAIL by completing your Voting Instruction and enclosing your VIF using the postage-paid envelope.

TIME IS OF THE ESSENCE. PLEASE VOTE TODAY
