

POPREACH CORPORATION
RELATED PARTY TRANSACTION POLICY &
PROCEDURE

Approved by the Board of Directors on July 23, 2020

RELATED PARTY TRANSACTION POLICY & PROCEDURE

I. Policy

PopReach Corporation (the “**Company**”) recognizes that Related Party Transactions (as defined below) can present potential or actual conflicts of interest and may raise questions about whether such transactions are consistent with the Company’s and its shareholders’ best interests. Therefore, this policy regarding the review, approval or ratification of Related Party Transactions has been adopted by the Company’s Board in order to set forth the guidelines under which certain transactions must be reviewed and approved or ratified by the Board.

II. Definitions

For the purposes of this policy, the following definitions apply:

“**affiliated entity**”: a person is considered to be an affiliated entity of another person if one is the subsidiary entity of the other or if both are subsidiary entities of the same person.

“**control person**” means

- (a) a person who holds a sufficient number of the voting rights attached to all outstanding voting securities of the Company to affect materially the control of the Company, or
- (b) each person in a combination of persons, acting in concert by virtue of an agreement, arrangement, commitment or understanding, which holds in total a sufficient number of the voting rights attached to all outstanding voting securities of the Company to affect materially the control of the Company,

and, if a person or combination of persons holds more than 20% of the voting rights attached to all outstanding voting securities of the Company, the person or combination of persons shall be deemed, in the absence of evidence to the contrary, to hold a sufficient number of the voting rights to affect materially the control of the Company.

“**Related Party**” means a person, other than a person that is solely a bona fide lender, that at the relevant time and after reasonable inquiry, is known by the Company or a Board member or senior officer of the Company to be:

- (a) a control person of the Company,
- (b) a person of which a person referred to in paragraph (a) is a control person,
- (c) a person of which the Company is a control person,
- (d) a person that has
 - (i) beneficial ownership of, or control or direction over, directly or indirectly, or

- (ii) a combination of beneficial ownership of, and control or direction over, directly or indirectly,
securities of the Company carrying more than 10% of the voting rights attached to all of the Company's outstanding voting securities,
- (e) a Board member or senior officer of
 - (i) the Company, or
 - (ii) a person described in any other paragraph of this definition,
- (f) a person that manages or directs, to any substantial degree, the affairs or operations of the Company under an agreement, arrangement or understanding between the person and the Company, including the general partner of an entity that is a limited partnership, but excluding a person acting under bankruptcy or insolvency law,
- (g) a person of which persons described in any paragraph of this definition beneficially own, in the aggregate, more than 50% of the securities of any outstanding class of equity securities,
- (h) an affiliated entity of any person described in any other paragraph of this definition, or
- (i) a close member of the family of any person described in any other paragraph of this definition.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (a) that person's children and spouse or domestic partner;
- (b) children of that person's spouse or domestic partner; and
- (c) dependents of that person or that person's spouse or domestic partner.

"Related Party Transaction" means a transaction between the Company and a person that is a Related Party at the time the transaction is agreed to, whether or not there are also other parties to the transaction, as a consequence of which, either through the transaction itself or together with connected transactions, the Company directly or indirectly:

- (a) purchases or acquires an asset from the Related Party for valuable consideration;
- (b) purchases or acquires, as a joint actor with the Related Party, an asset from a third party if the proportion of the asset acquired by the Company is less than the proportion of the consideration paid by the Company;
- (c) sells, transfers or disposes of an asset to the Related Party;

- (d) sells, transfers or disposes of, as a joint actor with the Related Party, an asset to a third party if the proportion of the consideration received by the Company is less than the proportion of the asset sold, transferred or disposed of by the Company;
- (e) leases property to or from the Related Party;
- (f) acquires the Related Party, or combines with the Related Party, through an amalgamation, arrangement or otherwise, whether alone or with joint actors;
- (g) issues a security to the Related Party or subscribes for a security of the Related Party;
- (h) amends the terms of a security of the Company if the security is beneficially owned, or is one over which control or direction is exercised, by the Related Party, or agrees to the amendment of the terms of a security of the Related Party if the security is beneficially owned by the Company or is one over which the issuer exercises control or direction;
- (i) assumes or otherwise becomes subject to a liability of the Related Party;
- (j) borrows money from or lends money to the Related Party, or enters into a credit facility with the Related Party;
- (k) releases, cancels or forgives a debt or liability owed by the Related Party;
- (l) materially amends the terms of an outstanding debt or liability owed by or to the Related Party, or the terms of an outstanding credit facility with the Related Party;
or
- (m) provides a guarantee or collateral security for a debt or liability of the Related Party, or materially amends the terms of the guarantee or security.

III. Identification of Related Party Transactions

Board members, nominees for election to the Board, and executive officers shall promptly notify the Chair of the Board of any interest such person had, has or may have in a Related Party Transaction.

Any potential Related Party Transactions that are brought to the attention of the Chair will be reviewed by the Chair, in consultation with management and counsel, as appropriate, to determine whether the transaction or relationship in question does, in fact, constitute a Related Party Transaction requiring compliance with this Policy.

IV. Board Review, Approval and Ratification of Related Party Transactions

Any Related Party Transactions shall be reported to the Board by the Chair, or in the event that the Chair has an interest in the Related Party Transaction, the transaction shall be reported to the

Board by the Lead Independent Director of the Board, the Company's President or other executive officer of the Company.

The Board shall be provided with the material facts of all Related Party Transactions (including the terms of the transaction and the business purpose of the transaction) and either approve, disapprove or ratify such transactions. In assessing a Related Party Transaction, the Board shall consider such factors as it deems appropriate, including:

- (i) the business reasons for the Company to enter into the Related Party Transaction;
- (ii) the commercial reasonableness of the terms of the Related Party Transaction;
- (iii) the materiality of the Related Party Transaction to the Company;
- (iv) whether the terms of the Related Party Transaction are fair to the Company and on the same basis as would apply if the transaction did not involve a Related Party;
- (v) the extent of the Related Party's interest in the Related Party Transaction; and
- (vi) the actual or apparent conflict of interest of the Related Party participating in the Related Party Transaction.

No Board member shall participate in the evaluation or approval of any Related Party Transaction for which he or she is a Related Party and will abstain from voting on the approval of the Related Party Transaction, except that the person shall provide all material information concerning the Related Party Transaction to the Board and may otherwise participate in some or all of the Board's discussions if so requested by the Board.

If a Related Party Transaction will be ongoing, the Board may, in its discretion, establish guidelines for the Company's management to follow in its ongoing dealings with the Related Party. Thereafter, the Board shall periodically review and assess ongoing relationships with the Related Party to see that they are in compliance with the Board's guidelines.

The Board may, in its discretion, delegate its authority and duties with respect to the review, approval or ratification of a Related Party Transaction to a special committee comprised entirely of independent Board members selected by the Board.

V. Compliance with Securities Laws

The Company shall comply with any applicable provisions of applicable law in respect of any Related Party Transaction it proposes to undertake, including, without limitation, any applicable provisions of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* and the rules of any stock exchange or trade and reporting system on which the Company's securities are then listed.