



Form of Proxy – Annual and Special Meeting to be held on September 25, 2020

Appointment of Proxyholder

I/We being the undersigned holder(s) of **XS Financial Inc.** hereby appoint **David Kivitz** or failing this person, **Talia Shewchuk**

OR

Print the name of the person you are appointing if this person is someone other than the Management Nominees listed herein:

as my/our proxyholder with full power of substitution and to attend, act, and to vote for and on behalf of the holder in accordance with the following direction (or if no directions have been given, as the proxyholder sees fit) and all other matters that may properly come before the Annual and Special Meeting of XS Financial Inc. to be held virtually at <http://web.lumiagm.com/249201020> or at any adjournment thereof.

1. Election of Directors.	For	Withhold		For	Withhold		For	Withhold		
a. David Kivitz	<input type="checkbox"/>	<input type="checkbox"/>	b. Antony Radbod	<input type="checkbox"/>	<input type="checkbox"/>	c. Stephen Christoffersen	<input type="checkbox"/>	<input type="checkbox"/>		
d. Gary Herman	<input type="checkbox"/>	<input type="checkbox"/>							<input type="checkbox"/>	<input type="checkbox"/>
2. Appointment of Auditors. To reappoint McGovern Hurley LLP, as the auditors of the Company to hold office until the close of the next annual meeting of shareholders							For	Withhold		
							<input type="checkbox"/>	<input type="checkbox"/>		
3. Confirmation of Option Plan. To vote FOR the confirmation of the existing stock option plan of the Corporation and the reservation thereunder of up to 15% of the aggregate number of subordinate voting shares of the Corporation issued and outstanding from time to time, in substantially the form of resolution attached at Schedule "B" to the accompanying Management Information Circular.							For	Against		
							<input type="checkbox"/>	<input type="checkbox"/>		

Authorized Signature(s) – This section must be completed for your instructions to be executed.

Signature(s):

Date

I/we authorize you to act in accordance with my/our instructions set out above. I/We hereby revoke any proxy previously given with respect to the Meeting. If no voting instructions are indicated above, **this Proxy will be voted as recommended by Management.**

/ /
MM / DD / YY

Interim Financial Statements – Check the box to the right if you would like to **RECEIVE** Interim Financial Statements and accompanying Management’s Discussion & Analysis by mail. See reverse for instructions to sign up for delivery by email.

Annual Financial Statements – Check the box to the right if you would like to receive the Annual Financial Statements and accompanying Management’s Discussion and Analysis by mail. See reverse for instructions to sign up for delivery by email.

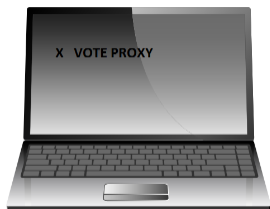
This form of proxy is solicited by and on behalf of Management.

Proxies must be received by 10:00 am, Eastern Time, on September 23, 2020.

Notes to Proxy

1. Each holder has the right to appoint a person, who need not be a holder, to attend and represent him or her at the **Annual and Special Meeting**. If you wish to appoint a person other than the persons whose names are printed herein, please insert the name of your chosen proxyholder in the space provided on the reverse.
2. If the securities are registered in the name of more than one holder (for example, joint ownership, trustees, executors, etc.) then all of the registered owners must sign this proxy in the space provided on the reverse. If you are voting on behalf of a corporation or another individual, you may be required to provide documentation evidencing your power to sign this proxy with signing capacity stated.
3. This proxy should be signed in the exact manner as the name appears on the proxy.
4. If this proxy is not dated, it will be deemed to bear the date on which it is mailed by Management to the holder.
5. The securities represented by this proxy will be voted as directed by the holder; however, if such a direction is not made in respect of any matter, this proxy will be voted as recommended by Management.
6. The securities represented by this proxy will be voted or withheld from voting, in accordance with the instructions of the holder, on any ballot that may be called for and, if the holder has specified a choice with respect to any matter to be acted on, the securities will be voted accordingly.
7. This proxy confers discretionary authority in respect of amendments to matters identified in the Notice of Meeting or other matters that may properly come before the meeting.
8. This proxy should be read in conjunction with the accompanying documentation provided by Management.

INSTEAD OF MAILING THIS PROXY, YOU MAY SUBMIT YOUR PROXY USING SECURE ONLINE VOTING AVAILABLE ANYTIME:



To Vote Your Proxy Online please visit:

<http://odysseytrust.com/Transfer-Agent/Login> and click on **VOTE**. You will require the **CONTROL NUMBER** printed with your address to the right. If you vote by Internet, **do not mail this proxy**.

Shareholder Address and Control Number Here

To Virtually Attend the Meeting:

You can attend the meeting virtually by visiting <https://web.lumiagm.com> and entering the meeting ID 249-201-020. The meeting password is "xs2020". For further information on the virtual AGM and how to attend it, please view the management information circular of the company for the fiscal year 2019.

To request the receipt of future documents via email and/or to sign up for Securityholder Online services, you may contact Odyssey Trust Company at www.odysseycontact.com

Voting by mail may be the only method for securities held in the name of a corporation or securities being voted on behalf of another individual. A return envelope has been enclosed for voting by mail.

XS FINANCIAL INC.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual and special meeting (the “**Meeting**”) of the shareholders of XS Financial Inc. (the “**Company**”) will be held **virtually** on Friday, the 25th day of September 2020 at 10am (Toronto time) for the following purposes:

1. to receive and consider the financial statements of the Corporation for the fiscal year ended December 31, 2019, together with the report of the auditors thereon;
2. to elect directors;
3. to appoint auditors and to authorize the directors to fix their remuneration;
4. to consider, and, if deemed appropriate, to pass with or without variation a resolution to confirm the existing omnibus incentive plan of the Corporation, as more particularly described in the accompanying management information circular; and
5. to transact such further or other business as may properly come before the Meeting or any adjournment or adjournments thereof.

This notice is accompanied by a form of proxy, a management information circular, and a supplemental mailing list form.

The Company is holding the Meeting as a completely virtual meeting, which will be conducted via live webcast, where all shareholders regardless of geographic location and equity ownership will have an equal opportunity to participate at the Meeting and engage with directors of the Company and management as well as other shareholders. Shareholders will not be able to attend the Meeting in person. Registered shareholders and duly appointed proxyholders will be able to attend, participate and vote at the Meeting online at web.lumiagm.com/249201020. Beneficial shareholders (being shareholders who hold their subordinate voting shares (“Shares”) through a broker, investment dealer, bank, trust company, custodian, nominee or other intermediary) who have not duly appointed themselves as proxyholder will be able to attend as a guest and view the webcast but not be able to participate or vote at the Meeting.

As a shareholder of the Company, it is very important that you read the management information circular of the Company dated “August 21, 2020” (the “Circular”) and other Meeting materials carefully. They contain important information with respect to voting your Shares and attending and participating at the Meeting.

A shareholder who wishes to appoint a person other than the management nominees identified on the form of proxy or voting instruction form, to represent him, her or it at the Meeting may do so by inserting such person's name in the blank space provided in the form of proxy or voting instruction form and following the instructions for submitting such form of proxy or voting instruction form. This must be completed prior to registering such proxyholder, which is an additional step to be completed once you have submitted your form of proxy or voting instruction form. If you wish that a person other than the management nominees identified on the form of proxy or voting instruction form attend and participate at the Meeting as your proxy and vote your Shares, including if you are a nonregistered shareholder and wish to appoint yourself as proxyholder to attend, participate and vote at the Meeting, you **MUST** register such proxyholder after having submitted your form of proxy or voting instruction form identifying such

proxyholder. Failure to register the proxyholder will result in the proxyholder not receiving a Username to participate in the Meeting. Without a Username, proxyholders will not be able to attend, participate or vote at the Meeting. To register a proxyholder, shareholders MUST send an email to xs@odysseytrust.com no later than September 23, 2020 at 10:00 am Toronto time and provide Odyssey Trust Company ("Odyssey") with their proxyholder's contact information, amount of shares appointed, name in which the shares are registered if they are a registered shareholder, or name of broker where the shares are held if a beneficial shareholder, so that Odyssey may provide the proxyholder with a Username via email.

DATED at Toronto, Canada as of the 27th day of August, 2020.

BY ORDER OF THE BOARD OF DIRECTORS

(Signed) David Kivitz

David Kivitz, Chief Executive Officer

XS FINANCIAL INC.

Management Information Circular

SOLICITATION OF PROXIES

This management information circular (the “**Information Circular**”) is furnished in connection with the solicitation by management of XS Financial Inc. (the “**Company**”) of proxies to be used at the annual and special meeting of shareholders of the Company (the “**Meeting**”) referred to in the accompanying Notice of Annual and Special Meeting of Shareholders (the “**Notice**”) to be held on September 25, 2020, at the time and place and for the purposes set forth in the Notice. **The solicitation is made by the management of the Company and will be made primarily by mail, but proxies may also be solicited personally or by telephone by regular employees of the Company at nominal cost. The cost of solicitation by management will be borne by the Company. The information contained herein is given as of August 21, 2020, unless indicated otherwise.**

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are directors and/or officers of the Company. **Each shareholder has the right to appoint a person or company, who need not be a shareholder of the Company, other than the persons named in the enclosed form of proxy, to represent such shareholder at the Meeting or any adjournment thereof. Such right may be exercised by inserting such person’s name in the blank space provided and striking out the names of management’s nominees in the enclosed form of proxy or by completing another proper form of proxy. All proxies must be executed by the shareholder or his or her attorney duly authorized in writing or, if the shareholder is a company, by an officer or attorney thereof duly authorized. The completed form of proxy must be deposited at the office of Odyssey Trust Company, Trader’s Bank Tower 702-67 Yonge St., Toronto, ON M5E 1J8 before 10:00 a.m. (Toronto time) on September 23, 2020.**

A shareholder who has given a proxy has the power to revoke it as to any matter on which a vote has not already been cast pursuant to the authority conferred by such proxy and may do so either:

1. not later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of holding the Meeting or adjournment thereof at which the proxy is to be used, by delivering another properly executed form of proxy bearing a later date and depositing it as aforesaid;
2. by depositing an instrument in writing revoking the proxy executed by him or her with Odyssey Trust Company ("Odyssey") at its office denoted herein at any time up to and including 4:00 p.m. (Toronto time) on the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used; or
3. in any other manner permitted by law.

Shareholders who wish to appoint a third party proxyholder to attend, participate or vote at the Meeting as their proxy and vote their Shares **MUST** submit their proxy or voting instruction form (as applicable) appointing such third party proxyholder **AND** register the third party proxyholder, as described below. Registering your proxyholder is an additional step to be completed **AFTER** you have submitted your proxy or voting instruction form. **Failure to register the proxyholder will result in the proxyholder not receiving a Username to attend, participate or vote at the Meeting.**

• **Step 1: Submit your proxy or voting instruction form:** To appoint a third party proxyholder, insert such person's name in the blank space provided in the form of proxy or voting instruction form (if permitted) and follow the instructions for submitting such form of proxy or voting instruction form. This must be completed prior to registering such proxyholder, which is an additional step to be completed once you have submitted your form of proxy or voting instruction form. If you are a beneficial shareholder located in the United States, you must also provide Odyssey with a duly completed legal proxy if you wish to attend, participate or vote at the Meeting or, if permitted, appoint a third party as your proxyholder. See below under this section for additional details.

• **Step 2: Register your proxyholder:** To register a proxyholder, shareholders **MUST** send an email to xs@odysseytrust.com by "10 a.m." Toronto Time, on September 23, 2020 and provide Odyssey with the required proxyholder contact information, amount of shares appointed, name in which the shares are registered if they are a registered shareholder, or name of broker where the shares are held if a beneficial shareholder, so that Odyssey may provide the proxyholder with a Username via email. Without a Username, proxyholders will not be able to attend, participate or vote at the Meeting.

If you are a beneficial shareholder and wish to attend, participate or vote at the Meeting, you have to insert your own name in the space provided on the voting instruction form sent to you by your intermediary, follow all of the applicable instructions provided by your intermediary **AND** register yourself as your proxyholder, as described above. By doing so, you are instructing your intermediary to appoint you as proxyholder. It is important that you comply with the signature and return instructions provided by your intermediary. Please also see further instructions below under the heading "How do I attend and participate at the Meeting?".

EXERCISE OF DISCRETION BY PROXIES

Shares represented by properly executed proxies in favour of the persons named in the enclosed form of proxy **will be voted or withheld from voting in accordance with the instructions of the securityholder on any ballot that may be called for** and, where the person whose proxy is solicited specifies a choice with respect to the matters identified in the proxy, **the shares will be voted or withheld from voting in accordance with the specifications so made.** Where shareholders have properly executed proxies in favour of the persons named in the enclosed form of proxy and have not specified in the form of proxy

the manner in which the named proxies are required to vote the shares represented thereby, such shares will be voted in favour of the passing of the matters set forth in the Notice. The enclosed form of proxy confers discretionary authority with respect to amendments or variations to the matters identified in the Notice and with respect to other matters that may properly come before the Meeting. At the date hereof, management of the Company knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters which at present are not known to management of the Company should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxies.

Legal Proxy – US Beneficial Shareholders

If you are a beneficial shareholder located in the United States and wish to attend, participate or vote at the Meeting or, if permitted, appoint a third party as your proxyholder, in addition to the steps described above and below under "How do I attend and participate at the Meeting?", you must obtain a valid legal proxy from your intermediary. Follow the instructions from your intermediary included with the legal proxy form and the voting information form sent to you, or contact your intermediary to request a legal proxy form or a legal proxy if you have not received one. After obtaining a valid legal proxy from your intermediary, you must then submit such legal proxy to Odyssey. Requests for registration from beneficial shareholders located in the United States that wish to attend, participate or vote at the Meeting or, if permitted, appoint a third party as their proxyholder must be sent by e-mail to xs@odysseytrust.com and received by 10:00 a.m. Toronto Time on September 23, 2020.

How do I attend and participate at the Meeting?

The Company is holding the Meeting as a completely virtual meeting, which will be conducted via live webcast. Shareholders will not be able to attend the Meeting in person. In order to attend, participate or vote at the Meeting (including for voting and asking questions at the Meeting), shareholders must have a valid Username.

Registered shareholders and duly appointed proxyholders will be able to attend, participate and vote at the Meeting online at web.lumiagm.com/249201020. Such persons may then enter the Meeting by clicking "I have a login" and entering a Username and Password before the start of the Meeting:

- Registered shareholders: The control number located on the form of proxy (or in the email notification you received) is the Username. The Password to the Meeting is "xs2020" (case sensitive). If as a registered shareholder you are using your control number to login to the Meeting and you have previously voted, you do not need to vote again when the polls open. By voting at the meeting, you will revoke your previous voting instructions received prior to voting cutoff.
- Duly appointed proxyholders: Odyssey will provide the proxyholder with a Username by e-mail after the voting deadline has passed. The Password to the Meeting is "xs2020" (case sensitive). Only registered shareholders and duly appointed proxyholders will be entitled to attend, participate and vote at the Meeting. Beneficial shareholders who have not duly appointed themselves as proxyholder will be able to attend the meeting as a guest but not be able to participate or vote at the Meeting. Shareholders who wish to appoint a third party proxyholder to represent them at the Meeting (including beneficial shareholders who wish to appoint themselves as proxyholder to attend, participate or vote at the Meeting) MUST submit their duly completed proxy or voting instruction form AND register the proxyholder. See "Appointment of a Third Party as Proxy".

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

Each holder of subordinate voting shares in the capital of the Company (“**Shares**”) of record at the close of business on August 21, 2020 (the “**record date**”) will be entitled to vote at the Meeting or at any adjournment thereof, either in person or by proxy. As of August 21, 2020, the Company had 31,554,664 issued and outstanding Subordinate Voting Shares and 22,807,598 Proportionate Voting Shares (converted). Each Share carries the right to one vote per share. The outstanding Shares are listed on the Canadian Securities Exchange (the “**CSE**”) under the symbol “**XSF**”.

To the knowledge of the directors and executive officers of the Company as of August 21, 2020, no person beneficially owns, controls or directs, directly or indirectly, 10% or more of the outstanding Shares other than as set forth below:

Name and Municipality of Head Office	Type of Ownership	Approximate Number of Voting Shares Owned, Controlled or Directed	Percentage of Voting Shares as of August 21, 2020
Archytas Ventures LLC ⁽¹⁾	direct	11,055,811	20.38%
KushCo Holdings Inc.	direct	10,600,300	19.50%

(1) Archytas Ventures LLC is a company controlled by David Kivitz (the Chief Executive Officer of the Company) and Antony Radbod (the Chief Operating Officer (“**COO**”) of the Company).

NON-REGISTERED HOLDERS AND DELIVERY MATTERS

Only registered Shareholders, or the persons they appoint as their proxies, are permitted to vote at the Meeting.

These securityholder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the Company or its agent has sent these 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 (“**Intermediary**”) holding on your behalf.

If you have received the Company’s form of proxy, you may return it to Odyssey Trust Company: by regular mail in the return envelope provided.

Objecting Beneficial Owners (“**OBOs**”) and other beneficial holders receive a Voting Instruction Form (“**VIF**”) from an Intermediary by way of instruction of their financial institution. Detailed instructions of how to submit your vote will be on the VIF.

In either case, the purpose of this procedure is to permit non-registered holders to direct the voting of the Shares they beneficially own. Should a non-registered holder who receives either form of proxy wish to vote at the Meeting in person, the non-registered holder should strike out the persons named in the form of proxy and insert the non-registered holder’s name in the blank space provided. Non-registered holders should carefully follow the instructions of their Intermediary including those regarding when and where the form of proxy or VIF is to be delivered.

The Company is not using the “notice-and-access” provisions of National Instrument 54-101 (“**NI 54-101**”) in connection with the delivery of the meeting materials in respect of the Meeting. The Company is not sending such meeting materials directly to “non-objecting beneficial owners” in accordance with NI 54-101, and intends to pay for intermediaries to deliver such meeting materials to “objecting beneficial owners” as defined in NI 54-101.

COMPENSATION OF EXECUTIVE OFFICERS

The following table provides a summary of compensation for services rendered in all capacities to the Company for the fiscal years ended December 31, 2019 and 2018 in respect of the individuals who served as (i) the Chief Executive Officer, Chief Financial Officer and COO of the Company during the fiscal year ended December 31, 2019 (the “**Named Executive Officers**”); and (ii) the directors of the Company for the fiscal year ended December 31, 2019. See also “Stock Options and Other Compensation Securities” below.

Table of Compensation Excluding Compensation Securities

Name and Position	Fiscal Year Ended December 31	Salary, Consulting Fee, Retainer or Commission	Bonus	Committee or Meeting Fees	Value of Perquisites	Value of All Other Compensation	Total Compensation
David Kivitz, CEO	2018	US\$134,400 ⁽²⁾	N/A	N/A	N/A	US\$9,208	US\$143,608
	2019	US\$172,000 ⁽²⁾	N/A	N/A	N/A	N/A	US\$172,000
Joe Fazzini, CFO ⁽¹⁾	2018	Nil	N/A	N/A	N/A	N/A	N/A
	2019	Cdn\$100,000	N/A	N/A	N/A	N/A	Cdn\$100,000
Antony Radbod, COO	2018	US\$100,939 ⁽²⁾	N/A	N/A	N/A	US\$9,264	US\$110,203
	2019	US\$172,000 ⁽²⁾	N/A	N/A	N/A	N/A	US\$172,000

(1) Mr. Fazzini was appointed in May 2019 and thus, received no compensation in 2018.

(2) Messrs. Kivitz and Radbod are compensated through a master services agreement between the Company and Archytas Ventures, LLC. See “Termination of Employment, Change in Responsibilities and Employment Contracts” below.

Stock Options and Other Compensation Securities

Set forth in the table below is a summary of all compensation securities granted or issued to each Named Executive Officer and director of the Company during the fiscal year ended December 31, 2019.

Compensation Securities							
Name and Position	Type of Compensation Security	Number of Compensation Securities, Number of Underlying Securities, and Percentage of Class	Date of Issue or Grant	Issue, Conversion or Exercise Price (CAD)	Closing Price of Security or Underlying Security on Date of Grant	Closing Price of Security or Underlying Security at Year End	Expiry Date
Gary Herman	Stock Options	300,000	25-Nov-19	0.34	0.19	0.27	25-Nov-24
Stephen Christoffersen	Stock Options	300,000	25-Nov-19	0.34	0.19	0.27	25-Nov-24
Joseph Fazzini, CFO	Stock Options	500,000	25-Nov-19	0.34	0.19	0.27	25-Nov-24

Exercise of Compensation Securities by Directors and Named Executive Officers

No compensation securities were exercised by any Named Executive Officers or directors of the Company during the fiscal year ended December 31, 2019.

For further details on the omnibus incentive plan of the Company (the “Plan”), please refer to “Summary of Plan” below.

COMPENSATION DISCUSSION AND ANALYSIS

The Company’s approach to executive compensation has been to provide suitable compensation for executives that is internally equitable, externally competitive and reflects individual achievement. The Company attempts to maintain compensation arrangements that will attract and retain highly qualified individuals who are able and capable of carrying out the objectives of the Company.

The Company’s compensation arrangements for the Named Executive Officers may, in addition to salary, include compensation in the form of bonuses and, over a longer term, benefits arising from the grant of stock options. Given the stage of development of the Company, compensation of the Named Executive Officers currently emphasizes base salaries and bonuses, with a reduced reliance on option awards. This policy may be re-evaluated in the future depending upon the future development of the Company and other factors which may be considered relevant by the board of directors from time to time.

In respect of the financial year ended December 31, 2019: (i) a salary of \$172,000 USD was paid in respect of the services of the Chief Executive Officer of the Company; (ii) a salary of \$100,000 CAD was paid in respect of the services of the Chief Financial Officer of the Company; and (iii) a salary of \$172,000 USD was paid in respect of the services of the COO of the Company. The Company has established a Compensation Committee which establishes and reviews the Company’s overall compensation philosophy and its general compensation policies with respect to executive officers, including the corporate goals and objectives and the annual performance objectives relevant to such officers. The Compensation Committee evaluates each officer’s performance in light these goals and objectives and, based on its evaluation, determines and approves the salary, bonus, options and other benefits for such officers. In determining compensation matters, the Compensation Committee and the board of directors may consider a number of factors, including the Company’s performance, the value of similar incentive awards to officers performing similar functions at comparable companies, the awards given in past years and other factors it considers relevant. The current overall objective of the Company’s compensation strategy is to reward management for their efforts, while seeking to conserve cash given current market conditions. With respect to any bonuses or

incentive plan grants which may be awarded to executive officers in the future, the Company has not currently set any objective criteria and will instead rely upon any recommendations and discussion at the Compensation Committee level with respect to the above-noted considerations and any other matters which the Compensation Committee and board may consider relevant on a going-forward basis, including the cash position of the Company.

See also “Termination of Employment, Change in Responsibilities and Employment Contracts” below.

Any existing options held by the Named Executive Officers at the time of subsequent option grants are taken into consideration in determining the quantum or terms of any such subsequent option grants. Options have been granted to directors, management, employees and certain service providers as long-term incentives to align the individual’s interests with those of the Company. The size of the option awards is in proportion to the deemed ability of the individual to make an impact on the Company’s success. See “Summary of Plan” below.

TERMINATION OF EMPLOYMENT, CHANGE IN RESPONSIBILITIES AND EMPLOYMENT CONTRACTS

The Company is party to an amended and restated master services agreement effective as of January 1, 2019 with Archytas Ventures, LLC (“Archytas”), as amended, pursuant to which Mr. David Kivitz provides his services as Chief Executive Officer of the Company, and Mr. Antony Radbod provides his services as COO of the Company, in consideration of a monthly aggregate fee of \$28,666 payable to Archytas (subject to a three month period from July 1 to October 1, 2020 during which no such fees shall be payable). In addition, Archytas is entitled to receive a success fee equal to 2% of the enterprise value of any acquisition, merger or change of control transaction involving the Company during the term, as further set forth therein. The agreement has an initial term of five years, automatically renewable thereafter for consecutive one year terms, provided that the agreement cannot be terminated until Archytas holds less than 5% of the fully diluted capital stock of the Company. The agreement also provides that in the event that it terminated or not renewed within 12 months of a “change of control” of the Company (as defined therein), Archytas shall be entitled to receive a lump sum payment equal to 24 months’ retainer fees. The agreement contains standard confidentiality provisions. If terminated pursuant to this provision as of December 31, 2019, Archytas would have been entitled to receive a lump sum payment of \$343,992.

The Company is party to a consulting agreement dated as of September 1, 2019 with Atlas Advisory Inc. (“Atlas”) pursuant to which Mr. Joseph Fazzini provides his services as Chief Financial Officer of the Company in consideration of a monthly fee of C\$14,000 per month plus applicable taxes. The agreement has an initial term of six months, automatically renewable thereafter for consecutive six month terms unless either party provides at least 60 days prior notice to the contrary. The agreement contains standard non-competition, non-solicitation and confidentiality provisions. The agreement may be terminated by either party (i) in the event of a material breach by the other party (provided that in the event of a material breach by the Company, Atlas shall be entitled to receive six months’ retainer fees, or C\$84,000 had the agreement been terminated in this manner as of December 31, 2019), or (ii) upon 90 days notice or payment in lieu of notice provided there is no “change of control” of the Company (as defined therein) pending. In the event of a “change of control” of the Company and the Company terminates the agreement within the following 12 months (other than in the event of a material breach), Atlas shall be entitled to receive the lesser of a termination payment equal to the lesser of 24 months retainer payments (being \$336,000 if calculated as of December 31, 2019) or 0.5% of the Company enterprise value on exit.

COMPENSATION OF DIRECTORS

Directors of the Company that are not also executive officers of the Company are not currently paid any fee in respect of the attendance at directors' and shareholder's meetings. Directors are eligible to participate in the Plan. Directors may also be compensated for services provided to the Company as consultants or experts on the same basis and at the same rate as would be payable if such services were provided by a third party, arm's length service provider. No such services were provided to the Company by any of its directors other than Named Executive Officers during fiscal 2019.

As of December 31, 2019, the Company had an aggregate of 3,010,129 outstanding options, of which 850,000 were issued to directors. See "Summary of Plan".

AUDIT COMMITTEE

Multilateral Instrument 52-110 - *Audit Committees* ("MI 52-110") requires the Company to disclose annually in its management information circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth below.

Audit Committee Charter

The Company's audit committee is governed by an audit committee charter, the text of which is attached as Schedule "A" to this Information Circular.

Composition of the Audit Committee

The Company's audit committee is comprised of Messrs. Gary Herman, Stephen Christoffersen and David Kivitz. Messrs. Gary Herman and Stephen Christoffersen are considered to be "independent", as defined in NI 52-110. Each member of the audit committee is also considered to be "financially literate" which includes the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues of the Company.

Relevant Education and Experience

Gary Herman (Chair)

Fund manager, Strategic Turnaround Equity Partners and affiliates. Previously, Abacoa Capital Master Fund, Ltd. Registered with Arcadia Securities, LLC. BS From the State of New York in Albany

Stephen Christoffersen

Chief Financial Officer for KushCo Holdings (OTC:KSHB), evaluates strategic acquisitions and fundraising initiatives. He received his Chartered Financial Analyst designation in 2015 and holds a Bachelor of Science in Finance from the University of Nevada, Las Vegas.

David Kivitz

Previously Managing Partner and Co- Founder of Alta Verde Group, growing annual sales in excess of \$50 million. Awarded #3 Fastest Growing Private Company in Los Angeles in 2015. He received his BBA from The George Washington University and was previously an elected member of the GWREA.

Pre-Approval Policies and Procedures

The audit committee shall pre-approve all audit and non-audit services not prohibited by law to be provided by the independent auditors of the Company.

Audit Fees

The following chart summarizes the aggregate fees billed by the external auditors of the Company for professional services rendered to the Company for audit and non-audit related services for the fiscal years ended December 31, 2019 and 2018:

Type of Work	Fiscal Year Ended December 31, 2018	Fiscal Year Ended December 31, 2019
Audit fees ⁽¹⁾	\$64,000 USD	\$53,000 CAD
Audit-related fees ⁽²⁾	\$12,500 USD	nil
Tax advisory fees ⁽³⁾	\$7,795 USD	\$5,000 CAD
All other fees	\$28,776 USD	nil
Total	\$113,071 USD	\$58,000 CAD

Notes:

- (1) Aggregate fees billed for the Corporation's annual financial statements and services normally provided by the auditor in connection with the Corporation's statutory and regulatory filings.
- (2) Aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's financial statements and are not reported as "Audit fees", including: assistance with aspects of tax accounting, attest services not required by state or regulation and consultation regarding financial accounting and reporting standards.
- (3) Aggregate fees billed for tax compliance, advice, planning and assistance with tax for specific transactions.

Exemption

The Company is relying on the exemption provided by section 6.1 of MI 52-110 which provides that the Company, as a "venture issuer", is not required to comply with Part 3 (*Composition of the Audit Committee*) or Part 5 (*Reporting Obligations*) of MI 52-110.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Set forth below is a summary of securities issued and issuable under all equity compensation plans of the Company as at December 31, 2019. See also "Summary of Plan".

Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by securityholders	3,010,129	\$0.38	3,318,980 ⁽¹⁾
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	3,010,129	\$0.30	3,318,980 ⁽¹⁾

(1) Calculated based on 15% of an aggregate of 42,194,062 Shares issued and outstanding as at December 31, 2019.

SUMMARY OF PLAN

The shareholders of the Company last approved the Plan on August 28, 2019. Up to such number of Shares as is equal to 15% of the aggregate number of Shares outstanding may be reserved for issue upon the exercise of awards granted pursuant to the Plan. An aggregate of 4,819,018 stock options have been granted by the Corporation under the Plan to date which have not been cancelled or expired or been exercised to date.

The purpose of the Plan is to attract, retain and reward those employees, directors and other individuals who are expected to contribute significantly to the success of the Company, to incentivize such individuals to perform at the highest level, to strengthen the mutuality of interests between such individuals and the Company's Shareholders and, in general, to further the best interests of the Company and its Shareholders. Plan is intended to comply with Section 422 of the U.S. Internal Revenue Code of 1986 (the "Code") with respect to the U.S. employees participating in the Plan, if and when applicable.

The aggregate number of Shares which are reserved for issuance pursuant to all awards granted under the Plan is fixed at 15% of the issued and outstanding Shares from time-to-time when taken together with all other Security Based Compensation Arrangements (as defined in the Plan) of the Company, provided no more than 10,000,000 Shares may be reserved and available under the Plan.

The following is a summary of the material terms of the Plan:

- (i) no non-employee director may be granted any award denominated in Shares that exceeds in the aggregate US\$100,000 (such value computed as of the date of grant in accordance with applicable financial accounting rules) in any calendar year;
- (iii) with respect to options:
 - (A) the purchase price per Share purchasable under an option shall be determined by a committee of the Board (the "Committee") and shall not, except in the case of certain exceptions as set out in the Plan, be less than

100% of the Fair Market Value (as defined in the Plan) of a Share on the date of grant of such option; and

(B) the term of each option shall be fixed by the Committee at the date of grant but shall not be longer than ten years from the date of grant;

(iv) with respect to options:

(A) the Committee will not grant options in which the aggregate Fair Market Value (determined as of the time the option is granted) of the Shares with respect to which options are exercisable for the first time by any participant during any calendar year shall exceed US\$100,000;

(B) the maximum number of Shares that may be issued pursuant to options shall not exceed 15% of the number of Shares outstanding;

(C) all options must be granted within ten years from the earlier of the date on which the Plan was adopted by the Board or the date the Plan was approved by the shareholders of the Company;

(D) all options shall expire and no longer be exercisable no later than 10 years after the date of grant;

(E) the terms of any options shall comply in all respects with the provisions of Section 422 of the U.S. internal Revenue Code of 1986; and

(F) the purchase price per Share for an option shall be not less than 100% of the Fair Market Value of a Share on the date of grant of the option; provided, however, that, in the case of the grant of an option to a participant who, at the time such option is granted, owns (within the meaning of Section 422 of the Code) shares possessing more than 10% of the total combined voting power of all classes of shares of the Company, the purchase price per Share purchasable under an option shall be not less than 110% of the Fair Market Value of a Share on the last trading date prior to the grant of such option;

(v) with respect to Stock Appreciation Rights (as defined in the Plan);

(A) Stock Appreciation Rights granted under the Plan may be granted either alone or in addition to other awards and may, but need not, relate to a specific option grant;

(B) any tandem Stock Appreciation Rights related to an option may be granted at the same time as such option. In the case of any tandem Stock Appreciation Right related to any option, the Stock Appreciation Right or applicable portion thereof shall not be exercisable until the related option or applicable portion thereof is exercisable and shall terminate and no longer be exercisable upon the termination or exercise of the related option, except that a Stock Appreciation Right granted with respect to less than the full number of Shares covered by a related option shall not be

reduced until the exercise or termination of the related option exceeds the number of Shares not covered by the Stock Appreciation Right; and

- (C) the grant price, term, methods of exercise, dates of exercise, methods of settlement and any other terms and conditions of any Stock Appreciation Right shall be as determined by the Committee, provided that a freestanding Stock Appreciation Right shall not have a term of greater than 10 years or, unless it is a Substitute Award (as defined in the Plan), an exercise price less than 100% of Fair Market Value of the Share on the last trading date prior to the date of grant.
- (vi) shares of Restricted Stock and Restricted Stock Units (each as defined in the Plan) shall be subject to such restrictions as the Committee may impose;
- (vii) the Committee, in its discretion, may award dividend equivalents with respect to awards of Deferred Stock Units (as defined in the Plan) and the entitlements on such dividend equivalents will not be available until the expiration of the deferral period for the award of the Deferred Stock Units; and
- (viii) with respect to Other-Stock Based Awards (as defined in the Plan), the Committee is authorized to grant such other awards that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, Shares, as are deemed by the Committee to be consistent with the purpose of the Plan and the Committee shall determine the terms and conditions of such awards.

Notwithstanding the above, the number of Shares which are issuable to Insiders (as defined in the Plan) under all Security Based Compensation Arrangements of the Company may not exceed 10% of the issued and outstanding Shares and the number of Shares issued to Insiders within any one-year period, under all Security Based Compensation Arrangements of the Company, may not exceed 10% of the issued and outstanding Shares.

At the Meeting, shareholders will be asked to consider and, if deemed fit, confirm the Plan. See “Particulars of Matters to be Acted Upon – Confirmation of Plan”.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

National Policy 58-201 of the Canadian Securities Administrators has set out a series of guidelines for effective corporate governance (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 as it is recognized that the unique characteristics of individual corporations will result in varying degrees of compliance.

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

The Board of Directors

NI 58-101 defines an “independent director” as a director who has no direct or indirect material relationship with the Company. A “material relationship” is in turn defined as a relationship which could, in the view of the board of directors, be reasonably expected to interfere with such member’s independent judgement.

The board of directors is currently comprised of four members, two of whom the board of directors has determined are “independent directors” within the meaning of NI 58-101.

As at August 21, 2020, Messrs. David Kivitz and Antony Radbod are not considered independent directors as they also serve as executive officers of the Company, while Messrs. Gary Herman and Stephen Christoffersen are considered independent directors since they are each independent of management and free from any material relationship with the Company. The basis for this determination is that, since January 1, 2015, none of the independent directors have worked for the Company, received material remuneration from the Corporation or had material contracts with or material interests in the Company which could interfere with their ability to act with a view to the best interests of the Company.

The board of directors believes that it functions independently of management. To enhance its ability to act independently of management, the board of directors may in the future meet in the absence of members of management or may excuse such persons from all or a portion of any meeting where a potential conflict of interest arises or where otherwise appropriate.

Directorships

None of the directors of the Company currently also serve as directors of other reporting issuers (or equivalent).

Orientation and Continuing Education

While the Company currently has no formal orientation and education program for new board members, sufficient information (such as recent financial statements, prospectuses, proxy solicitation materials, technical reports and various other operating, property and budget reports) is provided to any new board member to ensure that new directors are familiarized with the Company’s business and the procedures of the board. In addition, new directors are encouraged to visit and meet with management on a regular basis. The Company also encourages continuing education of its directors and officers where appropriate in order to ensure that they have the necessary skills and knowledge to meet their respective obligations to the Company.

Ethical Business

Given the small size of the board and stage of development of the Company, the board of directors has determined that the fiduciary obligations placed on directors pursuant to applicable corporate laws are effective in ensuring ethical business conduct on the part of its directors. In addition, all employees and Board members have signed a Code of Conduct which can be found on the company website.

Nomination of Directors

The board of directors performs the functions of a nominating committee with responsibility for the appointment and assessment of directors. The board of directors believes that this is a practical approach at this stage of the Company’s development and given the relatively small size of the board.

While there are no specific criteria for board membership, the Company attempts to attract and maintain directors with business knowledge and a particular knowledge of leasing or other areas (such as finance) which provide knowledge which would assist in guiding the officers of the Company. As such, nominations tend to be the result of recruitment efforts by management of the Company and discussions among the directors prior to the consideration of the board of directors as a whole.

Compensation

The board of directors has established a Compensation Committee which will review on an annual basis the adequacy and form of compensation of executive officers and directors to ensure that their compensation reflects the responsibilities, time commitment and risks involved in being an effective officer and/or director. Currently, as the Company has no ongoing revenues from operations, the directors of the Company do not receive any fees in their capacities as directors. All directors are eligible to participate in the Plan. See “Compensation of Directors”.

Other Board Committees

Currently, XS Financial has an Audit Committee, Compensation Committee, Corporate Governance Committee and Health and Safety Committee.

The purpose of the Corporate Governance Committee is to assist the Board in (i) establishing the Company’s corporate governance policies and practices generally; (ii) reviewing the effectiveness of the Board and its committees; and (iii) promoting a culture of integrity throughout the Company. The Committee is also responsible for (i) monitoring the appropriateness of structures to ensure that the Board can function independently of the senior officers of the Company; (ii) providing an orientation and education program for new directors; and (iii) monitoring and, when appropriate, making recommendations to the Board concerning the corporate governance of the Company including assessing the Company’s corporate governance policies and practices, evaluating the functioning of the Board, its committees and individual directors and approving the annual disclosure of the Company’s corporate governance practices.

The purpose of the Health and Safety Committee is to assist the Board in (i) monitoring health and safety matters in the workplace, and the rights and duties of the Company and its employees in that respect; and (ii) establishing procedures for dealing with workplace hazards, and monitoring related compliance matters.

Assessments

The board of directors assesses, on a periodic basis, the contributions of the board of directors as a whole and each of the individual directors, in order to determine whether each is functioning effectively.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Except as otherwise disclosed in this Information Circular, none of the directors or executive officers of the Company, no nominee for election as a director of the Company (“**Nominee**”), none of the persons who have been directors or executive officers of the Company since the commencement of the Company’s last completed financial year and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter of business to be acted upon at the Meeting, other than the confirmation of the Plan in connection with which the directors and executive officers of the Company may continue to hold awards and/or may be entitled to receive award grants in the future, all in accordance with the terms thereof. See “Particulars of Matters to be Acted Upon – Confirmation of Plan”.

CEASE TRADE ORDERS OR BANKRUPTCIES

No director or officer of the Company:

1. is, as at the date hereof, or has been, within 10 years before the date hereof, a director or executive officer of any company that,

- a. while that person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation (each, an “**Order**”), for a period of more than 30 consecutive days; or
 - b. was subject to an Order that was issued, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of such Order, that resulted from an event that occurred while that person was acting as director or executive officer of that company;
2. has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director;
3. is, as at the date hereof, or has been within 10 years before the date hereof, 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
4. has been subject to:
 - a. any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian 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.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS TO THE COMPANY

No individual who is, or at any time during the most recently completed financial year of the Company was, a director, executive officer, employee or former director, executive officer or employee of the Company, a Nominee, or any of their associates, is indebted to the Company or any subsidiary of the Company as of August 21, 2020 or was so indebted at any time during the last completed fiscal year of the Company, nor have any such individuals been or are they currently indebted to another entity where such indebtedness is or has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement provided by the Company or any subsidiary of the Company.

DIRECTORS’ AND OFFICERS’ LIABILITY INSURANCE

The Company maintains liability insurance for the directors and officers of the Company. The Company’s policy of insurance is currently in effect until December 17, 2020. An annual premium of \$144,000 has been paid by the Company. No portion of the premium is directly paid by any of the directors or officers of the Company. The aggregate insurance coverage under the policy for both directors and officers is limited to \$1,000,000 with a \$500,000 deductible (which is paid by the Company). No claims have been made or paid to date under such policy.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No director, executive officer, shareholder beneficially owning or exercising control or direction over (directly or indirectly) more than 10% of the Shares, or Nominee, and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the beginning of the Company's last completed fiscal year or in any proposed transaction which, in either such case, has materially affected or will materially affect the Company.

PARTICULARS OF MATTERS TO BE ACTED UPON

1. Financial Statements

The shareholders will receive and consider the audited consolidated financial statements of the Company for the fiscal year ended December 31, 2019 together with the auditor's report thereon.

2. Election of Directors

Under the constating documents of the Company, the Board is to consist of a minimum of one and a maximum of 4 directors, to be elected annually. The Board currently consists of 4 directors. At the Meeting, shareholders will be invited to elect 4 directors. Each director holds office until the next annual meeting or until his or her successor is duly elected or appointed unless his or her office is earlier vacated in accordance with the Company's by-laws. On any ballot that may be called for in the election of directors, the persons named in the enclosed form of proxy intend to cast the votes to which the Shares represented by such proxy are entitled for each of the proposed Nominees whose names are set forth below, unless the shareholder who has given such proxy has directed that the Shares be otherwise voted or withheld from voting in respect of the election of any such Nominees. Management does not contemplate that any of the Nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for other Nominees at their discretion.

The following table sets out the name of each of the Nominees, all positions and offices in the Company held by each of them, the principal occupation or employment of each of them for the past five years, the year in which each was first elected a director of the Company and the approximate number of Shares that each has advised are beneficially owned or subject to his or her control or direction (directly or indirectly):

Name and Province of Residence	Position	Principal Occupation	Director Since	Number of Shares Held or Controlled ⁽¹⁾
David Kivitz ⁽²⁾	Director, Chair	CEO, XS Financial	December 7, 2017	11,055,811 ⁽³⁾
Antony Radbod	Director	COO, XS Financial	October 22, 2018	11,055,811 ⁽³⁾
Stephen Christoffersen ⁽²⁾	Director	Chief Financial Officer, KushCo Holdings	May 29 2019	nil
Gary Herman ⁽²⁾	Director	Fund Manager, Strategic Turnaround Equity Partners and affiliates	April 8, 2019	nil

Notes:

- (1) The information as to Shares beneficially owned (directly or indirectly) or over which the Nominees exercise control or direction not being within the knowledge of the Company has been furnished by the respective Nominees individually.
- (2) Member of the Audit Committee of the Company. The Company does not currently have an executive committee.
- (3) An aggregate of 11,055,811 Shares are held by Archytas Ventures, LLC, which is in turn controlled by Messrs. Kivitz and Radbod.

The management representatives named in the attached form of proxy intend to vote the Shares represented by such proxy in favour of the election of the Nominees set forth in this Information Circular unless a shareholder specifies in the proxy that his or her Shares are to be withheld from voting in respect of such resolution.

3. Appointment of Auditors

The directors propose to nominate McGovern Hurley LLP, the present auditors, as the auditors of the Company to hold office until the close of the next annual meeting of shareholders. McGovern Hurley LLP were first appointed as auditors of the Company effective April 24, 2020.

In the past, the directors have negotiated with the auditors of the Company on an arm's length basis in determining the fees to be paid to the auditors. Such fees have been based on the complexity of the matters in question and the time incurred by the auditors. The directors believe that the fees negotiated in the past with the auditors of the Company were reasonable and in the circumstances would be comparable to fees charged by other auditors providing similar services.

In order to appoint McGovern Hurley LLP as auditors of the Company to hold office until the close of the next annual meeting, and authorize the directors to fix the remuneration thereof, a majority of the votes cast at the Meeting must be voted in favour thereof.

The management representatives named in the attached form of proxy intend to vote in favour of the appointment of McGovern Hurley LLP as auditors of the Company and in favour of authorizing the directors to fix the remuneration of the auditors, unless a shareholder specifies in the proxy that his or her Shares are to be withheld from voting in respect of the appointment of auditors and the fixing of their remuneration.

4. Confirmation of Plan

The shareholders of the Company last approved the Plan on August 28 2019. Up to such number of Shares as is equal to 15% of the number of Shares issued and outstanding from time to time may be reserved for issue upon the exercise of awards granted pursuant to the Plan. An aggregate of 4,819,018 stock options have been granted by the Corporation under the Plan to date which have not been cancelled or expired, or been exercised to date. See "Summary of Plan" above.

As the Plan is a "rolling" stock option plan, the policies of the CSE mandate that the Company obtain the confirmation of the Plan by its shareholders annually. Accordingly, at the Meeting, shareholders will be asked to consider, and if thought fit, approve the resolutions substantially in the form set forth in Schedule "B" hereto (the "**Plan Resolutions**") confirming the Plan.

The Plan Resolutions will be approved upon the affirmative vote of a majority of the votes cast at the Meeting, excluding votes attaching to Shares held by any insiders of the Company entitled to receive a benefit under the Plan. As of August 21, 2020, to the knowledge of the Company, such insiders hold an aggregate of approximately 2,219,278 Shares.

If the Plan Resolutions are approved, (i) the 4,819,018 options currently outstanding under the Plan will remain outstanding, without amendment to their terms; and (ii) the Corporation will be able to issue up to

an additional 3,335,321 awards (representing approximately 15% of the issued and outstanding Shares as of the date hereof) under the Plan (as calculated based upon 15% of the 54,362,262 Shares issued and outstanding as of the date hereof, less the number of options previously granted which are to remain outstanding under the Plan), subject to increase to provide for the issuance of a maximum number of awards under the Plan as is equal to 15% of the Shares issued and outstanding from time to time. If the Plan Resolutions are not approved, (i) the 4,819,018 options currently outstanding under the Plan will remain outstanding under the Plan, without amendment to their terms; and (ii) the Plan will convert into a fixed plan and the Corporation will be able to issue up to an additional 3,335,321 awards (representing approximately 6.1% of the issued and outstanding Shares as of the date hereof) under the Plan (as calculated based upon 15% of the 54,362,262 Shares currently issued and outstanding, less the number of options presently outstanding under the Plan).

The Board has concluded that the Plan Resolutions are in the best interest of the Company and its shareholders. Accordingly, the Board recommends that shareholders vote in favour of the Plan Resolutions. **Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote IN FAVOR OF the approval of the Plan Resolutions.**

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com. Financial information is provided in the Company's financial statements and management discussion and analysis for the year ended December 31, 2019. Shareholders may contact the Company at its principal office address at 1901 Avenue of the Stars, Suite 120, Los Angeles, California 90067, to request copies of the Company's financial statements and management discussion and analysis.

APPROVAL

The contents and the sending of this Information Circular have been approved by the directors of the Company.

DATED: August 27, 2020.

(Signed) David Kivitz

David Kivitz
Chief Executive Officer

SCHEDULE A

XS Financial Inc.

AUDIT COMMITTEE CHARTER

Dated: March 2020

PURPOSE OF THE COMMITTEE

The purpose of the Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of the Company is to provide an open avenue of communication between management, the Company’s independent auditor and the Board and to assist the Board in its oversight of:

- the integrity, adequacy and timeliness of the Company’s financial reporting and disclosure practices;
- the Company’s compliance with legal and regulatory requirements related to financial reporting; and
- the independence and performance of the Company’s independent auditor.

The Committee shall also perform any other activities consistent with this Charter, the Company’s articles and governing laws as the Committee or Board deems necessary or appropriate.

The Committee shall consist of at least three directors. Members of the Committee shall be appointed by the Board and may be removed by the Board in its discretion. The members of the Committee shall elect a Chairman from among their number. A majority of the members of the Committee must not be officers or employees of the Company or of an affiliate of the Company. The quorum for a meeting of the

Committee is a majority of the members who are not officers or employees of the Company or of an affiliate of the Company. With the exception of the foregoing quorum requirement, the Committee may determine its own procedures.

The Committee’s role is one of oversight. Management is responsible for preparing the Company’s financial statements and other financial information and for the fair presentation of the information set forth in the financial statements in accordance with generally accepted accounting principles (“GAAP”). Management is also responsible for establishing internal controls and procedures and for maintaining the appropriate accounting and financial reporting principles and policies designed to assure compliance with accounting standards and all applicable laws and regulations.

The independent auditor’s responsibility is to audit the Company’s financial statements and provide its opinion, based on its audit conducted in accordance with generally accepted auditing standards, that the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Company.

The Committee is responsible for recommending to the Board the independent auditor to be nominated for the purpose of auditing the Company’s financial statements, preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company, and for reviewing and recommending the compensation of the independent auditor. The Committee is also directly responsible for the evaluation

of and oversight of the work of the independent auditor. The independent auditor shall report directly to the Committee.

AUTHORITY AND RESPONSIBILITIES

In addition to the foregoing, in performing its oversight responsibilities the Committee shall:

1. Monitor the adequacy of this Charter and recommend any proposed changes to the Board.
2. Review the appointments of the Company's Chief Financial Officer and any other key financial executives involved in the financial reporting process.
3. Review with management and the independent auditor the adequacy and effectiveness of the Company's accounting and financial controls and the adequacy and timeliness of its financial reporting processes.
4. Review with management and the independent auditor the annual financial statements and related documents and review with management the unaudited quarterly financial statements and related documents, prior to filing or distribution, including matters required to be reviewed under applicable legal or regulatory requirements.
5. Where appropriate and prior to release, review with management any news releases that disclose annual or interim financial results or contain other significant financial information that has not previously been released to the public.
6. Review the Company's financial reporting and accounting standards and principles and significant changes in such standards or principles or in their application, including key accounting decisions affecting the financial statements, alternatives thereto and the rationale for decisions made.
7. Review the quality and appropriateness of the accounting policies and the clarity of financial information and disclosure practices adopted by the Company, including consideration of the independent auditor's judgment about the quality and appropriateness of the Company's accounting policies. This review may include discussions with the independent auditor without the presence of management.
8. Review with management and the independent auditor significant related party transactions and potential conflicts of interest.
9. Pre-approve all non-audit services to be provided to the Company by the independent auditor.
10. Monitor the independence of the independent auditor by reviewing all relationships between the independent auditor and the Company and all non-audit work performed for the Company by the independent auditor.
11. Establish and review the Company's procedures for the:
 - receipt, retention and treatment of complaints regarding accounting, financial disclosure, internal controls or auditing matters; and
 - confidential, anonymous submission by employees regarding questionable accounting, auditing and financial reporting and disclosure matters.

12. Conduct or authorize investigations into any matters that the Committee believes is within the scope of its responsibilities. The Committee has the authority to retain independent counsel, accountants or other advisors to assist it, as it considers necessary, to carry out its duties, and to set and pay the compensation of such advisors at the expense of the Company.
13. Perform such other functions and exercise such other powers as are prescribed from time to time for the audit committee of a reporting company in Parts 2 and 4 of Multilateral Instrument 52-110 of the Canadian Securities Administrators and the articles of the Company.

SCHEDULE B

PLAN RESOLUTIONS

BE IT RESOLVED THAT:

1. The omnibus incentive plan of the Company previously approved by shareholders on August 28, 2019 (the “**Plan**”) is hereby authorized and confirmed as the omnibus incentive plan of the Company, and all unallocated options, rights and other entitlements issuable thereunder be and are hereby approved and authorized;
2. the number of subordinate voting shares of the Company issuable pursuant to the Plan be set at 15% of the aggregate number of subordinate voting shares of the Company issued and outstanding from time to time, subject to any limitations imposed by applicable regulations, laws, rules and policies; and
3. any director or officer of the Company is hereby authorized and directed, acting for, in the name of and on behalf of the Company, to execute or cause to be executed, under the seal of the Company or otherwise and to deliver or to cause to be delivered, all such other deeds, documents, instruments and assurances and to do or cause to be done all such other acts as in the opinion of such director or officer of the Company may be necessary or desirable to carry out the terms of the foregoing resolutions.