

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING**  
**AND**  
**MANAGEMENT INFORMATION CIRCULAR**  
**OF**  
**OPEL SOLAR INTERNATIONAL INC.**

**FOR THE ANNUAL GENERAL AND SPECIAL MEETING**  
**TO BE HELD ON JUNE 21, 2011**

**MAY 12, 2011**



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# OPEL SOLAR INTERNATIONAL INC.

Suite 501, 121 Richmond Street West, Toronto, Ontario, CANADA, M5H 2K1

Facsimile: (416) 861-0749

Telephone: (416) 368-9411

## NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General and Special Meeting of the Shareholders of **OPEL SOLAR INTERNATIONAL INC.** (the "Company") will be held in the Osgoode Room of the Hilton Toronto Hotel, 3rd floor, 145 Richmond Street West, in the City of Toronto, Ontario, on Tuesday, June 21st, 2010, at the hour of 10:00 a.m., Toronto time, for the following purposes:

1. To receive and consider the Directors' Report to the Shareholders and the Audited Consolidated Financial Statements of the Company together with the Auditor's Report thereon for the financial year ended December 31st, 2010;
2. To elect directors for the ensuing year;
3. To appoint the auditors for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditors;
4. To consider and, if thought fit, to pass a special resolutions approving and ratifying the Name Change of the Company, as more fully set forth in the accompanying Management Information Circular;
5. To consider and, if thought fit, to pass an ordinary resolution approving the amendments to the Company's Stock Option Plan and approving the Plan as amended, as more fully set forth in the Information Circular accompanying this Notice (**requiring Insiders to abstain from voting**); and
6. To transact such further or other business as may properly come before the Meeting and any adjournments thereof.

The accompanying Information Circular provides additional information relating to the matters to be dealt with at the Meeting and is deemed to form part of this notice.

If you are unable to attend the Meeting in person, please complete, sign and date the enclosed form of proxy and return the same in the enclosed return envelope provided for that purpose within the time and to the location set out in the form of proxy accompanying this notice.

DATED this 12th day of May, 2011

BY ORDER OF THE BOARD OF DIRECTORS



MICHEL J. LAFRANCE, SECRETARY

If you are a non-registered shareholder of the Company known as an "OBO" and have received these materials through your broker or through another intermediary (instead of from the Company's Transfer Agent), please complete and return the material in accordance with the instructions provided to you by them. Failure to do so may result in your shares not being eligible to be voted at the meeting.

# OPEL SOLAR INTERNATIONAL INC.

Suite 501, 121 Richmond Street West, Toronto, Ontario, Canada, M5H 2K1  
Facsimile: (416) 861-0749 Telephone: (416) 368-9411

## INFORMATION CIRCULAR

(As at May 12, 2011, except as indicated)

The Company is providing this Information Circular and a form of proxy in connection with management's solicitation of proxies for use at the annual general and special meeting (the "Meeting") of OPEL Solar International Inc. (the "Company") to be held on June 21, 2011 and at any adjournments. The Company will conduct its solicitation by mail and officers and employees of the Company may, without receiving special compensation, also telephone or make other personal contact. The Company will pay the cost of solicitation.

### APPOINTMENT OF PROXYHOLDER

The purpose of a proxy is to designate persons who will vote the proxy on a shareholder's behalf in accordance with the instructions given by the shareholder in the proxy. The persons whose names are printed in the enclosed form of proxy are officers or Directors of the Company (the "Management Proxyholders").

**A shareholder has the right to appoint a person other than a Management Proxyholder, to represent the shareholder at the Meeting by striking out the names of the Management Proxyholders and by inserting the desired person's name in the blank space provided or by executing a proxy in a form similar to the enclosed form. A proxyholder need not be a shareholder.**

### VOTING BY PROXY

**Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting.** Shares represented by a properly executed proxy will be voted or be withheld from voting on each matter referred to in the Notice of Meeting in accordance with the instructions of the shareholder on any ballot that may be called for and if the shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly.

**If a shareholder does not specify a choice and the shareholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.**

**The enclosed form of proxy also gives discretionary authority to the person named therein as proxyholder with respect to amendments or variations to matters identified in the Notice of the Meeting and with respect to other matters which may properly come before the Meeting.** At the date of this Information Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

### COMPLETION AND RETURN OF PROXY

Completed forms of proxy must be deposited at the office of the Company's registrar and transfer agent, Equity Transfer & Trust Company ("Equity Transfer"), Toronto, Ontario not later than 3 pm on June 17, 2010, unless the Chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

### NON-REGISTERED HOLDERS

Many shareholders are "non registered shareholders". Non registered shareholders are those whose shares are registered in the name of an Intermediary. Unless you have previously informed your Intermediary that you do not wish to receive material relating to the Meeting, you should receive or have already received from Equity Transfer or from your Intermediary either a request for voting instructions or a proxy form. In either case you have the right to exercise voting rights attached to the Company's Shares beneficially owned by you, including the right to attend and vote the Shares directly at the Meeting.

The documents that you receive and who you receive them from will vary depending upon whether you are a "non objecting beneficial owner" ("NOBO"), which means you have provided instructions to your Intermediary that you do not object to the Intermediary disclosing beneficial ownership information about you to the Company for certain purposes, or an "objecting beneficial owner" ("OBO"), which means that you have

provided instructions to your Intermediary that you object to the Intermediary disclosing such beneficial Shareholders of the Company ownership information.

Equity Transfer is handling the mailing to NOBO's. The Company has prepared an "Omnibus Legal Proxy" appointing all Non-Registered Shareholders of the Company to vote their shares. This means all Non-Registered Shareholders of the Company will receive a form of proxy in lieu of a voting instruction form.

These securityholder materials are being sent to both Registered and Non-Registered Shareholders of the Company. If you are Non-Registered Shareholder of the Company, and Equity Transfer has sent these materials directly to you, your name and address and information about your holdings of Shares of the Company have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding Shares your behalf. By choosing to send these materials to you directly, the Company has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions.

If you wish to attend the Meeting and vote in person, follow the instructions on the voting instruction form or proxy form that you have received and register with the scrutineer, upon your arrival at the Meeting. If you do not intend to attend the Meeting or have an appointee do so on your behalf but you wish your shares to be voted, please complete and return the form of proxy to provide your specific voting instructions. Otherwise your Shares will not be voted.

If you are an OBO, you should receive or have already received from your Intermediary either a request for voting instructions or a proxy form. Intermediaries have their own mailing procedures and provide their own instructions. These procedures may allow providing voting instructions by telephone, on the Internet, by mail or by fax. If you wish to vote in person at the Meeting you should follow the procedure in the directions and instructions provided by or on behalf of your Intermediary and insert your name in the space provided on the request for voting instructions or proxy form or request a form of legal proxy which will grant you the right to attend the Meeting and vote in person. Please register with the transfer agent, Equity Transfer, upon your arrival at the Meeting.

#### **REVOCABILITY OF PROXY**

Any registered shareholder or NOBO who has returned a proxy may revoke it at any time before it has been exercised. In addition to revocation in any other manner permitted by law, a registered shareholder, his attorney authorized in writing or, if the registered shareholder is a corporation, a corporation under its corporate seal or by an officer or attorney thereof duly authorized, may revoke a proxy by instrument in writing, including a proxy bearing a later date. The instrument revoking the proxy must be deposited at the registered office of the Company, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or with the chairman of the Meeting on the day of the Meeting. **Only registered shareholders or NOBO's have the right to revoke a proxy. OBO's who wish to change their vote must, at least 7 days before the Meeting, arrange for their Nominees to revoke the proxy on their behalf.**

#### **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

The Company is authorized to issue unlimited common shares without par value (the "shares"), of which 91,340,756 shares are issued and outstanding. Each common shareholder is entitled to one vote for each share held. The Company is also authorized to issue one (1) voting share without par value (the "Voting Share"), of which one (1) share is issued and outstanding. The Voting Share carries 1,020,000 voting rights. There are an aggregate of 92,360,923 eligible voting rights. Persons who are registered shareholders at the close of business on May 12, 2011 will be entitled to receive notice of and vote at the Meeting.

To the knowledge of the Directors and executive officers of the Company, no person beneficially owns, directly or indirectly, or controls or directs shares carrying 10% or more of the voting rights attached to all shares of the Company, except for the following:

<b>Name</b>	<b>Class</b>	<b>Number of Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly</b>	<b>Approximate Percentage of Class</b>
Pinetree Capital Ltd.	Common	9,750,000	10.67%

## ELECTION OF DIRECTORS

The Directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting or until their successors are appointed. In the absence of instructions to the contrary, the enclosed proxy will be voted for the nominees herein listed.

The Company is required to have an audit committee. Members of this committee are as set out below.

The number of Directors of the Company to be elected at the Meeting is five. Management of the Company proposes to nominate each of the following persons for election as a Director. Information concerning such persons, as furnished by the individual nominees, is as follows:

<b>Name, Jurisdiction of Residence and Position</b>	<b>Principal Occupation or employment and, if not a previously elected Director, occupation during the past 5 years</b>	<b>Date First Elected as a Director</b>	<b>Number of Securities beneficially owned, directly or indirectly, or controlled or directed (incl. Exchangeable Shares of Opel Inc.)<sup>④ ⑤</sup></b>
<i>Tristram E. Collins Brick, New Jersey, USA</i>	<i>President of Grassmere Acquisition Corporation since April 2011 and President &amp; CEO of Great Point Holdings, LLC since November 2007; Director and Senior Managing Executive at Nassau Broadcasting Partners, L.P. from 2004 to September 2010.</i>	<i>N/A</i>	<i>Nil</i>
<i>Christopher Grasset, JD. Toronto, Ontario Canada</i>	<i>Vice-President, Business Affairs for Covalon Technologies since 2009; Managing Director of Grasset International from 2006 to 2009.</i>	<i>N/A</i>	<i>Nil</i>
<i>Lawrence R. Kunkel ①②③ Warwick, Rhode Island, USA</i>	<i>Chairman and Managing Director of American Strategic Holdings, LLC since January, 2005.</i>	<i>September 26, 2006<sup>⑥</sup></i>	<i>349,000 common shares 200,000 exchangeable shares</i>
<i>Dr. Samuel Peralta ①②③ Toronto, Ontario, Canada</i>	<i>President of Envergence Inc. since December 2004; Business Director of Kinectrics Inc. (formerly Ontario Hydro Research Division) since January 2000; President &amp; CEO of Qvadis Corp. from 1998-2004.</i>	<i>September 26, 2006<sup>⑥</sup></i>	<i>200,000 common shares</i>
<i>Leon M. Pierhal North Kingstown, Rhode Island, USA</i>	<i>President of ODIS Inc. since April 2008; President and Chief Operating Officer of OPEL, Inc from June 2003 to April 2008; Chairman and Chief Executive Officer of Pierhal &amp; Associates LLC from September 1993 to March 2005.</i>	<i>September 26, 2006<sup>⑥</sup></i>	<i>964,000 common shares</i>

① Member of the Audit Committee.

② Member of Compensation Committee.

③ Member of Corporate Governance and Nominating Committee.

④ Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at May 12, 2011, based upon information filed on SEDI by the individual Directors or furnished to the Company by them. Unless otherwise indicated, such shares are held directly.

⑤ The holders of exchangeable shares of Opel Inc. have the right to convert their shares to common shares of the Company and are entitled to one vote per exchangeable share, and the aggregate of these votes are carried by one Special Voting Share pursuant to a Voting Trust Agreement dated June 6, 2007.

⑥ Notwithstanding the date of election, the elected director took office on January 30, 2007, following the Continuance of the Company into New Brunswick as was contemplated at the time of election.

The following is a brief description of the two (2) new nominees:

**Tristram E. Collins – Nominee for Director.** Mr. Collins has over twenty-five years of business experience. He holds an MBA from the Amos Tuck School of Business Administration and an AB from Dartmouth College.

Currently President of Grassmere Acquisition Corporation and President & CEO of Great Point Holdings, LLC, his recent focus has been on financing and management of high-growth firms, exemplified by AcuStream LLC, Sustainable Building Innovations, and numerous other portfolio companies. Previously, he was a Director and Senior Managing Executive at Nassau Broadcasting Partners, L.P. where he grew the company from 11 radio stations into the 15th largest radio broadcaster, by station count, in the U.S. He was also previously an investment banking executive with over \$85 billion of transaction experience. At Citigroup Global Markets, he was a Managing Director and sector head specializing in broadcasting and media, where he managed global relationships, transactions and mergers and acquisition (M&A) advisory assignments, including \$6 billion of Viacom financings. He also held senior executive positions at Merrill Lynch & Co., where, among other assignments, he helped execute Infinity Broadcasting's \$3.2 billion initial public offering (IPO).

**Christopher Grasset, J.D. – Nominee for Director.** Mr. Grasset has over 35 years of experience in the high-technology sector. He is currently Vice-President, Business Affairs for Covalon Technologies, and a Member of the Law Society of Upper Canada. Building on his background in communications and information technology, Mr. Grasset co-founded the technology business law firm Grasset/Fleisher LLP (subsequently merged with a major law firm) and the consultancy firm KBE International, focused on knowledge-based enterprises. Mr. Grasset has been an advisor to international organizations including the Sprinkles Global Health Initiative at the renowned Hospital for Sick Children in Toronto, and UNICEF. His "Crossing the Pond" initiative was a marquee international technology business development program of Canada's Department of Foreign Affairs and International Trade. Mr. Grasset has published numerous articles on technology business, policy, law, tax and related issues; and he has chaired numerous conferences on subjects including international transactions and financing, and intellectual property and technology transfer.

No proposed director is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and executive officers of the company acting solely in such capacity.

To the knowledge of the Company, no proposed director:

- (a) is, as at the date of the Information Circular, or has been, within 10 years before the date of the Information Circular, a director, chief executive officer ("**CEO**") or chief financial officer ("**CFO**") of any company (including the Company) that, while that person was acting in that capacity:
  - (i) was the subject, while the proposed director was acting in the capacity as director, CEO or CFO of such company, of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days; or
  - (ii) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, CEO or CFO but which resulted from an event that occurred while the proposed director was acting in the capacity as director, CEO or CFO of such company; or
- (b) is, as at the date of this Information Circular, or has been within 10 years before the date of the Information Circular, a director or executive officer of any company (including the 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 10 years before the date of this Information Circular, 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;
- (d) has been subject to 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
- (e) has been subject to any 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.

## EXECUTIVE COMPENSATION

### A) *Compensation Discussion and Analysis*

The purpose of this Compensation Discussion and Analysis ("CD&A") is to provide information about the Company's executive compensation objectives and processes and to discuss compensation decisions relating to the Company's senior officers in 2010.

#### DESCRIPTION AND EXPLANATION OF ELEMENTS OF COMPENSATION PROGRAM

- (i) The objectives of the Company's executive compensation program are:
  - to attract, retain and motivate quality executives;
  - to align the interests of executives with those of the Company's shareholders;
  - to provide total compensation to executives that is competitive with that paid by other companies of comparable size engaged in similar business in appropriate regions;
  - to evaluate executive performance on the financial basis of consolidated sales which the Company believes to be consistent with long-term shareholder value; and
  - to be cognizant of expense management in determination of compensation rewards.
- (ii) The executive compensation program has been designed to reward executives for:
  - the reinforcement of the Company's business objectives and values;
  - the achievement of the Company's sales growth objectives;
  - the attainment of key research and development milestones; and
  - their individual performance and significant achievements.
- (iii) The executive compensation program consists of the following elements base salary, variable pay compensation and stock option incentives.
- (iv) In addition to his or her fixed base salary, each officer is eligible to receive variable pay compensation or bonus meant to motivate him or her to achieve short-term goals. Additionally, the variable pay compensation plan is a retention tool, used to help maintain a low executive attrition. The pre-established, company-wide quantitative target(s) used to determine variable pay compensation plans are set at the beginning of each fiscal year. Awards under this plan, if any, are made annually by way of cash payments and stock options processed at the start of the next fiscal year for the prior year's results. Stock options are also generally awarded to officers at the time of hire and are used as a recruitment tool to attract highly qualified and experienced executives to the Company. As the Company is still trying to establish sales, it must conserve its limited financial resources and control costs to ensure that funds are available when needed to complete its scheduled projects. As a result, the Board of Directors (the "Board") has to consider not only the financial situation of the Company at the time of the determination of the compensation, but also the estimated financial situation in the mid- and long-term. An important element of the compensation is the stock options, which do not require cash disbursement from the Company. Also the granting of stock options aligns officers' rewards with an increase in shareholder value over the long term. The use of stock options encourages and rewards performance by aligning an increase in each officer's compensation with increases in the Company's performance and in the value of the shareholders' investments.
- (v) Determination of the Amount of Each Compensation Program Element - In order to assist the Board in fulfilling its oversight responsibilities with respect to human resources matters, the Board established a Compensation Committee. The Compensation Committee reviews and makes determinations with respect to senior officer compensation on a planned annual basis with any discretionary compensation used only for extraordinary projects or significant milestone results that advance the Company's growth potential. When determining senior officer's compensation, the Compensation Committee reviews the performance of senior officers as evaluated by the CEO based on their achievements during the preceding year and upon a market benchmarking process. The Company has a human resources officer that assists the Committee and the CEO in establishment of plan design and in the market evaluation process.

Base Salary - The base salary for officers, other than that of the President and CEO, is reviewed annually by the relevant officer's reporting manager and then approved by the Compensation Committee of the Board of Directors. The base salary of the President and CEO is recommended annually by the Compensation Committee and approved by the Board of Directors. The base salary review of each officer takes into consideration the current competitive market conditions, experience,

proven and/or expected performance, and the particular skills of the officer. Base compensation information is benchmarked annually to relevant executive positions in the solar industry. Sources used are: public filings, salary surveys available electronically and available information at solar industry associations, i.e. SEIA. A market peer group was used for the first time in 2009. The primary peer group included: ARISE Technology Corporation, Evergreen Solar, Akeena Solar, Day 4 Energy Inc., and First Solar. A secondary group was evaluated that included: Day Star Technology Inc, Energy Conversion Devices, Spire Corporation, Sun Power Corporation, and Xantrex Technology Inc. (subsequently acquired).

In a typical study, the Compensation Committee analyzed base salary, cash bonus, and stated pay practice targets for the compensation programs. In the 2009 study, equity incentives were not included in the study because of the large variations in equity practices among the peer companies. The market comparison showed that base salary practice of the group was targeted to achieve the 50<sup>th</sup> percentile of the market or market rate. Total Cash Compensation targets trended to the 70-80<sup>th</sup> market percentile. For the Company's officers, the analysis placed both base salary and total cash compensation at or slightly below the 50<sup>th</sup> percentile or current market rates. In light of this, a variable pay compensation which is tied to overall Company's performance and a number of stock options, are used to reward officers.

In 2010, a formal market study of the peer group was not undertaken. It was a unanimous decision early in 2010 among the executive team and then in discussion with the Compensation Committee and the full Board that given the severe global economic conditions and the significant growth and development stage of the Company, the executives would not take base salary increases for 2010. Therefore, a general monitoring of executive compensation data in the solar industry was done throughout the year to remain abreast of any significant change to cause another course of action. Such action was not required, and base salaries remained level with 2009 salaries.

Variable Pay Compensation – Each year, the regular practice is that each officer has a target variable pay compensation which is determined as a percentage of their base salary, and typically, the plan targets ranged from 28 to 55% of such base salary. Variable pay compensation is paid as a percentage of each officer's target amount. The percentage paid is determined based on the ability of the executive team to meet pre-established, company-wide quantitative consolidated operating targets. At this stage in the Company's development, overall corporate targets are used as the Company believes they are consistent with its objective of increasing shareholder value.

The Company calculates variable pay compensation by comparing consolidated operating results to initially-set targets. For purposes of this calculation, consolidated operating numbers are derived directly from the audited consolidated financial statements. Specifically, the operating targets include solar revenue, ODIS revenue, bookings from solar and ODIS, cash management and individual objectives. Target numbers are based on the Company's internal Business Plan for the most recently completed financial year. The plan targets are important variables that help the Company to assess each officer's role in adding to the Company's growth and managing the Company's business.

In addition, there are occasions when there can be significant officer achievements that further the potential for new business or other vital successes to the Company. Therefore, there are times when a discretionary variable pay award may be made to an officer. This type of payment is done after presenting the achievement to the Compensation Committee. If deemed important to the success of OPEL's business, the Committee can approve such an ad hoc variable payment.

Because of the same reasons stated above for base salary, the variable pay component of executive compensation was suspended for 2010. Notwithstanding that no cash bonuses were paid to the officers for the 2010 plan year, each executive's performance in fulfilling the Company's business objectives were aligned with the Company's overall strategic corporate targets such as revenue achievement, orders, backlog and expense management.

Stock Options - The Board of Directors, based on recommendations of the Compensation Committee where appropriate, makes the following determinations:

- it selects officers and other persons who are entitled to participate in the Stock Option Plan;
- it determines the number of options granted to such individuals;
- it determines the date on which each option is granted and the corresponding exercise price; and
- it determines the vesting schedule for the stock options granted.

The Board of Directors makes these determinations subject to the provisions of the existing Stock Option Plan. Gains from prior option grants are not considered when determining the amount of the current grants.

- (vi) Each element of the compensation program has been designed to meet one or more objectives of the overall executive compensation plan. The fixed base salary of each officer, combined with the variable pay compensation and stock options, has been designed to provide the total compensation package which the board of directors believes is reasonably competitive with that provided by other companies in the peer group and others of comparable size engaged in similar business in appropriate regions. In addition, the variable pay compensation has been designed to align the interests of executives with those of the Company's shareholders and to evaluate financial performance on the basis of consolidated sales. Option grants are designed to align executives' and shareholders' interests and to provide longer term compensation incentives.

#### REVIEW AND APPROVAL

The Compensation Committee of the Board of Directors is responsible for making recommendations for approval by the Board of Directors with respect to remuneration of executives of the Company including the President and Chief Executive Officer of the Company and senior officers of the Company. All executive compensation components are reviewed annually by the Compensation Committee and are subject to approval of the Board of Directors, as appropriate.

#### **B) Option-Based Awards**

The Company's stock option plan has been and will be used to provide share purchase options which are granted in consideration of the level of responsibility of the executive as well as his or her impact or contribution to the longer-term operating performance of the Company. In determining the number of options to be granted to the executive officers, the Board takes into account the number of options, if any, previously granted to each executive officer, and the exercise price of any outstanding options. With these guidelines, the board of directors ensures that such new grants are in accordance with the policies of the TSX Venture Exchange ("TSXV"), and closely align the interests of the executive officers with the interests of shareholders.

#### **C) Summary Compensation Table**

The following table (presented in accordance with National Instrument Form 51-102F6 - Statement of Executive Compensation ("**Form 51-102F6**") sets forth all annual and long term compensation for services in all capacities to the Company for the three most recently completed financial years of the Company (to the extent required by Form 51-102F6) in respect of each of the individuals comprised of the Chief Executive Officer and the Chief Financial Officer as at December 31, 2010 and the other three most highly compensated executive officers of the Company as at December 31, 2010 whose individual total salary and bonus for the most recently completed financial year exceeded \$150,000 and any individual who would have satisfied these criteria but for the fact that individual was not serving as such an officer at the end of the most recently completed financial year (collectively the "Named Executive Officers" or "NEOs").

NEO Name and Principal Position	Year	Salary (US\$)	Share-Based Awards ① (US\$)	Option-Based Awards ①		Non-Equity Incentive Plan Compensation (US\$)		Pension Value (US\$)	All Other Compensation (US\$)	Total Compensation (US\$)
				No. of Shares	(US\$)	Annual Incentive Plans ④	Long-term Incentive Plans			
Leon M. Pierhal <sup>(1)</sup> CEO	2010	220,937	N/A	875,000	222,883	Nil	Nil	Nil	Nil	499,810
	2009	210,000	N/A	100,000	12,942	17,500	Nil	Nil	Nil	240,442
	2008	208,333	N/A	Nil	Nil	13,284	Nil	Nil	Nil	221,617
Michael McCoy CFO	2010	199,500	N/A	175,000	41,554	Nil	Nil	Nil	Nil	251,745
	2009	199,500	N/A	100,000	12,942	17,500	Nil	Nil	Nil	229,942
	2008	197,918	N/A	Nil	Nil	13,284	Nil	Nil	Nil	211,202
Francisco Middleton VP Marketing	2010	199,500	N/A	175,000	41,554	Nil	Nil	Nil	Nil	251,745
	2009	199,500	N/A	100,000	12,942	17,500	Nil	Nil	Nil	229,942
	2008	195,481	N/A	Nil	Nil	13,284	Nil	Nil	Nil	220,481
Patricia V. Agudow <sup>(2)</sup> VP Administration & Public Relations	2010	175,000	N/A	100,000	23,385	Nil	Nil	Nil	Nil	204,434
	2009	175,000	N/A	Nil	Nil	12,000	Nil	Nil	Nil	187,000
	2008	29,167	N/A	110,000	8,766	Nil	Nil	Nil	Nil	37,933

NEO Name and Principal Position	Year	Salary (US\$)	Share-Based Awards <sup>①</sup> (US\$)	Option-Based Awards <sup>①</sup>		Non-Equity Incentive Plan Compensation (US\$)		Pension Value (US\$)	All Other Compensation (US\$)	Total Compensation (US\$)
				No. of Shares	(US\$)	Annual Incentive Plans <sup>(4)</sup>	Long-term Incentive Plans			
Javier Berrios <sup>(3)</sup> VP Engineering	2010	175,000	N/A	125,000	28,602	Nil	Nil	Nil	Nil	211,058
	2009	175,000	N/A	75,000	9,707	15,000	Nil	Nil	Nil	199,707
	2008	169,167	N/A	Nil	Nil	11,988	Nil	Nil	Nil	181,155

**NOTES:**

① The Company used the Black-Scholes model as the methodology to calculate the grant date fair value, and relied on the following key assumptions and estimates for each calculation for 2009: weighted average risk-free interest rate of 2.17%, weighted average dividend yield of 0%, weighted average volatility of 127% and weighted average estimated life of 5 years. The Company chose this methodology because it is the industry standard. The exchange rate used in these calculations to convert CAD to USD was 1.002 for 2010, 0.9494 for 2009 and 0.813 for 2008, being the closing price at end of each year.

(1) Also serves a director of the Company, but receives no additional compensation for services as a director.

(2) VP of the Company since November 1, 2008.

(3) VP of the Company since January 16, 2008.

(4) These bonuses were paid in the first 3 months following the year of the measure of performance.

**D) Incentive Plan Awards**

*(i) Outstanding Share-Based Awards and option-Based Awards*

The following table sets forth information concerning all awards outstanding under the Stock Option Plan of the Company pursuant to which compensation that depends on achieving certain performance goals or similar conditions within a specified period, at the end of the most recently completed financial year, including awards granted before the most recently completed financial year, to each of the Named Executive Officers:

NEO Name	Option-Based Awards				Share-Based Awards	
	No. of Shares Underlying Unexercised Options (#)	Option Exercise Price (\$/share)	Option Expiration Date	Value of Unexercised In-The Money Options <sup>①</sup> (US\$)	Number of Shares or Units of Shares That Have Not Vested (#)	Market or Payout Value of Share-Based Awards That Have Not Vested (US\$)
Leon M. Pierhal	125,000	CA\$ 0.95	Sep. 21, 2012	Nil	N/A	N/A
	100,000	CA\$ 0.16	Feb. 13, 2014	16,533	N/A	N/A
	75,000	CA\$ 0.28	Mar. 17, 2020	3,382	N/A	N/A
	800,000	CA\$ 0.345	Aug. 19, 2020	Nil	N/A	N/A
Michael McCoy	80,000	US\$ 0.50	Mar. 15, 2011	Nil	N/A	N/A
	100,000	US\$ 0.60	Apr. 26, 2012	Nil	N/A	N/A
	388,000	CA\$ 0.95	Sep. 21, 2012	Nil	N/A	N/A
	100,000	CA\$ 0.16	Feb. 13, 2014	16,533	N/A	N/A
	75,000	CA\$ 0.28	Mar. 17, 2020	3,382	N/A	N/A
	100,000	CA\$ 0.345	Aug. 19, 2020	Nil	N/A	N/A
Patricia V. Agudow	110,000	CA\$ 0.13	Nov. 5, 2014	21,493	N/A	N/A
	50,000	CA\$ 0.28	Mar. 17, 2020	2,254	N/A	N/A
	50,000	CA\$ 0.345	Aug. 19, 2020	Nil	N/A	N/A
Francisco Middleton	80,000	US\$ 0.50	Mar. 15, 2011	Nil	N/A	N/A
	100,000	US\$ 0.60	Apr. 26, 2012	Nil	N/A	N/A
	388,000	CA\$ 0.95	Sep. 21, 2012	Nil	N/A	N/A
	100,000	CA\$ 0.16	Feb. 13, 2014	16,533	N/A	N/A
	75,000	CA\$ 0.28	Mar. 17, 2020	3,382	N/A	N/A
	100,000	CA\$ 0.345	Aug. 19, 2020	Nil	N/A	N/A

NEO Name	Option-Based Awards				Share-Based Awards	
	No. of Shares Underlying Unexercised Options (#)	Option Exercise Price (\$/share)	Option Expiration Date	Value of Unexercised In-The Money Options <sup>①</sup> (US\$)	Number of Shares or Units of Shares That Have Not Vested (#)	Market or Payout Value of Share-Based Awards That Have Not Vested (US\$)
Javier Berrios	120,000	CA\$ 1.50	Dec. 14, 2012	Nil	N/A	N/A
	75,000	CA\$ 0.16	Feb. 13, 2014	12,400	N/A	N/A
	75,000	CA\$ 0.28	Mar. 17, 2020	3,382	N/A	N/A
	50,000	CA\$ 0.345	Aug. 19, 2020	Nil	N/A	N/A

① This amount is calculated based on the difference between the market value of the shares underlying the options at the end of the most recently completed financial year, being CA\$0.325, and the exercise or base price of the option. The exchange rate used in these calculations to convert CAD to USD was 1.002, being the rate on December 31, 2010.

(ii) *Outstanding Share-Based Awards and option-Based Awards*

The value vested or earned during the most recently completed financial year of incentive plan awards granted to Named Executive Officers are as follows:

NEO Name	Option-Based Awards - Value Vested During The Year <sup>(1)</sup> (US\$)	Share-Based Awards - Value Vested During The Year <sup>(2)</sup> (US\$)	Non-Equity Incentive Plan Compensation - Value Earned During The Year (US\$)
Leon M. Pierhal	8,486	N/A	Nil
Michael McCoy	8,486	N/A	Nil
Francisco Middleton	8,486	N/A	Nil
Patricia V. Agudow	3,382	N/A	Nil
Javier Berrios	6,857	N/A	Nil

(1) This amount is the dollar value that would have been realized computed by obtaining the difference between the market price of the underlying securities on the vesting date and the exercise or base price of the options under the option-based award. For the NEO's to have realized this value, they would have had to exercise their options and sell the shares on the day of vesting. None of these options were exercised during the year. The exchange rate used in these calculations to convert CAD to USD was 1.002, being the rate on December 31, 2010.

(2) This amount is the dollar value realized computed by multiplying the number of shares or units by the market value of the underlying shares on the vesting date.

(iii) *Narrative Discussion*

The current stock option plan of the Company is the 2009 Fixed Stock Option Plan (the "2009 Plan") which was approved by the disinterested shareholders of the Company on June 17, 2009 and accepted for filing by the TSX Venture Exchange ("TSXV"). Under the 2009 Plan, the Company is required to reserve a number of shares eligible for granting under the Plan, which needs to be approved by shareholders and cannot exceed 20% of the issued and outstanding shares. The 2009 Plan reserved 12,115,000 shares as the maximum number (the "Fixed Number") of common shares which may be issued pursuant to options granted under the Plan and previous plans.

The purpose of the Plan is to allow the Company to grant options to directors, officers, employees and consultants, as additional compensation, and as an opportunity to participate in the success of the Company. The granting of such options is intended to align the interests of such persons with that of the shareholders. Options are exercisable over periods of up to ten (10) years as determined by the Board of Directors of the Company and are required to have an exercise price no less than the closing market price of the Company's shares prevailing on the last trading day before the option is granted less a discount of up to 25%, the amount of the discount varying with market price in accordance with the policies of the TSXV. Pursuant to the Plan, the Board of Directors may from time to time authorize the issue of options to directors, officers, employees and consultants of the Company and its subsidiaries or employees of companies providing management or consulting services to the Company or its subsidiaries. In addition, as

a percentage of the issued and outstanding shares at the time of grant, the number of shares which may be reserved for issuance:

- (a) to all optionees under the Stock Option Plan in aggregate shall not exceed 20%;
- (b) to all insiders as a group may not exceed 20%; and
- (c) to any one individual may not exceed 2% on a yearly basis if the optionee is engaged in investor relations activities or is a consultant.

Any options granted under the plan generally vest as to 25% upon regulatory approval and 25% every 6 months thereafter. However, the board of directors can vary the vesting schedule for differing purposes.

The Plan provides that if a change of control, as defined therein, occurs, all shares subject to option shall immediately become vested and may thereupon be exercised in whole or in part by the option holder. The exercise price for options is the closing price of the common shares of the Company as of the last trading day prior to the date of the grant of the options.

As at December 31, 2010, the number of outstanding options granted under the Stock Option Plan was 11,102,500. For more information, refer to Note 13 *“Stock Option and contributed Surplus”* in the Company’s audited financial statements for the year ended December 31, 2010. The criteria for determining awards to the NEOs is described under *“Description and Explanation of Elements of Compensation – Stock Options”* on pages 6.

The Company is proposing amendments to the 2009 Stock Option Plan to be approved by shareholders at the upcoming Shareholder Meeting, the details of which is described under *“Particulars of Other Matters to be Acted Upon – Stock Option Plan”* on pages 17-18.

The Company’s Non-Equity Incentive Plan for compensation to the NEOs along with the criteria for determining awards is described under *“Description and Explanation of Elements of Compensation - Variable Pay Compensation”* on page 6.

#### **E) Pension Plan Benefits**

##### *(i) Defined Benefit Plans*

The Company does not provide a defined benefit plan to the NEO or any of its employees.

##### *(ii) Defined Contribution Plans*

The Company offers a defined contribution plan that is a 401K Plan for the US Subsidiary but does not contribute toward such plan.

##### *(iii) Deferred Compensation Plans*

The Company does not have any Deferred Compensation Plans other than that described above.

#### **F) Termination and Change of Control Benefits**

The Company and/or its subsidiaries have employment contracts with the following Named Executive Officer as follows:

- Mr. McCoy has an employment contract dated March 22, 2006 for a period of 3 years with automatic yearly renewals and providing a current annual salary of US\$ 199,500. In December 2010, Mr. McCoy was given written notice that the current contract would be amended for severance and change in control provisions in April 2011.
- Mr. Pierhal has an employment contract dated January 1, 2006 for a period of 3 years, with automatic yearly renewals and providing a current annual salary of US\$ 240,000;
- Mr. Middleton has an employment contract dated March 22, 2006 for a period of 3 years, with automatic yearly renewals and providing a current annual salary of US\$ 199,500. In December 2010, Mr. Middleton was given written notice that the current contract would be amended for severance and change in control provisions only in April 2011.
- Dr. Berrios signed a revised employment contract dated June 26, 2009 for a period of one year, with automatic yearly renewals and providing a current annual salary of US\$ \$175,000. In December 2010, Dr. Berrios was given written notice that the current contract would be amended for severance and change in control provisions only in April 2011.

- Ms. Agudow signed a revised employment contract dated June 26, 2009 for a period of one year, with automatic yearly renewals and providing a current annual salary of US\$175,000. In December 2010, Ms. Agudow was given written notice that the current contract would be amended for severance and change in control provisions only in April 2011.

The 2010 employment contracts provide for a severance as described below and also provide for an “Assignment of Inventions” which assigns inventions to OPEL and includes covenants against disclosure, competition and solicitation. The severance payable to such executive officers in the event of termination, constructive termination, a change of control of the Company or its subsidiaries or a change in responsibilities following a change in control is equal to one year’s total compensation.

## G) Compensation of Directors

### (i) Director Compensation Table

The following table sets forth all amounts of compensation provided to the directors, who are each not also a Named Executive Officer, for the Company’s most recently completed financial year:

Director Name <sup>(1)</sup>	Fees Earned (US\$)	Share-Based Awards (US\$)	Option-Based Awards <sup>(2)</sup>		Non-Equity Incentive Plan Compensation (US\$)	Pension Value (US\$)	All Other Compensation (US\$)	Total (US\$)
			No. of Shares	Value (US\$)				
Denis Colbourne	27,750	N/A	280,000	84,769	N/A	N/A	N/A	112,519
Lawrence Kunkel	28,250	N/A	465,000	146,134	N/A	N/A	N/A	174,384
Samuel Peralta	23,500	N/A	255,000	78,146	N/A	N/A	N/A	101,646
David Slomka <sup>(3)</sup>	26,500	N/A	255,000	78,146	N/A	N/A	N/A	104,646

(1) Relevant disclosure has been provided in the *Summary Compensation Table* above, for directors who are also Named Executive Officers.

(2) The exchange rate used in these calculations to convert CAD to USD 1.002, being the rate on December 31, 2010.

(3) Mr. Slomka resigned from the Board on April, 30, 2011.

### (ii) Narrative Discussion

Directors, other than the Named Executive Officers, are entitled to receive an annual fee of US\$12,000 plus US\$ 1,000 per meeting attended in person and US\$ 500 per telephone meetings, to be paid quarterly. The Chairman of the Board receives an additional US\$ 8,000 annually and the Committee Chairs receives an additional US\$ 6,000 annually. The Directors are also reimbursed for their actual out of pocket expenses incurred in carrying out their duties. Director’s involvement in special assignments or services as consultant or expert will be negotiated on a case by case basis.

The Directors participate in the Company Stock Option Plan for the granting of incentive stock options to the officers, employees and Directors, which Plan is described under “Incentive Plan Awards – Narrative Description” on page 8. The purpose of granting such options is to assist the Company in compensating, attracting, retaining and motivating the Directors of the Company and to closely align the personal interests of such persons to that of the shareholders.

### (iii) Incentive Plan Awards - Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information concerning all awards outstanding under incentive plans of the Company pursuant to which compensation that depends on achieving certain performance goals or similar conditions within a specified period, at the end of the most recently completed financial year, including awards granted before the most recently completed financial year, to each of the Directors who are not Named Executive Officers:

Director Name	Option-Based Awards				Share-Based Awards	
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-The-Money Options <sup>(1)</sup> (US\$)	Number of Shares or Units of Shares That Have Not Vested (#)	Market or Payout Value of Share-Based Awards That Have Not Vested (US\$)
Denis Colbourne	50,000	CA\$ 0.25	Apr. 16, 2014	3,758	N/A	N/A
	50,000	US\$ 0.50	Mar. 15, 2011	Nil	N/A	N/A
	15,000	US\$ 0.60	May 24, 2012	Nil	N/A	N/A
	56,000	CA\$ 0.95	Sep. 21, 2012	Nil	N/A	N/A
	100,000	CA\$ 0.28	Mar. 17, 2020	4,509	N/A	N/A
	180,000	CA\$ 0.345	Aug. 19, 2020	Nil	N/A	N/A
Lawrence Kunkel	40,000	CA\$ 0.25	Apr. 16, 2014	3,006	N/A	N/A
	50,000	US\$ 0.50	Mar. 15, 2011	Nil	N/A	N/A
	15,000	US\$ 0.60	May 24, 2012	Nil	N/A	N/A
	44,000	CA\$ 0.95	Sep. 21, 2012	Nil	N/A	N/A
	75,000	CA\$ 0.28	Mar. 17, 2020	3,382	N/A	N/A
	390,000	CA\$ 0.345	Aug. 19, 2020	Nil	N/A	N/A
Samuel Peralta	40,000	CA\$ 0.25	Apr. 16, 2014	3,006	N/A	N/A
	50,000	US\$ 0.50	Mar. 15, 2011	Nil	N/A	N/A
	15,000	US\$ 0.60	May 24, 2012	Nil	N/A	N/A
	44,000	CA\$ 0.95	Sep. 21, 2012	Nil	N/A	N/A
	75,000	CA\$ 0.28	Mar. 17, 2020	3,382	N/A	N/A
	180,000	CA\$ 0.345	Aug. 19, 2020	Nil	N/A	N/A
David Slomka <sup>(3)</sup>	40,000	CA\$ 0.25	Apr. 16, 2014	3,006	N/A	N/A
	50,000	US\$ 0.50	May 24, 2012	Nil	N/A	N/A
	44,000	US\$ 0.60	Sep. 21, 2012	Nil	N/A	N/A
	70,000	CA\$ 1.57	Apr. 29, 2013	Nil	N/A	N/A
	75,000	CA\$ 0.28	Mar. 17, 2020	3,382	N/A	N/A
	180,000	CA\$ 0.345	Aug. 19, 2020	Nil	N/A	N/A

(1) This amount is calculated based on the difference between the market value of the securities underlying the options at the end of the most recently completed financial year, which was CA\$0.325, and the exercise or base price of the option. The exchange rate used in these calculations to convert CAD to USD was 1.002, being the rate on December 31, 2010.

(2) Mr. Slomka resigned from the Board on April, 30, 2011.

(iv) *Incentive Plan Awards - Value Vested or Earned During the Year*

The value vested or earned during the most recently completed financial year of incentive plan awards granted to Directors who are not Named Executive Officers are as follows:

Director Name	Option-Based Awards - Value Vested During The Year <sup>(1)</sup> (US\$)	Share-Based Awards - Value Vested During The Year <sup>(2)</sup> (US\$)	Non-Equity Incentive Plan Compensation - Value Earned During The Year (US\$)
Denis Colbourne	4,446	N/A	N/A
Lawrence Kunkel	3,426	N/A	N/A
Samuel Peralta	3,426	N/A	N/A
David Slomka <sup>(3)</sup>	1,973	N/A	N/A

- (1) This amount is the dollar value that would have been realized computed by obtaining the difference between the market price of the underlying securities on the vesting date and the exercise or base price of the options under the option-based award. For the Directors to have realized this value, they would have had to exercise their options and sell the shares on the day of vesting. None of these options were exercised.
- (2) This amount is the dollar value realized computed by multiplying the number of shares or units by the market value of the underlying shares on the vesting date.
- (3) Mr. Slomka resigned from the Board on April, 30, 2011.

#### **H) Securities Authorized for Issuance Under Equity Compensation Plans**

The following table sets forth the Company's compensation plans under which equity securities are authorized for issuance as at the end of the most recently completed financial year.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights<sup>(1)</sup></b>	<b>Number of securities remaining available for future issuance under equity compensation</b>
<i>Equity compensation plans approved by securityholders</i>			
(a) 10% Rolling Stock Option Plan of Company	705,000	US\$0.60 (CA\$0.578)	Nil
(b) Stock Option Plan of OPEL Inc. assumed by the Company	1,105,000 <sup>(2)</sup>	US\$0.393 (CA\$0.378)	Nil
(c) 20% Fixed Vesting Stock Option Plan of the Company	9,292,500	US\$0.630 (CA\$0.607)	1,012,500
<i>Equity compensation plans not approved by securityholders</i>	Nil	N/A	Nil
<b>Total</b>	<b>11,102,500</b>	<b>US\$0.605 (CA\$0.582)</b>	<b>1,012,500</b>

- (1) The exchange rate used in these calculations to convert CAD to USD was 1.0389 being the rate on May 12, 2011.
- (2) The Company assumed 3,030,000 stock options granted by OPEL Inc. as part of a reverse-take-over, of which 1,925,000 were exercised to December 31, 2010. Upon exercise of these options, the issuable Exchangeable Shares of OPEL Inc. are immediately converted to shares of the Company, unless the Optionee requests Exchangeable Shares.

#### **INDEBTEDNESS TO COMPANY OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS**

As at May 12, 2011, there is no indebtedness of any current or former Director, executive officer or employee of the Company or any subsidiaries which is owing to the Company or any of its subsidiaries or to another entity which is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries, entered into in connection with a purchase of securities or otherwise.

No individual who is, or at any time during the most recently completed financial year was, a Director or executive officer of the Company, no proposed nominee for election as a Director of the Company and no associate of such persons:

- (i) is or at any time since the beginning of the most recently completed financial year has been, indebted to the Company or any of its subsidiaries; or
- (ii) whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries,

in relation to a securities purchase program or other program.

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

Except as set out herein, no person who has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year, no proposed nominee of management of the Company for election as a director of the Company and no associate or affiliate of the foregoing persons, has

any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Meeting other than the election of directors.

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

No informed person or proposed director of the Company and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which in either such case has materially affected or would materially affect the Company or any of its subsidiaries, except for stock option grants.

### **APPOINTMENT OF AUDITORS**

UHY LLP, Certified Public Accountants, of New Haven, Connecticut, were first appointed as auditors of the Company on June 17, 2009. On April 19, 2010, UHY LLP advised the Company that its New England practise had been sold to Marcum LLP, Accountants & Advisors ("Marcum"). The New England practise included the New Haven office professional staff which served the Company. As part of this reorganization, all of the offices of the New England practice became part of Marcum LLP. As such, Marcum became the auditors of the Company. On June 18, 2010, shareholders of the Company appointed Marcum as auditors of the Company for the ensuing year.

Accordingly, at the Meeting, shareholders will be asked to appoint Marcum LLP, Accountants & Advisors, as the auditors of the Company to hold office for the ensuing year at a remuneration to be fixed by the Directors.

**Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted for the re-appointment of Marcum LLP as the auditors of the Company to hold office for the ensuing year at a remuneration to be fixed by the Directors.**

### **MANAGEMENT CONTRACTS**

No management functions of the Company or subsidiary are performed to any substantial degree by a person other than the Directors or executive officers of the Company or subsidiaries.

### **CORPORATE GOVERNANCE DISCLOSURE**

A summary of the responsibilities and activities and the membership of each of the Committees is set out below.

National Instrument ("NI") 58-201 establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. NI 58-101 mandates disclosure of corporate governance practices which disclosure is set out below.

#### ***Independence of Members of Board***

The Company's current Board consists of 5 directors, 4 of whom are independent based upon the tests for independence set forth in NI 52-110. Denis Colbourne, Samuel Peralta, Lawrence R. Kunkel and David Slomka are independent. Leon M. Pierhal is not independent as he is the President and CEO of the Company. If shareholders elect the proposed nominees at the upcoming Shareholders' Meeting, the number of independent is expected to remain at 4.

#### ***Management Supervision by Board***

Independent supervision of management is accomplished through choosing management who demonstrate a high level of integrity and ability and having strong independent Board members. The independent directors exercise their responsibilities for independent oversight of management through their majority control of the Board and through having an independent Chair of the Board. The Board considers that management is effectively supervised by the independent directors as the independent directors are actively and regularly involved in reviewing and supervising the operations of the Company and have regular and full access to management. The CEO and CFO report upon the operations of the Company separately to the independent directors of the Board at such other times throughout the year as is considered necessary or advisable by the

independent directors. The independent directors are encouraged to meet at any time they consider necessary without any members of management including the non-independent directors being present, and generally do so several times per year by adjourning board meetings and asking all persons who are not independent directors to leave the room. The Company's auditors, legal counsel and employees may be invited to attend. Further supervision is performed through the Audit Committee composed of independent directors, who meet with the Company's auditors without management being in attendance, once a year. Additional supervision is performed through the Compensation Committee and the Corporate Governance and Nominating Committee (the "CGNC"), both composed of independent directors. The CGNC has determined that the current constitution of the Board is appropriate for the Company's current stage of development.

### ***Participation of Directors in Other Reporting Issuers***

No directors of the Company held directorships in other reporting issuers.

### ***Orientation and Continuing Education***

While the Company does not have formal orientation and training programs, new Board members are provided with:

1. information respecting the functioning of the Board of Directors, committees and copies of the Company's corporate governance policies;
2. access to recent, publicly filed documents of the Company, technical reports and the Company's internal financial information;
3. access to management and technical experts and consultants; and
4. advice to consult on the internet the TSX Venture Exchange Policy relating to Corporate Governance and applicable regulations and policies and also the applicable securities laws, rules and regulations.

Board members are encouraged to communicate with management, auditors and technical consultants; to keep themselves current with industry trends and developments and changes in legislation with management's assistance; and to attend related industry seminars and visit the Company's operations. Board members have full access to the Company's records.

### ***Ethical Business Conduct***

The Board views good corporate governance as an integral component to the success of the Company and to meet responsibilities to shareholders. The Board has adopted a Code of Conduct in December 2007 and has instructed its management and employees to abide by the provisions of the Code. A copy of said code is posted on the Company's website <[www.opelinc.com](http://www.opelinc.com)>.

The directors of the Corporation, with the assistance of the Vice-President of Administration and Policy Management, are responsible for monitoring compliance with this Code, for regularly assessing its adequacy, for interpreting this Code in any particular situation and for approving any changes to this Code from time to time.

### ***Trading by Insiders***

Insiders of the Company are expected to comply with all applicable Regulatory Laws, Rules and Regulations with respect to buying and selling shares of the Company. In addition, the Company has well defined criteria for when the Trading Window for Officers and Directors opens and closes, the purpose of which is to assure an orderly process for Insiders to trade shares of the Company. The Criteria is overridden in the event of any material information or events. Insiders are expected to abstain from trading the shares of the Company when the Trading Window is closed.

### ***Nomination of Directors***

The Board established a Corporate Governance and Nominating Committee (the "CGNC") composed of Samuel Peralta, Denis Colbourne and Larry Kunkel. The CGNC has the responsibility for identifying potential Board candidates. The CGNC assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. Members of the Board and representatives of the semi-conductor, solar, and infrared industries are consulted for possible candidates. The Board has adopted a

written charter that sets forth the responsibilities of the CGNC. A copy of the charter is posted on the Company's website <www.opelinc.com>.

**Compensation of Directors and the CEO**

On December 14, 2007, the Company established a Compensation Committee (the "CC") to be responsible for reviewing all overall compensation strategy, objectives and policies; annually reviewing and assessing the performance of the executive officers; recommending to the Board the compensation of the executive officers; reviewing executive appointments; and recommending the adequacy and form of directors' compensation. The members of the CC are Denis Colbourne and Lawrence Kunkel. The CC also reviews and recommends incentive stock option awards under the Company's Stock Option Plan.

To determine compensation payable, the CC reviews compensation paid for directors and CEOs of companies of similar size and stage of development in the technology industry and determines an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and senior management while taking into account the financial and other resources of the Company. In setting the compensation, the CC annually reviews the performance of the CEO in light of the Company's objectives and considers other factors that may have impacted the success of the Company in achieving its objectives.

**Board Committees**

In addition to its responsibility for nominating directors, the CGNC also has the responsibility for monitoring corporate governance compliance and setting corporate governance policy.

As the directors are actively involved in the operations of the Company and the size of the Company's operations does not warrant a larger board of directors, the Board has determined that additional committees, other than AC, the CGNC and the CC, are not necessary at this stage of the Company's development.

**Assessments**

The Board annually, and at such other times as it deems appropriate, reviews the performance and effectiveness of the Board, the directors and its committees to determine whether changes in size, personnel or responsibilities are warranted. To assist in its review, the Board conducts informal surveys of its directors, receives reports from the CGNC on its assessment of the functioning of the Board and reports from each committee respecting its own effectiveness. As part of the assessments, the Board or the individual committee may review their respective mandate or charter and conduct reviews of applicable corporate policies.

**Audit Committee**

*A) THE AUDIT COMMITTEE'S CHARTER*

The current Audit Committee Charter was put in place on December 14, 2007, a copy of which can be found in Schedule "A".

*B) COMPOSITION OF THE AUDIT COMMITTEE*

The following are the current members of the Committee:

<u>Name</u>	<u>Independent / Not independent</u> ①	<u>Financially literate / Not Financially literate</u> ①
Denis Colbourne	Independent	Financially literate
Samuel Peralta	Independent	Financially literate
Lawrence R. Kunkel	Independent	Financially literate

① As defined by National Instrument 52-110 ("NI 52-110").

*C) RELEVANT EDUCATION AND EXPERIENCE*

The education and experience of each Audit Committee member that is relevant to the performance of his responsibilities are as follows:

Lawrence R. Kunkel, the Chairman of the Audit Committee and also Chairman of the Board of Directors of the Company, holds a B.A. Degree with Honors in Economics and A.M. in Social Science (Economics) from

The University of Chicago. He also serves on the Corporate Governance and Compensation committees. Presently, Mr. Kunkel serves as Chief Executive Officer and Managing Director of American Strategic Holdings, LLC which is an investment holding company that provides equity capital to strong technology start-ups and acquisition investment for middle market technology leaders in the defense, medical device and clean-tech sectors. Most recently, he completed a position as Senior Advisor for Renewable Energy where he acted as chief energy strategist to Governor Donald Carcieri of Rhode Island. Throughout his 30 year career, Mr. Kunkel has served as an Economist and game theory Corporate Strategist for Modular Thermal Technologies, Federal Home Loan Bank of Chicago, New York Life Insurance Company and Kunkel Strategic Services, IBC. He is the author of many academic and professional publications focusing on law and economics, strategic planning, renewable energy, antitrust and econometric modeling. While at The University of Chicago, he served as the Research Assistant to George J. Stigler the 1982 Nobel Prize winner for Economics. In 2005, Mr. Kunkel was the recipient of Certificates of Special Congressional Recognition from both the U.S. House of Representatives and the U.S. Senate.

Denis Colbourne holds Bachelors of Science and of Engineering and a Master of Engineering. He has been a senior officer and director of several public companies. He sits on the audit committees of other reporting issuers and is the Chairman of the audit committee of one of these companies. Mr. Colbourne is retiring at the AGM, following which his successor will be appointed.

Samuel Peralta holds a Ph.D. and a Certificate in Accounting from Edinburg Business School, UK which was complemented by management, accounting and financial studies at York University (Schulich School of Business) and University of Toronto (Rotman School of Management). He has been a senior officer and director of several public companies. He worked for Ontario Hydro and Kinectrics Inc., where he had responsibility for Profit & Loss, capital investment and other financial-related matters.

All members have an understanding of the accounting principles used by the Company to prepare its financial statements and have an understanding of its internal controls and procedures for financial reporting.

**D) AUDIT COMMITTEE OVERSIGHT**

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

**E) RELIANCE ON CERTAIN EXEMPTIONS**

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

**F) PRE-APPROVAL POLICIES AND PROCEDURES**

The Committee has adopted specific policies and procedures for the engagement of non-audit services as described above in paragraph 7 (e) of the Audit Committee Charter.

**G) EXTERNAL AUDITORS SERVICE FEES (BY CATEGORY)**

The aggregate fees billed by the Company's external auditors for each of the last two fiscal years for audit fees are as follows:

<i>Financial Year Ending</i>	<i>Audit Fees</i>	<i>Audit Related Fees</i>	<i>Tax Fees</i>	<i>All Other Fees</i>
December 31, 2010 <sup>(1)</sup>	\$ 66,500	\$ 1,500	\$ 30,000 <sup>(2)</sup>	\$ 27,000
December 31, 2009 <sup>(1)</sup>	\$ 67,000	\$ 9,000	\$ 30,295	\$ 28,300

(1) The fees include those for the subsidiaries of the Company, since the audits were completed by the same firm.

(2) This amount has been estimated.

**Nomination and Assessment**

The Board determines new nominees to the Board, although a formal process has not been adopted. The nominees are generally the result of recruitment efforts by the Board members, including both formal and

informal discussions among Board members and the President and Chief Executive Officer. The Board monitors but does not formally assess the performance of individual Board members or committee members or their contributions.

### ***Expectations of Management***

The Board expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company's business plan and to meet performance goals and objectives.

## **PARTICULARS OF OTHER MATTERS TO BE ACTED UPON**

The Company is seeking shareholders' approval for: (a) amendments to the Company's Stock Option Plan and (b) the change of the name of the Company to OPEL Solar International Inc.

### ***A) Approval of Stock Option Plan***

#### Introduction

On May 21, 2009, the Directors amended its Stock Option Plan (the "Plan") in order to conform with changes to the TSX Venture Exchange ("TSXV") Policy which occurred in December 2008 and in order to clarify the wording of some sections of the Plan. At the same time, the maximum number of shares issuable under Plan (the "Fixed Number") was fixed at 12,115,000. The Fixed Number was slightly less than the allowable 20% of the issued shares of the Company at the time.

On May 11, 2011, the Directors proposed amendment the Plan to increase the Fixed Number to 18,472,000, being a net increase of 8,000,000. No other change other than the increase in the Fixed Number was made to Plan, except for inserting the new proposed name of the Company. Since the Plan was originally implement in September 2007, an aggregate of 1,646,000 shares were issued pursuant to option exercises under the Plan. The New Fixed Number, less the aggregate number of shares issued pursuant to option exercises under the Plan, represents slightly less than the allowable 20% of the issued and outstanding shares of the Company.

The amended Plan (hereinafter referred to as the "2011 Plan") is being submitted to shareholders for approval. The full text of the 2011 Plan will be available for review at the Meeting or from the Company's website at <[www.opelinc.com](http://www.opelinc.com)> or from the Secretary of the Company. If the 2011 Plan is approved by Shareholders, it will be filed on SEDAR as a Material Document.

Since the 2011 Plan permits, together with all of the other previously established and outstanding stock option plans or grants, that at any time:

- (i) the number of shares reserved for issuance under stock options granted to Insiders to exceed 10% of the issued shares of the Company;
- (ii) the grant to Insiders as a group, within a 12 month period, of option to purchase a number of shares exceeding 10% of the issued shares; and/or
- (iii) the grant to any one optionee, within a 12 month period, of a number of shares exceeding 5% of the issued shares;

the Company must obtain approval of a majority of the shareholders at the Meeting, excluding insiders and their associates, (the "disinterested shareholders") to such specific term of the amended Plan. For the purposes hereof, an "Insider" is a director or senior officer of the Company, a director or senior officer of a company that is itself an Insider or subsidiary of the Company, or a person whose control, or direct or indirect beneficial ownership, or a combination thereof, over securities of the Company extends to securities carrying more than 10% of the voting rights attached to all the Company's outstanding voting securities.

#### Text of Resolution

Accordingly, at the Meeting, shareholders will be asked to pass an ordinary resolution in the following form:

*RESOLVED (with all Interested Parties abstaining from voting) to:*

- (a) *approve the amendments to the Company's stock option plan (the "Plan") pursuant to which the directors may, from time to time, grant stock options to directors, officers, employees and consultants of the Company and its subsidiaries, which amendments include the increase in the number of shares reserved for issuance under the Plan (the "Fixed Number") from 12,115,000 to*

18,472,000 common shares in the capital of the Company under the Plan (or such additional number of shares as may be approved from time to time by shareholders of the Company);and

- (b) approve and ratify the amended Plan, in the form tabled at the Meeting, providing for the grant of options under the Plan and under all other previously established share compensation arrangements which involves:
- (i) the reservation to all optionees in aggregate of a maximum of 20% of the issued shares of the Company, up to the Fixed Number;
  - (ii) the reservation to all optionees who are insiders in aggregate of a maximum of 20% of the issued shares of the Company, up to the Fixed Number; and
  - (iii) the grant, to any one consultant or an employee providing investor relations activities, in any 12 month period, of a maximum of 2% of the issued shares, calculated at the date the option is granted.

#### Recommendation of Directors

The Board of Directors recommends that the holders of Common Shares vote in favour of the Stock Option Plan. **Unless otherwise instructed, the persons named in the accompanying proxy (provided the same is duly executed in their favour and is duly deposited) intend to vote FOR the approval of the Stock Option Plan.**

#### **B) Approval of Name Change**

##### Introduction

At the Meeting, shareholders will be asked to consider and, if thought fit, to pass, with or without amendment, a special resolution (the "Name Change Resolution") in the form set out below, authorizing, subject to regulatory approval, the filing of articles of amendment to change the name of the Company to OPEL Technologies Inc. (the "Name Change") under the Ontario Business Corporations Act (the "OBCA"). The purpose of the Name Change is to better reflect the two distinct segments of the Company's businesses and to avoid the confusion caused by name only reflecting the Solar side of the business.

In order to become effective, the Name Change Resolution must be approved by a vote of not less than two-thirds (2/3) of the votes cast by shareholders at the Meeting. Notwithstanding approval of the Name Change by a special resolution of the shareholders, the Board of Directors may, without further approval of shareholders, abandon the application for amended articles of incorporation to effect the Name Change at any time prior to the issue of a certificate of articles of amendment by the director under the OBCA.

##### Text of the Name Change Resolution

The text of the special resolution which Management intends to place before the Meeting for consideration and approval, with or without modification, is as follows:

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

- a) *OPEL Solar International Inc.(the "Company") be and is hereby authorized to change its name to "OPEL Technologies Inc." or such other name as the Board of Directors, in its sole discretion, determines to be appropriate and which the Director under the OBCA may accept;*
- b) *notwithstanding that this special resolution has been duly passed by the shareholders of the Company, the board of directors of the Company may, without further notice to or approval of the shareholders, amend or revoke this special resolution at any time prior to filing of articles of amendment to effect the name change without further approval of shareholders of the Company; and*
- c) *any director or officer of the Company be and is hereby authorized for and on behalf of the Company to take all steps and proceedings, to execute and deliver and file any and all declarations, agreements (including, without limitation filing Articles of Amendment with the Director under the Ontario Business Corporations Act), and to execute and deliver and file any and all amendments to the Company's articles, declarations, agreements, documents, elections and other instruments and do all such other acts and things (whether under corporate seal of the Company or not) that such officer or director may, in his or her sole discretion, determine to be necessary, useful or desirable in order to implement or give effect to the amendment to the articles or any of the foregoing resolutions, such determination to be conclusively evidenced by the taking of any such steps or proceeding, the execution or delivery or filing of any such declaration, agreement, document or other instrument or the doing of any such act or thing.*

### Recommendation of Directors

The Board of Directors recommends that the Shareholders vote in favour of the Name Change Resolution. **Unless otherwise instructed, the persons named in the accompanying proxy (provided the same is duly executed in their favour and is duly deposited) intend to vote FOR the approval of the Name Change Resolution.**

### **VOTES NECESSARY TO PASS RESOLUTIONS**

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein. If there are more nominees for election as directors or appointment of the Company's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

### **ADDITIONAL INFORMATION AND DOCUMENTS INCORPORATED BY REFERENCE**

The following documents filed with the securities commissions or similar regulatory authority of Ontario, Quebec, British Columbia and Alberta are specifically incorporated by reference into, and form an integral part of, this Information Circular: The financial statements for the year ended December, the report of the auditor thereon and the related management's discussion and analysis (MD&A). Shareholders may contact the Company at 501, 121 Richmond Street West, Toronto, Ontario M5H 2K1 to request copies of these documents or download them from the SEDAR website at <[www.sedar.com](http://www.sedar.com)>.

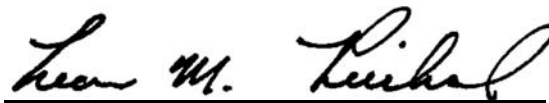
Additional information relating to the Company is also available on SEDAR or from the Company's website at <[www.vvcexplor.com](http://www.vvcexplor.com)>.

### **OTHER MATTERS**

Management of the Company is not aware of any other matter to come before the Meeting other than as set forth in the notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

DATED this 12th day of May, 2011.

APPROVED BY THE BOARD OF DIRECTORS



Leon M. Pierhal, President & CEO

**THE AUDIT COMMITTEE'S CHARTER**

1. **Composition**

The AC comprises three (3) or more directors as determined by the Board, each of whom shall be unrelated non-executive directors, free from any relationship that would interfere with the exercise of his or her independent judgment. The Board shall appoint one of the members of the AC as chairperson. Such appointment will be for a one (1) year term and will be ratified by the full Board. Each AC member must be, or must become, within a reasonable period of time after appointment, "financially literate," which qualification shall be determined by the Board. In addition, at least one (1) AC member shall have accounting or related financial management background/experience.

2. **Authority**

The AC may, at its own initiative or at the request of the Board, investigate any activity of the Company. All employees are directed to co-operate as requested by members of the AC. The AC is empowered to retain persons having special competence as necessary to assist the committee in fulfilling its responsibility.

3. **Responsibility**

The AC is to serve as a focal point for communication between non-committee directors, the independent (external) auditors and the Company's Management Team as their duties relate to financial accounting, reporting, and controls. The AC is to assist the Board in fulfilling its fiduciary responsibilities as to accounting policies and reporting practices of the Company and all subsidiaries, and the sufficiency of auditing relative thereto. The AC is the Board's principal agent in assuring the independence of the Company's independent auditors, the integrity of financial management, and the adequacy of financial disclosures to shareholders. However, the opportunity for the independent auditors to meet with individual directors or the entire Board, as needed, is not to be restricted.

The Company's independent (external) auditors are ultimately accountable to the AC and the Board. The AC and the Board have the ultimate authority and responsibility to select, evaluate, and nominate the independent (external) auditor to be proposed for any shareholder approval; and where appropriate, to replace the Company's independent (external) auditors.

4. **Meetings**

The AC is to meet at least four (4) times per fiscal year or as many additional times as the committee deems necessary.

5. **Attendance**

A majority of the members of the AC must be present at all committee meetings and every effort should be made to hold meetings with all members present. As necessary or desirable, the chairperson may request that members of the Company's Management Team and representatives of the independent (external) auditors be present at meetings of the committee.

6. **Minutes**

Minutes of each AC meeting are to be prepared summarizing the matters discussed.

7. **Specific Mandate/Duties**

- a) Inform the independent (external) auditors and Management Team that the independent (external) auditors and the members of the AC may communicate with each other at any time.
- b) Review with the CEO, CFO and independent (external) auditors, the Company's policies and procedures to reasonably assure the adequacy of internal accounting and financial reporting controls.
- c) Have familiarity with the accounting and reporting principles and practices applied by the Company in preparing its financial statements and make, or cause to be made, all necessary inquiries of the Management Team and the independent (external) auditors concerning established standards of corporate conduct and performance and any deviations therefrom.
- d) Review, prior to the annual audit, the scope and general extent of the independent (external)

auditor's audit examinations. The auditors' fees are to be arranged with the Management Team and annually summarized for the AC's review and approval.

- e) Review with the Company's Management Team the extent of non-audit services planned to be provided by the independent (external) auditors in relation to the objectivity needed in the audit.
- f) Review with the Company's Management Team and the independent (external) auditors, upon completion of their audit, financial results and MD&A at year end, together with any related press releases, prior to filing or distribution.
- g) Evaluate the cooperation received by the independent (external) auditors during their audit examination, including their access to all requested records, data and information, and also inquire of the independent (external) auditors whether there have been any disagreements with the Company's Management Team, which if not satisfactorily resolved would have caused the independent auditors to issue a non-standard report on the Company's financial statements. Elicit the comments of the Management Team regarding the responsiveness of the independent auditors to the Company's needs.
- h) Recommend to the Board whether, based on the reviews and discussions referred to above, the annual financial statements and any related MD&A should be included in the Company's Annual Report filed on SEDAR, distributed to shareholders and otherwise released.
- i) Review with the Company's Management Team and the independent (external) auditors (if required or determined necessary by the AC), interim financial results and MD&A, together with any related press releases, prior to filing or distribution.
- j) Recommend to the Board whether, based on the reviews and discussions referred to above, the interim financial statements and any related MD&A should be filed on SEDAR, distributed to shareholders and otherwise released.
- k) Discuss with the independent (external) auditors and the Company's Management Team the quality of the Company's financial and accounting personnel and any relevant recommendations the independent auditors (external) may have.
- l) Discuss any significant changes to the Company's accounting principles and any items required to be communicated to the independent (external) auditors.
- m) Review and reassess the adequacy of the AC's Charter at least annually and submit this same to the Board for approval.
- n) Ensure that the independent (external) auditors submit, on a periodic basis to the AC, a formal written statement delineating all relationships between the independent auditors and the Company, actively engage in a dialogue with the independent auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent auditors, and recommend that the Board take appropriate action in response to the independent auditors' report to satisfy itself of the auditors' independence.
- o) Recommend to the Board the retention or replacement of the independent auditors.
- p) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former independent (external) auditors of the Company.
- q) Apprise the Board, as necessary, through minutes and special presentations of significant developments in the course of performing the above duties.
- r) Approve capital expenditures at levels up to the maximum amount of the AC's authority as determined by the Board from time to time. Any decisions made by the AC will be reported to the full Board and ratified at its next meeting.
- s) Recommend to the Board any appropriate extensions or changes in the duties of the AC.
- t) Establish and monitor procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or audit matters and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters. The AC shall review periodically with the Company's Management Team these procedures and any significant complaints received.





## **OPEL SOLAR INTERNATIONAL INC.**

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