



GLG LIFE TECH CORPORATION

**MANAGEMENT PROXY CIRCULAR
AS AT AND DATED APRIL 23, 2024**

FOR

**THE SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON THURSDAY, MAY 16, 2024**

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 5:00 pm (Pacific Time) on Tuesday, May 14, 2024, 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 Simon Springett, a director and officer of the Corporation and the management designee, 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 designee, that proxyholder must attend and vote at the Meeting for your vote to be counted.

REVOCACTION 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 280, 13071 Vanier Place, Richmond, British Columbia, V6V 2J1 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. As a result, NOBOs can expect to receive a scannable VIF, together with the meeting materials, from the Corporation's transfer agent, Computershare. 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 requirements of NI 54-101, the Corporation has distributed copies of the meeting materials 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 those meeting materials, 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 and 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. April 15, 2024, 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 6,141,050 Shares, or 16.0% of issued and outstanding Shares.

BUSINESS OF THE MEETING

APPROVAL OF THE TRANSFER OF THE COMPANY'S "RUNDE" SUBSIDIARY

Note: All dollar figures are rounded to the nearest \$1,000 and, unless otherwise noted, are expressed in Canadian dollars and are based on Management's unaudited figures as of December 31, 2023. Some or all figures usually change over time due to factors such as foreign exchange rates, interest accruals, depreciation, and other ordinary course of business factors, thus figures reported herein are not expected to be precisely the figures as of the Meeting Date or as of the date the Proposed Transaction is consummated (if consummated), and are presented as figures suitable for evaluation of the Proposed Transaction.

Overview of the Proposed Transaction

The Company has for several years sought to improve its balance sheet, primarily in terms of reducing its liabilities, which consist largely of bank debt held by its Chinese subsidiaries as well as related party debt held both at the subsidiary and parent level. The bank debt is held by Chinese banks (primarily state-owned capital management companies), and together with accrued interest, the Company's bank debt as of the Company's last published financials (for the nine months ending September 30, 2023, unaudited) totalled \$122.8 million. All of this bank debt is held at the subsidiary level in China.

The Company's Qingdao Runde Biotechnology Co., Ltd. ("Runde") subsidiary is wholly owned by the Company's Anhui Runhai Joint Stock Co., Ltd. ("Runhai") subsidiary; Runhai is 98.85% owned by the Company. The Runde subsidiary owns a production facility ("Runde Facility") used to manufacture products for the Company and the Company's domestic and international customers. As of December 31, 2023, based on Management's unaudited figures, Runde's assets have a book value of \$4.5 million and its liabilities total \$83.1 million, with \$81.9 million owed to China Cinda Assets Management ("Cinda"), including both principal and interest.

Regarding the production of goods at Runde, the Company has an existing and active agreement with an unrelated third party, Qingdao Honghongyuan Health Industry Technology Co., Ltd. ("HHY"), whereby HHY leases Runde's production facility for the purpose of producing the Company's products. Accordingly, HHY is the manufacturer of record for the Company's products. The products are purchased by the Company from HHY, typically after HHY completes export of the products. HHY, staffed almost entirely by personnel formerly employed directly by Runde, is mandated to adhere to the same production and quality assurance processes and protocols as were used when the personnel were producing goods while employed by Runde.

The Company, through Runhai, has entered into an agreement to transfer, for a nominal amount (one (1) Chinese RMB), ownership of Runde to an arms-length party, Fengyang Xiaogang Hongzhang Health Industrial Park Co. Ltd. ("Xiaogang"), with consummation of this transfer contingent upon satisfaction of Toronto Stock Exchange ("TSX") requirements and obtaining shareholder approval for the transfer of Runde (the "Transfer Agreement"). Consummation of this Transfer Agreement is the "Proposed Transaction" that is the sole subject of this Meeting. As Runde is currently the Company's sole operating manufacturing facility,¹ the Company has also entered into a supplemental agreement (the "Supply Agreement"), pursuant to the Transfer Agreement, to ensure the continued production of the Company's products, in accordance with the Company's ongoing product requirements and standards, at the Runde Facility under Xiaogang's new ownership.

The Proposed Transaction will divest the Company of its ownership interest in the Runde subsidiary, including the divestiture of both Runde's tangible assets and Runde's liabilities owed to Cinda ("Runde Bank Debt") as well as approximately \$1.2 million in other liabilities. With respect to the Company's balance sheet, the net effect of the Proposed Transaction, on the basis of financial information supplied herein, is an expected improvement of \$66.7 million to the Company's balance sheet.

¹ The Company, in the last twelve months, has idled its Runhai production facility ("Runhai Facility"), as the smaller, more efficient Runde production facility can operate with significantly lower financial overhead. The Company, at its discretion, can opt to bring the Runhai Facility online again.

Resolution to Approve the Proposed Transaction

The resolution respecting the Proposed Transaction must be approved by a majority of the votes cast of common shares of the Company present or represented by proxy at the Meeting. The text of the Proposed Transaction Resolution is set out below.

The Board of Directors recommends a vote “for” the Approval of the Proposed Transaction described in this Management Proxy Circular. In the absence of a contrary instruction, the persons designated by management of the Company in the enclosed form of proxy intend to vote FOR the resolution.

Resolution Approving the Proposed Transaction

The resolution to approve the Proposed Transaction which will be presented at the Meeting and, if deemed appropriate, adopted with or without variation is as follows:

“WHEREAS:

1. the Board has resolved that the Proposed Transaction is in the best interests of the Company and has entered into the Proposed Transaction, with consummation of the Proposed Transaction contingent upon shareholder approval, and therefore that the Company shall present the Proposed Transaction for shareholder approval;
2. the Company has presented the Proposed Transaction for shareholder approval; and
3. the board of directors of the Company has approved the Proposed Transaction.

BE IT RESOLVED THAT:

1. the Proposed Transaction on substantially the terms described in the Management Proxy Circular dated April 23, 2024, be and is hereby approved, ratified and confirmed;
2. Management of the Company is hereby authorized to proceed to consummate the Proposed Transaction; and
3. any director or officer of the Company be and is authorized and directed on behalf of the Company to execute all documents and to do all such other acts and things as such director or officer may determine to be necessary or advisable to give effect to the foregoing provisions of this resolution.”

Proposed Transaction Background, Review, and Approval

The Company has been carrying substantial debt for many years, with much of it due on demand. The debt is held by Chinese banks, other private lenders, and related parties. This debt load has impeded Management’s ability to run and grow the Company, and Management and the Board have worked over the past several years seeking out options to deal with this heavy debt load. This section provides background that has led to the Company’s Proposed Transaction.

As of the Company’s last published financial results, the Company had \$211.5 million in current liabilities, with \$122.5 million owed to Chinese banks (including interest), \$55.2 million owed to private lenders, \$17.3 million owed to related parties, and an additional \$16.5 million in other liabilities. Management and the Board view amounts owed to the private lenders and related parties as far less susceptible to any adverse action against the Company and its assets. Hence, the amounts currently owed to Chinese banks have been a relatively higher priority for Management and the Board to resolve, whether through restructuring or other means of reducing this bank debt load.

Recognizing that 1) the bank debt may be called at any time, 2) the outstanding debt imposes substantial and increasing interest liabilities upon the Company, and 3) that the size of the debt greatly limits the Company's options to fund its growth, Management and the Board have sought to identify means to eliminate much of that debt. To allow the debt to persist unabated would keep the Company in a precarious position (see the Going Concern statement and debt-related risks in our most recent Financial Statement), continue to carry substantial interest costs, and hinder the Company's ability to grow revenues and generate profit.

Management brought to the Board's attention, on November 15, 2023, (the "November 2023 Board Meeting") the possibility of transferring the Company's Runde subsidiary to a third party as a means of reducing a substantial amount of the Company's bank debt. This was an opportunity that the Company's CEO, Dr. Luke Zhang, had been exploring on a preliminary basis for some time. The basic structure of this conceived transaction, as presented to the Board, would be a sale, for a nominal amount, of Runde to a third party willing and interested in taking ownership of Runde's assets and Runde's bank debt liabilities, and maintaining Runde's assets as a production facility that could continue to serve the Company and the Company's customers. After discussion, the Board moved to authorize the Company's CEO, Dr. Luke Zhang, to further explore the feasibility and terms of this transaction and to report back to the Board.

On January 16, 2024, Dr. Zhang reported to the Board that he had been in discussion with a potential acquirer of Runde and had arrived at tentative agreement on essential terms for the transfer of Runde, consistent with the structure presented to the Board at the November 2023 Board Meeting. Dr. Zhang further informed the Board that the acquisition, if consummated, would contractually require the acquirer to utilize Runde's production facility to produce goods on behalf of the Company and its customers. On this basis, the Board conditionally authorized Dr. Zhang to cause to be executed a transfer agreement consistent with the terms presented to the Board, subject to the conditions that Management review the transfer agreement and, as appropriate, confirm that there were no material differences between the transfer agreement and what was presented to the Board. Management reviewed both the original Chinese transfer agreement and an English translation of the transfer agreement and confirmed that there were no material differences between the agreement and what was discussed with the Board.

On January 26, 2024, the Transfer Agreement was executed between Runhai and Xiaogang, with the stipulation that effectiveness of the asset transfer was contingent on a Company shareholder vote and any applicable regulatory procedures.

Regulatory Requirements

While the Proposed Transaction involves the sale of a production asset, the ongoing operations of the Company will continue essentially unaltered both before the Proposed Transaction and after the Proposed Transaction, if approved, given the Supply Agreement executed between GLG, Runhai, Xiaogang, and HHY. Further, the Company continues to have the option to resume production at its other production facility, the Runhai Facility, as it sees fit. Thus, the Proposed Transaction does not involve a "sale, lease or exchange of all or substantially all the property," as might otherwise be contemplated in Section 189(3) of the Canada Business Corporations Act. As the Proposed Transaction does not involve or benefit any related parties, the Proposed Transaction does not implicate related party rules or requirements and does not trigger any of the regulations or requirements under OSC Multilateral Instrument 61-101 ("MI 61-101"). Nevertheless, the Company's Board of Directors, recognizing that the Proposed Transaction involves the disposition of a significant asset, has elected to put the question of finalizing the Proposed Transaction to the Company's shareholders.

The Proposed Transaction

As noted above, the Company has sought to improve its balance sheet in order to facilitate the Company's ongoing operations and growth of the Company. The Company's Board of Directors deemed that a transfer of Runde, provided that the Company's ability to produce its products would not be affected, would result in significant improvement to the Company's balance sheet with little to no impact on the Company's production operations and ability to meet the needs of its customers.

Runhai and Xiaogang, having finalized the terms of the Proposed Transaction, have entered into the Transfer Agreement as of January 26, 2024, with consummation of the transaction contingent on shareholder approval pursuant to this Special Meeting. The Supply Agreement was entered into on April 1, 2024.

The essential terms of the Transfer Agreement are bulleted as follows:

- Transferor: Anhui Runhai Biotechnology Co. Ltd.
- Transferee: Fengyang Xiaogang Hongzhang Health Industrial Park Co. Ltd.
- Transfer Asset: Qingdao Runde Biotechnology Co., Ltd.
- Runhai commits that Runde is to be transferred free of any pledge guarantees and judicial restraints, and with the approval of Runhai's decision-making authority.
- Xiaogang commits that its acquisition of Runde is with the approval of Xiaogang's decision-making authority and that it has a full understanding of Runde's operating circumstances as well as of its assets and liabilities.
- Xiaogang commits that after the acquisition, Xiaogang will have full and sole responsibility, with Runhai having no responsibility, for the debts and claims of Runde.
- The acquisition price is one (1) Chinese RMB.
- Failure to obtain shareholder approval or failure to obtain other required approval for the transfer will terminate the agreement.

The essential terms of the Supply Agreement are bulleted as follows:

- Parties: Runhai as Transferor, Xiaogang as Transferee, HHY as Lessor (of Runde production facilities) and Producer (of Goods), GLG as Purchaser (of Goods)
- Xiaogang agrees to use Runde to produce natural sweetener products (the "Goods") for further sale to GLG, by leasing the Runde production facilities to HHY for HHY's production of the Goods for HHY's sale to GLG.
- Xiaogang, with the assistance of HHY and with the advice of Runhai/GLG, will maintain the Runde production facilities to meet the requirements of GLG and GLG's customers.
- Runhai will provide guidance related to the identification and procurement of raw materials to be used for the production of Goods.
- GLG will provide all necessary limited licenses to Xiaogang and/or HHY for the benefit of the production of Goods for the Company and its customers.
- GLG/Runhai's rights to have Runde used for the production of Goods, as contemplated in the Supply Agreement, shall persist for 20 years, with such rights renewable thereafter.
- Any other use of Runde shall not impede or interfere with or otherwise be detrimental to the production of Goods.
- HHY and Xiaogang agree that any disputes between them shall not be to the detriment of the interests of GLG/Runhai under the Supply Agreement.

Anticipated Effect If the Proposed Transaction Is Approved

Upon consummation of the Transaction, the Company will no longer, directly or indirectly, have any ownership interest in Runde. The Runde Bank Debt will remain owed by Runde to the respective banks; neither the Company nor any of its subsidiaries will be liable for the debts, except to the extent that Runhai previously signed as a limited guarantor for Runde's bank debt, with a cap on liability of 50 million RMB (approximately \$9.5 million CAD).

Management anticipates the following changes to the Company's Balance Sheet, which Management notes are its present best estimates and are unaudited and subject to change as a result of external factors, including foreign exchange fluctuations, upon consummation of the Transaction:

- Assets will be reduced by \$4.5 million.

- Term loans will be reduced by \$34.0 million.
- Interest payable will be reduced by \$48.0 million.
- Accounts payable and accruals will be reduced by \$0.8 million.
- Lease liabilities will be reduced by \$0.3 million.
- A liability of \$11.9 million will be added to the Balance Sheet, as this amount will remain owed to Runde by GLG.²
- The net impact of the above items is a \$66.7 million improvement to the Balance Sheet,

Management anticipates the following approximate savings to apply to the Company's future Income Statements, which here too Management notes are its present best estimates and are unaudited and subject to change as a result of external factors, including foreign exchange fluctuations, assuming the Transaction is consummated:

- The Company's ongoing Sales, General & Administrative expenses is expected to be reduced by approximately \$0.2 million per year, due to the elimination of ongoing or periodic costs associated with Runde, including taxes, depreciation and payroll.
- The Company's ongoing Interest expenses are expected to be reduced by approximately \$9 million per year, as the elimination of \$81.9 million in debt to Cinda will result in avoiding additional interest accruals that are presently approximately \$9 million per year, and all else being equal, would only compound to greater amounts in the future.³

The Company will continue to be subject to a 50 million RMB (approximately \$9.5 million CAD) limited guarantee by Runhai on Runde's debt to Cinda.

Upon consummation of the Transaction, the Company will no longer have any ownership interest in Runde or in any tangible assets physically located therein. The Company will retain sole ownership of intellectual property rights associated with any patents, technological know-how, and trade secrets previously used for production at Runde. These intellectual property rights will continue to be licensed as necessary to HHY for the purpose of producing products for the Company, pursuant to the Supply Agreement.

The Supply Agreement is structured to ensure that a) Xiaogang, the prospective new owner of Runde, will be obligated, if the Proposed Transaction is consummated and Xiaogang acquires Runde, to lease the Runde Facility to HHY for the production of the Company's products, and b) HHY will continue to be bound to produce goods for the Company with adherence to all requirements specified by the Company; production of the Company's products will thereby continue unchanged from a technological, procedural, and quality perspective both before and after the Proposed Transaction.

Anticipated Effect If the Proposed Transaction Is Not Approved

If the Proposed Transaction is not approved, while the Company will retain the \$4.5 million in assets held by Runde, the Company will also continue to carry the \$81.9 million debt to Cinda, along with the \$1.1 million in other

² This liability has existed (in varying amounts) prior to the Proposed Transaction and relates to the Company's historical purchases of products from Runde, but because, at present, Runde is part of the Company, the \$11.9 million receivable held by Runde cancels out the \$11.9 million owed to Runde on a consolidated financial basis. If Runde is no longer owned by GLG, directly or indirectly, then the \$11.9 million liability will no longer be offset by Runde's receivable.

³ Some of the loans payable to Cinda have interest rates of 10.22% per annum and the others have interest rates of 11.57% per annum.

liabilities associated with Runde. Further, the Company can expect to incur approximately \$9 million in additional interest accrual expenses in the twelve (12) months following the failed approval along with even greater interest accrual expenses in the years thereafter (due to compounding of interest).

The Company does not presently have any other foreseeable options to remove this magnitude of bank debt from its Balance Sheet.

Risk Factors

Consummation of the Proposed Transaction as set out in this Management Proxy Circular is subject to a number of risks. Shareholders should carefully consider the risks described below in evaluating whether or not to approve the Proposed Transaction Resolution.

- **Consummation of the Proposed Transaction could be delayed or might not occur at all**

While it is the Company's expectation that the Proposed Transaction will consummate upon or shortly after shareholder approval, the Company cannot guarantee that regulatory authorities in Canada or China will not require additional procedures prior to consummation. Nor can the Company guarantee that consummation will occur at all, if regulatory authorities or other external events preclude the asset transfer from taking place.

- **Runde remains indebted to Cinda and remains vulnerable to adverse action that could be taken by Cinda**

Consummation of the Proposed Transaction would alter the ownership of Runde but it would not, in and of itself, alter the indebtedness of Runde to Cinda, nor alter the rights Cinda has in recourse to the debt. As such, while Cinda has historically and consistently demonstrated full restraint in taking adverse action, Runde remains at risk of adverse action that could be taken by Cinda against Runde while the debts remain unpaid. The Company cannot guarantee that any efforts made by Runde's ownership, whether present or future, or any efforts made by any other interested parties, will be successful in further ensuring Cinda's restraint.

- **Government actions in China could impede or prevent the Proposed Transaction**

The rights of private entities in China are generally less robust and less impervious to government challenges compared to those of entities in Canada, the United States, and many other westernized countries. Should the Chinese government choose to take action to interfere with or prevent the Proposed Transaction, the Company may have little to no effective recourse to counter such actions.

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 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 280, 13071 Vanier Place, Richmond, British Columbia V6V 2J1. 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.