

Information Circular and Notice of

THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

To Be Held On Thursday, June 9, 2011

May 5, 2011

This circular contains important information for shareholders.

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS



Notice is hereby given that the annual and special meeting (the "Meeting") of holders ("Shareholders") of common shares ("Common Shares") of Pure Technologies Ltd. (the "Corporation") will be held:

DATE: Thursday, June 9, 2011

BUSINESS OF THE MEETING

TIME: 2:00 p.m. (Calgary time)

The purpose of the Meeting is:

PLACE: Pure Technologies Ltd.
300, 705 – 11 Avenue SW
Calgary, AB T2R 0E3

1. to receive and consider the financial statements and auditors' report thereon for the fiscal year December 31, 2010;
2. to fix the number of directors at six (6), subject to the right of directors of the Corporation to appoint two (2) additional directors at any time prior to the next annual general meeting of shareholders;
3. to elect James E. Paulson, Peter O. Paulson, Michael M. Kanovsky, David H. McDermid, Charles W. Fischer and Scott I. MacDonald as directors of the Corporation for the ensuing year;
4. to appoint auditors of the Corporation for the ensuing year at a remuneration to be determined by the Board of Directors;
5. to consider, and, if deemed advisable, to pass an ordinary resolution ratifying, confirming and approving the stock option plan of the Corporation; and
6. to transact such other business as may be properly brought before the Meeting or any adjournment thereof.

Specific details of the matters to be put before the Meeting are set forth in the accompanying information circular.

Shareholders who are unable to attend the Meeting in person are requested to date, sign and return the accompanying instrument of proxy (the "Instrument of Proxy") or other appropriate form of proxy in accordance with the instructions set forth in the accompanying information circular. An Instrument of Proxy will not be valid unless it is deposited at the offices of Computershare Trust Company of Canada, 600, 530 – 8 Avenue SW, Calgary, AB, T2P 3S8, not less than forty-eight (48) hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting, or any adjournment thereof. **A person appointed as proxy need not be a shareholder of the Corporation.**

Only holders of Common shares of record as of the close of business on May 5, 2011 are entitled to receive notice of and to vote at the Meeting.

DATED at Calgary, Alberta, this 5th day of May, 2011.

BY ORDER OF THE BOARD OF DIRECTORS OF PURE TECHNOLOGIES LTD.

(signed) "Peter O. Paulson"
Chief Executive Officer

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GENERAL INFORMATION



GENERAL INFORMATION

INTERPRETATION

Unless the context otherwise requires, references to “Company”, “Corporation”, “Pure Technologies Ltd.”, “we”, “us” or “our” as used herein refer to Pure Technologies Ltd. and its subsidiaries. All dollar references are in Canadian dollars unless otherwise stated. Unless otherwise indicated, the financial information contained in the Circular is presented as of December 31, 2010 and all other information is current to April 15, 2011.

FINANCIAL STATEMENT REQUESTS

Financial information is provided in our annual financial statements and related Management’s Discussion and Analysis of Financial Condition and Results of Operations (“MD&A”).

If you are a non-registered beneficial shareholder and you wish to receive our annual or quarterly financial statements and MD&A, you must mark the appropriate request boxes on the accompanying voting instruction form provided by your financial intermediary and return it in the envelope provided.

If you are a registered shareholder and you wish to receive our quarterly financial statements and related MD&A you must mark the appropriate request box on the reverse side of the enclosed form of proxy and return it to us. If you are a registered shareholder and you do not wish to receive our annual financial statements and MD&A, you must mark the appropriate request box on the reverse side of the enclosed form of proxy and return it to us.

Our results are announced by news release. Our financial statements, MD&A and other disclosure documents are available on our website at www.puretechnologiesltd.com and on SEDAR at www.sedar.com.

AVAILABILITY OF DISCLOSURE DOCUMENTS

We will provide to any shareholder, upon request to our Investor Relations Department, a copy of:

- (i) our most recent Annual Information Form together with any document or pertinent pages of any document incorporated therein by reference;
- (ii) our audited consolidated financial statements for our last financial year together with the auditors’ report thereon and the related MD&A;
- (iii) our Information Circular for our last annual meeting of shareholders; and
- (iv) any material change reports (other than confidential reports) which we have filed with the various securities regulatory authorities.

CONTACT INFORMATION

Pure Technologies Ltd.
300, 705 – 11 Avenue SW
Calgary, AB T2R 0E3

Ph: (403) 266-6794
Fax: (403) 266-6570
Toll Free: 1-800-537-2806

Computershare Trust Company of Canada
600, 530 – 8 Avenue SW
Calgary, AB T2P 3S8

Ph: (403) 267-6800

BUSINESS OF THE MEETING



QUESTIONS AND ANSWERS

Q: Who is soliciting my proxy?

A: Pure Technologies Ltd. is soliciting your proxy for use at the Meeting or at any postponement or adjournment thereof. The solicitation of proxies for the Meeting will be made primarily by mail, but our officers, employees and agents may also solicit proxies personally or by telephone. The cost of the solicitation of proxies will be borne by Pure Technologies Ltd.

Q: Who is entitled to vote?

A: Only holders of Common Shares may vote at the meeting. As of April 15, 2011, there were 48,612,495 Common Shares issued and outstanding. Each Shareholder is entitled to one vote for each common share registered in his or her name as of the close of business on May 5, 2011, the record date for the Meeting. If you purchased Common Shares from a registered shareholder after the record date, you may vote those Common Shares at the Meeting by requesting Computershare Trust Company of Canada to include your name on the list of Shareholders eligible to vote at the Meeting. In that case, you will have to provide properly endorsed share certificates or other documentation that establishes your ownership. This request must be made at least ten (10) days before the meeting. The contact information for our transfer agent is located on page one of the Circular.

Q: How do I vote?

A: Registered Shareholders

If you are eligible to vote and your Common Shares are registered in your name, you can vote your Common Shares by proxy or in person at the Meeting. **If you cannot attend the Meeting in person, you may vote by proxy. Voting instructions are included in the accompanying Information Circular. In order to be valid and acted upon at the meeting or any adjournment thereof, Computershare Trust Company of Canada must receive proxies no later than 4:00 p.m. on Tuesday, June 7, 2011 and, in the case of any postponement or adjournment of the Meeting, not less than 48 hours before commencement of the postponed meeting or recommencement of the adjourned Meeting. A person appointed as proxy holder need not be a Shareholder.**

Non-Registered Beneficial Shareholders

If your Common Shares are held in an account with a trust company, securities broker or other financial institution (an "Intermediary"), you are considered to be a non-registered beneficial shareholder. The Intermediary is the legal entity entitled to vote your Common Shares for you, in the manner that you direct them. Non-registered beneficial shareholders should not complete the form of proxy being circulated by Management. Instead, you should follow the instructions and complete the form that your Intermediary delivered to you with the Circular. This form will provide the necessary instructions to your Intermediary as to how you would like to vote your Common Shares. If you plan on attending the Meeting in person, you will not be entitled to vote in person unless the proper documentation is completed. You should contact your Intermediary well in advance of the Meeting and follow their instructions if you want to vote in person.

Q: How do I appoint a Proxyholder?

A: The Chairman and Chief Executive Officer of Pure Technologies Ltd. are the persons designated in the enclosed form of proxy who will represent Management at the Meeting. **You have the right, as a shareholder, to appoint a different person to attend and to act on your behalf at the Meeting. You may exercise this right by inserting in the space provided in the form of proxy the name of the other person you would like to appoint as nominee. In order to be valid and acted upon at the meeting or any adjournments thereof, proxies for use at the Meeting must be deposited with the Company (at its registered office) or with Computershare Trust Company of Canada no later than 4:00 p.m. on Tuesday, June 7, 2011 and, in the case of any postponement or adjournment of the Meeting, not less than 48 hours before commencement of the postponed meeting or recommencement of the adjourned Meeting.**

If there is a ballot called for at the Meeting, the shares represented by proxies in favour of the persons named by Management on the enclosed form of proxy will be voted or withheld from voting in accordance with the instructions specified by Shareholders in the forms of proxy.

If you have not specified in the form of proxy how to vote on a particular matter, your proxyholder is entitled to vote your Common Shares as he or she sees fit. If your proxy form does not specify how to vote on a particular matter and if you have authorized our Chairman or our President and Chief Executive Officer to act as your proxyholder, your Common Shares will be voted in favour of the particular matter.

Q: What if there are amendments or other matters brought before the meeting?

A: The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments to the matters identified in the notice of Meeting or other matters that may properly come before the Meeting. Management is not aware of any such amendments or other matters.

Q: What if I change my mind and want to revoke my proxy?

A: If you change your mind and want to revoke your proxy after you have delivered it to Computershare Trust Company of Canada, you (or your attorney if one has been authorized, or if a Corporation, an officer thereof) may revoke it:

1. by completing an instrument in writing, bearing a later date, and delivering it:
 - a. to Computershare Trust Company of Canada or to our registered office located at 300, 705 – 11 Avenue SW, Calgary, Alberta, T2R 0E3 at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used; or
 - b. to the Chair of the Meeting on the day of the Meeting or an adjournment thereof; or
2. in any other manner permitted by law.

The Instrument of Proxy must be signed by the Shareholder or the Shareholder's duly appointed attorney authorized in writing or, if the Shareholder is a corporation, by a duly authorized officer or officers or attorney of such corporation. An Instrument of Proxy signed by a person acting as

BUSINESS OF THE MEETING



attorney or in some other representative capacity (including a representative of corporate Shareholder) should indicate that person's capacity (following his or her signature) and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless signature) and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has previously filed with the Corporation or Computershare).

BUSINESS OF THE MEETING

RECEIPT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Corporation's financial statements for the fiscal year ended December 31, 2010 have been forwarded to Shareholders. No formal action will be taken at the Meeting to approve the financial statements, which have already been approved by the board of directors of the Corporation. If any Shareholders have questions regarding such financial statements, such questions may be brought forward at the Meeting.

APPOINTMENT OF AUDITORS

The independent auditors of the Corporation are KPMG LLP, Chartered Accountants, who have served in that capacity since 1997. The Corporation has requested that KPMG LLP, Chartered Accountants, act as independent auditors for the Corporation, subject to Shareholder approval. **Unless otherwise directed, the persons named in the Proxy intend to vote for the appointment of KPMG LLP, Chartered Accountants, of Calgary, Alberta as auditors of the Corporation to hold office until the close of the next annual and special meeting of Shareholders at a remuneration to be determined by the Board of Directors.**

KPMG LLP, CHARTERED ACCOUNTANTS FEES AND SERVICES

Fees Charged by KPMG

The following table summarizes the audit and other fees charged by KPMG for their services during each of the 2010 and 2009 fiscal years:

Financial Year End	Audit Fees ⁽¹⁾	Audit Related Fees ⁽²⁾	Tax and Tax Related Fees ⁽³⁾	All Other Fees ⁽⁴⁾	Total
2010	\$234,900	Nil	\$93,400	Nil	\$328,300
2009	\$211,500	Nil	\$95,100	Nil	\$306,600

Notes:

- (1) "Audit Fees" means the aggregate fees billed by the Corporation's external auditor in each of the last two fiscal years for audit fees.
- (2) "Audit-Related Fees" means the aggregate fees billed in each of the last two fiscal years for assurance and related services by the Corporation's external auditor that are reasonably related to the performance of the audit or review of the issuer's financial statements and are not reported under clause (a) above.
- (3) "Tax Fees" means the aggregate fees billed in each of the last two fiscal years for professional services rendered by the Corporation's external auditor for tax compliance, tax advice, and tax planning.
- (4) "All Other Fees" means the aggregate fees billed in each of the last two fiscal years for products and services provided by the Corporation's external auditor, other than the services reported under Audit-Related Fees, Tax Fees and All Other Fees above.

BUSINESS OF THE MEETING



VOTING INFORMATION

VOTING SECURITIES AND PRINCIPAL HOLDERS

The Corporation is authorized to issue an unlimited number of common shares. To the knowledge of the directors and senior officers of the Corporation, as at the date hereof, there are no persons or companies who own or exercise control over Common Shares carrying more than 10% of the voting rights of the Corporation.

As of the date hereof, 7,184,594 Common Shares were beneficially owned or controlled, directly or indirectly, by the directors and officers as a group, representing 15% of the issued and outstanding Common Shares.

THE BOARD OF DIRECTORS

SETTING THE NUMBER OF DIRECTORS

Management of the Corporation will seek Shareholder approval of an ordinary resolution fixing the number of directors of the Corporation at six (6), subject to the right of directors under the articles of the Corporation to appoint two (2) additional director at any time prior to the next annual general meeting of the Shareholders. **The persons named in the accompanying Instrument of Proxy intend to vote in favour of fixing the number of directors at six (6), subject to the right of directors under the articles of the Corporation to appoint two (2) additional directors at any time prior to the next annual general meeting of the shareholders.**

ELECTION OF THE BOARD OF DIRECTORS

The Board of Directors currently consists of Messrs. James E. Paulson, Peter O. Paulson, Michael M. Kanovsky, Charles W. Fischer, David H. McDermid and Scott I. MacDonald. All directors were elected at the last annual and special meeting of the shareholders except for Mr. MacDonald who was appointed in August 2010. **The Management of the Corporation proposes to nominate, and in the absence of instructions to the contrary, the persons named in the accompanying Instrument of Proxy intend to vote in favour of, the election of the persons named below as directors of the Corporation to hold office until the next annual and special meeting of the Shareholders, or until his successor is duly elected, unless his office is earlier vacation in accordance with the *Business Corporations Act (Alberta)* and the articles and by-laws of the Corporation.**

Management of the Corporation does not contemplate that any of the nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion. Each nominee elected as a director will hold office until the next annual and special meeting of the Shareholders or until his successor is duly elected, unless his office is earlier vacated in accordance with the *Business Corporations Act (Alberta)* and the articles and by-laws of the Corporation.

The information in the following table and the notes thereto has been provided by the individual nominees and sets forth the names and municipalities of residence of the persons proposed to be nominated for election as directors of the Corporation at the Meeting, offices within the Corporation now held by them, their principal occupations or employment history for the past five years, the date on which they became directors of the Corporation and the approximate number of Common Shares beneficially owned, directly or indirectly, by each of them as at the date hereof.

BUSINESS OF THE MEETING



<p>JAMES E. PAULSON <i>Calgary, Alberta, Canada</i></p> <p>Director since December 21, 1996</p> <p>Bachelor of Commerce, University of Calgary, 1970</p> <p>Masters of Business Administration, Ivey Business School, 1972</p>	<p>Mr. Paulson has been the President or Vice President of Yellowbird Products Ltd., a private holding company, since 1976 and is the Chairman of the Corporation. Yellowbird Products Ltd. is a holding company with interests in real estate, oil and gas, technology and financial investments. He is an officer and director of various private companies.</p>
	<p>Board and Committee Meetings Attended During 2010:</p> <p>Board 5 of 5 Audit 4 of 4 Compensation 2 of 2</p>
	<p>Number of Common Shares Beneficially Owned/Controlled or Directed:</p> <p>4, 234,915 ⁽¹⁾</p>
	<p>Messrs. James E. Paulson and Peter O. Paulson control Yellowbird Products Limited, which holds an aggregate of 4,105,000 Common Shares. Each of James E. Paulson and Peter O. Paulson also own 132,785 Common Shares directly.</p>

<p>PETER O. PAULSON <i>Calgary, Alberta, Canada</i></p> <p>Director since December 21, 1996</p> <p>Bachelor of Science (Physics), University of Calgary, 1969</p>	<p>Mr. Paulson has been the President or Vice President of Yellowbird Products Ltd., a private holding company, since 1976 and is the Chief Executive Officer and Chief Technology Officer of the Corporation. He has developed and/or patented new technologies or products in several different industries. Yellowbird Products Ltd. is a holding company with interests in real estate, oil and gas, technology and financial investments. Mr. Paulson is the inventor or co-inventor of the Corporation's patented and patent-pending technologies.</p>
	<p>Board and Committee Meetings Attended During 2010:</p> <p>Board 5 of 5</p>
	<p>Number of Common Shares Beneficially Owned/Controlled or Directed:</p> <p>4, 234,915 ⁽¹⁾</p>
	<p>Messrs. James E. Paulson and Peter O. Paulson control Yellowbird Products Limited, which holds an aggregate of 4,105,000 Common Shares. Each James E. Paulson and Peter O. Paulson also own 132,785 Common Shares directly.</p>

BUSINESS OF THE MEETING



MICHAEL M. KANOVSKY <i>Calgary, Alberta, Canada</i> Director since May 14, 2003 Degree in Mechanical Engineering, Queen's University Masters of Business Administration, Ivey Business School	<p>Mr. Kanovsky is a professional engineer. He was Vice President of Corporate Finance for Western Canada for a large Canadian investment dealer, prior to co-founding Northstar Energy Corporation in 1978. Mr. Kanovsky served on Northstar Energy Corporation's board of directors until it was acquired by Devon Energy Corporation in 1998. Mr. Kanovsky is the President of Sky Energy Corp., a private energy and investment company and is currently active in the energy industry. He is currently a director of Devon Energy Corporation, ARC Energy Trust, TransAlta Corporation, Bonavista Energy Trust and several private companies.</p>
	Board and Committee Meetings Attended During 2010: Board 5 of 5 Audit 4 of 4
	Number of Common Shares Beneficially Owned/Controlled or Directed: 1,521,000 ⁽¹⁾

DAVID H. McDERMID <i>Calgary, Alberta, Canada</i> Director since May 14, 2008 BA and LLB, University of Alberta LLM, London School of Economics	<p>Mr. McDermid practiced law with Bennett Jones LLP and was a partner and Chief Operating Partner of that firm at the time of his retirement in 2000. He is now President and a major shareholder in Ghost River Investments Ltd., a private holding company with interests in a diverse portfolio of public and private investments. He is an officer and director of various private companies as well as an officer and director of several not-for-profit organizations.</p>
	Board and Committee Meetings Attended During 2010: Board 5 of 5 Compensation 2 of 2
	Number of Common Shares Beneficially Owned/Controlled or Directed: 103,000 ⁽¹⁾

BUSINESS OF THE MEETING



<p>CHARLES W. FISCHER Calgary, Alberta, Canada</p> <p>Director since May 14, 2009</p> <p>Degree in Chemical Engineering, University of Calgary, 1971</p> <p>Masters of Business Administration, University of Calgary, 1982</p>	<p>Mr. Fischer was Vice President, Planning and Development for Bow Valley Industries, and then served as President and Chief Executive Officer of Encor Energy until it was acquired by Talisman Energy in 1993. Mr. Fischer served as Director, President and Chief Executive Officer of Nexen Inc. until his recent retirement, and is a Board member of Enbridge Inc., Enbridge Income Fund Holding Inc., Canada West Foundation, and the Calgary Airport Authority Business Development Advisory Council. He has served on numerous Boards, including Nova Chemicals, Syncrude Canada Limited, Alberta Economic Development Authority, University of Calgary Board of Governors, Alberta Climate Change Central Board and the C.D. Howe Institute.</p>
	<p>Board and Committee Meetings Attended During 2010:</p> <p>Board 5 of 5 Audit 4 of 4 Compensation 2 of 2</p>
	<p>Number of Common Shares Beneficially Owned/Controlled or Directed:</p> <p>100,000 ⁽¹⁾</p>

<p>SCOTT I. MACDONALD Toronto, Ontario, Canada</p> <p>Director since August 13, 2010</p> <p>McMaster University</p> <p>Masters of Business Administration, Dalhousie University 1997</p>	<p>Mr. MacDonald is currently a Partner with Emerald Technology Ventures Inc., a leading venture capital fund focused exclusively on the clean technology sector. Additionally, he serves as Chairman of SynapSense Corporation, and as Director of Vaperma Inc.. Mr. MacDonald previously served as Chairman of RuggedCom Inc. (TSX:RCM) and was Director of The Pressure Pipe Inspection Company Ltd., recently acquired by Pure. He also served as Director for Solicore Inc. and SoftSwitching Technologies Inc. Prior to joining Emerald, Scott held the position of Managing Director in the venture capital subsidiary of Ontario Power Generation, a large North American electrical utility.</p>
	<p>Board and Committee Meetings Attended During 2010:</p> <p>Board 1 of 1*</p>
	<p>Number of Common Shares Beneficially Owned/Controlled or Directed:</p> <p>0 ⁽¹⁾⁽²⁾</p>

* Mr. MacDonald became a member of the Board of Directors on August 13, 2010. The number of meetings reflects the meetings held after this date.

⁽¹⁾ Information as to the Common Shares beneficially owned, not being within the knowledge of the Corporation, has been furnished by the respective directors individually

⁽²⁾ Emerald Technology Ventures Inc. manages Emerald Cleantech Fund II, LP which owns 2,583,932 common shares and Emerald Cleantech Fund II (Barbados) SRL which owns 260,461 common shares.

BUSINESS OF THE MEETING



None of the directors or executive officers is, or has been in the last ten years, a director, chief executive officer or chief financial officer of any company that; (i) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days that was issued while the director was acting in the capacity as director, chief executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in such a capacity.

None of the directors, executive officers or shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation is, or has been in the last ten years, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

None of the directors, executive officers or shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation has, within the last ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

APPROVAL OF STOCK OPTION PLAN

The Corporation has applied to be listed on the Toronto Stock Exchange (the "TSX"). As required by TSX rules, management is requesting that shareholders provide their approval of a new stock option plan for the Corporation (the "Plan"). A copy of the Plan is attached to this Information Circular as Appendix "B". Options granted pursuant to the Plan will not exceed a term of five years.

Subject to the TSX rules, the Board of Directors may from time to time make rules, regulations and amendments to the Plan. Should any rule, regulation or amendment materially differ from the provisions set out in this management information circular, the Corporation shall obtain the necessary regulatory or shareholder approval.

Approval of the Plan requires a favourable vote of a majority of the Shareholders present in person or by proxy at the Meeting.

The Board of Directors has determined that the Plan, as set forth in Appendix "B", is in the best interests of the Corporation and the Shareholders. The Board of Directors unanimously recommends that Shareholders vote in favour of the Plan.

It is the intention of the persons named in the accompanying Instrument of Proxy, if not expressly directed otherwise in such Instrument of Proxy, to vote such proxies **FOR** the ordinary resolution to approve the Plan.

STATEMENT OF CORPORATE GOVERNANCE

The Corporation is committed to ensuring that the Corporation has an effective corporate governance system. The Corporation's current governance practices pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices* are specifically set out in Appendix "A" to this Information Circular in the form required by Form 58-101F2.

BUSINESS OF THE MEETING



The mandate of the Board of Directors is to supervise the management of the business and affairs of the Corporation. In fulfilling its mandate the Board of Directors as a whole oversees the development and application of policies regarding corporate governance and dealing with corporate governance issues.

CODE OF CONDUCT

The Code of Conduct (the “Code”) prescribes the minimum moral and ethical standards of conduct required of all directors, officers and employees, and provides that the Corporation’s directors, officers and employees are required to act honestly, ethically, in good faith and in the best interests of the Corporation and its shareholders by avoiding any relationship or activity that might create, or appear to create, a conflict of interest in their personal and professional relationships. Such individuals are prohibited from using their positions with the Corporation to accept excessive or inappropriate gifts or other benefits from persons doing or seeking to do business with the Corporation and the Code contains guidelines to be followed when accepting gifts or entertainment from these parties.

The Code affirms the Corporation’s commitment to foster a work environment in which all individuals are treated with respect and dignity. Harassment on the basis of race, gender, sexual orientation, colour, national or ethnic origin, religion, marital status, family status, citizenship status, veteran status, age or disability is prohibited. The Code also prescribes conduct to maintain an environment that is safe and healthy.

All of Pure Technologies Ltd. employees, officers and directors are expected to comply with the Code. A specific, limited waiver of any provision of the Code may be granted to directors, officers and employees if it is determined that, based on information deemed credible and persuasive, at such a limited waiver is appropriate under the specific circumstances. If required under applicable securities legislation, conduct of a director, officer or employee that materially departs from the Code may be publicly disclosed. The Code also provides a process by which actual or potential violations of its provisions, or any other Corporation policy or legal requirement, are to be reported to the Chief Financial Officer. Inappropriate delay in reporting a suspected or discovered violation is itself a violation of the Code. The Code confirms that there will not be any reprisals against an individual for reports or complaints regarding suspected violations made in good faith.

In order to facilitate the reporting of complaints, the Audit Committee has established a Whistleblower Policy with procedures for the receipt, retention and treatment of complaints regarding actual or apparent violations of the Code and/or the Corporation’s Disclosure Policy, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

OTHER BUSINESS

Management of the Corporation has no knowledge, as at the date hereof, of any business other than that mentioned in the Notice of Meeting, to be presented for action by the Corporation at the Meeting. However, the Instrument of Proxy solicited hereunder confers upon the proxy holder the discretionary right to exercise the powers conferred thereunder upon any other matters and proposals that may properly come before the Meeting, or any adjournment or adjournments thereof.

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

Management of the Corporation is not aware of any material interest of any Director or nominee for director, or senior officer or anyone who has held office as such since the beginning of the Corporation’s last financial year, or any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting, except as disclosed herein.

COMMITTEES



AUDIT COMMITTEE

AUDIT COMMITTEE CHARTER

The Audit Committee of the Board of Directors operates under a written charter that sets out its responsibilities and composition requirements. The text of the Audit Committee charter is attached as Appendix "C" to this Information Circular.

COMPOSITION OF THE AUDIT COMMITTEE

As of the date hereof, the members of the Audit Committee are Michael Kanovsky, Charles Fischer and Mr. David McDermid. Mr. Kanovsky is Chairman of the Audit Committee. Each of Mr. Kanovsky, Mr. Fischer and Mr. McDermid are "independent", within the meaning set out in NI 52-110. All of the members of the Audit Committee are financially literate, within the meaning set out in NI 52-110.

RELEVANT EDUCATION AND EXPERIENCE

All members of the Audit Committee have significant business experience as directors and officers of private and public companies. Their duties with these organizations include serving on audit committees, reviewing financial statements, assessing accounting principles and dealing with internal controls procedures.

AUDIT COMMITTEE OVERSIGHT

At no time since the commencement of the Corporation's most recently completed financial year has a recommendation of the audit committee to nominate or compensate an external auditor not been adopted by the Board.

PRE-APPROVAL POLICIES AND PROCEDURES

The engagement of non-audit services is considered and approved by the audit committee on a case-by-case basis.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS



COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

The Corporation compensates its executive officers through a combination of base salary, bonuses, and share options. The base salary provides an immediate cash incentive for the executive officers. Bonuses encourage and reward exceptional performance over the financial year. Share options ensure that the executive officers are motivated to achieve long term growth of the Corporation and continued increases in shareholder value. Bonuses are related to performance and may form a greater or lesser part of the entire compensation package in any given year.

Base salaries of the Chairman, Chief Executive Officer, President and Chief Operating Officer, and Chief Financial Officer are set by the Board of Directors on the basis of the applicable executive officer's responsibilities, experience and past performance. An annual bonus may be paid for each fiscal year based on the Board's assessment of the Corporation's general performance and the relative contribution of each of the executive officers. The Board grants stock options from time to time based on its assessment of the appropriateness of doing so in light of the long term strategic objectives of the Corporation, its current stage of development, the need to retain or attract particular key personnel, the number of stock options already outstanding and overall market conditions.

The compensation committee of the Board was established in 2008. The Committee determines the compensation of all executive officers and provides guidance to management on compensation matters. The committee's charter is located in Appendix B of the Corporation's Annual Information Form which can be found on the Corporation's website or at www.sedar.com.

EXECUTIVE COMPENSATION

The following table sets forth, for the periods indicated, the compensation paid by the Corporation to the Chief Executive Officer, the Chief Financial Officer and the three most highly compensated executive officers whose total salary and bonus exceeded \$150,000 (the "Named Executive Officers"). During the 2010 financial year, aggregate remuneration in the amount of \$2,203,988 was paid to the Named Executive Officers.

Name and Principal Position	Year	Salary (\$)	Option-based Awards ⁽⁶⁾ (\$)	Non-equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
				Annual Incentive Plans			
Peter O. Paulson, Chief Executive Officer	2010	206,000	94,350	206,000	Nil	1,983	508,333
	2009	175,000	Nil	200,000	Nil	2,208	377,208
	2008	175,000	Nil	Nil	Nil	1,458	176,458
Karen D. Keebler, Chief Financial Officer ⁽⁷⁾	2010	144,200	66,045	75,000	Nil	16,219	301,464
	2009	140,000	63,477	60,000	Nil	15,730	279,207
	2008	130,000	36,480	40,000	Nil	6,500	212,980
John F. Elliott, President and Chief Operating Officer ⁽⁷⁾	2010	206,000	94,350	206,000	Nil	22,350	528,700
	2009	200,000	90,682	200,000	Nil	21,083	511,765
	2008	175,000	91,200	175,000	Nil	8,750	449,950

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS



Name and Principal Position	Year	Salary (\$)	Option-based Awards ⁽⁶⁾ (\$)	Non-equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
				Annual Incentive Plans			
James E. Paulson Chairman	2010	206,000	94,350	206,000	Nil	1,983	508,333
	2009	175,000	Nil	200,000	Nil	2,208	377,208
	2008	175,000	Nil	Nil	Nil	1,458	176,458
John Rees-Stoner, Managing Director, Price Brothers (UK) Ltd. ⁽¹⁾⁽²⁾	2010	227,312 ⁽³⁾	18,870	58,711 ⁽³⁾	24,939 ⁽³⁾	27,353 ⁽³⁾	357,158
	2009	238,389 ⁽⁴⁾	Nil	45,627 ⁽⁴⁾	26,147 ⁽⁴⁾	28,924 ⁽⁴⁾	338,787
	2008	158,155 ⁽⁵⁾	134,600	17,704 ⁽⁵⁾	17,384 ⁽⁵⁾	18,353 ⁽⁵⁾	346,196

Notes:

- (1) Price Brothers (UK) Ltd. is a wholly owned subsidiary of Pure Technologies Ltd.
- (2) John Rees-Stoner commenced employment on May 9, 2008 on the acquisition of Price Brothers (UK) Ltd.
- (3) John Rees-Stoner's figures are paid in British Pounds and were translated at the December 31, 2010 closing rate of 1.5474.
- (4) John Rees-Stoner's figures are paid in British Pounds and were translated at the December 31, 2009 closing rate of 1.6715.
- (5) John Rees-Stoner's figures are paid in British Pounds and were translated at the December 31, 2008 closing rate of 1.7704.
- (6) The fair value of each option grant is estimated on the date of grant using the Black-Scholes Merton option pricing model and was calculated in accordance with Section 3870 of the CICA Handbook.
- (7) Karen Keebler and John Elliott participated in the Corporation's employee stock purchase plan.

DIRECTORS COMPENSATION

The outside Directors of the Corporation, being Messrs. Kanovsky, Fischer and McDermid, receive \$1,000 per Board of Directors meeting attended (either by phone or in person) and \$500 per Audit Committee or Compensation Committee meeting attended (either by phone or in person) plus reimbursement for any out of pocket expenses required to attend such meeting. The directors are eligible to receive stock options under the Corporation's stock option plan.

Name	Regular Fees Earned (\$)	Committee Fees (\$)	Incentive Plan (s)	Travel Fees (\$)	Option-Based Awards (\$)	Total (\$)
Michael Kanovsky	5,000	2,000	Nil	Nil	47,175	54,175
David McDermid	5,000	1,000	Nil	Nil	47,175	53,175
Charles Fischer	5,000	3,000	Nil	Nil	47,175	55,175

OTHER

No consulting fees and/or remuneration has been paid to any promoter, officer, director, other insider or any associate or affiliate thereof nor way any remuneration paid to any party for any work performed for public/investor relations.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS



STOCK OPTIONS

Subject to the limitations of the Plan, the Board of Directors has the authority to issue stock options to directors, officers, employees and key consultants of the Corporation and its subsidiaries. The purpose of the Plan is to advance the interests of the Corporation by encouraging the directors, officers, employees and key consultants of the Corporation or its subsidiaries to acquire Shares, thereby (i) increasing the proprietary interests of such persons in the Corporation, (ii) aligning the interests of such persons with the interests of the shareholders of the Corporation generally, (iii) encouraging such persons to remain associated with the Corporation and (iv) furnishing such persons with an additional incentive in their efforts on behalf of the Corporation.

A copy of the Plan is attached to this Information Circular as Appendix "B".

	Number of Securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options (\$)	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders	3,526,137	3.25	937,905

EMPLOYEE SHARE PURCHASE PLAN

On May 4, 2005 the shareholders of the Corporation ratified and confirmed the employee share purchase plan (the "Employee Plan"), previously adopted by the Board of Directors. The Employee Plan permits each permanent employee of the Corporation to contribute up to 10% of his or her base salary to purchase Common Shares. The Corporation matches the employee contribution and the Common Shares are acquired on the open market through the facilities of a brokerage house or from participants in certain circumstances once per month. The Employee Plan is administered by the Board of Directors.

OUTSTANDING OPTION-BASED AWARDS

The following table sets forth certain information respecting the numbers and accrued value of unexercised stock options as at December 31, 2010 for the Named Executive Officers.

Name	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Options ⁽¹⁾ (\$)
Peter O. Paulson	150,000	2.15	October 2, 2012	390,000
	50,000	4.65	November 15, 2015	5,000
Karen D. Keebler	100,000	2.15	October 2, 2012	260,000
	40,000	2.05	November 13, 2013	108,000
	35,000	4.15	November 20, 2014	21,000
	35,000	4.65	November 15, 2015	3,500
John F. Elliott	34,000	1.47	September 17, 2011	111,520
	150,000	2.15	October 2, 2012	390,000
	100,000	2.05	November 13, 2013	270,000
	50,000	4.15	November 20, 2014	30,000
	50,000	4.65	November 15, 2015	5,000

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS



Name	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Options ⁽¹⁾ (\$)
James E. Paulson	150,000	2.15	October 2, 2012	390,000
	50,000	4.65	November 15, 2015	5,000
John Rees-Stoner	100,000	3.00	May 13, 2013	175,000
	10,000	4.65	November 15, 2015	1,000

Note:

- (1) The value of the unexercised "in-the-money" options has been determined by subtracting the exercise price of the options from the closing price of the Common Shares of December 31, 2010 of \$4.75, on the TSXV, and multiplying by the number of Common Shares that may be acquired upon the exercise of the options.

The following table sets forth certain information respecting the numbers and accrued value of unexercised stock options as at December 31, 2010 for the directors.

Name	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-Money Options ⁽¹⁾ (\$)
Michael Kanovsky	25,000	1.47	September 17, 2011	82,000
	25,000	2.15	October 2, 2012	65,000
	25,000	3.09	May 14, 2013	41,500
	25,000	4.15	November 20, 2014	15,000
	25,000	4.65	November 15, 2015	2,500
David McDermid	100,000	3.09	May 14, 2013	166,000
	25,000	4.15	November 20, 2014	15,000
	25,000	4.65	November 15, 2015	2,500
Charles Fischer	100,000	3.33	May 14, 2014	142,000
	25,000	4.15	November 20, 2014	15,000
	25,000	4.65	November 15, 2015	2,500

Notes:

- (1) The value of the unexercised "in-the-money" options has been determined by subtracting the exercise price of the options from the closing price of the Common Shares of December 31, 2010 of \$4.75, on the TSXV, and multiplying by the number of Common Shares that may be acquired upon the exercise of the options.

The following table sets forth certain information respecting the value vested or earned during the fiscal year ended December 31, 2010, with respect to incentive plan awards as at December 31, 2010 for the Name Executive Officers.

Name	Option-based Awards - Value Vested During the Year ⁽¹⁾ (\$)	Non-equity Incentive Plan Compensation - Value Earned During the Year (\$)
Peter O. Paulson	96,000	206,000

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS



Karen D. Keebler	105,552	75,000
John F. Elliott	192,504	206,000
James E. Paulson	96,000	206,000
John Rees-Stoner	43,333	58,711

Notes:

- (1) For options granted on:
- November 20, 2009 at an exercise price of \$4.15, one-third of the options vested on November 20, 2010 at a fair market value of \$4.74 per share, the previous day's closing share price.
 - November 13, 2008 at an exercise price of \$2.05, one-third of the options vested on November 13, 2009 at a fair market value of \$4.65 per share, the previous day's closing share price.
 - May 13, 2008 at an exercise price of \$3.00, one-third of the options vested on May 13, 2009 at a fair market value of \$4.30 per share, the previous day's closing share price.
 - October 2, 2007 at an exercise price of \$2.15, one-third of the options vested on October 2, 2009 at a fair market value of \$4.07 per share, the previous day's closing share price.

EMPLOYMENT AGREEMENTS – TERMINATION AND CHANGE OF CONTROL BENEFITS

Peter O. Paulson

On August 1, 1996, the Corporation entered into an employment agreement with Peter O. Paulson, for the provision of services as President and Chief Executive Officer of the Corporation. The agreement commenced on September 3, 1996 and continues for an indefinite term. The Corporation is able to terminate the agreement for just cause or following the provision of 18 months' notice.

John F. Elliott

On October 28, 2005, the Corporation entered into an employment agreement with John F. Elliott, for the provision of services as Chief Operating Officer. The agreement commenced on the same date and continues for an indefinite term. The Corporation is able to terminate the agreement for just cause or following the payment of a cash amount equal to two (2) times the annual compensation of the executive plus an allowance of 15% of his annual base salary in lieu of benefits. In the event of a change of control, Mr. Elliott can terminate his employment within 30 days of such an event being finalized in which case Mr. Elliott would be compensated at the same level as previously stated. In 2010, Mr. Elliott's salary in accordance with the agreement was \$206,000.

John Rees-Stoner

On May 9, 2008, the Corporation took over an employment agreement with John Rees-Stoner, for the provision of services as Managing Director, Price Brothers (UK) Ltd. The Corporation is able to terminate the agreement for just cause or following the payment of a cash amount equal to one and one half (1 ½) the annual compensation of the executive. In 2010, Mr. Rees-Stoner's salary in accordance with the agreement was £146,899.

None of the other Named Executive Officers of the Corporation are parties to a formal employment contract.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS



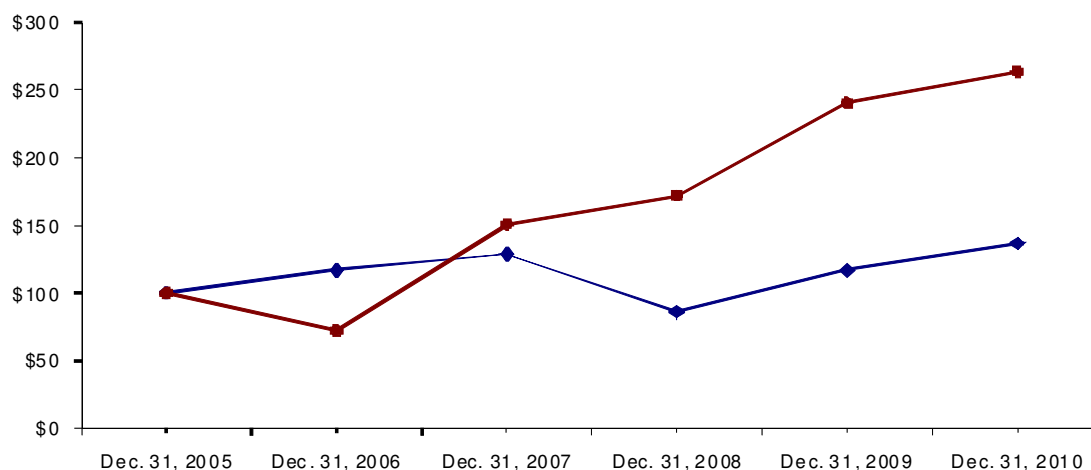
INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

The aggregate indebtedness of all directors and executive officers of the Corporation as at April 15, 2011, is Nil.

PERFORMANCE GRAPH

The Corporation has applied to list its common shares on the Toronto Stock Exchange (the "TSX"). The following Performance Graph shows the yearly change in the cumulative total shareholder return on the Corporation's common shares compared with the S&P/TSX Composite Index, from the December 31, 2005 to December 31, 2010. The performance of the common shares as set out in the graph below is based on historical data and is not indicative of, nor is it intended to forecast, the future performance of the common shares.

FOR FIVE YEARS ENDED DECEMBER 31, 2010



	Dec. 31, 2005	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2008	Dec. 31, 2009	Dec. 31, 2010
◆ S&P/TSX Composite Index	\$100	\$117	\$129	\$86	\$117	\$137
■ Pure Technologies	\$100	\$72.22	\$151.11	\$172.22	\$240.56	\$263.89

As indicated by the Performance Graph above, the cumulative total shareholder return for the Corporation was approximately 164% over the period ending December 31, 2005 to the period ending December 31, 2010. This compares to an increase in total executive compensation over the same period of approximately 102%. Total executive compensation includes base salaries, bonuses and stock option grants. The Corporation's Compensation Committee considers a number of factors and performance elements when determining compensation for its executives, including total shareholder return.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS



INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed elsewhere in this Information Circular, no informed person of the Corporation, proposed director, any associate or affiliate of any informed person or proposed director, or any associate or affiliate of any informed person or proposed director, has or has had any material interest, direct or indirect, in any transaction since the commencement of the Corporation's last financial year or in any proposed transaction that has materially affected or would materially affect the Corporation or any of its subsidiaries.

ADDITIONAL INFORMATION



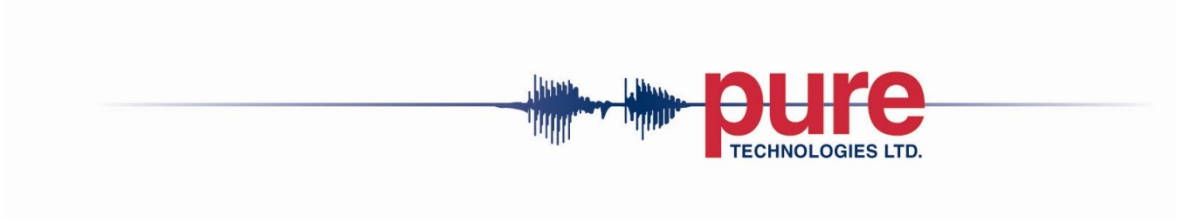
ADDITIONAL INFORMATION

Financial information is provided in the Corporation's comparative financial statements and management's discussion and analysis for the year end December 31, 2010. The Corporation will provide, without charge to a security holder, a copy of the Corporation's Annual Report to shareholders containing the comparative financial statements for the year ended December 31, 2009 together with the Auditors' Report thereon and Management's Discussion and Analysis, Annual Information Form, interim financial statements for subsequent periods, and the Information Circular upon request to the Corporate Secretary, c/o 300, 705 – 11th Ave. S.W., Calgary, AB, T2R 0E9. Phone (403) 266-6794, Fax (403) 266-6570 or e-mail info@puretechnologiesltd.com.

Additional information about the Corporation can be found on SEDAR at www.sedar.com.

DIRECTORS' APPROVAL

The Board of Directors has approved the contents and the sending of this Information Circular.



APPENDIX A

Statement of Corporate Governance Practices

PURE TECHNOLOGIES LTD.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Form 58-101F2 – Continuous Governance Disclosure	The Corporation's Practices
1. Board of Directors	
(a) Disclose the identity of directors who are independent	The Board of Directors is comprised of six persons. The independent directors are Mr. Michael Kanovsky, Mr. David McDermid, Mr. Charles Fischer, and Mr. Scott I. MacDonald.
(b) Disclose the identity of directors who are not independent, and describe the basis for that determination.	Mr. Peter Paulson is not independent as he is the Chief Executive Officer of the Corporation and receives direct remuneration as such. Mr. James Paulson is not independent as he receives direct remuneration in his capacity as Chairman.
2. Directorships	
(a) If a director is presently a director of any other issuer that is a reporting issuer in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.	Mr. Michael Kanovsky is currently a director of Devon Energy Corporation, ARC Energy Trust, Bonavista Petroleum and TransAlta Corporation. Mr. Fischer is currently a director of Enbridge Inc. and Enbridge Income Fund Holding Inc.
3. Orientation and Continuing Education	
(a) Describe what steps, if any, the board takes to orient new members, and describe any measures the board takes to provide continuing education for directors.	It is the Board's intention that as and when a new nominee for election or appointment is identified, it will ensure that a full program of orientation and education is provided for the nominee, including (but not limited to) provision of a complete corporate history as well as information regarding the Corporation's business and operations. Senior management makes regular presentations to the Board on the main areas of the Corporation's business. The Audit Committee is constantly updated on changes in accounting rules and their application to the Corporation.
4. Ethical Business Conduct	
(a) Describe what steps, if any, the board takes to encourage and promote a culture of ethical business conduct.	The Board of Directors encourages and promotes a culture of ethical business conduct through communication and supervision as part of their overall stewardship responsibility. The Board of Directors believes that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which a director has an interest have been sufficient to

**Form 58-101F2 –
Continuous Governance Disclosure**

The Corporation's Practices

ensure that the Board operates independently of management and in the best interests of the Corporation. The Board is subject to an annual sign-off of the code of conduct policy with the Corporation.

5. Nomination of Directors

- (a) Disclose what steps, if any, are taken to identify new candidates for board nomination.

The Board of Directors regularly considers its size when it considers the number of directors to recommend to the Shareholders for election at the annual and special meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of view and experience. There is no formal procedure for the nomination of Directors of the Corporation. However, the Board of Directors considers potential future members as part of its succession planning.

6. Compensation

- (a) Disclose what steps, if any, are taken to determine compensation for the directors and CEO.

The Board has appointed a Compensation Committee to oversee the directors and senior officers' compensation including incentive payments, salary structure, and benefit plans. See the heading "Directors Compensation" in the Circular for information on the compensation paid to outside directors.

7. Other Board Committees

- (a) If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.

The Board of Directors has formally appointed only an Audit and Compensation Committee and has no other committees in place at this time.

8. Assessments

- (a) Disclose what steps, if any, that the board takes to satisfy itself that the board, its committees, and its individual directors are performing effectively.

Due to the relatively small size of the Corporation's board of directors, the Board of Directors has not established a formal policy to monitor the effectiveness of the directors, the Board and its committees. The Board of Directors encourages discussions among its members regarding the composition of the Board of Directors the ability of the Board to engage in effective decision-making and the competencies and skills that the Board of Directors should possess.



APPENDIX B

Stock Option Plan (the "Plan")

PURE TECHNOLOGIES LTD.

EMPLOYEE STOCK OPTION PLAN

THIS PLAN, dated effective June 9, 2011, amends and restates the Stock Option Plan of Pure Technologies Ltd. (the "**Corporation**"), dated May 18, 2010.

1. **The Plan**

A stock option plan pursuant to which Options to purchase Shares may be granted to the Eligible Employees of the Corporation and its direct and indirect subsidiaries (the "**Pure Group**") is hereby established on the terms set forth below.

2. **Purpose**

The purpose of this Plan is to advance the interests of the Pure Group by encouraging Eligible Employees to acquire Shares, thereby (i) increasing the proprietary interests of such persons in the Corporation, (ii) aligning the interests of such persons with the interests of the shareholders of the Corporation generally, (iii) encouraging such persons to remain associated with the Pure Group, and (iv) furnishing such persons with an additional incentive in their efforts on behalf of the Pure Group.

3. **Defined Terms**

3.1 Where used herein, the following terms shall have the following meanings, respectively:

"Black-Out Period" means the period of time when, pursuant to any policies of the Corporation, any securities of the Corporation may not be traded by certain Persons as designated by the Corporation, including any holder of an Option;

"Board" means the board of directors of the Corporation;

"Canadian Option" means an Option pursuant to which the Option Price is stated and payable in Canadian dollars;

"Cause" means, unless otherwise defined in the applicable agreement evidencing the grant of an Option hereunder, any act or omission that would entitle the Employer to terminate the Participant's employment without notice or compensation under the common law for just cause, including, without in any way limiting its meaning under the common law:

- (i) any improper conduct by the Participant which is materially detrimental to the Employer;
or
- (ii) the willful failure of the Participant to properly carry out his or her duties on behalf of the Employer or to act in accordance with the reasonable direction of the Employer;

"Change of Control" means the occurrence of any of:

- (i) any transaction at any time and by whatever means pursuant to which any Person or any group of two or more Persons acting jointly or in concert (other than the Corporation or any wholly-owned subsidiary of the Corporation) hereafter acquires the direct or indirect "beneficial ownership" (as defined in the Business Corporations Act (Alberta)) of, or acquires the right to exercise control or direction over, securities of the Corporation representing more than 50% of the then issued and outstanding voting securities of the Corporation in any manner whatsoever, including, without limitation, as a result of a

takeover bid, an issuance or exchange of securities, an amalgamation of the Corporation with any other entity, an arrangement, a capital reorganization or any other business combination or reorganization;

- (ii) the sale, assignment or other transfer of all or substantially all of the assets of the Corporation to a Person or any group of two or more Persons acting jointly or in concert (other than a wholly-owned subsidiary of the Corporation);
- (iii) the dissolution or liquidation of the Corporation, except in connection with the distribution of assets of the Corporation to one or more Persons which were wholly-owned subsidiaries of the Corporation prior to such event;
- (iv) the occurrence of a transaction requiring approval of the Corporation's shareholders whereby the Corporation is acquired through consolidation, merger, exchange of securities, purchase of assets, amalgamation, statutory arrangement or otherwise by any Person or any group of two or more Persons acting jointly or in concert (other than an exchange of securities with a wholly-owned subsidiary of the Corporation); or
- (v) the Board passes a resolution to the effect that an event comparable to an event set forth in this definition has occurred;

provided that an event described in this definition shall not constitute a Change of Control where such event occurs as a result of a Permitted Reorganization;

"Code" means the U.S. Internal Revenue Code of 1986, as amended;

"Constructive Dismissal" has the meaning ascribed thereto pursuant to the common law, unless otherwise defined in the applicable agreement evidencing the grant of an Option hereunder, and shall include, without in any way limiting its meaning under the common law, any material change (other than a change which is clearly consistent with a promotion) imposed by the Employer without the Participant's consent to the Participant's title, responsibilities or reporting relationships, or a reduction of the Participant's compensation except where such reduction is applicable to all officers, if the Participant is an officer, or all employees, if the Participant is an employee, of the Employer;

"Continuing Entity" has the meaning set out in Section 10.1;

"Continuing Entity Options" has the meaning set out in Section 10.1;

"Control Period" means the period commencing on the date of the Change of Control and ending 180 days after the date of the Change of Control;

"Corporation" means Pure Technologies Ltd. and includes any successor corporation thereto;

"Date of Grant" of an Option means the date an Option is granted to a Participant under the Plan;

"Disability" means where the Participant:

- (i) is to a substantial degree unable, due to illness, disease, affliction, mental or physical disability or similar cause, to fulfill his obligations as an officer or employee of the Employer either for any consecutive 12 month period or for any period of 18 months (whether or not consecutive) in any consecutive 24 month period; or

- (ii) is declared by a court of competent jurisdiction to be mentally incompetent or incapable of managing his affairs;

"Eligible Employee" means directors, officers, employees and key consultants of the Pure Group;

"Employer" means with respect to a Participant, the entity in the Pure Group that employs the Participant or that employed the Participant immediately prior to his or her Termination Date;

"Fair Market Value" means, on any particular date, the fair market value of a Share as determined by the Board in accordance with the following:

- (i) in respect of a Share issuable upon the exercise of a Canadian Option, the Fair Market Value shall mean the weighted average trading price of a Share on the TSX during the last five trading days prior to that particular date on which at least a board lot of Shares has so traded or, if a board lot has not traded on a particular day, the average of the bid and asked prices; or, if the Shares are not then listed and posted for trading on any stock exchange in Canada, then the Fair Market Value shall mean the fair market value per Share (in Canadian dollars) as determined by the Board in its sole discretion and to the extent applicable, in accordance with Section 409A of the Code;
- (ii) the Fair Market Value of a Share shall be rounded up to the nearest whole cent;

"Insider" means an insider as defined in the TSX Company Manual, as amended from time to time;

"ITA" means the *Income Tax Act* (Canada), R.S.C. 1985 (5th Supp.), c. 1, including the regulations promulgated thereunder, as amended from time to time;

"Leave of Absence" means any period during which, pursuant to the prior written approval of the Participant's Employer, the Participant is considered to be on an approved leave of absence but does not provide any services to his or her Employer;

"Noon Buying Rate" means the noon buying rate for the applicable currency published by the Bank of Canada on the relevant date;

"Option" means an option to purchase Shares granted in accordance with the Plan by the Corporation to Participant subject to the provisions contained herein;

"Option Price" means, in respect of any particular Option, the price per Share at which Shares may be purchased under that Option, as the same may be adjusted in accordance with Article 8 hereof;

"Participant" means a director, officer, employee or key consultant of the Pure Group to whom an Option has been granted and which Option, or portion thereof, remains unexercised and has not been surrendered;

"Permitted Reorganization" means a reorganization of Pure Technologies Ltd. in circumstances where the shareholdings or ultimate ownership remains substantially the same upon completion of the reorganization;

"Person" means any individual, sole proprietorship, partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, agency and, where the context requires, any of the foregoing when they are acting as trustee, executor, administrator or other legal representative;

"Plan" means this Share Option Plan of the Corporation, as set out herein, as the same may be amended, supplemented or varied from time to time;

"Pure" means the Corporation and any corporations which the Corporation controls, within the meaning of the ITA;

"Restricted Options" has the meaning set out in Section 5.9;

"Retirement" means the normal retirement of the Participant from employment with the Employer or the early retirement of the Participant pursuant to any applicable retirement plan of the Employer;

"Shares" means the common shares in the capital of the Corporation as presently constituted or any securities into which such common shares are changed, reclassified, subdivided, consolidated or converted or which are substituted for such common shares, or as such common shares may further be changed, reclassified, subdivided, consolidated, converted or substituted;

"Substitution Event" means a Change of Control pursuant to which the Shares are converted into, or exchanged for, other property, whether in the form of securities of another entity, cash or otherwise;

"Termination Date" means the Participant's last day of active employment with the Employer, regardless of the reason for the termination of employment including for certainty upon Retirement;

"TSX" means The Toronto Stock Exchange; and

"U.S. Taxpayer" means a person who is a citizen or permanent resident of the United States for the purposes of the Code or for whom Options granted under the Plan would otherwise be subject to United States federal income taxation under the Code.

4. **Administration of the Plan**

4.1 The Plan shall be administered by the Corporation. The Corporation shall effect the grant of Options under the Plan, in accordance with determinations made by the Board pursuant to the provisions of the Plan, including as to:

- (a) the Eligible Employees to whom Options will be granted;
- (b) the number of Shares which shall be the subject of each Option;
- (c) the Option Price in respect of each Option (subject to Section 5.7 hereof);
- (d) the expiry date in respect of each Option; and
- (e) any and all terms and conditions in addition to (and not inconsistent with) those contained herein which are to be attached to any or all such Options;

by the execution and delivery of instruments in writing in such form or forms as shall have been approved by the Board.

4.2 The Board may from time to time adopt such policies, guidelines, rules and regulations for administering the Plan as it may deem proper and in the best interests of the Corporation and may, subject to applicable law, delegate any of its powers hereunder to a committee of the Board. To the extent the Board considers it desirable to meet the requirements of the performance-

based compensation exception of Section 162(m) of the Code, the Plan shall be administered by a committee of two or more "outside directors" (within the meaning of Section 162(m) of the Code).

5. **Granting of Options**

- 5.1 The Board from time to time may grant Options to such Eligible Employees as the Board shall determine; provided, however, that Options may be granted to an Eligible Employee who is a U.S. Taxpayer only if the corporation or entity (that is part of the Pure Group) for which he or she provides services would, together with the Corporation, be classified as the "service recipient" (as defined in Section 409A of the Code) with respect to such directors, officers, employees and key consultants and further provided that Options will only be granted to any Eligible Employee in a jurisdiction excluding Canada and the United States if such grant is permitted pursuant to applicable laws. Each grant of an Option shall be made by virtue of the employment of the Participant with The Pure Group and subject to the terms and conditions contained herein and may be subject to additional terms and conditions (not inconsistent herewith) determined by the Board from time to time. Unless otherwise provided in the applicable agreement evidencing the grant of an Option hereunder, all Options shall vest and become exercisable as follows:
- (a) 1/3 of the Options shall vest on the first anniversary of the Date of Grant;
 - (b) an additional 1/3 of the Options shall vest on the second anniversary of the Date of Grant; and
 - (c) the final 1/3 of the Options shall vest on the third anniversary of the Date of Grant.
- 5.2 Options granted to any Participant shall be approved by the shareholders of the Corporation if the rules of any stock exchange on which the Shares are listed require such approvals.
- 5.3 Unless prohibited by applicable law or rules of a stock exchange on which the Shares are listed in for trading, Canadian Options may be granted to a Participant without regard to such Participant's domicile or residence for tax purposes. United States taxpayers that are Participants may receive Canadian Options.
- 5.4 The aggregate number of Shares reserved by the Corporation for issuance under this Plan and all other security based compensation arrangements of the Corporation shall not exceed 10% of the issued and outstanding Shares and the aggregate number of Shares issuable as an inducement to employment to any one individual shall not exceed 2% of the issued and outstanding Shares. The proportion of Shares reserved by the Corporation for issuance under this Plan in any one fiscal year to any one individual shall not exceed 25% of the Shares so reserved for issuance under this Plan during such fiscal year.
- 5.5
- (a) The number of Shares issuable to Insiders of the Corporation, at any time, under all security based compensation arrangements of the Corporation, including the Plan, cannot exceed 10% of the issued and outstanding Shares; and
 - (b) The number of Shares issued to Insiders of the Corporation, within any one year period, under all security based compensation arrangements of the Corporation, including the Plan, cannot exceed 10% of the issued and outstanding Shares.
- 5.6 If any Option granted under this Plan shall expire or terminate for any reason without having been exercised or surrendered in full, any unpurchased Shares to which such Option relates shall be available for the purposes of the granting of Options under this Plan.

- 5.7 The Board shall, at the time an Option is granted under this Plan, fix the Option Price in respect of such Option and such Option Price shall not be less than the Fair Market Value on the Date of Grant. If the Option is a Canadian Option, the Option Price shall be stated and payable in Canadian dollars.
- 5.8 Subject to Section 5.9, an Option must be exercised or surrendered within a period of time not exceeding five years from the Date of Grant (or such shorter period of time as the Board may determine and specify in connection with the grant of the Option), otherwise the Option shall expire immediately after the applicable period.
- 5.9 Except if not permitted by the TSX, if any Options may not be exercised due to any Black-Out Period being in effect at any time within the 3 business day period prior to the normal expiry date of such Options (the "**Restricted Options**"), the expiry date of all Restricted Options shall be extended for a period of 7 business days following the end of the Black-Out Period (or such longer period as permitted by the TSX and approved by the Board).

6. **Exercise or Surrender of Options**

- 6.1 Subject to the provisions of this Plan and the terms and conditions of the Option, an Option or any portion thereof may be exercised from time to time by delivery to the Corporation at its registered office of a notice in writing signed by the Participant or, in the case of the Participant's death or incapacity, the Participant's legal personal representative. This notice shall state the intention of the Participant, or, in the case of the Participant's death or incapacity, the Participant's legal personal representative, to exercise the Option or a portion thereof and the number of Shares in respect of which the Option is then being exercised, and must be accompanied by payment to the Corporation in full of the applicable Option Price (including any applicable withholding tax) in the currency in which the Option Price is denominated for the Shares which are the subject of the exercise.
- 6.2 As an alternative to the exercise of an Option pursuant to Section 6.1, a Participant shall be entitled, at his or her election, to surrender for cancellation, unexercised, any vested Option which is otherwise then exercisable and, in consideration for such surrender for cancellation, to receive a cash payment in an amount equal to the positive difference, if any, obtained by subtracting the aggregate Option Price of the surrendered Option from the then current Fair Market Value of the Shares subject to the surrendered Option, less applicable source withholdings. The Board has the sole discretion to consent or disapprove of the election of the Participant to surrender any vested Option pursuant to this Section 6.2. If the Board disapproves of the election, the Participant may (i) exercise the Option under Section 6.1, or (ii) retract the request to surrender such Option and retain the Option. If the Board approves of the election, the Board shall make the cash payment to the Participant in respect of the surrendered Option within 30 days. Any cash payment in accordance with this Section 6.2 shall be payable in Canadian dollars, if made with respect to a Canadian Option.

7. **Non-Assignability of Options**

Each Option granted to a Participant is non-assignable and non-transferable except pursuant to laws of succession and, except in the case of the Participant's death or incapacity, shall be exercisable or surrendered only by the Participant.

8. **Adjustments**

- 8.1 Appropriate adjustments in the number of Shares subject to the Plan and, with respect to Options granted or to be granted, in the respective numbers of Shares optioned and in the respective Option Prices, shall be made by the Board to give effect to adjustments in the number of Shares resulting from subdivisions or consolidations of the Shares or the payment of dividends in kind of

Shares by the Corporation (other than dividends in kind of Shares paid in lieu of cash dividends in the ordinary course) or to give effect to reclassifications or conversions of the Shares or any other relevant changes in the authorized or issued capital of the Corporation or any other event in respect of which, in the opinion of the Board, such an adjustment would be necessary to preserve the Participant's rights hereunder and under the Options, in all such cases which occur subsequent to the approval of the Plan by the Board; provided that no Option shall be adjusted to result in the issuance of a fractional Share and all fractions shall be rounded down; provided further that an Option, which is intended to be exempt from Section 409A of the Code, shall be adjusted in accordance with Section 409A in order to remain exempt from Section 409A.

9. **Termination of Employment**

- 9.1 If, before the expiry of an Option in accordance with the terms thereof, the Participant holding such Option shall cease to be an Eligible Employee by reason of Disability or Leave of Absence, such Option shall continue to vest in accordance with its terms and may be exercised (if such Option is fully vested) or surrendered until the normal expiry of the Option in accordance with its terms.
- 9.2 If, before the expiry of an Option in accordance with the terms thereof, the Participant holding such Option shall cease to be Eligible Employee by reason of Retirement, such Option shall continue to vest in accordance with its terms and may be exercised (if such Option is fully vested) or surrendered at any time within 24 months of the Participant's Termination Date unless otherwise provided in the terms of a particular Option. Any Option that remains unexercised shall immediately terminate and be of no further force and effect upon the expiration of such 24 month period.
- 9.3 If, before the expiry of an Option in accordance with the terms thereof, the Participant holding such Option shall cease to be Eligible Employee by reason of voluntary resignation (i) the unvested part of the Option shall be cancelled immediately and may not be exercised or surrendered, and (ii) the vested part of such Option may be exercised or surrendered at any time within 30 days of the Participant's Termination Date, but only to the extent that the Participant was entitled to exercise or surrender such Option at the Participant's Termination Date. Any Option that remains unexercised shall immediately terminate and be of no further force and effect upon the expiration of such 30 day period.
- 9.4 If, before the expiry of an Option in accordance with the terms thereof, the Participant holding such Option shall cease to be Eligible Employee by reason of termination other than for Cause, such Option shall continue to vest in accordance with its terms and may be exercised (if such Option is fully vested) or surrendered at any time within 90 days of the Participant's Termination Date. Any Option that remains unexercised shall immediately terminate and be of no further force and effect upon the expiration of such 90 day period.
- 9.5 If, before the expiry of an Option in accordance with the terms thereof, a Change of Control shall occur and the Participant shall cease to be a director, officer, employee or key consultant of the Employer by reason of termination:
- (a) by the Employer or by the entity that has entered into a valid and binding agreement with the Corporation and/or other members of Pure Technologies Ltd. to effect the Control Change at any time after such agreement is entered into or during the Control Period and such termination was for any reason other than for Cause; or
 - (b) by the Participant within 30 days after an act of Constructive Dismissal, provided such act of Constructive Dismissal occurs during the Control Period;

the Participant's Options shall become fully vested and may be exercised or surrendered by the Participant (including such part, if any, thereto which, but for this Section 9.7, would not otherwise be able to be exercised or surrendered) at any time within 90 days of the Participant's Termination Date. Any Option that remains unexercised shall immediately terminate and be of no further force and effect upon the expiration of such 90 day period.

- 9.6 This Plan does not confer upon a Participant any right with respect to continuation as an officer or employee with the Pure Group nor does it interfere in any way with the right of the Participant or the Pure Group's to terminate the Participant's employment at any time.
- 9.7 Options shall not be affected by any change of employment of the Participant so long as the Participant continues to be employed by the Pure Group.
- 9.8 Notwithstanding the foregoing for greater certainty nothing in this section 9 shall extend the expiry date of an Option.

10. **Substitution Event**

10.1 Unless Section 10.2 applies, upon the occurrence of a Substitution Event or a Permitted Reorganization, where the surviving or acquiring entity (the "**Continuing Entity**") is a corporation, then the Continuing Entity shall substitute or replace similar options to purchase securities in the Continuing Entity ("**Continuing Entity Options**") for the Options outstanding under this Plan on substantially the same terms and conditions as this Plan. For greater certainty, no consideration other than Continuing Entity Options shall be received and the excess of the aggregate fair market value of the securities of the Continuing Entity subject to the Continuing Entity Options immediately after the substitution or replacement over the aggregate option price of such securities under the Continuing Entity Options shall not exceed the excess of the aggregate Fair Market Value of the Shares subject to the outstanding Options immediately before such substitution or replacement over the aggregate Option Price of such Shares. Any such substitution or replacement shall, at all times, be made in compliance with the provisions of subsection 7(1.4) of the ITA and Section 409A of the Code.

10.2 In the event that:

- (a) the Continuing Entity does not (or, upon the occurrence of the Substitution Event or Permitted Reorganization, will not) substitute or replace Continuing Entity Options for the Options outstanding under this Plan on the same terms as described in Section 10.1;
- (b) the Board determines, acting reasonably, that such substitution or replacement is not practicable;
- (c) the Board determines, acting reasonably, that such substitution or replacement would give rise to adverse tax results, under the ITA or the Code, to holders of Options; or
- (d) the securities of the Continuing Entity are not (or, upon the occurrence of the Substitution Event or Permitted Reorganization, will not be) listed and posted for trading on a recognizable stock exchange;

the outstanding Options shall become fully vested and may be exercised or surrendered by the Participant (including such part, if any, thereto which, but for this Section 10.2, would not otherwise be able to be exercised or surrendered) at any time after the Participant receives written notice from the Board of such accelerated vesting and prior to the occurrence of the Substitution Event or Permitted Reorganization; provided, however, that such vesting, exercise or surrender shall be, unless otherwise determined in advance by the Board, effective immediately prior to, and shall be conditional on, the consummation of such Substitution Event or Permitted

Reorganization. Any Options that have not been exercised or surrendered pursuant to this Section 10.2 shall be forfeited and cancelled without compensation to the holder thereof upon the consummation of such Substitution Event or Permitted Reorganization.

11. **Decisions of the Board**

11.1 All decisions and interpretations of the Board respecting the Plan or any Options shall be conclusive and binding on the Corporation and the Participants and their respective legal personal representatives.

12. **Amendment or Discontinuance of Plan**

12.1 Subject to the policies, rules and regulations of any lawful authority having jurisdiction over the Corporation (including any exchange on which the Shares are listed for trading), the Board may at any time, without further action by, or approval of, the holders of Shares, amend this Plan or any Option granted under this Plan in such respects as it may consider advisable and, without limiting the generality of the foregoing, it may do so to:

- (a) ensure that Options granted under this Plan will comply with any provisions respecting stock options in the income tax or other laws in force in any country or jurisdiction of which a Person to whom an Option has been granted may from time to time perform services or be resident;
- (b) make amendments of a procedural or "housekeeping" nature;
- (c) change the termination provisions of an Option granted under the Plan which does not entail an extension of the expiry date of the Option beyond the original expiry date of the Option; or
- (d) terminate this Plan.

Any such amendments shall, if made, become effective on the date selected by the Board. The Board may not, however, without the consent of the Option holder, except as permitted by provisions of Articles 8 or 10 hereof, alter or impair any of the rights or obligations under any Option theretofore granted.

12.2 Notwithstanding Section 12.1, approval of the holders of Shares will be required in order to:

- (a) increase the maximum number of Shares reserved for issuance under the Plan;
- (b) reduce the Option Price in respect of any Option;
- (c) extend the period of time during which an Option must be exercised or surrendered;
- (d) increase any limit on grants of Options to Insiders of the Corporation set out in the Plan;
- (e) add any form of financial assistance by the Corporation for the exercise of any Option;
- (f) expand the circumstances under which Options may be assigned or transferred as permitted by Article 7 hereof;
- (g) amend the class of eligible participants under the Plan;
- (h) amend this Article 12; or

- (i) grant additional powers to the Board to amend the Plan or any Option without the approval of holders of Shares.

13. **Government Regulation**

13.1 The Corporation's obligation to issue and deliver Shares on the exercise of any Option is subject to:

- (a) the satisfaction of all requirements under applicable securities laws in respect thereof and obtaining all regulatory approvals as the Corporation shall determine to be necessary or advisable in connection with the authorization, issuance or sale of such Shares;
- (b) the admission of such Shares to listing on any stock exchange on which Shares may then be listed; and
- (c) the receipt from the Participant of such representations, agreements and undertakings as to future dealings in such Shares as the Corporation determines to be necessary or advisable in order to safeguard against the violation of the securities or income tax laws of any jurisdiction.

The Corporation shall take all reasonable steps to obtain such approvals and registrations as may be necessary for the issuance of such Shares in compliance with applicable securities laws and for the listing of such Shares on any stock exchange on which Shares are then listed.

13.2 The Corporation may withhold from any amount payable to a Participant, either under this Plan, or otherwise, such amount as may be necessary so as to ensure that the Corporation will be able to comply with the applicable provisions of any federal, provincial or local law relating to the withholding of tax or other required deductions, including on the amount, if any, includable in the income of a Participant.

14. **Participant's Rights**

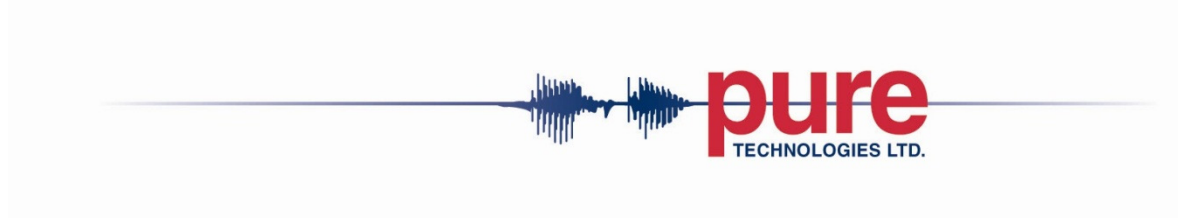
A Participant shall not have any rights as a shareholder of the Corporation in respect of any Shares issuable pursuant to an Option until the issuance of Shares upon the exercise of the Option or a portion thereof, and then only with respect to the Shares so issued. For greater certainty, a Participant shall not have the right or be entitled to exercise any voting rights, receive dividends or have or be entitled to any other rights as a shareholder of the Corporation in respect of any Options.

15. **Approvals**

15.1 If Shares cannot be issued to a Participant upon the exercise of an Option for any reason which, in the opinion of the Board, acting reasonably, would result either in the breach of applicable laws or in undue expense to the Corporation as a result of the Corporation being required to comply with non-Canadian regulatory requirements, the obligation of the Corporation to issue such Shares shall terminate and any funds paid to the Corporation in connection with the exercise of such Option will be returned to the relevant Participant as soon as practicable. In such circumstances, such Participant shall be deemed to have elected to surrender the Option in accordance with Section 6.2, the Corporation shall be deemed to approve such election and such Participant shall be paid the amount specified in that Section.

16. **Effective Date**

This Plan is effective from June 9, 2011.



APPENDIX C

Audit Committee Charter

PURE TECHNOLOGIES LTD.
AUDIT COMMITTEE CHARTER

1. Purpose

The primary function of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities by reviewing: the financial reports and other financial information provided by the Company to any governmental body or the public; the Company's systems of internal controls regarding finance, accounting, legal compliance and ethics that management and the Board have established; and the Company's auditing, accounting and financial reporting processes generally. Consistent with this function, the Audit Committee should encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels.

The Audit Committee's primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor the Company's financial reporting process and internal control system;
- Over see the accuracy and completeness of the Company's financial statements and related management discussion and analysis;
- Review and appraise the audit efforts of the Company's external auditors;
- Provide an open avenue of communication among the external auditors, financial and senior management and the Board of Directors;
- Oversee the Company's compliance with legal and regulatory requirements; and
- Any additional duties set out in this Charter or otherwise delegated to the Committee by the Board of Directors.

While the Committee has the responsibilities and powers set forth in this Charter, the role of the Committee is oversight. It is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with Canadian generally accepted accounting principles ("**GAAP**") or International Financial Reporting Standards ("**IFRS**") as applicable and as the case may be. These are the responsibility of management and the Corporation's external auditor.

2. Composition

The Board of Directors will in each year appoint a minimum of three (3) directors ("**Directors**") as members of the Committee. All members of the Committee shall be "independent" Directors as such term is defined in National Instrument 52-110 – *Audit Committees*, such that each member of the Committee shall have no direct or indirect relationship with the that could, in the view of the Board of Directors, reasonably interfere with the exercise of his or her independent judgment.

The Board of Directors will in each year appoint a chairman of the Committee (the "**Committee Chair**"). In the Committee Chair's absence, or if the position is vacant, the Committee may select another member as Committee Chair. The Committee Chair will have the right to exercise all powers of the Committee between meetings but will attempt to involve all other members of the Committee as appropriate prior to the exercise of any powers and will, in any event, advise all other members of the Committee of any decisions made or powers exercised.

All members of the Committee shall be financially literate. While the Board of Directors shall determine the definition of and criteria for financial literacy, this shall, at a minimum, include the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Directors who are not members of the Committee may attend all or any part of meetings of the Committee, but shall not be entitled to vote on any questions before the Committee. Other than members of the Board of Directors, entitlement to attend all or any portion of any Committee meeting shall be determined by the Committee Chair or by the members of the Committee.

3. Meetings

The Committee shall meet at least four times annually, or more frequently as circumstances dictate. The Committee should meet at least annually with management and the external auditors in separate sessions to discuss any matters that the Committee or each of these groups believe should be discussed privately.

4. Authority

The Audit Committee has the authority to:

- a) Engage, at the Company's expense, independent counsel and other experts and advisors as it determines necessary to carry out its duties;
- b) To set and pay the compensation for any advisors employed by the audit committee; and
- c) To communicated directly with the internal and external auditors.

5. Responsibilities and Duties

To fulfill its responsibilities and duties the Audit Committee shall:

DOCUMENTS / REPORTS REVIEW

- a) Review and update this Charter periodically, at least annually;
- b) Review the audited annual financial statements of the Company as prepared by management in conjunction with the external auditors, the related management discussion and analyses and the associated press releases for submission to the Board of Directors for approval;
- c) Review the unaudited quarterly financial statements of the Company as prepared by management, the related management discussion and analyses and the associated press releases for submission to the Board of Directors for approval;
- d) Review any earnings press releases or other financial information submitted to any governmental body or to the public;
- e) Review with management and the external auditor, significant accounting practices employed by the Company and disclosure issues, including complex or unusual transactions, judgmental areas such as reserves or estimates, significant changes to accounting principles, and alternative treatments under GAAP or IFRS, as the case may be, for material transactions, with a view to gaining reasonable assurance that the accounting policies and critical accounting estimates are appropriate and that the financial statements are accurate within reasonable levels of materiality,

complete, do not contain any misrepresentations and present fairly the Company's financial position and results of operations in accordance with GAAP or IFRS, as the case may be;

- f) Review and assess any new or proposed developments in accounting and reporting standards that may affect or have an impact on the Company;
- g) Confirm through discussions with management and the external auditor that GAAP or IFRS, as the case may be, and all applicable laws or regulations related to financial reporting and disclosure have been complied with;
- h) Review any unresolved significant issues between management and the external auditor that could affect the financial reporting or internal controls of the Company;
- i) Review any actual or anticipated litigation or other events, including tax assessments, which could have a material current or future affect on the Company's financial statements, and the manner in which these have been disclosed in the financial statements;
- j) Discuss with management the effect of any off-balance sheet transactions, arrangements, obligations and other relationships with unconsolidated entities or other persons that may have a material current or future affect on the Company's financial condition, changes in financial condition, results of operations, liquidity, capital expenditures, capital resources, or significant components of revenues and expenses;
- k) Review and discuss with the Chief Executive Officer and Chief Financial Officer of the Company the procedures undertaken in connection with the Chief Executive Officer and Chief Financial Officer certifications for the annual and/or quarterly filings with applicable securities regulatory authorities;
- l) Review disclosures made by the Chief Executive Officer and Chief Financial Officer to the Company during their certification process for annual and/or quarterly financial statements with applicable securities regulatory authorities about any significant deficiencies in the design or operation of internal controls which adversely affect the Company's ability to record, process, summarize and report financial data or any material weaknesses in the internal controls, and any fraud involving management or other employees of the Company who have a significant role in the Company's internal controls; and
- m) Review or satisfy itself that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted from the Company's financial statements and periodically assess the adequacy of those procedures.

EXTERNAL AUDITORS

- a) Recommend to the Board of Directors the selection of external auditors, considering independence and effectiveness and approve the fees and other compensation to be paid to the external auditors;
- b) Review the performance of the external auditors and approve any proposed replacement of the external auditors when circumstances warrant;
- c) At least annually, and before the external auditor issues its report on the annual financial statements, review and confirm the independence of the external auditor through discussions with the auditor on their relationship with the Company and its subsidiaries, including details of all non-audit services provided. Consider the safeguards implemented by the external auditor to minimize any threats to their independence, and take action to eliminate all factors that might impair, or be perceived to impair, the independence of the external auditor. Consider the number of years the lead audit partner has been assigned to the Company, and consider whether it is

appropriate to recommend to the Board of Directors a policy of rotating the lead audit partner more frequently than every five years, as is required under the rules of the Canadian Public Accountability Board;

- d) Review management's plans for an orderly transition to a new external auditor, if required;
- e) Pre-approve, in accordance with applicable law, any non-audit services to be provided to the Company or its subsidiary entities by the external auditor with reference to compatibility of the service with the external auditor's independence. The Audit Committee may satisfy the pre-approval requirement by either delegating to one or more members of the Audit Committee the authority to pre-approve non-audit services with the members of the Committee being informed of any such pre-approvals at the next regularly scheduled meeting of the Committee or adopting specific policies and procedures for the engagement of non-audit services; and
- f) The external auditor will report directly to the Committee and will be accountable to the Committee and the Board of Directors, as representatives of the Shareholders.

In its role as liaison with the external auditor the Committee will:

- i. resolve any disagreements between management and the external auditor regarding financial reporting;
- ii. review all material written communications between the external auditor and the Company, including any post-audit management letter containing the recommendations of the external auditor, management's response and, subsequently, follow up on identified weaknesses; and
- iii. meet with the external auditor independently from management and without management present at least annually to discuss and review specific issues and any significant matters that the auditor may wish to bring to the Committee for its consideration.

FINANCIAL REPORTING PROCESS

- a) Review and monitor the quality and integrity of the organization's system of internal control, disclosure control and management information systems through discussions with management and the external auditor;
- b) Periodically consult with the external auditors out of the presence of management about internal controls and fullness and accuracy of the organization's financial statements;
- c) Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting;
- d) Consider and approve, if appropriate, major changes to the Company's accounting principles and practices as suggested by the external auditors and management;
- e) Oversee investigations of alleged fraud and illegality relating to the Company's finances and any resulting actions; and
- f) Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters and for the protection from retaliation of those who report such complaints in good faith.

PROCESS IMPROVEMENT

- a) Establish regular and separate systems of reporting to the Audit Committee by each of management and the external auditors regarding any significant judgments made in management's preparation of the financial statements and the view of each as to the appropriateness of such judgments;
- b) Following completion of the annual audit, review separately with each of management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;
- c) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements;
- d) Review any other matters related to the external audit that are to be communicated to the Committee under generally accepted auditing standards or that relate to the external auditor;
- e) Review with management and the external auditor any correspondence with regulators or governmental agencies, employee complaints or published reports that raise material issues regarding the Company's financial statements or accounting policies;
- f) Review with the external auditors and management the extent to which changes or improvements in financial or accounting practices as approved by the Audit Committee have been implemented;
- g) Review, independently from management and without representatives of management present, the results of the annual external audit, the audit report thereon and the auditor's review of the related management discussion and analyses, and discuss with the external auditor the quality (not just the acceptability) of accounting principles used, any alternative treatments of financial information that have been discussed with management, the ramifications of their use and the auditor's preferred treatment, and any other material communications with management.

ETHICAL AND LEGAL COMPLIANCE

- a) Establish, review and update periodically a Code of Conduct (the "**Code**") and ensure that management has established a system to enforce the Code;
- b) Review management's monitoring of the Company's compliance with the organization's Ethical Code, and ensure that management has the proper review system in place to ensure that the Company's financial statements, reports and other financial information disseminated to governmental organizations, and the public satisfy legal requirements;
- c) Establish procedures for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters;
- d) Establish procedures for the confidential, anonymous submission by employees of the Company regarding questionable accounting or auditing matters;
- e) Review with the organization's counsel legal compliance matters as appropriate;
- f) Review with the organization's counsel any legal matter that could have a significant impact on the financial statements;
- g) Review and approve hiring policies regarding partners, employees and former partners and employees of the present and former external auditor; and
- h) Perform any other activities consistent with this Charter, the Company's By-laws and governing law as the Committee or the Board deems necessary or appropriate.

6. REGULATORY COMPLIANCE

The Committee will review with management the Company's relationship with regulators and the timeliness and accuracy of the Company's filings with regulatory authorities.

7. RELATED PARTY TRANSACTIONS

The Committee will review with management all related party transactions and the development of policies and procedures related to those transactions.

8. COMPLAINT PROCEDURES

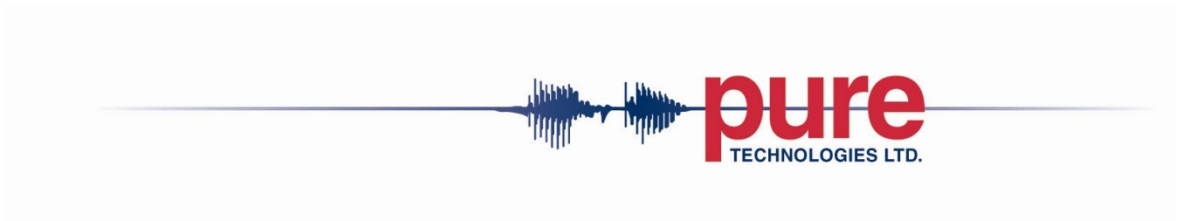
The Committee will establish and review procedures relating to the receipt, retention and treatment of complaints received by the Company respecting accounting, internal accounting controls or auditing matters and the confidential anonymous submission by employees of the Company or its subsidiaries of concerns regarding questionable accounting or auditing matters.

9. ADMINISTRATIVE MATTERS

The following general provisions shall have application to the Committee:

- a) A quorum of the Committee shall be the attendance of two (2) members thereof. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present or by a resolution in writing signed by all the members of the Committee.
- b) Any member of the Committee may be removed or replaced at any time by resolution of the Board of Directors. If and whenever a vacancy shall exist on the Committee, the remaining members may exercise all its powers so long as a quorum remains. Subject to the foregoing, each member of the Committee shall hold such office until the close of the annual meeting of Shareholders next following the date of appointment as a member of the Committee or until a successor is duly appointed.
- c) The Committee may invite such officers, directors and employees of the Company and its subsidiaries as it may see fit from time to time to attend at meetings of the Committee and to assist thereat in the discussion of matters being considered by the Committee. The external auditor is to appear before the Committee when requested to do so by the Committee.
- d) The time and place for the Committee meetings, the calling and the procedure at such meetings shall be determined by the Committee having regard to the by-laws of the Company.
- e) The Committee Chair shall preside at all meetings of the Committee. In the absence of the Committee Chair, the other members of the Committee shall appoint a representative amongst them to act as Committee Chair for that particular meeting.
- f) Notice of meetings of the Committee may be given to the external auditor and shall be given in respect of meetings relating to the annual audited financial statements. The external auditor has the right to appear before and to be heard at any meeting of the Committee. Upon the request of the external auditor, the Committee Chair shall convene a meeting of the Committee to consider any matters which the external auditor believes should be brought to the attention of the Directors or Shareholders of the Company.
- g) The Committee shall report to the Board of Directors on such matters and questions relating to the financial position of the Company as the Board of Directors may from time to time refer to the Committee.

- h) The members of the Committee shall, for the purpose of performing their duties, have the right to inspect all the books and records of the Company, and to discuss such books and records that are in any way related to the financial position of the Company with the officers and employees of the Company and its subsidiaries and the external auditor of the Company.
- i) The Committee shall meet, in separate, non-management, in camera sessions at each regularly scheduled meeting.
- j) Minutes of the Committee meetings shall be recorded and maintained. The Committee Chair will report to the Board on the activities of the Committee and/or the minutes of the Committee meetings will be promptly circulated to the Directors or otherwise made available at the next meeting of the Board of Directors.



APPENDIX D

Compensation Committee Charter

PURE TECHNOLOGIES LTD.

COMPENSATION COMMITTEE CHARTER

1. Purpose

The purpose of the Compensation Committee is to discharge the responsibilities of the Company's Board relating to compensation of Pure's executives and staff. The Committee determines compensation of all of Pure's senior officers and provides guidance to management on general compensation matters. The Committee holds meetings as required. The Committee also works closely with Pure's management on its employee stock option program, seeking to balance the trade-off between attracting, retaining, and rewarding a high-performing work force and shareholder dilution.

2. Membership and attendance at meetings

- a) The members of the Committee shall consist of 3 directors appointed by the Board.
- b) The chair of the Committee shall be designated by the Board.
- c) Attendance by invitation at all or a portion of the Committee meetings is determined by the Committee chair or its members and would normally include the Chief Executive Officer or the Chief Financial Officer, and such other corporate officers or support staff as may be deemed appropriate.

3. Responsibility

- a) Conduct a periodic review, not less than annually, of Pure's officers' salaries, general salary structure and employee benefit plans, including the employee stock purchase plan and stock options grants.
- b) Review incentive bonus arrangements for senior officers and overall incentive program for staff.
- c) Ensure compliance with compensation disclosure requirements and approves the report on executive compensation for the Management Information Circular.
- d) Reviews the adequacy of director compensation and ensures that it realistically reflects the responsibilities and risk involved in being an effective director.
- e) Reviews senior officer performance and succession plans with the Board annually.
- f) At the request of the Board, consider any other matters which would assist the directors to meet their responsibilities regarding compensation matters.
- g) Report to the Board as required.