

ETHER CAPITAL CORPORATION

NOTICE OF  
ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS  
TO BE HELD ON JUNE 28, 2022

AND

MANAGEMENT INFORMATION CIRCULAR

May 26, 2022



**ETHER CAPITAL CORPORATION**

**Notice of Annual and Special Meeting of Shareholders  
to be Held on June 28, 2022**

Notice is hereby given that the annual and special meeting of the holders of common shares of Ether Capital Corporation (the "Corporation") will be held at the offices of Osler, Hoskin & Harcourt LLP located at 100 King Street West, Suite 6300, Toronto, Ontario on Tuesday, June 28, 2022 at 10:00 a.m. (Toronto time) (the "Meeting") for the following purposes:

1. to receive the Corporation's audited consolidated financial statements for the year ended December 31, 2021 and the auditors' report thereon;
2. to consider and, if deemed advisable, to pass, with or without variation, a special resolution, the full text of which is set forth in Schedule A to the Circular (as defined below), fixing the number of directors of the Corporation to be elected at the Meeting at seven and authorizing and empowering the directors to determine the number of directors of the Corporation from time to time within the minimum and maximum numbers provided in the articles of the Corporation and the number of directors of the Corporation to be elected at the annual meeting of the shareholders of the Corporation;
3. to elect the directors of the Corporation;
4. to appoint Ernst & Young LLP as auditors of the Corporation until the next annual meeting of the shareholders and to authorize the directors of the Corporation to fix their remuneration; and
5. to transact such other business as may properly come before the Meeting or any adjournment thereof.

The specific details of the foregoing matters to be put before the Meeting are set forth in the Management Information Circular (the "Circular") accompanying this Notice of Meeting under the heading of "Matters to be Acted Upon at Meeting".

The Circular includes important information about the items to be considered at the Meeting and how to exercise your vote. Proxies must be received not later than Friday, June 24, 2022 at 10:00 a.m. (Toronto time), or in the case of any adjournment or postponement of the Meeting, not less than 48 hours, Saturdays, Sundays and holidays excepted, prior to the time of the adjournment or postponement.

DATED the 26<sup>th</sup> day of May, 2022.

By Order of the Board of Directors

*(Signed) Som Seif* \_\_\_\_\_

Som Seif

Executive Chairman and Co-Chief Investment  
Officer

**CAUTIONARY NOTE REGARDING  
FORWARD-LOOKING STATEMENTS AND INFORMATION**

This Circular contains forward-looking information within the meaning of applicable securities laws (“forward-looking statements”). Such forward-looking statements, if and when made, may include, without limitation, statements relating to, but not limited to, the Corporation’s future objectives, business operations, plans or expectations with respect to business strategies, expected growth of the Ethereum platform, the Corporation’s compensation programs, governance structure and Board and committee composition. Forward-looking statements include all disclosures regarding possible events, conditions or results of operations that are based on assumptions about future economic conditions and courses of action. Forward-looking statements may also include, without limitation, any statement relating to future events, conditions or circumstances. The Corporation cautions the reader not to place undue reliance upon any such forward-looking statements, which speak only as of the date they are made. Often, but not always, forward-looking statements can be identified by the use of words or phrases such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “does not anticipate”, “believes”, and similar expressions or statements that certain actions, events or results “may”, “could”, “would”, “might”, or “will” be taken, occur or be achieved, and may be based on management’s current assumptions and expectations related to all aspects of the Corporation’s business, industry and the global economy.

Information contained in forward-looking statements is based upon certain material assumptions that were applied in drawing a conclusion or making a forecast or projection, including management’s perceptions of historical trends, current conditions and expected future developments, as well as other considerations that are believed to be appropriate in the circumstances. Although the Corporation believes that the expectations reflected in the forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. the Corporation cannot guarantee future results, levels of activity, performance or achievements. Moreover, neither the Corporation nor any other person assumes responsibility for the accuracy or completeness of the forward-looking statements and information.

Additional information about the risks and uncertainties of the Corporation’s business and material factors or assumptions on which information contained in forward-looking statements is based is provided in the Corporation’s Annual Information Form and MD&A for the period ended December 31, 2021, filed with the securities regulatory authorities in Canada and available at [www.sedar.com](http://www.sedar.com).

Other than as specifically required by applicable Canadian law, forward-looking statements speak only as of the date on which they are made and the Corporation undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.



## ETHER CAPITAL CORPORATION

Management Information Circular for Annual and Special Meeting of Shareholders  
June 28, 2022

### PROXIES

#### Solicitation of Proxies

This Management Information Circular (the “Circular”) is furnished in connection with the solicitation, by or on behalf of the management of Ether Capital Corporation (“Ether Capital” or the “Corporation”), of proxies to be used at the Corporation’s annual and special meeting of the holders of common shares of the Corporation (the “Common Shares”) to be held at the offices of Osler, Hoskin & Harcourt LLP located at 100 King Street West, Suite 6300, Toronto, Ontario on Tuesday, June 28, 2022 at 10:00 a.m. (Toronto time) (the “Meeting”) or at any adjournment or postponement thereof. It is expected that proxies will be solicited primarily by mail, but proxies may also be solicited personally, by telephone or through electronic means (including via the Internet or e-mail) by directors, officers and employees of the Corporation without special compensation. The cost of solicitation will be borne by the Corporation.

#### Appointment of Proxyholder

The persons designated by management of the Corporation as proxyholders in the enclosed form of proxy are directors or officers of the Corporation. **Each shareholder has the right to appoint as proxyholder a person or company (who need not be a shareholder of the Corporation) other than the persons designated by management of the Corporation in the enclosed form of proxy to attend and act on the shareholder’s behalf at the Meeting or at any adjournment or postponement thereof.** Such right may be exercised by inserting the name of the person or company in the blank space provided in the enclosed form of proxy or by completing another form of proxy.

In the case of registered shareholders, the completed, dated and signed form of proxy should be sent in the enclosed envelope or otherwise to the President and Chief Financial Officer of the Corporation c/o TSX Trust Company (“TSX Trust”), at 100 Adelaide Street West, Suite 301, Toronto, Ontario, M5H 4H1, fax number 416-595-9593. To vote over the internet, go to [www.voteproxyonline.com](http://www.voteproxyonline.com) and enter the 12-digit control number printed on your form of proxy.

In the case of non-registered shareholders who receive these materials through their broker or other intermediary, the shareholder should complete and send the voting instruction form in accordance with the instructions provided by their broker or other intermediary.

To be effective, a proxy must be received by TSX Trust or the President and Chief Financial Officer of the Corporation not later than Friday, June 24, 2022 at 10:00 a.m. (Toronto time), or in the case of any adjournment of the Meeting, not less than 48 hours, Saturdays, Sundays and holidays excepted, prior to the time of the adjournment. The deadline for the deposit of proxies may be waived or extended by the Chair of the Meeting at his or her discretion, without notice.

### **Revocation of Proxy**

A shareholder who has given a proxy may revoke it by depositing an instrument in writing signed by the shareholder or by the shareholder's attorney, who is authorized in writing, or by transmitting, by telephonic or electronic means, a revocation signed by electronic signature by the shareholder or by the shareholder's attorney, who is authorized in writing, to or at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or in the case of any adjournment of the Meeting, the last business day preceding the day of the adjournment, or with the Chair of the Meeting on the day of, and prior to the start of, the Meeting or any adjournment thereof. A shareholder may also revoke a proxy in any other manner permitted by law.

### **Voting of Proxies**

On any ballot that may be called for, the Common Shares represented by a properly executed proxy given in favour of the persons designated by management of the Corporation in the enclosed form of proxy will be voted or withheld from voting in accordance with the instructions given on the form of proxy, and if the shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly.

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the accompanying Notice of Meeting and with respect to other matters which may properly come before the Meeting or any adjournment thereof. As of the date of this Circular, management of the Corporation is not aware of any such amendment, variation or other matter to come before the Meeting. However, if any amendments or variations to matters identified in the accompanying Notice of Meeting or any other matters which are not now known to management should properly come before the Meeting or any adjournment thereof, the Common Shares represented by properly executed proxies given in favour of the persons designated by management of the Corporation in the enclosed form of proxy will be voted on such matters pursuant to such discretionary authority.

### **Non-Registered Shareholders**

**Only registered holders of Common Shares or duly appointed proxyholders are permitted to vote in person at the Meeting. Most shareholders of the Corporation are “non-registered” shareholders because the 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.**

A holder of Common Shares is a non-registered (or beneficial) shareholder (a “Non-Registered Holder”) if the shareholder's Common Shares are registered either: (a) in the name of an intermediary (an “Intermediary”) that the Non-Registered Holder deals with in respect of the Common Shares, such as, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs, RDSPs, TFSAs and similar plans; or (b) in the name of a clearing agency (such as CDS & Co.) of which the Intermediary is a participant.

## Appointment of Proxy

Non-Registered Holders who have not objected to their Intermediary disclosing certain ownership information about them to the Corporation are referred to as non-objecting beneficial owners (“NOBOs”). Those Non-Registered Holders who have objected to their Intermediary disclosing ownership information about them to the Corporation are referred to as objecting beneficial owners (“OBOs”). In accordance with the requirements of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“NI 54-101”), the Corporation has elected to send copies of the proxy-related materials, including a form of proxy or voting instruction form (“VIF” and, collectively, the “meeting materials”) indirectly through Intermediaries for onward distribution to NOBOs and OBOs. The Corporation will also pay the fees and costs of Intermediaries for their services in delivering the meeting materials to NOBOs and OBOs in accordance with NI 54-101. Intermediaries must forward the meeting materials to each Non-Registered Holder (unless the Non-Registered Holder has waived the right to receive such materials), and often use a service company, to permit the Non-Registered Holder to direct the voting of the Common Shares held by the Intermediary on behalf of the Non-Registered Holder.

Generally, Non-Registered Holders who have not waived the right to receive meeting materials will either:

- (a) be given a proxy which has already been signed by the Intermediary which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Holder but which is otherwise uncompleted. This form of proxy need not be signed by the Non-Registered Holder. In this case, the Non-Registered Holder who wishes to submit a proxy should otherwise properly complete the form of proxy and deposit it with TSX Trust, as described above under “Registered Shareholders”; or
- (b) more typically, be given a VIF which must be completed and signed by the Non-Registered Holder in accordance with the directions on the VIF. Non-Registered Holders must submit VIFs to Intermediaries in sufficient time to ensure that their votes are received from the Intermediaries by the Corporation.

The purpose of these procedures is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Holder who receives either a proxy or a VIF wish to attend and vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should strike out the names of the persons named in the form of proxy and insert their own (or such other person’s) name in the blank space provided in the form of proxy or, in the case of a VIF, follow the corresponding instructions on the VIF, to appoint themselves as proxyholders, and deposit the form of proxy or submit the VIF in the appropriate manner noted above. Non-Registered Holders should carefully follow the instructions on the form of proxy or VIF that they receive from their Intermediary in order to vote the Common Shares that are held through that Intermediary.

These meeting materials are being sent to both registered and non-registered owners of the Common Shares. If you are a Non-Registered Holder, and the Corporation or its agent has sent these meeting materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. By choosing to send these meeting materials to you directly, the Corporation (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering these meeting materials to you, and (ii) executing your

proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

## **Notice and Access**

The Corporation is sending meeting materials through the Corporation's transfer agent, TSX Trust Company, to registered holders and NOBOs using the notice-and-access delivery procedures set out under NI 54-101 and National Instrument 51-102 – *Continuous Disclosure Obligations*. The Corporation is sending meeting materials to Intermediaries and clearing agencies (such as CDS & Co.) for onward distribution to OBOs. Notice and access means that the meeting materials are posted online for you to access, rather than being mailed to you. This means of delivery is more environmentally friendly and will reduce the cost of printing and mailing materials to shareholders.

You will receive a package in the mail with a notification explaining how to access and review the meeting materials electronically and how to request a paper copy at no charge. Your package will include a proxy form or a voting instruction form so you can vote your Common Shares. You can access the meeting materials on TSX Trust's website at <https://docs.tsxtrust.com/2314> and on SEDAR at [www.sedar.com](http://www.sedar.com).

## **VOTING SHARES**

### **Voting Shares**

As at May 10, 2022, the Corporation had 33,584,213 Common Shares outstanding, each carrying the right to one vote per share. A simple majority of the votes cast at the Meeting, whether in person, by proxy or otherwise, will constitute approval of any matter submitted to a vote, other than a special resolution which requires two-thirds of the votes cast at the Meeting, whether in person, by proxy or otherwise, for approval.

### **Record Date**

The Board of Directors of the Corporation (the "Board") has fixed May 10, 2022 as the record date for the purpose of determining holders of Common Shares entitled to receive notice of and to vote at the Meeting. Any holder of Common Shares of record at the close of business on the record date is entitled to vote the Common Shares registered in such shareholder's name at that date on each matter to be acted upon at the Meeting.

A quorum for the transaction of business at the Meeting shall be two persons present in person, each being a shareholder entitled to vote at the Meeting or a duly appointed proxyholder or representative for a shareholder so entitled.

Unless otherwise indicated, all information in the Circular is as of May 16, 2022.

### **Principal Shareholders**

To the knowledge of the directors and executive officers of the Corporation, as at May 16, 2022, no person beneficially owned, directly or indirectly, or exercised control or direction over, 10% or more of the voting rights attached to the outstanding Common Shares, except as follows:

Name and Municipality of Residence	Number of Common Shares Beneficially Owned, or Controlled, Directly or Indirectly	Percentage of Common Shares Beneficially Owned, or Controlled, Directly or Indirectly
MMCAP International Inc. SPC <sup>(1)</sup> Toronto, Ontario	5,000,000 Common Shares	14.9%

(1) Based solely on a Form 62-103F3 *Required Disclosure by an Eligible Institutional Investor under Part 4* filed on SEDAR on April 12, 2021, MMCAP International Inc. SPC held 5,000,000 Common Shares and 2,500,000 Common Share purchase warrants as at the end of March 2021. Based on the current number of issued and outstanding Common Shares, the reported number of shares would represent approximately 14.9% of the Common Shares.

## **MATTERS TO BE ACTED UPON AT MEETING**

*All dollar amounts in this Circular are expressed in Canadian dollars unless otherwise indicated.*

### **Financial Statements**

The Corporation's audited consolidated financial statements for the year ended December 31, 2021 and the auditors' report thereon (the "Financial Statements") will be received at the Meeting. No vote with respect to the Financial Statements is required to be taken.

### **Fixing the Number of Directors**

The *Business Corporations Act* (Ontario) (the "OBCA") provides that, where a minimum and maximum number of directors of a corporation is provided for in its articles, the directors of a corporation may, if empowered by a special resolution of the shareholders of the corporation, by resolution determine the number of directors within the minimum and maximum and the number of directors to be elected at the annual meeting of the shareholders of the corporation.

The Corporation's articles provide for a minimum of three directors and a maximum of 15 directors. The Corporation currently has nine directors. Stefan Coolican resigned from his position as the Corporation's President and Chief Financial Officer and from the Corporation's Board of Directors on March 31, 2022. At the Meeting, the shareholders of the Corporation will be asked to consider and, if deemed advisable, to pass, with or without variation, a special resolution (the "Board Size Special Resolution") fixing the number of directors to be elected for the ensuing year at seven and authorizing and empowering the directors of the Corporation to determine by resolution the number of directors of the Corporation from time to time within the minimum and maximum number of directors as provided in the articles of the Corporation and the number of directors to be elected at the annual meeting of the shareholders of the Corporation. The directors of the Corporation are of the view that this flexibility is in the best interests of the Corporation.

In order to be passed, the Board Size Special Resolution must be approved by not less than two-thirds of the votes cast thereon by shareholders of the Corporation present in person or represented by proxy at the Meeting. Unless directed to vote against the Board Size Special Resolution, the persons named in the form of proxy and VIFs accompanying this management information circular intend to vote for the Board Size Special Resolution.

The text of the Board Size Special Resolution is set out in Schedule A attached to this management information circular.

## **Election of Directors**

Seven persons will be nominated for election as directors at the Meeting. Under the by-laws of the Corporation, directors of the Corporation are elected annually. Each director will hold office until the next annual meeting or until the successor of such director is duly elected or appointed, unless such office is earlier vacated in accordance with the Corporation's by-laws. Benjamin Roberts and Joey Krug, who are currently directors of the Corporation, are not standing for re-election at the Meeting. Both Mr. Roberts and Mr. Krug intend to continue their involvement with the Corporation as advisors to management.

**In the absence of a contrary instruction, the persons designated by management of the Corporation in the enclosed form of proxy intend to vote FOR the election as directors of each of the proposed nominees whose names are set forth below.** Management does not contemplate that any of the proposed nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the Common Shares represented by properly executed proxies given in favour of such nominee(s) may be voted by the persons designated by management of the Corporation in the enclosed form of proxy, in their discretion, in favour of another nominee.

The director nominee profiles set out in this Circular provide detailed information about each nominee for election to the Board, including their expertise, committee memberships, and the number of securities beneficially owned, directly or indirectly, or over which control or direction was exercised, by such person or the person's associates or affiliates as of May 16, 2022. The information as to securities beneficially owned or over which control or direction is exercised, not being within the knowledge of the Corporation, has been furnished by the respective proposed nominees individually. The Board has determined that it will not constitute an Investment Committee for the ensuing year and following the Meeting all matters formerly handled by the Investment Committee will be handled by the Board of Directors. Accordingly, following the Meeting, the Corporation will no longer have Co-Chief Investment Officers. This restructuring reflects a desire for the Board of Directors to operate more efficiently and effectively.

## **Appointment of Auditors**

At the Meeting, it is proposed that Ernst & Young LLP be appointed as the auditors of the Corporation. Information concerning fees paid to our predecessor auditor, KPMG LLP, for services they have rendered to us in each of the last two fiscal years can be found in our Annual Information Form under the heading "Audit Committee", which is available under our profile on [www.sedar.com](http://www.sedar.com).

KPMG LLP, the auditors of the Corporation since 2018, resigned as auditor of the Corporation at the Corporation's request on May 4, 2022. Based on the recommendation of the Audit Committee, Ernst & Young LLP was appointed by the Board as auditors of the Corporation commencing May 4, 2022. The resignation of KPMG LLP and the appointment of Ernst & Young LLP were approved by the Board.

Pursuant to NI 51-102, the Corporation prepared and filed a Notice of Change of Auditor dated May 4, 2022 (the "Notice"). The Corporation has obtained response letters from each of Ernst & Young LLP and KPMG LLP confirming the statements contained in the Notice (the "Response Letters"). In accordance with NI 51-102, the Notice and Response Letters have been reviewed by the Audit Committee, have been filed on SEDAR and are attached as Appendix "B" to this Circular.

**In the absence of a contrary instruction, the persons designated by management of the Corporation in the enclosed form of proxy intend to vote FOR the appointment of Ernst &**

**Young LLP as auditors of the Corporation to hold office until the next annual meeting of shareholders and the authorization of the directors to fix their remuneration.**

**DIRECTORS**

**Nominees for Election to the Board of Directors**

<b>Name and Place of Residence</b>	<b>Principal Occupation</b>	<b>Current Position(s) with the Corporation</b>	<b>Director Since</b>	<b>Number of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly</b>
<b>Brian Mosoff</b> <sup>(1)(9)</sup> Ontario, Canada	Chief Executive Officer of Ether Capital	Director and Chief Executive Officer	July 2018	182,500 <sup>(2)</sup>
<b>Som Seif</b> <sup>(1)</sup> Ontario, Canada	Founder and Principal, Purpose Unlimited	Executive Chairman, Director and Co-CIO	April 2018	1,654,500 <sup>(3)</sup>
<b>John Ruffolo</b> <sup>(1)(4)(10)</sup> Ontario, Canada	Founder and Managing Director of Maverix Private Equity	Director	April 2018	20,000 <sup>(5)</sup>
<b>Boris Wertz</b> <sup>(1)(4)(6)(10)</sup> British Columbia, Canada	Founding Partner of Version One Ventures	Director and Lead Independent Director	April 2018	360,000 <sup>(7)</sup>
<b>Liam Horne</b> <sup>(1)(10)</sup> Ontario, Canada	Chief Executive Officer of Optimism	Director	April 2018	110,000 <sup>(5)</sup>
<b>Colleen McMorro</b> <sup>(4)(6)(10)</sup> Ontario, Canada	Corporate Director	Director	April 2018	30,000 <sup>(5)</sup>
<b>Camillo di Prata</b> <sup>(4)(6)(10)</sup> Ontario, Canada	Founder and Managing Partner of Gibraltar & Company	Director	April 2018	120,000 <sup>(8)</sup>

The following table sets forth information about each director nominee, including (i) his or her name and place of residence, (ii) the period during which each has served as a director, (iii) memberships on committees of the Board, (iv) present principal occupation, business or employment, and (v) the number of Common Shares of the Corporation beneficially owned, or controlled or directed, directly or indirectly, by such director nominee. In the table, certain information, not being within the knowledge of the Corporation, has been furnished by the respective proposed nominees individually.

Notes:

- (2) Investment Committee member. The Investment Committee also includes Benjamin Roberts and Joey Krug. Som Seif chairs the Investment Committee. Following the Meeting, there will no longer be an Investment Committee.
- (3) Mr. Mosoff also owns 519,407 options to purchase Common Shares.
- (4) 1,312,500 Common Shares are held by Seif Corp., a corporation wholly owned by Mr. Seif. Mr. Seif, through Seif Corp. Mr. Seif also owns 62,500 options to purchase Common Shares.
- (5) Member of the Compensation and Corporate Governance Committee. Boris Wertz is chair of the Compensation and Corporate Governance Committee.
- (6) Mr. Ruffolo, Mr. Horne and Ms. McMorro each own 62,500 options to purchase Common Shares.
- (7) Member of the Audit Committee. Colleen McMorro is chair of the Audit Committee.
- (8) 47,500 Common Shares are held by Version One Ventures II LP and 2,500 Common Shares are held by Version One Ventures II (INT) LP, partnerships over which Mr. Wertz exercises control or direction. Mr. Wertz also owns 62,500 options to purchase Common Shares.
- (9) Mr. di Prata's shares are held by Gibraltar Three Corporation, a corporation over which Mr. di Prata exercises control or direction. Mr. di Prata also owns 62,500 options to purchase Common Shares.
- (10) On July 23, 2018, the Corporation announced the appointment of Brian Mosoff as Chief Executive Officer and the appointment of Mr. Mosoff to the Corporation's Board, effective immediately.
- (11) John Ruffolo, Boris Wertz, Liam Horne, Colleen McMorro and Camillo di Prata are independent directors within the meaning of National Policy 58-201 – *Corporate Governance Guidelines* ("NP 58-201"). Boris Wertz is the lead independent director.

## **Director Biographies**

The following are brief profiles of our director nominees, including a description of each individual's principal occupation within the past five years.

### **Brian Mosoff**

Brian Mosoff is the Chief Executive Officer and a Director of Ether Capital. Mr. Mosoff is an expert in decentralization and peer-to-peer technologies, and has been an active member of the cryptocurrency community since 2013. Brian is also a member of the Investment Industry Regulatory Organization of Canada's ("IIROC") Crypto-Asset Working Group that advises on future proposed IIROC rules, guidance and other policy matters related to the regulation of crypto assets and potential impacts on investor protection and market integrity, and has also served as a member of the Fintech Advisory Committee of the Ontario Securities Commission. He is also a founding member of the Canadian Web 3 Council and mentor to early blockchain start-ups at the Rotman School of Management's Creative Destruction Lab.

### **Som Seif**

Som Seif is the Co-Chief Investment Officer and Executive Chairman of Ether Capital. Som is the founder and Chief Executive Officer of Purpose Investments Inc. and Purpose Unlimited, which he formed following the sale of Claymore Investments to BlackRock Inc. in March 2012, and the Co-Founder of Wealthsimple Technologies Inc. Som started Claymore Investments in Canada in January 2005 and was the former President and Chief Executive Officer leading the implementation of the company's business development and corporate strategies. Over the seven years of its operation, Claymore Investments organically grew to \$8 billion in assets and established itself as a Canadian leader in bringing intelligent, low cost exchange-traded funds to investors through its family of thirty-four exchange-traded funds across broad asset classes.

Prior to Claymore Investments, Som was an investment banker with RBC Capital Markets, where he worked since 1999. He played a key role in developing the structured products group at RBC Capital Markets in both Canada and the U.S., where he structured and raised capital for both Canadian and U.S. asset managers.

Som is a Chartered Financial Analyst and has a Bachelor of Applied Science with an emphasis on Industrial and Systems Engineering from the University of Toronto. Som has a strong commitment to community and is currently involved with a number of non-profit organizations. In 2011, Som was recognized for his vision and leadership by Caldwell Partners International with the Top 40 Under 40 award.

### **John Ruffolo**

John Ruffolo is a Director of Ether Capital. John is the Founder and Managing Director of Maverix Private Equity. Previously, John was the Chief Executive Officer of OMERS Ventures, the venture arm of OMERS, one of Canada's leading pension funds. In addition, he was also the Executive Managing Director with OMERS Platform Investments, the innovation investing arm of OMERS. Prior to joining OMERS Ventures, Mr. Ruffolo was a Partner at Deloitte, as well as the Global Thought Leader, the Global Tax Leader and the Canadian Industry Leader for Deloitte's Technology, Media and Telecommunications (TMT) practice. He was also a member of the firm's Tax and TMT Global Leadership teams and a member of Deloitte's Board of Directors.

## **Boris Wertz**

Boris Wertz is the Lead Independent Director of Ether Capital. Boris is the founding partner of Version One Ventures, an early-stage fund with offices in Vancouver and San Francisco. Before becoming an investor, Boris was the Chief Operating Officer of AbeBooks.com which sold to Amazon in 2008. He was responsible for marketing, business development, product, customer service and international operations – leading a team of 60 people. This deep operational experience helps him guide other entrepreneurs to start, build and scale companies. Boris finished his PhD at the Graduate School of Management (WHU), Koblenz, majoring in Business Economics & Business Management. In 2005, he was named the Pacific Ernst & Young Entrepreneur Of The Year.

## **Liam Horne**

Liam Horne is a Director of Ether Capital. Liam is an engineer and company-builder. After dropping out of the Computer Science program at the University of Waterloo in 2014, he became the CTO of PiinPoint, Y-Combinator backed software company which helps businesses like Tim Hortons, TJX, Colliers, and H&R Block make location-based decisions. Within the blockchain industry, Liam has started multiple initiatives to scale Ethereum's technology and its values. L4, an R&D studio and venture firm has made significant contributions in developing "layer 2" scalability research with the State Channels project, and made seed investments in OpenSea, Celer, and Ramp Network. Liam is a co-founder of ETHGlobal, a community company that has run Ethereum hackathons across the planet and online which have brought over 25,000 developers directly into the industry and spawned multiple companies worth over \$2 billion in value today. Today, Liam is the CEO of OP Labs, the core development company of Optimism, a protocol that scales Ethereum to enable low fees without compromising on security.

## **Colleen McMorrow**

Colleen McMorrow is a Director of Ether Capital and an experienced corporate director serving on the boards of public and private corporations as well as not-for-profit organizations. She is a director of Exco Technologies Limited (TSX: XTC), West Fraser Timber Co. Ltd. (TSX and NYSE: WFG) and the Investment Management Corporation of Ontario (IMCO). Prior to June 2016, Ms. McMorrow was a senior client serving Audit Partner at Ernst & Young LLP (EY). Ms. McMorrow held a number of senior leadership positions at EY over her 38 year career including Canadian Growth Markets Leader, National Director Entrepreneur of the Year Awards, National Media and Technology Leader, and Office and Service Line Managing Partner. She graduated from Concordia University John Molson School of Business with a Bachelor of Commerce degree and a Graduate Diploma in Accounting. Colleen is a chartered accountant (CPA), a Fellow of the Institute of Chartered Accountants of Ontario (FCPA) and holds the Institute of Corporate Directors designation (ICD.D). In 2015 she was selected as one of Canada's Top 100 Most Powerful Women by WXN.

## **Camillo di Prata**

Camillo (Cam) di Prata is Chief Executive Officer and Managing Partner of Gibraltar & Company, an investment management firm he founded in 2013. As a former financial services industry executive with over 25 years of mergers and acquisitions experience, Cam possesses significant mergers, acquisitions, divestiture and valuation transactional experience primarily in the technology, media and consumer sectors. During his career he worked, with successively increasing leadership responsibilities, at Nesbitt Burns, Citigroup, and Scotia Capital. In 2003, he joined National Bank Financial as Vice Chairman with the mandate to help expand the firm's

presence outside of the Province of Québec. In 2006, he was promoted to Executive Vice President and head of National Bank Financial's corporate and investment banking division, a position he held until 2012. He founded Gibraltar & Company with the purpose of using his network and expertise to accelerate the growth of emerging companies and entrepreneurs, initially in the consumer-facing technology space. In addition to his responsibilities with Gibraltar & Company and its related activities, Cam is a director of Gibraltar & Company, Gibraltar Ventures Fund One Limited Partnership, Crowdriff Inc., LXRandCo, Inc. and Ether Capital Corp. and an advisory board member of The BrandProject LP. He is an international member of SOHO House and is an active supporter of the Toronto art community. His current not-for-profit activities include serving as Board Trustee and member of the Executive Committee of the Art Gallery of Ontario and board member of the International Festival of Authors. He is past director of Les Grands Ballets Canadiens, The Canadian Opera Company, The Empire Club of Canada and the Luminato Festival. In 2007, he was awarded the Star of Italian Solidarity and appointed to the rank of Commendatore (Commander) by the Italian Government in recognition for his service in promoting Italian culture in Canada. A citizen of Canada and Italy, Cam resides in Toronto.

### **Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

To the knowledge of the Corporation, no proposed nominee for election as a director of the Corporation: (a) is, at the date of this Circular, or has been, within the last ten years, a director, chief executive officer or chief financial officer of any company that, while that person was acting in that capacity, (i) was the subject of a cease trade or similar order or an order that denied the company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, or (ii) was the subject of an event that resulted, after that person ceased to be a director or chief executive officer or chief financial officer, in the company being the subject of such an order; (b) is, at the date of this Circular, or has been, within the last ten years, 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 its assets; or (c) has, within the last ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with credits, or had a receiver, receiver manager or trustee appointed to hold his or her assets.

No proposed director of the Corporation has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

### **Majority Voting Policy**

Ether Capital has adopted a majority voting policy. Pursuant to the policy, shareholders vote for the election of individual directors at each annual meeting of shareholders, rather than for a fixed slate of directors. Further, in an uncontested election of directors at an applicable meeting of shareholders, a director must receive more votes with respect to his or her election than votes withheld with respect to his or her election. If that is not the case, that director must immediately tender his or her resignation to the Chairman of the Board (the "Chair") following the applicable meeting of shareholders. A director who tenders resignation under this policy may not participate in any meeting of the Compensation and Corporate Governance Committee or the Board at which the resignation is considered. The Compensation and Corporate Governance Committee will

promptly consider such tendered resignation and recommend to the Board the action to be taken with respect to such tendered resignation. Absent exceptional circumstances, the Board shall promptly accept such tendered resignation. In any event, the resignation will be accepted (or in rare cases rejected) within 90 days of the applicable meeting of shareholders. The Board must promptly disclose its decision, including reasons for its decision, via press release. The Corporation shall provide a copy of such press release to the NEO Exchange (the “Exchange”).

If the Board determines not to accept the resignation, the press release must fully state the reasons for that decision. If a resignation is accepted, the Board may leave the resultant vacancy in the Board unfilled until the next annual meeting of shareholders, fill the vacancy through the appointment of a director whom the Board considers to merit the confidence of Ether Capital’s shareholders, or call a special meeting of the shareholders to consider the election of a nominee recommended by the Board to fill the vacant position.

### **Director Term Limits/Mandatory Retirement**

The Board has not adopted a term limit for directors. The imposition of director term limits may discount the value of experience and continuity amongst board members and runs the risk of excluding experienced and potential valuable board members. The Board may rely on an annual director assessment procedure in evaluating Board members, and believes that it can strike the right balance between continuity and fresh perspectives without mandated term limits.

### **Meetings of the Board and Committees of the Board**

The Board typically meets formally a minimum of four times per year, including (i) in order to approve annual statements; (ii) in connection with the annual meeting of the Corporation’s shareholders; and (iii) a general corporate strategy meeting. Each committee of the Board meets at least once each year, or more frequently as deemed necessary by the applicable committee. The frequency of the meetings and the nature of the meeting agendas are dependent upon the nature of the business and affairs that the Corporation faces from time to time.

The following table provides details regarding director attendance at Board and committee meetings held during the relevant time period (January 1, 2021 to December 31, 2021).

<b>MEETINGS ATTENDED</b>	<b>BOARD OF DIRECTORS</b>	<b>AUDIT COMMITTEE</b>	<b>INVESTMENT COMMITTEE</b>	<b>COMPENSATION AND CORPORATE GOVERNANCE COMMITTEE</b>
Brian Mosoff	4/4		1/1	
Stefan Coolican	4/4		1/1	
Som Seif	4/4		1/1	
Benjamin Roberts	4/4		1/1	
John Ruffolo	4/4		1/1	1/1
Joey Krug	4/4		1/1	
Boris Wertz	4/4	4/4	1/1	1/1
Liam Horne	4/4		1/1	
Colleen McMorrow	4/4	4/4		1/1
Camillo di Prata	3/4	4/4		1/1

## Directors' Compensation

The Corporation's director compensation program is designed to attract and retain qualified individuals. The Compensation and Corporate Governance Committee assesses the director compensation program annually and makes recommendations with respect to director compensation to the Board, for approval.

The following table provides a summary of total compensation earned during the financial year ended December 31, 2021 by each director for services rendered in all capacities during those periods.

Name, Principal Position	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of all Other Compensation (\$)	Total Compensation (\$)
Brian Mosoff <sup>(1)</sup> Chief Executive Officer	2021	\$150,000					
Stefan Coolican <sup>(1)</sup> Director and President and Chief Financial Officer	2021	\$150,000					
Som Seif <i>Director</i>	2021						
Benjamin Roberts <i>Director</i>	2021						
John Ruffolo <i>Director</i>	2021						
Joey Krug <i>Director</i>	2021						
Boris Wertz <i>Director</i>	2021			\$10,000			
Liam Horne <i>Director</i>	2021						
Colleen McMorro <i>Director</i>	2021			\$15,000			
Camillo di Prata <i>Director</i>	2021			\$10,000			

(1) The Corporation's executive officers do not receive any additional compensation for serving as a director.

## Outstanding Option-Based Awards

The following table sets out all option-based awards outstanding as of December 31, 2021 for all non-executive current and former directors of the Corporation.

Option-based Awards				
Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)
Som Seif	50,000	\$0.35	12/16/2029	\$147,500
	12,500	\$4.10	05/21/2031	\$34,875
Benjamin Roberts	50,000	\$0.35	12/16/2029	\$147,500
	12,500	\$4.10	05/21/2031	\$34,875
John Ruffolo	50,000	\$0.35	12/16/2029	\$147,500
	12,500	\$4.10	05/21/2031	\$34,875
Joey Krug	50,000	\$0.35	12/16/2029	\$147,500
	12,500	\$4.10	05/21/2031	\$34,875
Boris Wertz	50,000	\$0.35	12/16/2029	\$147,500
	12,500	\$4.10	05/21/2031	\$34,875
Liam Horne	50,000	\$0.35	12/16/2029	\$147,500
	12,500	\$4.10	05/21/2031	\$34,875
Colleen McMorrow	50,000	\$0.35	12/16/2029	\$147,500
	12,500	\$4.10	05/21/2031	\$34,875
Camillo di Prata	50,000	\$0.35	12/16/2029	\$147,500
	12,500	\$4.10	05/21/2031	\$34,875

## Value Vested or Earned During the Year

The value of option-based awards which vested during the year ended December 31, 2021 for each non-executive director was nil.

## **STATEMENT OF CORPORATE GOVERNANCE PRACTICES**

The Corporation's corporate governance disclosure obligations are set out in the Canadian Securities Administrators' National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101"), NP 58-201 and NI 52-110. These instruments set out a series of guidelines and requirements for effective corporate governance (collectively, the "Guidelines"). The Guidelines address matters such as the constitution and independence of corporate boards,

the functions to be performed by boards and their committees and the effectiveness and education of board members. NI 58-101 requires the disclosure by each listed corporation of its approach to corporate governance with reference to the Guidelines.

Set out below is a description of the Corporation's approach to corporate governance in relation to the Guidelines.

## **Board of Directors**

The Board is currently comprised of nine directors: Brian Mosoff, Som Seif, Benjamin Roberts, John Ruffolo, Joey Krug, Boris Wertz, Liam Horne, Colleen McMorrow and Camillo di Prata. Following a review by the board, and with their consent and agreement, Benjamin Roberts and Joey Krug have opted not to submit their candidacy for another term as directors of the Corporation. The Board has asked, and Mr. Roberts and Mr. Krug have agreed, to continue advising management in a non-Board member capacity.

Six of the nine current members of the Board are "independent", as that term is defined in NI 58-101, being John Ruffolo, Joey Krug, Boris Wertz, Liam Horne, Colleen McMorrow and Camillo di Prata. Brian Mosoff is not considered "independent" because he also functions as the Chief Executive Officer of the Corporation. Som Seif and Benjamin Roberts are not considered "independent" because they function as the Co-Chief Investment Officers of the Corporation and, in the case of Som Seif, also because he is the Founder and Principal of Purpose LP, the counterparty to the Amended and Restated Purpose Services Agreement. See "Management Contracts".

Som Seif is the Chair of the Board, and accordingly, the Board does not have an independent Chair. The role of the Chair is to act as the leader of the Board, to manage and co-ordinate the activities of the Board and to oversee the execution by the Board of the Board Mandate.

Because the Chair of the Board is not independent, the independent directors of the Board determined to appoint a lead independent director. The lead independent director is responsible for, among other things: (i) together with the Chair, providing leadership to enhance the effectiveness and independence of the Board and ensure that the Board functions independently of management of the Corporation; (ii) chairing meetings of independent directors or non-management directors; (iii) in the absence of the Chair, acting as chair of meetings of the Board; (iv) recommending, where necessary, the holding of special meetings of the Board; (v) promoting best practices and high standards of corporate governance; and (vi) performing such other duties and responsibilities as may be delegated to the lead independent director by the Board from time to time. Mr. Wertz is the Board's lead independent director.

The independent members of the Board do not hold regularly scheduled meetings at which the non-independent directors and members of management are not in attendance. Although the independent directors do not hold meetings without the non-independent directors and members of management, the Board facilitates open and candid discussion among its independent directors and holds in-camera sessions without management present at the conclusion of every quarterly board meeting and when the need arises.

Certain members of the Board are also members of the board of directors of other reporting issuers, as noted below:

Name of Director	Name(s) of Reporting Issuer(s) and Exchange
Colleen McMorrow	Exco Technologies Limited (TSX) West Fraser Timber Co. Ltd. (TSX and NYSE)
Camillo di Prata	LXRandCo, Inc. (TSX)

## Board Mandate

The Board has the duty to supervise the management of the business and affairs of the Corporation. The Board discharges this responsibility directly and through delegation of specific responsibilities to Board committees, the Chair, and officers of the Corporation, all as more particularly described in the Board Mandate adopted by the Board.

As set out in the Board Mandate, the Board has established three committees to assist with its responsibilities: the Audit Committee, the Compensation and Corporate Governance Committee and the Investment Committee. Each of the Audit, the Compensation and Corporate Governance and the Investment Committee has a mandate defining its responsibilities. The Board has determined that it will not constitute an Investment Committee for the ensuing year and following the Meeting all matters formerly handled by the Investment Committee will be handled by the Board of Directors. The Board Mandate to be adopted after the Meeting is attached as Appendix A. For the Board Mandate currently in effect, see Appendix A to the Corporation's management information circular dated May 13, 2021.

## Position Descriptions

The Board has written position descriptions for the Chair, chairs of each of the committees of the Board, the lead independent director and the Chief Executive Officer. The Board Mandate and the committee mandates for the Audit Committee, Compensation and Corporate Governance Committee and the Investment Committee set out in writing the responsibilities of the Board and the committees for supervising management of the Corporation.

## Nomination of Directors

The Compensation and Corporate Governance Committee is responsible for recommending to the Board candidates for election as directors and candidates for appointment to Board committees as set out in the Compensation and Corporate Governance Committee Mandate. See "Compensation and Corporate Governance Committee". The Chair is also responsible for consulting with the Compensation and Corporate Governance Committee regarding candidates for nomination or appointment to the Board.

## Committees of the Board

### Board and Committee Assessment

The Compensation and Corporate Governance Committee is responsible for assessing the effectiveness of the Board as a whole, the committees of the Board and the contribution of individual directors. Given the Corporation's size and the size and composition of the Board, the Compensation and Corporate Governance Committee considers a formal assessment process of the Board, its committees and its individual directors to be inappropriate at this time. The Compensation and Corporate Governance Committee, in consultation with the Chair of the Board or lead independent director, satisfies itself on an informal basis, from time to time, that the Board as a whole, the committees of the Board and individual directors are performing effectively and

makes recommendations to the Board as appropriate. The Compensation and Corporate Governance Committee will continue to evaluate the effectiveness of the Board, the committees of the Board and individual directors on an informal basis but will consider implementing a formal assessment process in the future should circumstances warrant.

### **Audit Committee**

The Audit Committee is comprised of Colleen McMorrow (Chair), Boris Wertz and Camillo di Prata, each of which is independent within the meaning of NI 52-110. Each Audit Committee member is “financially literate” within the meaning of NI 52-110 and possesses education or experiences that is relevant for the performance of their responsibilities as a member of the Audit Committee.

The responsibilities and operation of the Audit Committee are set out in the Corporation’s Audit Committee Mandate, the text of which is included as Schedule A to the Corporation’s Annual Information Form dated March 24, 2022, a copy of which is available on SEDAR at [www.sedar.com](http://www.sedar.com). Please refer to the section entitled “Audit Committee” contained therein for further information.

### **Compensation and Corporate Governance Committee**

The Compensation and Corporate Governance Committee is comprised of Boris Wertz (Chair), Colleen McMorrow, Camillo di Prata and John Ruffolo, each of which is independent within the meaning of NI 58-101. The duties of the Compensation and Corporate Governance Committee are set out in a compensation and corporate governance committee mandate that gives the Compensation and Corporate Governance Committee responsibility for, among other things, determining and making recommendations with respect of all forms of compensation to be granted to the Chief Executive Officer (“CEO”), reviewing the CEO’s recommendations respecting compensation of other senior executives, and determining and making recommendations with respect to the corporate governance of the Corporation.

As a whole, the members of the Compensation and Corporate Governance Committee have direct experience and skills relevant to their responsibilities in executive compensation, including with respect to enabling the Compensation and Corporate Governance Committee in making informed decisions on the suitability of the Corporation’s compensation policies and practices. Each of the members of the Compensation and Corporate Governance Committee has experience on the board of directors and related committees of other public companies, or such other relevant experience, as described under “Nominees for Election to the Board of Directors” in this Circular.

### **Investment Committee**

The Investment Committee is comprised of Som Seif (co-Chair), Ben Roberts (co-Chair), Brian Mosoff, John Ruffolo, Boris Wertz, Liam Horne and Joey Krug. John Ruffolo, Boris Wertz, Liam Horne and Joey Krug are each independent with the meaning of the provisions of NI 52-110. The responsibilities of the Investment Committee are set out in an investment committee mandate that entrusts the Investment Committee with the duty of determining and making recommendations with respect to all forms of prospective investments to be made by the Corporation and reviewing the recommendations of the Co-Chief Investment Officers respecting prospective investments. The committee will also be authorized to approve any acquisitions of Ether made through facilities of an exchange. All material investments and transactions outside the ordinary course of business and all non-arm’s length party transactions will be subject to review and approval by the entire Board. Following the Meeting, there will no longer be an Investment Committee for the ensuing

year and following the Meeting all matters formerly handled by the Investment Committee will be handled by the Board of Directors.

### **Orientation and Continuing Education**

The Board consists of directors who are familiar with the industry or who bring particular expertise to the Board from their professional experience. There is no formal orientation for new members of the Board. However, all new directors will receive a record of public information about the Corporation, as well as other relevant corporate and business information including corporate governance practices of the Corporation, the structure of the Board and its standing committees, its corporate organization, the charters of the Board and its standing committees and the Corporation's articles. Members of senior management make regular presentations to the Board on the main areas of the business and the directors have the opportunity to ask questions.

The Board consists of individuals with different backgrounds who, collectively and individually, have extensive experience and familiarity with the industry in which the Corporation operates. Given the Board's composition, the skills and knowledge of the Board as a whole is such that no formal continuing education process is currently deemed required.

### **Ethical Business Conduct**

The Board views good corporate governance as an integral component to the success of the Corporation and to meet responsibilities to shareholders and has adopted a *Code of Business Conduct and Ethics* (the "Code"). A copy of the Code is available on the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

Given the small number of officers and employees of the Corporation, the Board does not believe that a formal process for reviewing compliance with or changes to the Code is currently required. The Compensation and Corporate Governance Committee reviews compliance with the Code on an informal basis from time to time, as appropriate, and reports to the Board from time to time, as needed. The Board continues to monitor the need for a formal process for evaluating compliance with and changes to the Code as the Corporation's business and operations evolve. The Board Mandate provides that the Board shall review any reports from the Compensation and Corporate Governance Committee concerning investigations and any resolutions of complaints received under the Code.

It is a requirement of applicable corporate law and the Code that directors and senior officers who have an interest in a transaction or agreement with the Corporation promptly disclose that interest at any meeting of the Board at which the transaction or agreement will be discussed and, in the case of directors, to abstain from discussions and voting in respect of such matter if the interest is material. Conflicts of interest are addressed under the Corporation's Conflict of Interest Policy.

### **Diversity and Inclusion**

#### ***Board and Senior Management Diversity***

The Corporation recognizes the benefits of having a diverse Board, and seeks to increase diversity at the Board level. The Corporation does not maintain a written policy, quotas or targets regarding gender representation on the Board or in executive officer positions. All Board appointments will be made based on merit, in the context of the skills, experience, independence, knowledge and other qualities which the Board as a whole requires to be effective, with due regard for the benefits of diversity (including the level of representation of women on the Board). As at the date hereof, the Corporation has one director who is female, representing approximately 11%

of the directors on the Board and following the departure of Joey Krug and Benjamin Roberts, female representation on the Board will be 14%. The Corporation recruits, manages and promotes on the basis of an individual’s competence, qualification, experience and performance, regardless of gender, age, ethnic origin, religion, sexual orientation or disability or other aspects of diversity in executive officer positions.

The Board encourages a diversity of background skills and experience and personal characteristics among the directors. As a result, while neither a written policy nor targets relating to the identification and nomination of female directors have been adopted to date and the emphasis in filling Board vacancies is on finding the best qualified candidates given the needs and circumstances of the Board, a nominee’s diversity will be considered favorably in the identification and selection process.

The Board has not adopted any policies that specifically address the appointment of women to executive officer positions. The Board believes that executive officer appointments should be made on the basis of the skills, knowledge, experience and character of individual candidates and the requirements of management at the time. The Corporation believes that considering the broadest group of individuals is required to provide the leadership needed to achieve the Corporation’s business objectives; however, due to the small size of the Corporation’s executive leadership, the representation of women in executive officer positions has not been considered when making executive officer appointments and the Corporation has not adopted targets regarding the representation of women in executive officer positions for the reasons stated above. As at the date hereof, one of the executive officers of the Corporation is a woman, representing 25% of executive officers.

### **EXECUTIVE COMPENSATION**

During the financial year ended December 31, 2021, the following individuals acted as named executive officers (“Named Executive Officers” or “NEOs”), as such term is defined in Form 51-102F6 – *Statement of Executive Compensation*, of the Corporation:

<b>Named Executive Officers - Financial Year ended December 31, 2021</b>	
Brian Mosoff	Chief Executive Officer
Stefan Coolican	President and Chief Financial Officer

### **Our Approach to Compensation**

Our executive compensation program has been designed to motivate, reward, attract and retain high caliber management deemed essential to ensure our success. The program seeks to align executive compensation with our short-term and long-term business objectives, business strategy and financial performance. Our compensation program is designed to achieve the following objectives:

- provide competitive compensation opportunities in order to attract and retain talented, high caliber executive officers, whose expertise, skills and performance are critical to our success;
- motivate these executive officers to achieve our strategic vision and business objectives;

- align the interests of our executive officers with those of our shareholders and other stakeholders by tying a meaningful portion of compensation directly to the overall growth of our business; and
- provide incentives that encourage appropriate levels of risk-taking by the executive team.

## **Executive Compensation Components**

The Corporation's executive compensation program is comprised of fixed and variable components. The variable component includes an equity incentive plan. Each compensation component has a different function, but all elements are designed to work in concert to maximize Corporation and individual performance and provide financial incentives to senior executives based on the level of achievement of specific operational and financial objectives. The compensation of the NEOs includes: base salary; short-term incentive plan consisting of an annual, discretionary bonus; long-term equity incentives, consisting of stock options granted under the stock option plan and any other equity plan that may be approved by the Board; customary benefit programs; and severance benefits. These principal elements of compensation are described in more detail below.

### **Base Salary**

Base salaries for executive officers are established based on the scope of their responsibilities and their prior relevant experience, and takes into account the overall market demand for such executives at the time of hire. The Corporation does not actively benchmark its compensation to other companies, but has reviewed the public disclosure available for other comparable companies to assist in determining the competitiveness of base salary (as well as bonuses, benefits and stock options) paid to the executive officers of the Corporation. An executive officer's base salary is determined by reviewing the executive officer's other compensation to ensure that the executive officer's total compensation is in line with the Corporation's overall compensation philosophy.

Base salaries are reviewed annually and increased for merit reasons, based on the executive's success in meeting or exceeding individual objectives and/or for market competitiveness. Additionally, base salaries can be adjusted as warranted throughout the year to reflect promotions or other changes in the scope or breadth of an executive's role or responsibilities, as well as for market competitiveness.

### **Bonus Plans**

Executive officers are eligible to receive an annual bonus in the form of cash and stock options based on the performance of the executive and the Corporation. Receipt of a bonus is not guaranteed and is contingent upon the performance achieved by the Corporation in the calendar year and the executive's overall performance in his or her assigned duties as measured against key performance indicators set annually or more frequently.

### **Stock Option Plan**

The stock option plan provides that the Board may from time to time, in its discretion, and in accordance with Exchange requirements, grant to directors, senior officers, full-time employees and consultants of the Corporation and its subsidiaries, as well as employees of any person providing management services to the Corporation, non-transferable options to purchase Common Shares for a period as specified in the grant. The expiry date for each stock option is

set by the Board at the time of issue and will not exceed ten years from the date of grant. The number of Common Shares reserved for issuance shall not exceed 10% of the total issued and outstanding Common Shares, calculated from time to time at the date the options are granted.

The purpose of the stock option plan, pursuant to which the Corporation may grant incentive stock options, is to provide the Corporation and its subsidiaries with a share-related mechanism designed to develop and increase the interest in the growth and development of the Corporation and its subsidiaries of those of the respective directors, officers, full-time employees and consultants of the Corporation and its subsidiaries, as well as employees of any person providing management services to the Corporation, as may from time to time be granted options under the stock option plan by providing to them the opportunity to acquire a proprietary interest in the Corporation through the purchase of Common Shares. Pursuant to the stock option plan, the maximum number of options that may be granted to Insiders under the stock option plan and other security based compensation arrangements of the Corporation, within a 12-month period, shall not exceed 10% of the issued Common Shares calculated on the effective date of an option granted to any Insider. The maximum number of options which may be granted in any 12-month period to any one optionee may not exceed 5% of the issued and outstanding Common Shares at the date of the grant (calculated on a non-diluted basis). No financial assistance is provided to participants to facilitate the exercise of stock options under the stock option plan.

The Board may from time to time, subject to applicable law and to the prior approval, if required, of the Exchange or any other regulatory body having authority over the Corporation or the stock option plan, suspend, terminate or discontinue the stock option plan at any time, or amend or revise the terms of the stock option plan or of any option granted under the stock option plan and any option agreement relating thereto, provided that no such amendment, revision, suspension, termination or discontinuance shall in any manner adversely affect any option previously granted to a participant under the stock option plan without the consent of that participant.

### **Perquisites and Other Benefits**

Certain of our executive officers are provided perquisites to aid in the performance of their respective duties and to provide compensation competitive with executives with similar positions and levels of responsibilities. Perquisites generally include reimbursement of monthly personal cell phone allowances, technology allowances and/or payment of professional development fees. Such perquisites are not a significant element of the compensation of executive officers.

### **Health and Insurance Benefits**

Each of our executive officers is eligible to participate in our health and insurance plans. Such benefits include:

- medical and dental benefits;
- long-term disability insurance; and
- life insurance and accidental death and disability coverage.

### **Stock Option Granting Process**

Generally, stock option grants are determined on an ad hoc basis. The CEO makes recommendations to the Compensation and Corporate Governance Committee regarding individual stock option awards for all recipients, other than the CEO and the directors of the Corporation. The Compensation and Corporate Governance Committee makes recommendations to the Board regarding stock options for the CEO and the directors. The

Compensation and Corporate Governance Committee considers relevant market data and other information in order to determine the CEO's stock option grant recommendation to the Board.

The Compensation and Corporate Governance Committee reviews the appropriateness of the stock option grant recommendations by the CEO and accepts or adjusts these recommendations. The Compensation and Corporate Governance Committee is responsible for approving all individual stock option grants. The Compensation and Corporate Governance Committee is also responsible for recommending to the Board for its approval any stock option grants for executive officers.

The Compensation and Corporate Governance Committee approves or recommends compensation awards, including stock option grants, which are not contingent on the number, term or current value of other outstanding compensation previously awarded to the individual.

A holder of vested options may acquire Common Shares at the exercise price established on the options' date of grant. Each stock option is issued at an exercise price of not less than the last closing price per Common Share on the trading day immediately preceding the day on which the Corporation announces the grant of the stock option or, if the grant is not announced, on the date of grant. Notwithstanding valuations of options required by financial reporting requirements, options only have value to their holders when the market price of the Common Shares exceeds the exercise price of the options; the greater the difference between the market price (i.e. when the market price of the Common Shares rises, thereby increasing shareholder value) and the exercise price, the greater the value of the options.

The Board (through the Compensation and Corporate Governance Committee) has overall responsibility for the oversight of the Corporation's risk management, including in relation to all aspects of compensation. In this regard, the Board oversees the Corporation's compensation programs to ensure they do not encourage individuals to take inappropriate or excessive risks that could have a materially adverse effect on the Corporation. The Board, together with the Compensation and Corporate Governance Committee, considered the compensation programs of the Corporation so that controls are in place to monitor and separate decision authorities related to key risks associated with Corporation's compensation and incentive plans. The Board and the Compensation and Corporate Governance Committee each also sought to ensure that the size of the rewards related to any given metric within the influence of a director or senior officer was not significant enough to encourage excessive risk taking, and that the Corporation's compensation policies and practices are unlikely to have a materially adverse impact on the Corporation.

The Corporation does not permit its Named Executive Officers or directors to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the Named Executive Officer or director, without the approval of the Board.

## Compensation of Named Executive Officers

The following table provides a summary of total compensation earned during the financial years ended December 31, 2021, December 31, 2020 and December 31, 2019, by each NEO for services rendered in all capacities during those periods.

Name, Principal Position – Current Employees	Year	Salary (\$)	Option-based awards (\$) <sup>(3)</sup>	Non-equity incentive plan compensation (\$)		All other compensation (\$)	Total compensation (\$)
				Annual incentive plans	Longer-term incentive plans		
Brian Mosoff <sup>(1)</sup> <i>Chief Executive Officer</i>	2021	\$150,000	-	-	-	-	\$150,000
	2020	\$150,000	-	-	-	-	\$150,000
	2019	\$150,000	-	-	-	-	\$150,000
Stefan Coolican <sup>(2)</sup> <i>President and Chief Financial Officer</i>	2021	\$150,000	-	-	-	-	\$150,000
	2020	\$150,000	-	-	-	-	\$150,000
	2019	\$150,000	-	-	-	-	\$150,000

- (1) Mr. Mosoff also serves as a director of the Corporation but does not receive any compensation in his capacity as a director.
- (2) Mr. Coolican also served as a director of the Corporation but did not receive any compensation in his capacity as a director. Mr. Coolican resigned from his position as the Corporation's President and Chief Financial Officer and from the Corporation's Board of Directors on March 31, 2022.
- (3) The Corporation determines the grant date fair values using the Black-Scholes option valuation model at the time it allocates long-term compensation for each executive. The Black-Scholes option valuation model takes into account an option's exercise price, its expected life, a risk-free interest rate and the expected volatility.

## Outstanding Option-Based Awards

The table below reflects all option-based awards for each Named Executive Officer outstanding as at December 31, 2021. The Corporation does not have any other equity incentive plan other than the stock option plan.

NEO OPTION-BASED AWARDS OUTSTANDING AS AT DECEMBER 31, 2021				
Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)
Brian Mosoff	519,407	\$1.20	August 15, 2028	\$1,090,755
Stefan Coolican	519,407	\$1.20	August 15, 2028	\$1,090,755

## Value Vested or Earned During the Year

The value of option-based awards which vested during the year ended December 31, 2021 was \$96,306.50 each for Mr. Mosoff and Mr. Coolican, for a total of \$192,613 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2021 was, in each case, nil for each NEO.

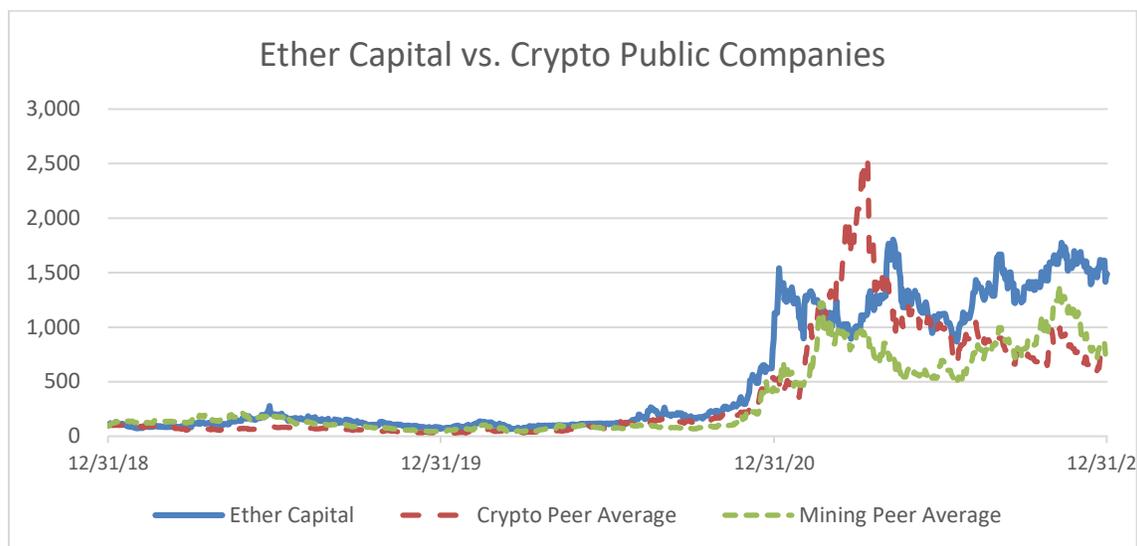
## Equity Compensation Plan Information

The following table sets out the number of Common Shares issuable pursuant to the stock option plan, and the weighted-average exercise price of the outstanding Options.

Plan Category	Number of Securities to be Issued upon Exercise of Options (as at December 31, 2021)	Weighted – Average Exercise Price of Outstanding Options (as at December 31, 2021)	Number of Securities Remaining Available for Future Issuance Under the Stock Option Plan (as at December 31, 2021)
Equity Compensation Plans Approved by Securityholders	1,790,754	\$1.55	1,591,800
Equity Compensation Plans Not Approved by Securityholders	—	—	—

## Performance Graph

The Common Shares are listed on the Exchange under the trading symbol “ETHC”. The graph below assumes an investment of \$100 in Common Shares made on April 19, 2018 and measured until December 31, 2021. The Corporation’s total shareholder return is compared with the cumulative total return of an index of publicly traded digital asset companies for the same period, with such index including HIVE Blockchain Technologies Ltd., Hut 8 Mining Corp., and BIGG Digital Assets Inc.



The Corporation’s share price has slightly outperformed an index of its peers with its strategy that is more focused on Ethereum and Ethereum’s native utility token “Ether”. Given the volatility of the digital assets industry, it is difficult to make conclusions representing trends in the performance grant and executive compensation.

## Termination and Change of Control Benefits for NEOs

The employment agreements that the Corporation has entered into with its NEOs may require

the Corporation to make certain types of payments and provide certain types of benefits to the NEOs upon termination of employment of a NEO.

#### ***Employment Agreement of Mr. Mosoff***

Brian Mosoff entered into an employment agreement with the Corporation as of July 22, 2018, pursuant to which he became Chief Executive Officer of the Corporation. Under the terms of his employment agreement, if Mr. Mosoff is terminated without just cause, then the Corporation must provide Mr. Mosoff with a payment equal to 3 months' pay plus one additional month for each year served with the Corporation, up to a maximum of 12 months. As at December 31, 2021, such payment upon termination would be equivalent to \$81,250.

#### ***Employment Agreement of Mr. Coolican***

Stefan Coolican entered into an employment agreement with the Corporation as of July 22, 2018, pursuant to which he became the President and Chief Financial Officer of the Corporation. Under the terms of his employment agreement, if Mr. Coolican is terminated without just cause, then the Corporation must provide Mr. Coolican with a payment equal to 3 months' pay plus one additional month for each year served with the Corporation, up to a maximum of 12 months. As at December 31, 2021, such payment upon termination would be equivalent to \$81,250. Stefan Coolican resigned from his position as the Corporation's President and Chief Financial Officer on March 31, 2022 with no severance pay.

Each of the current NEOs is subject to a non-competition clause and a non-solicitation clause for a period of 12 months following the date of the termination of their employment, for whatever reason and with or without just cause.

### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

No current or former director, executive officer or employee of the Corporation, or any associate of any such person, is, or has been at any time since the incorporation of the Corporation, indebted to the Corporation or any of its subsidiaries nor is, or at any time since the incorporation of the Corporation has, any indebtedness of any such person to another entity been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

#### **Indemnification and Insurance**

The Corporation maintains director and officer liability insurance (traditional policy) and errors and omissions insurance which has a total policy limit of \$2,000,000. The Corporation's by-laws require that the Corporation indemnify and hold any individual who is or was a director or officer of the Corporation and any individual who acts or acted at the Corporation's request as a director or officer (or any individual acting in a similar capacity) of another entity, against all costs, charges and expenses, including, without limitation, an amount paid to settle an action or satisfy a judgment, reasonably incurred by any such individual in respect of any civil, criminal, administrative, investigative or other proceeding in which such individual is involved because of his/her association with the Corporation or such other entity, provided that such individual acted honestly and in good faith and in a manner the individual reasonably believed to be in or not opposed to the Corporation's best interests and, with respect to criminal and administrative actions or proceedings that are enforced by monetary penalty, such individual had no reasonable grounds to believe that his or her conduct was unlawful. The Corporation's by-laws also provide

for the advancement of defence expenses to such individuals by the Corporation. The 2021 premium costs for these policies, inclusive of taxes was \$120,150.

### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Except as otherwise described herein, none of the persons who were directors or executive officers of the Corporation or a subsidiary of the Corporation at any time during the Corporation's last financial year, the directors nominees, any person or corporation who beneficially owns, directly or indirectly, or who exercises control or direction over (or a combination of both) more than 10% of the issued and outstanding Common Shares, nor any associate or affiliate of those persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction since the beginning of the Corporation's last completed financial year or proposed transaction which has materially affected or would materially affect the Corporation.

### **MANAGEMENT CONTRACTS**

#### **Purpose Services Agreement**

As Som Seif is the CEO of Purpose LP and Purpose Investments Inc. ("Purpose Investments") as well as the Chairman and Co-CIO of Ether Capital, Purpose LP and Purpose Investments are considered related parties to the Corporation.

The Corporation has entered into a services agreement with Purpose LP dated January 29, 2018 (as amended, the "Purpose Services Agreement") in order for the Corporation to receive accounting, tax, financial reporting, administrative, human resources, information technology, legal, management and product services from Purpose LP. During the year ended December 31, 2021, \$42,000 was paid or incurred under the services agreement with Purpose LP. As at December 31, 2021, the Corporation had a balance outstanding of \$1,120 included in accounts payable, under the services agreement with Purpose LP and as direct cost reimbursements. The services agreement was amended and restated as of February 23, 2021 to reflect the fact that the scope of accounting, tax, financial reporting, administrative, human resource, information technology, legal, management and product services from Purpose LP, or any qualified third parties who may be engaged by Purpose LP has been reduced considerably as the CEO and CFO of Ether Capital have primary responsibility for managing the Corporation. Purpose LP is located at 130 Adelaide Street West Suite 3100, Toronto, Ontario M5H 3P5.

On February 16, 2021, the Corporation announced that it had entered into a consulting arrangement with Purpose Investments relating to digital asset investment products managed by Purpose Investments. The first such product, the Purpose Bitcoin ETF, launched on February 18, 2021. The Corporation will receive ongoing consulting fees from Purpose Investments relating to the Purpose Bitcoin ETF. On April 20, 2021, the Corporation announced the launch of the second product, the Purpose Ether ETF, under the consulting arrangement relating to digital asset investment products managed by Purpose Investments. During the year ended December 31, 2021, \$1,377,232 of consulting fees were earned under the above consulting arrangements with Purpose Investments of which \$244,865 was included in accounts receivable as at December 31, 2021.

## **AVAILABLE INFORMATION**

Additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information about the Corporation is provided in the Corporation's comparative annual financial statements and MD&A for its most recently completed financial year.

Shareholders of the Corporation may request copies of the Corporation's financial statements and MD&A by contacting the President and Chief Financial Officer of the Corporation by email at [imcpherson@ethcap.co](mailto:imcpherson@ethcap.co) or by mail at 130 Adelaide Street West, Suite 3100, Toronto, Ontario M5H 3P5, Attention: President and Chief Financial Officer.

\* \* \* \* \*

**DIRECTORS' APPROVAL**

The contents and the sending of this Circular have been approved by the Board of Directors of the Corporation.

Dated as of May 26, 2022.

By: (Signed) Som Seif  
Som Seif  
Executive Chairman and Co-Chief  
Investment Officer

## APPENDIX A

### ETHER CAPITAL CORPORATION

#### BOARD MANDATE

##### 1. Purpose

The Board of Directors (the “**Board**”) has the duty to supervise the management of the business and affairs of Ether Capital Corporation (the “**Corporation**”). The Board, directly and through its committees and the chair of the Board (the “**Chair**”), shall provide direction to senior management, generally through the Chief Executive Officer, to pursue the best interests of the Corporation.

##### 2. Composition

###### *General*

The composition and organization of the Board, including the number, qualifications and remuneration of directors, the number of Board meetings, Canadian residency requirements, quorum requirements, meeting procedures and notices of meetings are governed by the *Business Corporations Act* (Ontario), applicable Canadian securities laws, applicable stock exchange rules (including the rules of the NEO Exchange) and the articles and by-laws of the Corporation, in each case as they may be amended and/or replaced from time to time, subject to any exemptions or relief that may be granted from such requirements.

Each director must have an understanding of the Corporation’s principal operational and financial objectives, plans and strategies, and financial position and performance. Directors must have sufficient time to carry out their duties and not assume responsibilities that would materially interfere with, or be incompatible with, Board membership. Directors who experience a significant change in their personal circumstances, including a change in their principal occupation, are expected to advise the chair of the Compensation and Corporate Governance Committee.

###### *Independence*

A majority of the Board must be independent. “Independent” shall have the meaning, as the context requires, given to it in National Policy 58-201 *Corporate Governance Guidelines*, as it may be amended and/or replaced from time to time.

###### *Chair of the Board*

If the Chair of the Board is not independent, then the independent directors shall select from among their number a director who will act as “Lead Director” and who will assume responsibility for providing leadership to enhance the effectiveness and independence of the Board. The Chair, if independent, or the Lead Director if the Chair is not independent, shall act as the effective leader of the Board and ensure that the Board’s agenda will enable it to successfully carry out its duties.

##### 3. Duties and Responsibilities

The Board shall have the specific duties and responsibilities outlined below.

## ***Strategic Planning***

### **(a) Strategic Plan**

The Board shall adopt a strategic plan for the Corporation. At least annually, the Board shall review and, if advisable, approve the Corporation's strategic planning process and the Corporation's annual strategic plan. In discharging this responsibility, the Board shall review the plan in light of management's assessment of emerging trends, the competitive environment, the opportunities for the business of the Corporation, risk issues, and significant business practices and products.

### **(b) Business and Capital Plans**

At least annually, the Board shall review and, if advisable, approve the Corporation's annual business and capital plans as well as policies and processes generated by management relating to the authorization of major investments and significant allocation of capital. The Board is responsible for the approval of the annual business and capital plans and has established an Audit Committee of the Board to assist in fulfilling this responsibility.

### **(c) Monitoring**

At least annually, the Board shall review management's implementation of the Corporation's strategic, business and capital plans. The Board shall review and, if advisable, approve any material amendments to, or variances from, these plans.

## ***Risk Management***

### **(a) General**

At least annually, the Board shall review reports provided by management of principal risks associated with the Corporation's business and operations, review the implementation by management of appropriate systems to manage these risks, and review reports by management relating to the operation of, and any material deficiencies in, these systems.

### **(b) Verification of Controls**

The Board shall verify that internal, financial, non-financial and business control and management information systems have been established by management.

## ***Human Resource Management***

### **(a) General**

At least annually, the Board shall review a report of the Compensation and Corporate Governance Committee concerning the Corporation's approach to human resource management and executive compensation.

(b) **Succession Review**

At least annually, the Board shall review the succession plans of the Corporation for the Chair, the Lead Director, the Chief Executive Officer and other executive officers, including the appointment, training and monitoring of such persons.

(c) **Integrity of Senior Management**

The Board shall, to the extent feasible, satisfy itself as to the integrity of the Chief Executive Officer and other executive officers of the Corporation and that the Chief Executive Officer and other senior officers strive to create a culture of integrity throughout the Corporation.

**Corporate Governance**

(a) **General**

At least annually, the Board shall review a report of the Compensation and Corporate Governance Committee concerning the Corporation's approach to corporate governance.

(b) **Director Independence**

At least annually, the Board shall review a report of the Compensation and Corporate Governance Committee that evaluates the director independence standards established by the Board and the Board's ability to act independently from management in fulfilling its duties.

(c) **Ethics Reporting**

The Board has adopted a written Code of Business Conduct and Ethics (the "**Code**") applicable to directors, officers and employees of the Corporation. At least annually, the Board shall review the report of the Compensation and Corporate Governance Committee relating to compliance with, or material deficiencies from, the Code and approve changes it considers appropriate. The Board shall review reports from the Compensation and Corporate Governance Committee concerning investigations and any resolutions of complaints received under the Code.

(d) **Board of Directors Mandate Review**

At least annually, the Board shall review and assess the adequacy of this Mandate to ensure compliance with any rules of regulations promulgated by any regulatory body and approve any modifications to this Mandate as considered advisable.

**Communications**

(a) **General**

The Board has adopted a Disclosure Policy for the Corporation. At least annually, the Board, in conjunction with the Chief Executive Officer, shall review the Corporation's overall Disclosure Policy, including measures for receiving feedback from the Corporation's stakeholders, and management's compliance with such policy. The Board shall, if advisable, approve material changes to the Corporation's Disclosure Policy.

(b) **Shareholders**

The Corporation endeavors to keep its shareholders informed of its progress through an annual report, annual information form, quarterly interim reports, periodic press releases and other continuous disclosure documentation, as applicable. Directors and management meet with the Corporation's shareholders at the annual meeting and are available to respond to questions at that time. In addition, the Corporation shall maintain a website that is regularly updated and provides investors with relevant information on the Corporation and an opportunity to communicate with the Corporation.

***Investments***

The Board shall source prospective investment opportunities, review the recommendations of directors, officers and employees of the Corporation and others respecting prospective investment opportunities, and review and approve, as appropriate, any such prospective investments.

**2. Committees of the Board**

The Board has established the following committees: the Compensation and Corporate Governance Committee and the Audit Committee. Subject to applicable law and regulations, the Board may establish other Board committees or merge or dispose of any such Board committee.

***Committee Mandates***

The Board has approved mandates for each Board committee and shall approve mandates for each new Board committee. At least annually, each committee mandate shall be reviewed by the Compensation and Corporate Governance Committee and any suggested amendments brought to the Board for consideration and approval.

***Delegation to Committees***

The Board has delegated to the applicable committee those duties and responsibilities set out in each Board committee's mandate.

***Consideration of Committee Recommendations***

As required by applicable law, by applicable committee Mandate or as the Board may consider advisable, the Board shall consider for approval the specific matters delegated for review to Board committees.

***Board/Committee Communication***

To facilitate communication between the Board and each Board committee, each committee chair shall provide a report to the Board on material matters considered by the committee at the first Board meeting after the committee's meeting.

**3. Meetings**

The Board will meet at least once in each quarter, with additional meetings held as deemed advisable. The Chair (in conjunction with the Lead Director, as applicable) is primarily responsible

for the agenda and for supervising the conduct of the meeting. Any director may propose the inclusion of items on the agenda, request the presence of, or a report by any member of senior management, or at any Board meeting raise subjects that are not on the agenda for that meeting.

Meetings of the Board shall be conducted in accordance with the Corporation's constating documents.

### ***Secretary and Minutes***

The Corporation's Secretary, his or her designate or any other person the Board requests shall act as secretary of Board meetings. Minutes of Board meetings shall be recorded and maintained by the Secretary and subsequently presented to the Board for approval.

### ***Meetings Without Management***

The independent members of the Board shall hold regularly scheduled meetings, or portions of regularly scheduled meetings, at which non-independent directors and members of management are not present.

### ***Directors' Responsibilities***

Each director is expected to attend all meetings of the Board and any committee of which he or she is a member. Directors will be expected to have read and considered the materials sent to them in advance of each meeting and to actively participate in the meetings.

### ***Access to Management and Outside Advisors***

In discharging the forgoing duties and responsibilities, the Board shall have unrestricted access to management and employees of the Corporation and to the relevant books, records and systems of the Corporation as considered appropriate. The Board shall have the authority to retain legal counsel, consultants or other advisors to assist it in fulfilling its responsibilities. The Corporation shall provide appropriate funding, as determined by the Board, for the services of these advisors.

### ***Service on Other Boards and Audit Committees***

Directors may serve on the boards of other public and/or private companies so long as these commitments do not materially interfere and are compatible with their ability to fulfill their duties as a member of the Board. Directors must advise the Chair in advance of accepting an invitation to serve on the board of another public corporation.

## **4. Director development and evaluation**

Each new director shall participate in the Corporation's initial orientation program and each director shall participate in the Corporation's continuing director development programs. The Compensation and Corporate Governance Committee shall review with each new member: (i) certain information and materials regarding the Corporation, including the role of the Board and its committees; and (ii) the legal obligations of a director of the Corporation. At least annually, the Board with the assistance of the Compensation and Corporate Governance Committee, shall review the Corporation's initial orientation program and continuing director development programs.

## **5. No Rights Created**

This Mandate is a statement of broad policies and is intended as a component of the flexible governance framework within which the Board, assisted by its committees, directs the affairs of the Corporation. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Corporation's Articles and By-laws, it is not intended to establish any legally binding obligations.

**APPENDIX B**  
**NOTICE AND RESPONSE LETTERS**

May 4, 2022

**To:**

Ontario Securities Commission  
Alberta Securities Commission  
British Columbia Securities Commission  
The Manitoba Securities Commission  
Financial and Consumer Services Commission (New Brunswick)  
Office of the Superintendent of Securities Service Newfoundland and Labrador  
Office of the Superintendent of Securities (Northwest Territories)  
Nova Scotia Securities Commission  
Office of the Superintendent of Securities Nunavut  
The Office of the Superintendent Securities (Prince Edward Island)  
Autorité des marchés financiers  
Financial and Consumer Affairs Authority of Saskatchewan  
Office of the Yukon Superintendent of Securities

Dear Sir/Madam

**Re: Notice of Change of Auditors for Ether Capital Corp.**

Pursuant to National Instrument 51-102, Ether Capital Corp. (the “Company”) hereby provides a change of auditor notice as follows:

- On May 4, 2022, KPMG LLP of Toronto, Ontario, resigned as Ether Capital Corp.’s auditor, at the Company’s request.
- On May 4, 2022, Ether Capital Corp. appointed E&Y LLP of Toronto, Ontario, to fill the vacancy created by the resignation of KPMG LLP, and to hold such position until the close of the next annual meeting of shareholders of Ether Capital Corp.
- The resignation of KPMG LLP and the appointment of E&Y LLP was considered and approved by the Board of Directors of Ether Capital Corp.
- There were no modifications of opinion by KPMG LLP in the Auditors’ Reports of the two most recently completed fiscal years ended December 31, 2020 and December 31, 2021.
- The Board of Directors of Ether Capital Corp. is of the opinion that there were no “reportable events” as defined by National Instrument 51-102, which occurred in connection with the audit of the two most recently completed fiscal years or for any period subsequent to the most recently completed fiscal period for which an Auditors’ Report was issued.
- Dated at the City of Toronto, in the Province of Ontario, this 4<sup>th</sup> day of May, 2022.

Yours very truly,

IAN MCPHERSON

---

Ian McPherson, President & CFO  
Ether Capital Corp.



KPMG LLP  
Bay Adelaide Centre  
333 Bay Street, Suite 4600  
Toronto, ON M5H 2S5  
Canada  
Tel 416-777-8500  
Fax 416-777-8818

To:

Alberta Securities Commission  
British Columbia Securities Commission  
The Manitoba Securities Commission  
Financial and Consumer Services Commission, New Brunswick  
Office of the Superintendent of Securities, Service Newfoundland and Labrador  
Office of the Superintendent of Securities, Northwest Territories  
Nova Scotia Securities Commission  
Office of the Superintendent of Securities, Nunavut  
Ontario Securities Commission  
The Office of the Superintendent of Securities, Consumer, Corporate and  
Insurance Services Division, Prince Edward Island  
Autorité des marchés financiers  
Financial and Consumer Affairs Authority of Saskatchewan  
Office of the Yukon Superintendent of Securities

May 4, 2022

Dear Sir/Madam

**Re: Notice of Change of Auditors of Ether Capital Corporation**

We have read the Notice of Ether Capital Corporation dated May 4, 2022 and are in agreement with the statements contained in such Notice.

Yours very truly,

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants, Licensed Public Accountants  
Toronto, Canada



**Building a better  
working world**

Ernst & Young LLP  
EY Tower  
100 Adelaide Street West  
PO Box 1  
Toronto, ON, M5H 0B3

Tel: +1 416 864 1234  
Fax: +1 416 864 1174  
ey.com

May 4, 2022

Alberta Securities Commission  
British Columbia Securities Commission  
The Manitoba Securities Commission  
Financial and Consumer Services Commission, New Brunswick  
Office of the Superintendent of Securities, Service Newfoundland & Labrador  
Office of the Superintendent of Securities, Northwest Territories  
Nova Scotia Securities Commission  
Nunavut Securities Office  
Ontario Securities Commission  
The Office of the Superintendent of Securities, Consumer, Corporate and Insurance Services  
Division, Prince Edward Island  
Autorité des marchés financiers  
Financial and Consumer Affairs Authority of Saskatchewan  
Office of the Yukon Superintendent of Securities

Dear Sirs/Mesdames:

**Re: Ether Capital Corporation  
Change of Auditor Notice dated May 4, 2022**

Pursuant to National Instrument 51-102 (Part 4.11), we have read the above-noted Change of Auditor Notice and confirm our agreement with the information contained in the Notice pertaining to our firm.

Yours sincerely,

Chartered Professional Accountants  
Licensed Public Accountants

cc: The Board of Directors, Ether Capital Corporation

## **SCHEDULE A**

### **Text of the Board Size Special Resolution**

#### **BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:**

1. the number of directors to be elected for the ensuing year be fixed at seven.
2. the directors of the Corporation, be and they hereby are, authorized and empowered (the "Authorization") to determine the number of directors of the Corporation from time to time within the minimum and maximum number provided in the articles of the Corporation and the number of directors of the Corporation to be elected at the annual meeting of the shareholders of the Corporation
3. any one officer or any one director of the Corporation be, and each of them hereby is, authorized and empowered, acting for, in the name of and on behalf of the Corporation, to execute or to cause to be executed, under the seal of the Corporation or otherwise, and to deliver or to cause to be delivered, all such documents, all in such form and containing such terms and conditions, as any one of them shall consider necessary or desirable in connection with the Authorization and shall approve, such approval to be conclusively evidenced by the execution thereof by the Corporation, and to do or to cause to be done all such other acts and things as any one of them shall consider necessary or desirable in connection with the Authorization or in order to give effect to the intent of the foregoing paragraphs of this special resolution.