



**GLG LIFE TECH CORPORATION**  
**MANAGEMENT PROXY CIRCULAR**  
**AS AT AND DATED MAY 14, 2021**  
**FOR**  
**THE ANNUAL GENERAL MEETING OF SHAREHOLDERS**  
**TO BE HELD ON WEDNESDAY, JUNE 23, 2021**

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Under the provisions of Notice and Access, shareholders received a separate notice (the “Notice”) containing information on how they can access the Corporation’s management proxy circular (the “Management Proxy Circular”) electronically instead of receiving a printed copy or how to receive a printed copy of the Circular. Together with the Notice, shareholders continue to receive a proxy (“Proxy”), in the case of registered shareholders, or a voting instruction form (“VIF”), in the case of non-registered shareholders, enabling them to vote at the Meeting. The Corporation adopted this alternative means of delivery in order to further its commitment to environmental responsibility and to reduce printing, distribution and mailing costs.

**VIRTUAL MEETING**

Due to the concerns and challenges arising from COVID-19, including the governmental policies promulgated to safeguard the public from unnecessary risk of exposure to COVID-19, the Corporation has elected to conduct its Annual General Meeting virtually this year. The meeting may be attended by dialing one of the following numbers – 1.408.638.0968 (from the United States) or 1.778.907.2071 (from Canada) – and entering the meeting identifier 7202772831.

**SOLICITATION OF PROXIES**

**This Management Proxy Circular is furnished in connection with the solicitation of proxies being made by the management of GLG Life Tech Corporation (the “Corporation”) for use at the Meeting of the Corporation’s shareholders (the “Shareholders”) at the time and place and for the purposes set forth in the accompanying Notice.** While it is expected that the solicitation will be made primarily by mail, proxies may be solicited personally or by telephone by directors, officers and employees of the Corporation.

All costs of this solicitation will be borne by the Corporation.

**PROXY INSTRUCTIONS**

Shareholders who cannot attend the Meeting may vote by proxy if a registered Shareholder, or provide voting instructions as provided herein if a non-registered Shareholder, either by mail, by phone or over the internet. Proxies and/or voting instructions must be received by Computershare Investor Services Inc., the Corporation’s transfer agent, (the “Transfer Agent”) no later than 12:00 pm (Eastern Time) on June 21, 2021, at its Toronto office, 9th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1.

A proxy returned to the Transfer Agent will not be valid unless dated and signed by the Shareholder or by the Shareholder’s attorney duly authorized in writing or, if the Shareholder is a corporation or association, the form of Proxy must be executed by an officer or by an attorney duly authorized in writing. If the form of Proxy is executed by an attorney for an individual Shareholder or by an officer or attorney of a Shareholder that is a corporation or association, the instrument so empowering the officer or attorney, as the case may be, or a notarial copy thereof,

must accompany the form of Proxy. If not dated, the Proxy will be deemed to have been dated the date that it is mailed to Shareholders.

The securities represented by Proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for and, if the Shareholder specifies a choice with respect to any matter to be acted upon, the securities will be voted accordingly. The form of Proxy confers discretionary authority upon the named proxyholder with respect to matters identified in the accompanying Notice of Meeting. If a choice with respect to such matters is not specified, it is intended that the person designated by management in the form of Proxy will vote the securities represented by the Proxy **in favour of** each matter identified in the proxy and **for** the nominees of management for directors and auditor.

The Proxy confers discretionary authority upon the named proxyholder with respect to amendments to or variations in matters identified in the accompanying Notice of Meeting and other matters which may properly come before the Meeting. As at the date of this Management Proxy Circular, management is not aware of any amendments, variations, or other matters. If such should occur, the persons designated by management will vote thereon in accordance with their best judgment, exercising discretionary authority.

### **APPOINTMENT OF PROXYHOLDER**

**A Shareholder has the right to designate a person (who need not be a Shareholder of the Corporation), other than Brian Palmieri or Simon Springett, both directors and/or officers of the Corporation and the management designees, to attend and act for the Shareholder at the Meeting. If you are returning your Proxy to the Transfer Agent, such right may be exercised by inserting in the blank space provided in the enclosed form of Proxy the name of the person to be designated or by completing another proper form of Proxy and delivering it to the Transfer Agent as provided above, or by phone or over the internet. If you are using the internet, you may designate another proxyholder by following the instructions on the website. It is not possible to appoint an alternate proxyholder by phone. If you appoint a proxyholder, other than the management designees, that proxyholder must attend and vote at the Meeting for your vote to be counted.**

### **REVOCAION OF PROXIES**

In addition to revocation in any manner permitted by law, you may revoke your Proxy by an instrument in writing signed by you as registered Shareholder or by your attorney duly authorized in writing. If you are a representative of a registered Shareholder that is a corporation or association, the instrument in writing must be executed by an officer or by an attorney duly authorized in writing, and deposited with the Corporation's registered office, Unit 100, 10271 Shellbridge Way, Richmond, British Columbia, V6X 2W8 at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof, or, as to any matter in respect of which a vote shall not already have been cast pursuant to such Proxy, with the Chairman of the Meeting on the day of the Meeting, or at any adjournment thereof, and upon either of such deposits the Proxy is revoked. In addition, Shareholders can also change their vote by phone or via the internet.

Only registered Shareholders have the right to revoke a Proxy. Non-registered Shareholders that wish to change their voting instructions must, in sufficient time in advance of the Meeting, contact the Transfer Agent or their intermediary to arrange to change their voting instructions.

### **SPECIAL INSTRUCTIONS FOR VOTING BY NON-REGISTERED SHAREHOLDERS**

**Only registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Some Shareholders of the Corporation are "non-registered" Shareholders because the common shares of the Corporation ("Common Shares") they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Common Shares. More particularly, a person is not a registered Shareholder in respect of Common Shares which are held on behalf of that person (the "Non-Registered Shareholder") but which are registered in the name of an intermediary (the "Intermediary") that the Non-Registered Shareholder deals with in respect of the Common Shares. Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-**

administered RRSP's, RRIF's, RESP's and similar plans; or in the name of a clearing agency (such as The Canadian Depository of Securities Limited) of which the Intermediary is a participant.

There are two kinds of Non-Registered Shareholders - those who object to their name being made known to the Corporation (called OBOs for "Objecting Beneficial Owners") and those who do not object to the Corporation knowing who they are (called NOBOs for "Non-Objecting Beneficial Owners").

The Corporation takes advantage of certain provisions of NI 54-101 which permit the Corporation to directly deliver proxy-related materials to NOBOs who have not waived the right to receive them. This year the Corporation has elected to use Notice and Access. As a result, NOBOs can expect to receive a scannable VIF from the Corporation's transfer agent, Computershare, together with the Notice that provides shareholders with directions to access the meeting materials via the Internet or to obtain a printed copy of the meeting materials from the Corporation at no cost to the shareholder. These VIFs are to be completed and returned to Computershare in accordance with the instructions. Computershare is required to follow the voting instructions properly received from NOBOs. Computershare will tabulate the results of the VIFs received from NOBOs and will provide voting instructions at the Meeting with respect to the common shares represented by the VIFs they receive. If the VIF is executed by an attorney for an individual shareholder or by an officer or attorney of a shareholder that is a company or association, documentation evidencing the power to execute the VIF may be required with signing capacity stated.

In accordance with the Notice and Access requirements of NI 54-101, the Corporation has distributed the Notice to the intermediaries for onward distribution to OBOs. Intermediaries are required to forward the Notice to OBOs. Very often, Intermediaries will use service companies to forward the Notice to OBOs. With the Notice, Intermediaries or their service companies should provide OBOs with a "request for voting instruction form" which, when properly completed and signed by such OBO and returned to the Intermediary or its service company, will constitute voting instructions which the Intermediary must follow. The purpose of this procedure is to permit OBOs to direct the voting of the common shares that they beneficially own.

These proxy related materials are being sent to both registered Shareholders and Non-Registered Shareholders. If you are a Non-Registered Shareholder, and the Corporation has sent these proxy related materials directly to you, your name and address and information about your holdings of Common Shares have been obtained in accordance with applicable securities requirements from the Intermediary on your behalf.

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

#### **INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

Other than as disclosed elsewhere in this Management Proxy Circular, none of the directors or executive officers of the Corporation, no proposed nominee for election as a director of the Corporation, none of the persons who have been directors or executive officers of the Corporation since the commencement of the Corporation's last completed financial year and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

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

The authorized share capital of the Corporation consists of an unlimited number of Common Shares without par value. As at the date of this Management Proxy Circular, 38,394,223 Common Shares without par value were issued and outstanding, each such Common Share carrying the right to one (1) vote at the Meeting. May 11, 2021, has been fixed by the directors of the Corporation as the record date for the purpose of determining those Shareholders entitled to receive notice of and to vote at the Meeting.

The following persons or entities hold more than 10% of the Corporation's voting rights of its Shares:

China Agriculture and Healthy Foods Co. Ltd., which holds 4,295,532 Shares, or 11.2% of issued and outstanding Shares.

Dr. Luke Zhang, who holds 4,410,268 Shares, or 11.5% of issued and outstanding Shares.

Mrs. Rosa Yuan, who holds 6,534,050 Shares, or 17.0% of issued and outstanding Shares.

**BUSINESS OF THE MEETING**

**APPOINTMENT AND REMUNERATION OF AUDITORS**

Shareholders will be asked to vote for the appointment of Davidson & Company LLP as the auditors of the Corporation to hold office until the next annual meeting of Shareholders and to authorize the Directors to fix the auditor’s remuneration.

Davidson & Company LLP was appointed as the auditors of the Corporation effective September 25, 2014.

**ELECTION OF DIRECTORS**

The number of directors for the Corporation is set by ordinary resolution of the Shareholders of the Corporation. Management of the Corporation is seeking Shareholder approval of an ordinary resolution determining the number of directors of the Corporation at six (6) for the ensuing year.

The persons below are management’s nominees to the Board of Directors of the Corporation (the “Board” or “Board of Directors”). Each director elected will hold office until the next annual meeting or until his or her successor is duly elected or appointed unless his or her office is earlier vacated in accordance with the Articles of the Corporation or unless he or she becomes disqualified to act as a director. All proposed nominees are currently directors of the Corporation and their term of office will expire at the Meeting unless re-elected.

*Nominees for Election as a Director*

<b>Name and Municipality of Residence</b>	<b>Number of Securities Held</b>	<b>Principal Occupations</b>	<b>Director Since</b>
Dr. Luke Zhang Heze, Shangdong Province China	2,517,842 Common Shares 1,892,426 Restricted Shares	Chairman, Chief Executive Officer and Director of GLG Life Tech Corporation	June 21, 2005
Mr. Brian Palmieri <sup>(1)(2)</sup> Cody, Wyoming United States	837,476 Common Shares 53,404 Restricted Shares	Vice Chairman and Director of GLG Life Tech Corporation	June 21, 2005
Dr. Hong Zhao Guang <sup>(1)</sup> Beijing, China	250,000 Common Shares 5,000 Restricted Shares	Director & Commissioner with the Aged Chinese Healthcare Association	August 5, 2010
Madame Sophia Leung <sup>(1)(2)(3)(4)</sup> Vancouver, British Columbia Canada	102,734 Common Shares 10,598 Restricted Shares	Corporate Director	February 2, 2007
Madame Liu Yingchun <sup>(1)(2)(3)(4)</sup> Heze, Shangdong Province China	8,585 Common Shares 8,848 Restricted Shares	Corporate Director	June 17, 2008
Simon Springett Boulder, Colorado	164,850 Common Shares	Chief Operating Officer and Director of GLG Life Tech Corporation	June 27, 2019

Notes:

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

The following is a brief description of the background of the directors of the Corporation.

#### **Directors and Officers**

##### ***Dr. Luke Zhang (Director, Chief Executive Officer and Chairman)***

Dr. Zhang is a Canadian citizen and currently resides in China. He was appointed as the Corporation's Chairman and as director on June 21, 2005 and as the Corporation's President on September 6, 2007. On May 15, 2008, Dr. Zhang relinquished his role as the Corporation's President and was named the Corporation's Chief Executive Officer. Dr. Zhang received his PhD in Pharmacology from Vanderbilt University and has worked in international business for over 20 years. He is a non-independent director.

##### ***Mr. Brian Palmieri (Director & Vice Chairman)***

Mr. Palmieri resides in Cody, Wyoming and was appointed as the Corporation's Chief Executive Officer and a director on June 21, 2005. On May 15, 2008, Mr. Palmieri relinquished his role as the Corporation's Chief Executive Officer and was named the Corporation's President and Vice-Chairman. On October 1, 2010, Mr. Palmieri relinquished his role as the Corporation's President. Mr. Palmieri is an independent director.

Prior to his involvement with us, Mr. Palmieri's time has been divided between the following businesses in which he is a principal:

- (a) American Tool and Die Inc., the principal business of which is metals manufacturing and of which he is president;
- (b) Palco International Inc. and AAFAB International Inc., the principal business of both being international trading and consulting and of which he serves as president.

##### ***Dr. Hong Zhao Guang (Director)***

Dr. Hong Zhao Guang is an active leader in both the academic and business communities in China. Receiving his degree from Shanghai First Medical College, he has been the vice president of Beijing Anzhen Hospital and the vice director of the Cardiovascular Disease Expert Consulting Committee for the Ministry of Public Health in China. Currently Dr. Hong is directing commissioner with the Aged Chinese Healthcare Association and the vice group leader for physicians at Capital Medical Science University, one of the top ranking academic medical institution in China. Dr. Hong has written and edited more than ten books and published more than one hundred academic theses and five hundred articles for the scientific community. During the last 15 years, Dr. Hong has devoted his time to the education of citizens throughout China on the importance of wellness, health and an active lifestyle, including the prevention of diabetes and cardiovascular diseases. His books have been read by more than 70 million people and his lectures heard by over 200 million people in China. Dr. Hong is an independent director.

##### ***Madame Sophia Leung (Director)***

Madame Leung resides in Vancouver, British Columbia and was appointed as one of our directors on February 2, 2007. Madame Leung has served in political positions on a national level, including as special advisor in international trade to Canada's prime minister from 2004 – 2006, parliamentary secretary for National Revenue of Canada from 2000 – 2004 and Member of Parliament of Canada 1997 – 2004. Madame Leung is an independent director.

***Madame Liu Yingchun (Director)***

Madame Yingchun was elected as one of the Corporation's directors on June 17, 2008. Madame Yingchun graduated from Shandong Economical College and has over 20 years of experience in finance and accounting. She has worked for several major banks and insurance companies in China including China Bank and the Industrial and Commercial Bank of China. She is a certified economist and financial analyst. Madame Yingchun is currently audit director and controller of Heze Industrial and Commercial Bank. She also has experience in internal control and investment management. Madame Yingchun is an independent director.

***Simon Springett (Director, Chief Operating Officer)***

Mr. Springett joined the Company in May 2014. In that time, he has helped oversee operations, legal and regulatory affairs, and investor relations. Mr. Springett was appointed as Chief Operating Officer on January 1, 2019, and was appointed as one of the Corporation's directors on June 27, 2019. Mr. Springett brings 15 years of management experience to the Board. He has extensive experience with virtually all aspects of the Company's natural sweetener operations as well as with the stevia and monk fruit industry overall. Mr. Springett received his law degree from Northwestern University School of Law. Mr. Springett is a non-independent director.

***Edward Wang (Acting Chief Financial Officer)***

Mr. Wang joined the Company in October 2019, overseeing accounting operations and financial statements of the Company. Since June 30, 2020, Mr. Wang has served as Acting Chief Financial Officer to provide strategic management of the accounting and finance functions of the Company and Chinese operations. He received his Bachelor of Arts in Accounting degree in 1992, Master of Business Administration in 2005, and earned his CPA, CGA in 2010. Prior to joining GLG, he worked in Kraft Foods (China) for 8 years, and the mining business in both China and Canada for 10 years.

**Corporate Cease Trade Orders and Bankruptcies**

Except as described below, during the ten years preceding the date of this Management Proxy Circular, no proposed director of the Corporation has, to the knowledge of the Corporation, been:

- (a) a director, chief executive officer or chief financial officer of any company that:
  - (i) was the subject of a cease trade or similar order or an order that denied such company access to any exemption under securities legislation that was in effect for a period of more than thirty consecutive days (an "Order") while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
  - (ii) was subject to such an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer in the company that is the subject of the Order and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) a director or executive officer of any 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 the assets of that company.

On May 2, 2012, the British Columbia Securities Commission ("BCSC") imposed a cease trade order ("CTO") on the Corporation's common shares for failure to file its annual financial statements, its management discussion and analysis relating to its annual financial statements, its annual information form and the CEO and CFO certifications (collectively, the "Required Documents") for the period ended December 31, 2011, beyond the prescribed deadline of March 30, 2012. Similar CTO's were imposed by the Ontario Securities Commission ("OSC") and the Manitoba Securities Commission ("MSC") on May 16, 2012 and July 9, 2012 respectively. On May 3, 2012, the Investment Industry Regulatory Organization of Canada (IIROC) imposed a temporary suspension of trading in the common

shares of the Corporation. On August 15, 2012, the Company filed its Required Documents for the period ending December 31, 2011. The CTO was revoked on June 18, 2013 by the BCSC, on June 27, 2013 by the OSC and June 17, 2013 by the MSC. Trading resumed in the Corporation's common shares on the TSX on June 28, 2013.

On April 10, 2012, Dr. Zhang and the Company's former President & CFO, Brian Meadows, were the subject of a management cease trade order ("MCTO") issued by the BCSC as a result of the Corporation having not filed its Required Documents. The MCTO was revoked on June 18, 2013 by the BCSC.

#### **Penalties and Sanctions**

None of the proposed directors of the Corporation have been the subject of any penalties or sanctions imposed by a court or securities regulatory authority relating to trading in securities, the promotion, formation or management of a publicly traded company or involving theft or fraud.

#### **Individual Bankruptcies**

None of the proposed directors of the Corporation has, within the ten years prior to the date of this Management Proxy Circular, been declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.



## **STATEMENT OF EXECUTIVE COMPENSATION**

### **Risk Management**

The nature of the business and the competitive environment in which the Corporation operates require some level of risk-taking, as risk-taking is intrinsic to all businesses to achieve growth and strategic objectives that are in the best interest of Shareholders. The Compensation Committee is responsible for ensuring the application of the compensation policy is appropriately aligned to support the Corporation's objectives and encourage appropriate management behaviours, including prudent risk-taking. To this effect, the Corporation has adopted practices that appropriately align compensation with the experience of Shareholders. NEOs (as defined below) and directors are not permitted to purchase financial instruments that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held by the NEO or director.

### **Compensation Discussion and Analysis**

The Compensation Committee is responsible for reviewing and approving corporate goals and objectives relevant to an executive officer's compensation, evaluating the executive officer's performance in light of those goals and objectives and making recommendations with respect to the executive officer's compensation, based on this evaluation.

In assessing the compensation of the Corporation's executive officers, the Compensation Committee considers: (i) current base compensation and contractual obligations, (ii) past performance, (iii) objectives and anticipated workload for the year ahead, (iv) reasonable submissions from the executive officers, (v) market and industry practice and trends, and (vi) such other matters as are appropriate in the circumstances.

Executive officer compensation comprises the following components: base salary (fixed component), perquisites and personal benefits, sales commissions, and participation in the Corporation's Stock Option and Restricted Share Plan (variable component), and possible annual bonuses (variable component) for all executives. The base salary component is determined by broad discussions with members of the Board and consideration of benchmark data for companies of similar size or industry (see "Benchmarking" section). The Corporation has traditionally placed an emphasis on the variable component of executive compensation which reflects the philosophical preference of the Corporation to compensate its executive officers based primarily upon the performance of the Corporation and in certain instances, the Corporation has made receipt of the compensation awards contingent upon the achievement of corporate objectives (see "Incentive Plan Awards"), as well as retention-related awards.

Executive officers' compensation is designed in a manner to recognize and reward executive officers based upon individual and corporate performance, to recognize loyalty and retain executive officers, to be competitive with the compensation arrangements and programs established by other public companies with market capitalizations in the range of \$15-175 million and revenues in the range of \$20-150 million, and to be consistent with the executive officers' respective contributions to the overall benefit of the Corporation. At the end of each year, the Compensation Committee also reviews actual performance against corporate objectives. The Compensation Committee consults the Chief Financial Officer and Chief Executive Officer to provide information to the Compensation Committee for its consideration on base salary, variable compensation and perquisites and personal benefits. The Compensation Committee then makes its decision and approvals for base salary components and perquisites and personal benefits and a recommendation to the Board for variable compensation. It is not anticipated that the Corporation will be making any significant changes to its compensation policies and practices in the next financial year for executive officer compensation. The Board can exercise discretion, either to award compensation absent attainment of the relevant performance goal or similar condition or to reduce or increase the size of any award or payout. The Board exercised this right in 2011 to reduce the variable award otherwise earned by the Chief Financial Officer at his request. Otherwise, there have been no other occurrences where the Board has exercised their discretion over compensation awards not earned through the achievement of approved performance goals. No variable compensation tied to performance goals for the fiscal year 2020 was approved by the Compensation Committee or Board of Directors. There is no formal compensation policy in place concerning the adjustment or recovery of awards, earnings or payments, or payables if the performance goal or similar conditions on which they

are based are restated or adjusted to reduce the award, earning, payment or payable. The Compensation Committee determines perquisites and personal benefits based on Committee discussion and reference to available benchmarking information. These items are also subject to negotiation with the executive before they are finalized and approved.

In establishing compensation objectives for executive officers, the Compensation Committee seeks to:

- (a) motivate executives to achieve corporate performance objectives and reward them when such objectives are met;
- (b) recruit and subsequently retain highly qualified executive officers by offering overall compensation which is competitive with that offered for comparable positions in similar companies; and
- (c) align the interest of executive officers with the long-term interests of Shareholders through participation in the Corporation's Stock Option and Restricted Share Plan.

### **Benchmarking**

In 2018, the Corporation contracted with Equilar, Inc. for its executive and board compensation benchmarking utilities to facilitate reviews of the relevant marketplaces to ensure that GLG's compensation packages and salary ranges are competitive. Comparisons are made to other publically traded companies in North America and to industry in general with similar levels of revenue and market capitalizations. These assessments are revised periodically.

The Corporation utilizes Equilar's benchmarking data to assist the Compensation Committee and management in conducting comprehensive comparative studies on total compensation for key executive roles. The studies provide detailed benchmarking data from other companies, and the results of the studies are used to assist in determining appropriate compensation levels. The companies included in the comparator groups can vary from year to year based on availability of the data. In addition to the publicly disclosed data, comparison may also be made to data from proprietary compensation surveys including general industry and industry-specific surveys, when available.

The comparators used in the most recent review for the CEO and CFO were based on publicly traded North American companies in the food and beverage industry with revenues ranging from US\$15 to \$175 million in revenues in the previous year and with market capitalization between US\$20 and \$150 million. The companies used in this comparison were represented by: Bridgford Foods Corp., Coffee Holding Co. Inc., DavidsTea Inc., Golden Enterprises Inc., Lifeway Foods Inc., Reed's Inc., Rocky Mountain Chocolate Factory Inc. and Willamette Valley Vineyards Inc.

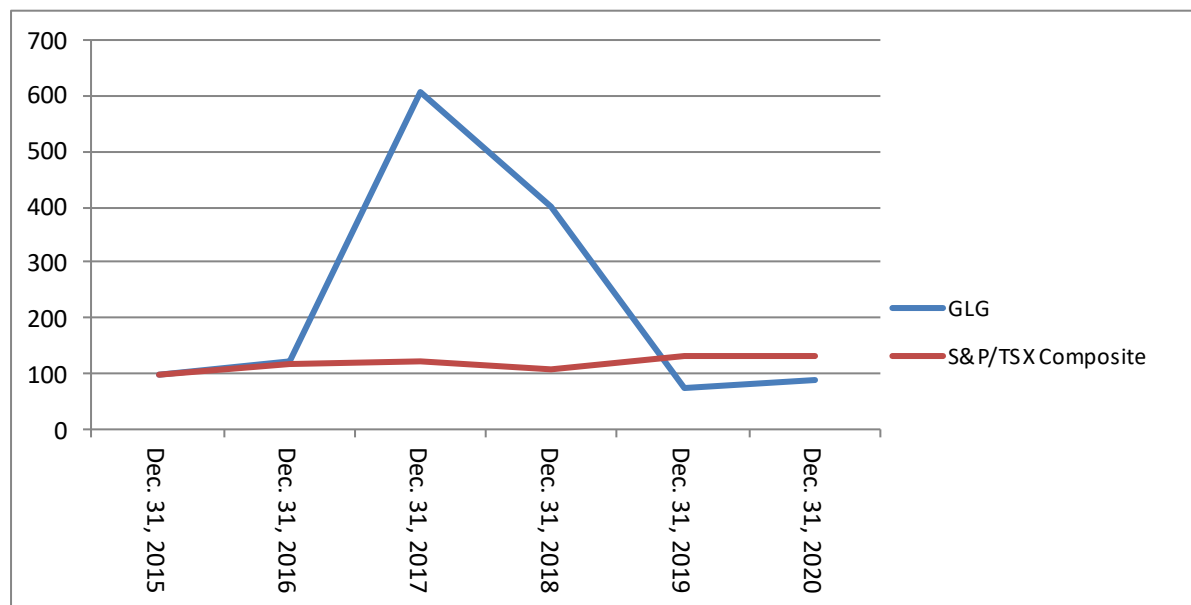
Benchmark analysis considered the value of the overall compensation arrangement including base salary, annual bonus opportunities, long term incentives and the value of pensions. A detailed review for the CEO was conducted in 2018 as part of the consideration of their compensation packages, and overall salary compensation for the prior year was found to be 124% of the median value (US\$323,000) for the comparator group and 87% of the median value (US\$530,000) overall total compensation for the CEO. A detailed review for the President/CFO was conducted in 2018 as part of the consideration of the prior President/CFOs compensation packages; the overall salary compensation for 2020 for the current Acting CFO compared to these benchmarks are as follows: his salary was found to be 31% of the median value (US\$270,000) for the comparator group and 19% of the median value (US\$340,000) for overall total compensation.

### **Executive Compensation Related Fees**

The Corporation paid fees of US\$5,000 to Equilar in 2018 for benchmarking and has not paid any such fees in 2019, 2020 or 2021.

### Performance of Common Shares

For the most recent full five-year period, assuming an investment of \$100 on December 31, 2014, the following graph illustrates the cumulative total Shareholder return on the Corporation’s Common Shares relative to the cumulative total return on the S&P/TSX Composite Index.



	Dec. 31, 2015	Dec. 31, 2016	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2019	Dec. 31, 2020
GLG	100	124	605	400	74	87
S&P/TSX Composite	100	118	125	109	131	134

Management believes that Shareholder return and executive compensation trends are not directly relational at this time due to the position of the Corporation in terms of its corporate development and stock market conditions as at December 31, 2020. The Corporation, since the rescindment of the cease-trade order in 2013, has been in a transitional period as it has undertaken to rebuild international revenues and, more recently, to restructure its debt. Management’s primary variable compensation is in the form of stock options. Provided that share price remains above stock option strike prices, management’s compensation will vary with share price movement. With respect to the CEO, whose primary compensation is in US dollars, the movement in the US to Canadian dollar exchange rate has increased his compensation in terms of Canadian dollars.

### Summary Compensation Table

The following table provides a summary of compensation paid, directly or indirectly, to the following persons (collectively, the “Named Executive Officers” or “NEOs”):

- (a) our Chief Executive Officer (“CEO”),
- (b) our President,
- (c) Chief Financial Officer (“CFO”),
- (c) our Chief Operating Officer (“COO)

- (c) our most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers or acting in a similar capacity and whose total compensation, individually, was in excess of \$150,000 as at the end of the most recently completed financial year; and
- (d) each individual for whom disclosure would have been provided under (c) but for the fact that the individual was neither serving as an executive officer of the Corporation, nor acting in a similar capacity, at the end of the most recently completed financial year.

Name and Principal Position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Dr. Luke Zhang <sup>(1)</sup> Chairman, Chief Executive Officer and Director	2020	Nil	Nil	Nil	Nil	Nil	Nil	617,136 <sup>(2)</sup>	617,136 <sup>(2)</sup>
	2019	Nil	Nil	Nil	Nil	Nil	Nil	610,340 <sup>(2)</sup>	610,340 <sup>(2)</sup>
	2018	Nil	Nil	Nil	Nil	Nil	Nil	596,206 <sup>(2)</sup>	596,206 <sup>(2)</sup>
Edward Wang, Acting Chief Financial Officer <sup>(3)(5)</sup>	2020	85,000	N/A	N/A	N/A	N/A	N/A	N/A	85,000
Simon Springett, Chief Operating Officer <sup>(4)(5)</sup>	2020	127,287	Nil	Nil	Nil	Nil	Nil	Nil	127,287
	2019	186,106	Nil	Nil	Nil	Nil	Nil	Nil	186,106
	2018	165,512	Nil	Nil	Nil	Nil	Nil	Nil	165,512

Notes:

- (1) Dr. Zhang received no compensation for his role as Chairman; these amounts represent compensation for his role as CEO.
- (2) Amounts represent consulting fees paid to a corporation controlled by Dr. Zhang for his executive services to the Corporation.
- (3) Mr. Wang was a Senior Accountant at the Company prior to July 2020. Mr. Wang assumed his role as Acting CFO on July 1, 2020 with an annual salary of CAD \$85,000.
- (4) Simon Springett was Vice President of Operations prior to 2019. Upon his appointment as Chief Operating Officer, Mr. Springett's annual salary was USD \$165,000. Mr. Springett receives no compensation for his role as Director.
- (5) Mr. Springett agreed to a temporary and ongoing 50% reduction in salary effective April 2020, with a partial rescindment of that reduction effective January 2021, resulting in a net reduction of 25% as of January 2021.

**Employment Contracts, Termination and Change of Control Benefits**

Each of the current Named Executive Officers listed below has a formal employment agreement with the Corporation, the material terms of which are set forth below.

*Dr. Luke Zhang:* On July 1, 2005, Dr. Zhang entered into an employment contract with the Corporation, as amended on July 1, 2008 and further amended on April 24, 2009 and February 28, 2011, to act as its head of operations in China. Dr. Zhang is providing his services on a “contract” basis and there is no fixed term to this agreement. The current amended contract for Dr. Zhang includes a minimum salary of US\$400,000 per year (the “Zhang Minimum Amount”) and US\$60,000 per year for expenses. All past due payments owing to Dr. Zhang shall either be paid in one sum or rolled into a long term five-year note payable to Dr. Zhang at an accrued interest rate of prime plus two percent calculated monthly. For the purpose of the foregoing calculation, “prime” means the prime rate published in the Wall Street Journal on the first day of the beginning month of a quarter.

In the event of termination of the contract, other than for cause (in which case no severance is payable), the Corporation shall pay to Dr. Zhang the sum of all payments due plus an amount equal to three times the Zhang Minimum Amount (for example, US\$1,200,000 if termination occurred on December 31, 2020).

In the event that the Corporation is acquired, or is the non-surviving party of a merger, or sells all or substantially all of its assets, the contract will not terminate and the Corporation will use its best efforts to ensure that the transferee or surviving entity is bound by the contract. If the new company wishes to terminate the contract, it will either pay Dr. Zhang three times the Zhang Minimum Amount (for example, US\$1,200,000 if termination occurred on December 31, 2020) or the parties may otherwise agree on a mutually acceptable cash settlement.

### Incentive Plan Awards

The Corporation's Stock Option and Restricted Share Plan provides for the granting of up to a maximum of 10% of the issued and outstanding common shares.

Certain awards under the Stock Option and Restricted Share Plan are subject to meeting vesting criteria and/or performance targets. Stock option and restricted share awards historically have included targets for employee retention, business development achievements in the form of multi-year contracts, and sales, market share objectives, performance against agriculture program objectives, and performance of major customer contracts.

Performance Based Awards will vest typically over three years and may be subject to annual performance targets set by the Compensation Committee being met. For 2012 and 2013, the awards were primarily retention-oriented rather than performance-based; the most significant exception was a performance-based award to Dr. Zhang. For Options, even once performance targets are met they will still vest over three years before they could be fully exercised by management. For the Restricted Shares (as defined below) of Dr. Zhang, once annual performance targets are determined to be met by the Compensation Committee, those Restricted Share grants will vest over three to ten years.

Outstanding share-based awards and option-based awards for NEOs, as at December 31, 2020, are set out in the following table:

Name	Option-based Awards				Share-based Awards	
	Number of Securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Dr. Luke Zhang	Nil	Nil	Nil	Nil	Nil	Nil
Edward Wang	Nil	Nil	Nil	Nil	Nil	Nil
Simon Springett	Nil	Nil	Nil	Nil	Nil	Nil

The following table discloses incentive plan awards – value vested or earned for each NEO for the most recently completed financial year:

Name	Option-based awards – Value vested during the year (\$) <sup>(1)</sup>	Share-based awards – Value vested during the year (\$) <sup>(2)</sup>	Non-equity incentive plan compensation – Value earned during the year (\$)
Dr. Luke Zhang	Nil	Nil	Nil
Edward Wang	Nil	Nil	Nil
Simon Springett	Nil	Nil	Nil

Notes:

- (1) Option based and share based awards to the Corporation’s executives are based on either meeting established performance targets by the Compensation Committee and/or through multi-year vesting requirements designed to align compensation of the Corporation’s executives with the interests of the Corporation’s Shareholders. The value of option-based awards are calculated as the aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date.
- (2) Restricted Shares have no exercise price. The value of the vested Restricted Shares is equal to the number of vested Restricted Shares multiplied by the grant price of the Restricted Shares.

### Pension Plan Benefits

The Corporation does not have a retirement plan.

### Director Compensation

We have no standard arrangement pursuant to which directors are compensated for their services in their capacity as directors except for the granting, from time to time, of incentive Options and/or Restricted Shares in accordance with the Corporation’s Stock Option and Restricted Share Plan and the policies of the TSX. No cash compensation was paid to any director of the Corporation for the director’s services as a director during the financial year ended December 31, 2020.

Director compensation table for 2020:

Name <sup>(1)</sup>	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Dr. Hong Zhao Guang Independent Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Mrs. Sophia Leung Independent Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Mr. Brian Palmieri Director & Vice Chairman	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Mr. Simon Springett Non-Independent Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Mrs. Liu Yingchun Independent Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Note:

- (1) Compensation for Board member Dr. Zhang has been reflected in the Summary Compensation Table for Named Executive Officers.

Outstanding share-based awards and option-based awards, as at December 31, 2020, for the Corporation's directors are disclosed in the following table:

Name <sup>(1)</sup>	Option-based Awards			Share-based Awards		
	Number of Securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Dr. Hong Zhao Guang Independent Director	Nil	N/A	N/A	N/A	Nil	Nil
Ms. Sophia Leung Independent Director	Nil	N/A	N/A	N/A	Nil	Nil
Mr. Brian Palmieri Independent Director & Vice Chairman	Nil	N/A	N/A	N/A	Nil	Nil
Mr. Simon Springett Non-Independent Director	Nil	N/A	N/A	N/A	Nil	Nil
Ms. Liu Yingchun Independent Director	Nil	N/A	N/A	N/A	Nil	Nil

Notes:

- (1) Compensation for Board member Dr. Zhang has been reflected in the Summary Compensation Table for Named Executive Officers.

The following table discloses incentive plan awards – value vested or earned during the year:

Name <sup>(1)</sup>	Option-based awards – Value vested during the year (\$) <sup>(2)</sup>	Share-based awards – Value vested during the year (\$) <sup>(3)</sup>	Non-equity incentive plan compensation – Value earned during the year (\$)
Dr. Hong Zhao Guang Independent Director	Nil	Nil	Nil
Madame Sophia Leung Independent Director	Nil	Nil	Nil
Mr. Brian Palmieri Director & Vice Chairman	Nil	Nil	Nil
Mr. Simon Springett Non-Independent Director	Nil	Nil	Nil
Mrs. Liu Yingchun Independent Director	Nil	Nil	Nil

Notes:

- (1) Compensation for Board member Dr. Zhang has been reflected in the Summary Compensation Table for Named Executive Officers.  
 (2) Option-based award values are calculated as the aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date.

- (3) Share-based award values are calculated based on stock price at grant date times the number of Restricted Shares granted.

**Proportion of Common Shares Held by Directors and Executive Officers**

Collectively, as of the date hereof, the directors and executive officers of the Corporation, as a group, own 5,848,763 Common Shares, representing approximately 15.2% (15.2% on a fully diluted basis) of the issued and outstanding Common Shares.

**Indemnification of Directors or Officers**

There was no indemnification payable this financial year to directors or officers of the Corporation.

**Directors' and Officers' Insurance**

Due to market conditions in the insurance industry, the Corporation did not renew its liability insurance for its directors and officers.

**Key Management Insurance**

The Corporation does not maintain key management insurance.



**INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

None of the directors or executive officers of the Corporation has been indebted to the Corporation or its subsidiaries during the financial year ended December 31, 2020.

**REPORT ON CORPORATE GOVERNANCE**

The following provides information with respect to the Corporation’s compliance with the corporate governance requirements (the “Corporate Governance Guidelines”) of the Canadian Securities Administrators set forth in National Instrument 58-101 and Form 58-101F1.

**Board of Directors**

The Corporation’s Board is currently composed of six directors, a majority of whom are independent of management under the Corporate Governance Guidelines and free of any interest and any business or other relationship, other than arising from their shareholdings that could interfere with their ability to act with a view to the best interests of the Corporation.

<b>Director</b>	<b>Independence</b>
Dr. Hong Zhao Guang	Independent
Madame Sophia Leung	Independent
Mr. Brian Palmieri	Independent
Mr. Simon Springett	Non-Independent (due to position as Chief Operating Officer)
Madame Liu Yingchun	Independent
Dr. Luke Zhang	Non-Independent (due to position as CEO of the Corporation)

The independent status of each individual director is reviewed annually by the Board. The Board considers a director to be independent if he or she has no direct or indirect material relationship with the Corporation which, in the view of the Board of Directors could reasonably be perceived to materially interfere with the exercise of the director’s independent judgment.

The chair of the Board, Dr. Luke Zhang, is not an independent director; however, the Board believes that it has strong, experienced independent directors who openly and candidly voice their opinions at meetings. The Board believes that this structure facilitates the functioning of the Board independently of the Corporation’s management and has therefore not appointed an independent lead director. The independent directors are able to exercise their responsibilities for independent oversight of management through their majority control of the Board and through the committees established by the Board which include the Audit Committee, the Compensation Committee and the Nomination and Corporate Governance Committee which are composed entirely of independent directors.

Meetings of independent directors are not regularly scheduled but communication among this group occurs on an ongoing basis as needs arise from regularly scheduled meetings of the Board.

The following table summarizes directors’ attendance at Board meetings during the year ended December 31, 2020:

<b>Director</b>	<b>Regularly Scheduled Board Meetings Attended (in person or via telephone)</b>
Dr. Hong Zhao Guang	1 of 1
Madame Sophia Leung	1 of 1
Mr. Brian Palmieri	1 of 1
Mr. Simon Springett	1 of 1
Madame Liu Yingchun	1 of 1
Dr. Luke Zhang	1 of 1

**Directorships**

As at the date of this Management Proxy Circular, none of the Board's directors were serving as directors of other reporting issuers (or equivalent) or publicly-traded entities.

### **Board Mandate**

The Board has adopted a written charter, a copy of which is attached as Schedule "B" hereto.

Board members and management will participate in an annual strategic planning review process. Any revisions to the plan will be approved by the Board. Implementation of the strategic plan will be the responsibility of management. The Board will systematically review opportunities by weighing them against the business risks and actively managing these risks. The Board will provide leadership but will not become involved in day-to-day matters. Management will report to the Board on a regular basis on the Corporation's progress in achieving these strategic objectives.

### **Board Assessments**

The Board, its Committees and its individual directors have not been regularly assessed with respect to their effectiveness and contribution but intend to commence these assessments in the current fiscal year.

### **Position Descriptions**

The Board of Directors has adopted written charters for the three Board Committees. Brief summaries of the role of the three Board Committees may be found elsewhere in this document.

### **Orientation and Continuing Education**

The Board has an informal process for the orientation of new Board members regarding the role of the Board, its Committees and directors, and the nature of operation of the Corporation. New directors meet with executive management and incumbent directors and are provided with written materials to aid in their familiarization with the Corporation.

Directors are made aware of their responsibility to keep themselves up to date with best director and corporate governance practices and are encouraged and funded to attend seminars that will increase their own and the Board's effectiveness.

### **Ethical Business Conduct**

The Board of Directors has adopted a Code of Conduct and Business Ethics which sets out guidelines and expectations regarding conduct on the part of directors, officers and employees of the Corporation. The Code is available on the Corporation's website at [www.glglifetech.com](http://www.glglifetech.com).

The Corporation has a Corporate Disclosure Policy, available on the Corporation's website at [www.glglifetech.com](http://www.glglifetech.com), which provides additional measures to ensure ethical business conduct, such as policies and requirements regarding insider trading and trading blackout periods.

The Board also requires conflicts of interest to be disclosed to the Corporation's Corporate Governance and Nominating Committee. In the event that conflicts of interest arise, a director who has such a conflict is required to disclose the conflict and to abstain from voting for or against the approval of the matter. In addition, in considering transactions and agreements in respect of which a director has a material interest, the Board will require that the interested person absent themselves from portions of Board or Committee meetings so as to allow independent discussion of points in issue and the exercise of independent judgment.

### **Nomination of Directors**

With advice and input from the Corporate Governance and Nominating Committee, the Board, in identifying new candidates for Board nomination, will:

- (a) consider what competencies and skills the Board, as a whole, should possess;
- (b) assess what competencies and skills each existing director possesses; and
- (c) consider the appropriate size of the Board, with a view to facilitating effective decision making.

The nomination of directors is undertaken by the Corporate Governance and Nominating Committee, which is composed entirely of independent directors. The Committee reviews the composition of the Board annually, assesses the effectiveness of the Board annually, identifies new candidates for nomination as directors to the Board and makes recommendations to the Board for nominees for election as directors. In that regard, the Corporate Governance and Nominating Committee considers the competencies and skills each new nominee would bring to the Corporation and whether or not each new nominee can devote sufficient time and resources to his or her duties as a Board member. The Corporation has no obligation or contract with any third party providing it with the right to nominate a director.

### **Representation of Women on the Board**

The Board continues to address the importance of considering, along with other relevant characteristics, an appropriate representation of diverse backgrounds and perspectives at the Board level and the identification and nomination of women directors. While the primary objectives of the Corporate Governance and Nominating Committee are to ensure consideration of individuals who are highly qualified based on their talents, experience, functional expertise and personal skills, character and qualities, the Corporate Governance and Nominating Committee will balance these objectives with the need to identify and promote individuals who are reflective of diversity for nomination for election to the Board. In particular, the Corporate Governance and Nominating Committee will consider the level of representation of women and other diverse candidates on the Board when making recommendations for nominees. Given the nature of the Corporation's business and its industry, it may be challenging for the Corporation to identify a qualified pool of candidates that adequately reflects the diversity that the Corporation seeks to promote; therefore the Corporation has not adopted any specific policy or targets, but will promote its objectives through identifying and fostering the development of a suitable pool of candidates for nomination or appointment over time. Currently, two of the six directors on the Board, being 33% of the Board, are women.

### **Representation of Women in Executive Officer Positions**

As noted above, the Board has expanded its governance practices to confirm and reflect the importance of diversity within its executive management team, paying specific attention to the representation of women. The Corporation currently has 1 woman representing 13% of its executive management team. The Board and management recognize the value brought by a diversity of perspectives and backgrounds within the management team and have made changes to its governance practices to ensure the level of women's representation is a key factor when the composition of the executive management team is being considered. The Corporation has not adopted any specific policy or targets with respect to the representation of woman as it may be challenging for the Corporation to identify a qualified pool of candidates that adequately reflects the diversity that the Corporation seeks to promote. However, it will continue to consider its objectives through identifying and fostering the development of a suitable pool of diverse candidates for appointment over time.

### **Term limits**

The Corporation has not adopted term limits for individual directors. The Board believes that individuals can continue to remain effective directors beyond a maximum period of service. Without having term limits, the Corporation has experienced turnover on its board that has brought directors with new perspectives and approaches. This has complemented the depth of knowledge and insight about the Corporation and business operations that the Corporation's long-standing directors have developed over time.

### **Board Committees**

The Corporation has three Board Committees, being the Audit Committee, the Compensation Committee and the Corporate Governance and Nominating Committee.

### *Audit Committee*

The Audit Committee assists the Board of Directors in fulfilling its responsibilities for oversight of financial and accounting matters. In addition to recommending the auditors to be nominated and reviewing the compensation of the auditors, the Committee is responsible for overseeing the work of the auditors and pre-approving non-audit services. The Committee also reviews the Corporation's annual and interim financial statements and news releases containing information taken from the Corporation's financial statements prior to their release. The Committee is responsible for reviewing the acceptability and quality of the Corporation's financial reporting and accounting standards and principles and any proposed material changes to them or their application.

The members of the Audit Committee are Mr. Brian Palmieri (Chair), Madame Sophia Leung, and Madame Liu Yingchun, all independent directors. Each member of the Audit Committee is "independent" within the meaning of Canadian Securities laws.

The Audit Committee has a published charter which is attached as Schedule "A" hereto.

### *Education and Experience of Members of the Audit Committee*

The Audit Committee reports to the Board of Directors, and is responsible for assisting in the Board of Directors' oversight of the reliability and integrity of the accounting principles and practices, financial statements, other financial reporting, and disclosure practices followed by management of the Corporation and its subsidiaries.

All members of the Audit Committee members are independent.

All of the members of the Audit Committee are financially literate based on their experience as a chief executive, financial officer or officers and directors of public and/or private organizations.

### *Pre-Approval Policies and Procedures of Non-Audit Services*

The Audit Committee's Charter sets out responsibilities regarding the provision of non-audit services by the Corporation's external auditors. As a matter of practice the Audit Committee, and or the audit committee chairman acting on behalf of the Audit Committee, will generally pre-approve all audit and permitted non-audit services to be performed by the external auditors and identifies and reviews the types of non-audit services or mandates that it considers to be incompatible with the principles underlying the independence of the external auditors.

### *External Auditor Service Fees*

The aggregate fees for professional services rendered by the Company's auditors for the years ended December 31, 2020, and December 31, 2019, are as follows:

<b>Fiscal years ended December 31</b>	<b>2020</b>	<b>2019</b>
Audit Fees (for audit of the Company's annual financial statements for the respective year and assistance with the Company's quarterly financial statements)	\$270,000	\$300,000
Audit-Related Fees	\$4,000	\$3,660
<b>Total Audit and Audit-Related Fees</b>	<b>\$274,000</b>	<b>\$303,660</b>
Tax Fees (for preparation of tax returns)	\$5,500	\$5,500
All Other Fees	\$0	\$0

<b>Total Fees</b>	<b>\$279,500</b>	<b>\$309,160</b>
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***Fees paid to Davidson & Company, LLP for 2020 and 2019***

***Compensation Committee***

The Compensation Committee was established on March 18, 2008 and assists the Board of Directors in fulfilling its oversight responsibilities relating to compensation. The Committee's role includes establishing a remuneration and benefits plan for directors, executives and other key employees and reviewing the adequacy and form of compensation of directors and senior management. The Committee oversees the development and implementation of compensation programs in order to support the Corporation's business objectives and attract and retain key executives. The Committee also reviews and makes recommendations to the Corporation's Board of Directors regarding the Corporation's incentive compensation equity-based plans.

The members of the Compensation Committee are Madame Sophia Leung, Madame Liu Yingchun, and Mr. Brian Palmieri. Each member of the Compensation Committee is "independent" within the meaning of Canadian Securities laws.

***Corporate Governance & Nominating Committee***

The Corporate Governance and Nominating Committee was established on March 18, 2008 and assists the Board of Directors in fulfilling its oversight responsibilities relating to the board of director's relationship with senior management. The Committee's role includes developing and monitoring the effectiveness of the Corporation's system of corporate governance, assessing the effectiveness of individual directors, the Board of Directors, and various board committees, and is responsible for appropriate corporate governance and proper delineation of the roles, duties and responsibilities of management, the Board of Directors and its committees. The Committee is responsible for recommending to the Board of Directors a set of corporate governance principles and reviewing these principles at least once a year. The Committee oversees the Corporation's investor relations and public relations activities. In addition, the Committee is responsible for identifying and recommending candidates qualified to become directors and board committee members and to ensure that an effective Chief Executive Officer succession plan is in place.

The members of the Corporate Governance and Nominating Committee are Madame Sophia Leung, Madame Liu Yingchun and Mr. Brian Palmieri. Each member of the Corporate Governance and Nominating Committee is "independent" within the meaning of Canadian Securities laws.

**INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

No informed person or proposed director and no associate or affiliate of the foregoing has had a material interest, direct or indirect, in any transaction in which the Corporation has participated within the three-year period prior to the date of this Management Proxy Circular, or will have any material interest in any proposed transaction, which has materially affected or will materially affect the Corporation.

**MANAGEMENT CONTRACTS**

Except as otherwise disclosed herein, management functions of the Corporation are not, to any substantial degree, performed by a person or persons other than the directors or senior officers of the Corporation.

**ADDITIONAL INFORMATION**

Additional information relating to the Corporation is available at [www.sedar.com](http://www.sedar.com) under the name "GLG Life Tech Corporation". Copies of the Corporation's financial statements and MD&A can be obtained by contacting the Corporate Secretary of the Corporation in writing at Suite 100, 10271 Shellbridge Way, Richmond, British Columbia V6X 2W8. Copies of such documents will be provided to Shareholders free of charge.

**OTHER MATTERS**

Management knows of no other matters to come before the Meeting of Shareholders, other than those referred to in the Notice of Meeting. However, if any other matters which are not known to Management shall properly come before said Meeting; the Form of Proxy given pursuant to the solicitation by Management will be voted on such matters in accordance with the best judgment of the persons voting the proxy.

**SCHEDULE "A"**  
**MANDATE OF THE BOARD OF DIRECTORS**  
**OF**  
**GLG LIFE TECH CORPORATION**

**GLG LIFE TECH CORPORATION**  
**(the “Company”)**

1. **ROLE AND RESPONSIBILITIES**

1.1 The Board of Directors (the “Board”) is responsible for the stewardship of the Company. This requires the Board to oversee the conduct of the business and supervise management, which is responsible for the day-to-day conduct of the business.

1.2 The Board is responsible for the adoption of a strategic planning process and the approval and review, at least annually in an all-day in person strategy session to review the Company’s strategic business plan proposed by management, including a statement of the vision, mission and values, and to adopt such a plan with such changes as the Board deems appropriate. The plan and discussion which takes into account, among other things, the opportunities and risks of the business must be presented to the Board no later than 4 months prior to the fiscal year end as to provide enough time for management to resubmit and review the plan and incorporate a budget that takes into account the strategic objectives of the Company.

1.3 The Board shall review and measure corporate performance against strategic plans, senior management objectives, financial plans and quarterly budgets.

1.4 The Board is responsible for the identification of the principal risks of the Company’s business and overseeing the implementation of appropriate systems to manage these risks.

1.5 The Board is responsible for succession planning, including appointing, training and monitoring senior management and, in particular, the CEO.

1.6 The Board is responsible for satisfying itself as to the integrity of the CEO and other senior officers and that the CEO and the other senior officers create a culture of integrity throughout the Company.

1.7 The Board is responsible for the Company’s communication policies, which:

- (a) address how the Company interacts with analysts, investors, other key stakeholders and the public,
- (b) contain measures for the Company to comply with its continuous and timely disclosure obligations and to avoid selective disclosure, and
- (c) are reviewed at least annually.

1.8 The Board is responsible for the integrity of the Company’s internal control and management information systems.

1.9 The Board is responsible for acting in accordance with all applicable laws, the Company’s bylaws and the Company’s Director, Officer and Employee Code of Business Conduct and Ethics.

1.10 The Board and each individual director is responsible for acting in accordance with the obligations imposed by the *Business Corporations Act* (British Columbia). In exercising their powers and discharging their duties, each director shall:

- (a) act honestly and in good faith with a view to the best interests of the Company;
- (b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances;



- (c) exercise independent judgement regardless of the existence of relationships or interests which could interfere with the exercise of independent judgement; and
- (d)
  - (i) disclose to the Company, in writing or by having it entered in the minutes of meetings of directors, the nature and extent of any interest that the director has in a material contract or material transaction, whether made or proposed, with the Company if the director is a party to the contract or transaction, is a director or officer, or an individual acting in a similar capacity, of a party to the contract or transaction, or, has a material interest in a party to the contract or transaction; and
  - (ii) such director shall refrain from voting on any resolution to approve such contract or transaction unless it relates to the directors' remuneration in that capacity is for the directors' indemnity or insurance or is a contract or transaction with an affiliate.
- (e) Demonstrate a willingness to listen as well as to communicate their opinions, openly and in a respectful manner.

1.11 The Board has the authority to appoint a managing director or to establish committees and appoint directors to act as managing director or to be members of these committees. The Board may not delegate to such managing director or committees the power to:

- (a) submit to the shareholders any question or matter requiring the approval of the shareholders;
- (b) fill a vacancy among the directors or in the office of auditor, or appoint additional directors;
- (c) issue securities, except as authorized by the directors;
- (d) issue shares of a series, except as authorized by the directors;
- (e) declare dividends;
- (f) purchase, redeem or otherwise acquire shares issued by the Company;
- (g) pay a commission to any person in consideration of his purchasing or agreeing to purchase shares of the Company from the Company or from any other person, or procuring or agreeing to procure purchasers for any such shares;
- (h) approve a management proxy circular, take-over bid circular or directors' circular;
- (i) approve financial statements to be put before an annual meeting of shareholders; and
- (j) adopt, amend or repeal bylaws.

1.12 The matters to be delegated to committees of the Board and the constitution of such committees are to be assessed annually or more frequently, as circumstances require. From time to time the Board may create an ad hoc committee to examine specific issues on behalf of the Board. The following are the current committees of the Board:

- (a) the Audit Committee, consisting of not less than three directors, each of whom must be an "unrelated or "independent" director under applicable securities laws and applicable stock exchange rules. The role of the Audit Committee is to provide oversight of the Company's financial management and of the design and implementation of an effective system of internal financial controls as well as to review and report to the Board on the integrity of the financial statements of the Company, its subsidiaries and associated companies.

- (b) the Corporate Governance and Nominating Committee, consisting of not less than three directors, each of whom must be an “unrelated or “independent” director under applicable securities laws and applicable stock exchange rules. The role of the Corporate Governance and Nominating Committee is to:
  - (i) develop and monitor the effectiveness of the Company’s system of corporate governance;
  - (ii) establish procedures for the identification of new nominees to the Board and lead the candidate selection process;
  - (iii) develop and implement orientation procedures for new directors;
  - (iv) assess the effectiveness of directors, the Board and the various committees of the Board;
  - (v) ensure appropriate corporate governance and the proper delineation of the roles, duties and responsibilities of management, the Board, and its committees; and
  - (vi) assist the Board in setting the objectives for the CEO and evaluating CEO performance.
  
- (c) the Compensation Committee, consisting of not less than three directors, each of whom must be an “unrelated or “independent” director under applicable securities laws and applicable stock exchange rules. The role of the Compensation Committee is to:
  - (i) establish a remuneration and benefits plan for directors, senior management and other key employees;
  - (ii) review the adequacy and form of compensation of directors and senior management;
  - (iii) establish a plan of succession;
  - (iv) undertake the performance evaluation of the CEO in consultation with the Chair of the Board, if not the CEO; and
  - (v) make recommendations to the Board.

## 2. COMPOSITION

2.1 From time to time the Board or an appropriate committee of the Board shall review the size of the Board to ensure that the size facilitates effective decision-making.

2.2 The Board shall be composed of a majority of directors who qualify as “unrelated” or “independent” directors under applicable securities laws and applicable stock exchange rules. The determination of whether an individual director is unrelated or independent is the responsibility of the Board.

2.3 If at any time the Company has a significant shareholder, meaning a shareholder with the ability to exercise a majority of the votes for the election of the Board, the Board will include a number of directors who do not have interests in or relationships with either the Company or the significant shareholder and who fairly reflects the investment in the Company by shareholders other than the significant shareholder.

2.4 The Board should, as a whole, have the following competencies and skills:

- (a) knowledge of the Company’s industry;
- (b) knowledge of current corporate governance guidelines;

- (c) financial and accounting expertise.

### 3. PROCEDURES TO ENSURE EFFECTIVE OPERATION

3.1 The Board recognizes the importance of having procedures in place to ensure the effective and independent operation of the Board.

3.2 If the Chair of the Board is not a member of management, the Chair shall be responsible for overseeing that the Board discharges its responsibilities. If the Chair is a member of management, responsibility for overseeing that the Board discharges its responsibility shall be assigned to a non-management director.

3.3 The Board has complete access to the Company's management. The Board shall require timely and accurate reporting from management and shall regularly review the quality of management's reports.

3.4 An individual director may engage an external adviser at the expense of the Company in appropriate circumstances. Such engagement is subject to the approval of the Corporate Governance and Nominating Committee.

3.5 The Board shall provide an orientation and education program for new recruits to the Board as well as continuing education on topics relevant to all directors.

3.6 The Board shall institute procedures for receiving shareholder feedback.

3.7 The Board requires management to run the day-to-day operations of the Company, including internal controls and disclosure controls and procedures.

3.8 The non-management directors shall meet at least twice yearly without any member of management being present.

3.9 The Board sets appropriate limits on management's authority. Accordingly, the following decisions require the approval of the Board:

- (a) the approval of the annual and quarterly (unless delegated to the Audit Committee) financial statements;
- (b) the approval of the annual budget;
- (c) any equity or debt financing, other than debt incurred in the ordinary course of business such as trade payables;
- (d) entering into any license, strategic alliance, partnership or other agreement outside the ordinary course of business;
- (e) the acquisition and assignment of material assets (including intellectual property and fixed assets) outside of the ordinary course of business;
- (f) the commencement, termination or material amendment to any human clinical trial;
- (g) the creation of subsidiaries;
- (h) the creation of new Company bank accounts;
- (i) payment of dividends;
- (j) proxy solicitation material;

- (k) projected issuances of securities from treasury by the Company as well as any projected redemption of such securities;
- (l) any material change to the business of the Company;
- (m) the appointment of members on any committee of the Board;
- (n) capital expenditures in excess of CAD\$50,000 outside of the annual budget;
- (o) entering into any professional engagements where the fee is likely to exceed CAD\$50,000 outside of the annual budget.
- (p) entering into any arrangements with banks or other financial institutions relative to borrowing (either on a term or revolving basis) of amounts in excess of CAD\$100,000 outside the annual budget;
- (q) entering into any guarantee or other arrangement such that the Company is contingently bound financially or otherwise in excess of CAD\$50,000 other than product guarantees outside the annual budget;
- (r) the appointment or discharge of any senior officer of the Company;
- (s) entering into employment contracts with any senior officers;
- (t) initiating or defending any law suits or other legal actions; and

3.10 The Board, together with the CEO and with the assistance of the Corporate Governance and Nominating Committee, shall develop position descriptions for the CEO. The Board, together with the CEO, shall also approve or develop the corporate objectives that the CEO is responsible for meeting and the Board shall assess the CEO against these objectives.

## SCHEDULE “B”

### AUDIT COMMITTEE CHARTER GLG LIFE TECH CORPORATION (the “Company”)

The Audit Committee (the “Committee”) is a committee of the Board of Directors (the “Board”) of the Company. The role of the Committee is to provide oversight of the Company’s financial management and of the design and implementation of an effective system of internal financial controls as well as to review and report to the Board on the integrity of the financial statements of the Company, its subsidiaries and associated companies. This includes helping directors meet their responsibilities, facilitating better communication between directors and the external auditor, enhancing the independence of the external auditor, increasing the credibility and objectivity of financial reports and strengthening the role of the directors by facilitating in-depth discussions among directors, management and the external auditor. Management is responsible for establishing and maintaining those controls, procedures and processes and the Committee is appointed by the Board to review and monitor them. The Company’s external auditor is ultimately accountable to the Board and the Committee as representatives of the Company’s shareholders.

The Company shall provide appropriate funding, as determined by the Committee, to permit the Committee to perform its duties under this Charter, to compensate its advisors and to compensate any registered public accounting firm engaged for the purpose of rendering or issuing an audit report or related work or performing other audit, review or attest services for the Company. The Committee, at its discretion, has the authority to initiate investigations, and hire legal, accounting or other outside advisors or experts to assist the Committee, as it deems necessary to fulfill its duties under this Charter.

#### **Duties and Responsibilities of the Audit Committee**

##### *External Auditor*

- To be directly and solely responsible, subject to shareholder approval, for the appointment, compensation, retention and oversight of any independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) engaged by the Company for the purpose of preparing or issuing an audit report or related work, with each such auditor reporting directly to the Committee.
- To obtain and review annually a report from the independent auditor describing (i) the independent auditor’s internal quality-control procedures, (ii) any material issues raised by the most recent internal quality-control review or peer reviews or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm, and any steps taken to deal with such issues, and (iii) all relationships between the independent auditor and the Company.
- To review with the independent auditor any accounting adjustments that were noted or proposed by the independent auditor but that were “passed” (as immaterial or otherwise), and communications between the audit team and the independent auditor’s national office respecting auditing or accounting issues presented by the engagement, and any “management” or “internal control” letter or schedule of unadjusted differences issued, or proposed to be issued, by the independent auditor to the Company, or any other material written communication provided by the independent auditor to the Company’s management.
- To oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting.

- To evaluate the audit services provided by the external auditor, pre-approve all audit fees and recommend to the Board, if necessary, the replacement of the external auditor.
- To pre-approve any non-audit services to be provided to the Company by the external auditor and the fees for those services.
- To review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company. The Committee has adopted the following guidelines regarding the hiring of any partner, employee, reviewing tax professional or other person providing audit assurance to the external auditor of the Company on any aspect of its certification of the Company's financial statements:
  - (a) No member of the audit team that is auditing a business of the Company can be hired into that business or into a position to which that business reports for a period of three years after the audit;
  - (b) No former partner or employee of the external auditor may be made an officer of the Company or any of its subsidiaries for three years following the end of the individual's association with the external auditor;
  - (c) The CFO must approve all office hires from the external auditor; and
  - (d) The CFO must report annually to the Committee on any hires within these guidelines during the preceding year.
- To ensure that the head audit partner assigned by the external auditor to the Company, as well as the audit partner charged with reviewing the audit of the Company, are changed at least every five years, to consider issues related to the timing of such rotation and the transition to new lead and reviewing partners, and to consider whether, in order to assure continuing auditor independence, there should be regular rotation of the audit firm, and report any conclusions on these issues to the Board.
- To review with the independent auditor the critical accounting policies and practices used by the Company, all alternative treatments of financial information within generally accepted accounting principles that the independent auditor has discussed with management, the ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the independent auditor.
- To review, at least annually, the relationships between the Company and the external auditor in order to establish the independence of the external auditor.

#### *Financial Information and Reporting*

- To review the Company's annual audited financial statements with the CEO and CFO and then the full Board.
- To review the interim financial statements with the CEO and CFO.
- To review and discuss with management and the external auditor, as appropriate:
  - (a) The annual audited financial statements and the interim financial statements, including the accompanying management discussion and analysis; and,
  - (b) Earnings guidance and other releases containing information taken from the Company's financial statements prior to their release.

- To review the quality and not just the acceptability of the Company's financial reporting and accounting standards and principles and any proposed material changes to them or their application.
- To review with the CFO any earnings guidance to be issued by the Company and any news release containing financial information taken from the Company's financial statements prior to the release of the financial statements to the public. In addition, the CFO must review with the Committee the substance of any presentations to analysts or rating agencies that contain a change in strategy or outlook.

#### *Oversight*

- To review the internal audit staff functions, including:
  - (a) The purpose, authority and organizational reporting lines;
  - (b) The annual audit plan, budget and staffing; and
  - (c) The appointment and compensation of the controller, if any.
- To review with management its assessment of the effectiveness of and adequacy of the Company's internal control structure and procedures for financial reporting (the "Internal Controls"), review with the independent auditor the attestation to and report on the assessment made by management, and consider with management and the independent auditor whether any changes to the Internal Controls are appropriate in light of management's assessment or the independent auditor's attestation.
- To review and monitor the Company's major financial risks and risk management policies and the steps taken by management to mitigate those risks.
- To meet at least annually with management (including the CFO), the internal audit staff, and the external auditor in separate executive sessions and review issues and matters of concern respecting audits and financial reporting.
- To review with the CEO and CFO of the Company any report on significant deficiencies in the design or operation of the Internal Controls that could adversely affect the Company's ability to record, process, summarize or report financial data, any material weaknesses in Internal Controls identified to the auditors, and any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's Internal Controls.
- To review and approve any related-party transactions, after reviewing each such transaction for potential conflicts of interest and other improprieties.
- To establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters. To adopt, as necessary, appropriate remedial measures or actions with respect to such complaints or concerns.
- In connection with its review of the annual audited financial statements and interim financial statements, the Committee will also review the process for the CEO and CFO certifications (if required by law or regulation) with respect to the financial statements and the Company's disclosure and internal controls, including any material deficiencies or changes in those controls.

### **Membership**

- The Committee shall consist solely of three or more members of the Board, each of whom the Board has determined has no material relationship with the Company and is otherwise “unrelated” or “independent” as required under applicable securities rules or applicable stock exchange rules.
- Any member may be removed from office or replaced at any time by the Board and shall cease to be a member upon ceasing to be a director. Each member of the Committee shall hold office until the close of the next annual meeting of shareholders of the Company or until the member ceases to be a director, resigns or is replaced, whichever first occurs.
- The members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board may from time to time determine.
- All members of the Committee must be “financially literate” (i.e., have the ability to read and understand a set of financial statements such as a balance sheet, an income statement and a cash flow statement). In addition, if required by applicable additional securities regulators or stock exchange rules, at least one member of the Committee shall qualify as a “financial expert” within the meaning of such rules and regulations.

### **Procedures**

- The Board shall appoint one of the directors elected to the Committee as the Chair of the Committee (the “Chair”). In the absence of the appointed Chair from any meeting of the Committee, the members shall elect a Chair from those in attendance to act as Chair of the meeting.
- The Chair will appoint a secretary (the “Secretary”) who will keep minutes of all meetings. The Secretary does not have to be a member of the Committee or a director and can be changed by simple notice from the Chair.
- No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present or by resolution in writing signed by all the members of the Committee. A majority of the members of the Committee shall constitute a quorum, provided that if the number of members of the Committee is an even number, one-half of the number of members plus one shall constitute a quorum.
- The Committee will meet as many times as is necessary to carry out its responsibilities. Any member of the Committee or the external auditor may call meetings.
- The time and place of the meetings of the Committee, the calling of meetings and the procedure in all respects of such meetings shall be determined by the Committee, unless otherwise provided for in the bylaws of the Company or otherwise determined by resolution of the Board.
- The Committee shall have the resources and authority necessary to discharge its duties and responsibilities, including the authority to select, retain, terminate, and approve the fees and other retention terms (including termination) of special counsel, advisors or other experts or consultants, as it deems appropriate.
- The Committee shall have access to any and all books and records of the Company necessary for the execution of the Committee’s obligations and shall discuss with the CEO or the CFO such records and other matters considered appropriate.
- The Committee has the authority to communicate directly with the internal and external auditors.



**Policy for Reporting Violations and Complaints**

The Company's policy for reporting violations and complaints is attached as Annex A.

**Reports**

- The Committee shall produce the following reports and provide them to the Board:
  - (d) An annual performance evaluation of the Committee, which evaluation must compare the performance of the Committee with the requirements of this Charter. The performance evaluation should also recommend to the Board any improvements to this Charter deemed necessary or desirable by the Committee. The performance evaluation by the Committee shall be conducted in such manner as the Committee deems appropriate. The report to the Board may take the form of an oral report by the Chair or any other member of the Committee designated by the Committee to make this report.
  - (c) A summary of the actions taken at each Committee meeting, which shall be presented to the Board at the next Board meeting.

**ANNEX A**

**GLG LIFE TECH CORPORATION  
POLICY FOR REPORTING VIOLATIONS AND COMPLAINTS**

**I. Introduction**

One of our Company's most valuable assets is its integrity. Protecting this asset is the job of everyone in the Company. We have established the GLG Life Tech Corporation Code of Ethics to help our employees understand and comply with the laws and regulations applicable to our business and to maintain the highest standards of ethical conduct. This policy is meant to supplement our Code of Ethics by encouraging employees to report any suspected violations or concerns as to compliance with laws, regulations, public disclosure requirements, our Code of Ethics or other Company policies, or any complaints or concerns regarding the Company's accounting, internal accounting controls, or auditing matters.

**II. Obligation to Report Suspected or Actual Violations; Anonymous Reporting**

**A. Reporting Generally**

It is every employee's obligation to report suspected or actual violations of laws, government rules and regulations, the Company's Code of Ethics or other Company policies. You should also report any suspected violations of the laws and rules that govern the reporting of the Company's financial performance, and any complaint or concern regarding the Company's accounting, internal accounting controls, public disclosure requirements, or auditing matters.

You may report any such matters directly to your supervisor or manager or by the procedures set forth below. As noted below, supervisors and managers are required to report to a Compliance Officer any time they receive a report of a concern about our compliance with laws, the Code of Ethics or other Company policy, any notice of any suspected wrong-doing by any Company employee, officer or director, or any complaint or concern about the Company's accounting, internal accounting controls, public disclosure or auditing matters. The Compliance Officers who should be notified are either of the following:

Simon Springett  
Chief Operating Officer  
GLG Life Tech Corporation  
Suite 100 – 10271 Shellbridge Way  
Richmond, B.C., V6X 2W8  
Canada

Georald Ingborg  
Legal Counsel of the Company  
Fasken Martineau DuMoulin LLP  
#2900 – 550 Burrard Street  
Vancouver, B.C., V6C 0A3  
Canada

**B. Anonymous Reporting**

Alternatively, if you wish to report any such matters anonymously, you may do so by mailing a description of the suspected violation or other complaint or concern to the Company's Audit Committee at:

[auditcom@glglifetech.com](mailto:auditcom@glglifetech.com)

### **III. Treatment and Retention of Complaints and Reports**

Each supervisor and manager shall report any suspected violation, concern or complaint reported to such person by employees or other sources to a Compliance Officer to assure proper treatment and retention of complaints, concerns or notices of potential violations. In addition, employees should take note that persons outside the Company may report complaints or concerns about suspected violations, or concerns regarding internal accounting controls, accounting or auditing matters. Any such concerns or complaints should be reported immediately on receipt to a Compliance Officer.

Supervisors and managers as well as the Compliance Officers shall promptly consider the information, reports or notices received by them under this policy or otherwise. The Compliance Officers shall take appropriate action, including investigation, if appropriate, in accordance with the law, governmental rules and regulations, the Company's Code of Ethics and otherwise consistent with good business practice.

Upon a report to a Compliance Officer, all notices or reports of suspected violations, complaints or concerns received pursuant to this policy shall be recorded in a log, indicating the description of the matter reported, the date of the report and the disposition thereof, and the log shall be retained for five years. The log shall be maintained by the Compliance Officers.

### **IV. Statement of Non-Retaliation**

It is a federal crime for anyone to retaliate intentionally against any person who provides truthful information to a law enforcement official concerning a possible violation of any federal law. Moreover, the Company will not permit any form of intimidation or retaliation by any officer, employee, contractor, subcontractor or agent of the Company against any employee because of any lawful act done by that employee to:

- provide information or assist in an investigation regarding any conduct which the employee reasonably believes constitutes a violation of laws, rules, regulations, the Company's Code of Ethics, or any Company policies; or
- file, testify, participate in, or otherwise assist in a proceeding relating to a violation of any law, rule or regulation.

Any such action is a violation of Company policy and should be reported immediately under this policy.

### **V. Statement of Confidentiality**

The Company will, to the extent reasonably possible, keep confidential both the information and concerns reported under this policy, and its discussions and actions in response to those reports and concerns. In the course of its investigation, however, the Company may find it necessary to share information with others on a "need to know" basis.