

**ZTEST ELECTRONICS INC.
523 McNICOLL AVENUE
NORTH YORK, ONTARIO
M2H 2C9**

**INFORMATION CIRCULAR
MANAGEMENT SOLICITATION**

SOLICITATION OF PROXIES

This Information Circular (the “Circular”) is furnished in connection with the solicitation of proxies by and on behalf of the management (“Management”) of ZTEST Electronics Inc. (the “Corporation”) for use at the Annual General Meeting of Shareholders of the Corporation (the “Meeting”) to be held at the offices of the Corporation located at 523 McNicoll Avenue, North York, Ontario, M5H 2C9, at the hour of 1:00 o’clock in the afternoon (Toronto time), on Thursday, the 16th day of June, 2011, for the purposes set out in the accompanying Notice of Meeting. The cost of solicitation will be borne by the Corporation.

Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally by the directors and/or officers of the Corporation at nominal cost. Arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners (“Shareholders”) of the common shares (“Common Shares”) held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by the Corporation.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are officers or directors of the Corporation (the “Management Designees”). **A SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON, WHO NEED NOT BE A SHAREHOLDER OF THE CORPORATION, TO REPRESENT HIM OR HER AT THE MEETING MAY DO SO** by inserting such other person’s name in the blank space provided in the form of proxy and depositing the completed proxy with the Transfer Agent of the Corporation, **Equity Financial Trust Company, 200 University Avenue, Suite 400, Toronto, Ontario, M5H 4H1**. A proxy can be executed by the Shareholder or his attorney duly authorized in writing, or, if the Shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized.

In addition to any other manner permitted by law, the proxy may be revoked before it is exercised by instrument in writing executed and delivered in the same manner as the proxy 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 delivered to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof prior to the time of voting and upon either such occurrence, the proxy is revoked.

Please note that Shareholders who receive their Meeting Materials (as defined in the “Advice to Beneficial Shareholders” section below) from Broadridge Investor Communication Solutions, Canada (“Broadridge”) must return the proxy forms, once voted, to Broadridge for the proxy to be dealt with.

DEPOSIT OF PROXY

By resolution of the Directors duly passed, **ALL PROXIES TO BE USED AT THE MEETING MUST BE DEPOSITED NOT LATER THAN 4:00 P.M. ON THE LAST BUSINESS DAY PRECEDING THE DAY OF THE MEETING, BEING WEDNESDAY, JUNE 15, 2011, OR ANY ADJOURNMENT THEREOF, WITH THE CORPORATION OR ITS AGENT, EQUITY FINANCIAL TRUST COMPANY,** provided that a proxy may be

delivered to the Chairman of the meeting on the day of the meeting or any adjournment thereof prior to the time for voting. A return envelope has been included with this material.

ADVICE TO BENEFICIAL SHAREHOLDERS

Only registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, common shares owned by a person are registered either (a) in the name of an intermediary (an “**Intermediary**”) that the non-registered holder deals with in respect of the common shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered savings plans, registered retirement income funds, registered education savings plans and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited (“**CDS**”)) of which the Intermediary is a participant (a “**non-registered holder**”). In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Corporation has distributed copies of the Circular and the accompanying Notice of Meeting together with the form of proxy (collectively, the “**Meeting Materials**”) to the clearing agencies and Intermediaries for onward distribution to non-registered holders of Common Shares. Intermediaries are required to forward the Meeting Materials to non-registered holders unless a non-registered holder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to non-registered holders. Generally, non-registered holders who have not waived the right to receive Meeting Materials will either:

- a) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile stamped signature), which is restricted as to the number and class of securities beneficially owned by the non-registered holder but which is not otherwise completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the non-registered holder when submitting the proxy. In this case, the non-registered holder who wishes to vote by proxy should otherwise properly complete the form of proxy and deliver it as specified; or
- b) be given a form of proxy which is not signed by the Intermediary and which, when properly completed and signed by the non-registered holder and returned to the Intermediary or its service company, will constitute voting instructions (often called a “**Voting Instruction Form**”) which the Intermediary must follow. Typically the non-registered holder will also be given a page of instructions which contains a removable label containing a bar code and other information. In order for the form of proxy to validly constitute a Voting Instruction Form, the non-registered holder must remove the label from the instructions and affix it to the Voting Instruction Form, properly complete and sign the Voting Instruction Form and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

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

All references to Shareholders in this Circular and the accompanying instrument of proxy and Notice of Meeting are to Shareholders of record unless specifically stated otherwise.

EXERCISE OF DISCRETION BY PROXIES

The persons named in the enclosed form of proxy for use at the meeting will vote the shares in respect of which they are appointed in accordance with the directions of the Shareholders appointing them. **IN THE ABSENCE OF SUCH DIRECTIONS, SUCH SHARES SHALL BE VOTED “FOR”:**

- (a) election of the directors as nominated by Management;
- (b) appointment of MSCM LLP, Chartered Accountants, as auditors of the Corporation for the ensuing year and authorizing the directors to fix their remuneration; and
- (c) to transact such further or other business as may properly come before the said meeting or any adjournment or adjournments thereof.

ALL AS MORE PARTICULARLY DESCRIBED IN THIS CIRCULAR.

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to any amendment, variation or other matters to come before the meeting other than the matters referred to in the Notice of Meeting. **HOWEVER, IF ANY SUCH AMENDMENTS, VARIATIONS OR OTHER MATTERS WHICH ARE NOT NOW KNOWN TO THE MANAGEMENT DESIGNEES SHOULD PROPERLY COME BEFORE THE MEETING, THE SHARES REPRESENTED BY THE PROXIES HEREBY SOLICITED WILL BE VOTED THEREON IN ACCORDANCE WITH THE BEST JUDGMENT OF THE PERSON OR PERSONS VOTING SUCH PROXIES.**

EFFECTIVE DATE

The effective date of the Circular is May 16, 2011.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

Each Shareholder of record will be entitled to one (1) vote for each Common Share held at the Meeting.

Holders of record of the Common Shares of the Corporation on May 16, 2011 (the “**Record Date**”) will be entitled either to attend and vote at the Meeting in person shares held by them or, provided a completed and executed proxy shall have been delivered to the Corporation as described herein, to attend and vote thereat by proxy the shares held by them. However, if a holder of Common Shares of the Corporation has transferred any shares after the Record Date and the transferee of such shares establishes ownership thereof and makes a written demand, not later than ten (10) days before the Meeting, to be included in the list of Shareholders entitled to vote at the Meeting, the transferee will be entitled to vote such shares.

The authorized capital of the Corporation presently consists of an unlimited number of Common Shares, of which 7,062,488 Common Shares are issued and outstanding as fully paid and non-assessable, each of which carries one (1) vote, 1,193,442 Class “A” Special Shares, 166,667 Series A First Preferred Shares and 288,858 Series C Preferred Shares. The Class “A” Special Shares are not entitled to vote at meetings of the Corporation unless the Corporation fails to redeem the Class “A” Special Shares at the request of any holder thereof in accordance with the provisions for redemption. The Series A First Preferred Shares and the Series C First Preferred Shares are entitled to vote at the upcoming meeting of the Shareholders of the Corporation as the Corporation is in arrears of dividends for a period in excess of twelve (12) months on each of these classes of shares. As a result, a total of 7,518,013 shares are eligible to vote as of the Record Date.

The Common Shares of the Corporation are listed on the TSX Venture Exchange (the “**TSXV**”), as a Tier 2 company, under the symbol “ZTE”.

To the knowledge of the directors and senior officers of the Corporation, there are no parties who beneficially own, directly or indirectly, or exercise control or direction over 10% or more of any class of outstanding voting securities of the Corporation other than as follows:

Name of Shareholder	Number of Shares	Percentage of Class	Percentage of Voting Shares
J.T. Risty Limited	1,745,790 Common Shares	24.72	24.72

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

None of the directors or senior officers of the Corporation, no proposed nominee for election as a director of the Corporation, none of the persons who have been directors or senior officers of the Corporation since the commencement of the Corporation's last completed financial year, and no associate or affiliate of any of the foregoing has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors and the appointment of officers except as disclosed herein.

EXECUTIVE COMPENSATION

The information contained below is provided as required under Form 51-102F6 for Venture Issuers (the "**Form**") as such term is defined in National Instrument 51-102.

Compensation Discussion and Analysis

This Compensation Discussion and Analysis provides information about the Corporation's executive compensation objectives and processes and discusses compensation decisions relating to its named executive officers ("**Named Executive Officers**") listed in the Summary Compensation Table that follows. During its fiscal year ended June 30, 2010, the following individuals were Named Executive Officers (as determined by applicable securities legislation) of the Corporation:

- Wojciech Drzazga, Chairman and Chief Executive Officer; and
- Mike Kindy, Chief Financial Officer and V.P. Finance

The Corporation does not employ or retain any other individuals who would qualify as a "Named Executive Officer" because no executive officer or employee of the Corporation receives total compensation (including without limitation salary and bonus) in excess of \$150,000.

The Corporation's Compensation Committee, which is comprised of two independent directors of the Corporation, being K. Michael Guerreiro and Mike Hiscott, is responsible for the compensation program for the Corporation's Named Executive Officers.

Compensation Objectives and Principles

The Corporation is a manufacturing company with operations located in Ontario. The Corporation has limited revenue and financial resources. As a result, to ensure that funds are available for operations, the Compensation Committee has to consider not only the financial situation of the Corporation at the time of the determination of executive compensation, but also the estimated financial condition of the Corporation in the future.

Since the preservation of cash is an important goal of the Corporation, an important element of the compensation awarded to the Named Executive Officers is the granting of stock options, which do not require cash disbursement by the Corporation. The granting of stock options also helps to align the interests of the Named Executive Officers with the interests of the Corporation. The other two elements of the compensation the Corporation awards to its Named Executive Officers are: (i) base cash salary and/or consulting fees; and (ii) cash bonus payments for achievement of stated milestones or benchmarks. The Corporation does not provide its Named Executive Officers with perquisites or personal benefits that are not otherwise available to all of its employees.

Compensation Processes and Goals

The deliberations of the Compensation Committee are conducted in a special session from which management is absent. These deliberations are intended to advance the key objectives of the compensation program for the Corporation's Named Executive Officers. At the request of the Compensation Committee, the Named Executive Officers may, from time to time, provide advice to the Compensation Committee with respect to the compensation program for the Corporation's Named Executive Officers. The Committee makes recommendations regarding the compensation to be awarded to the Named Executive Officers to the full Board of Directors (either on its own volition or based upon the advice it receives from the Named Executive Officers).

The Corporation relies on its Compensation Committee and its Board of Directors, through discussion without any formal objectives, targets, criteria or analysis, in determining the compensation of its Named Executive Officers. The Board of Directors is responsible for determining all forms of compensation, including the provision of long-term incentives through the granting of stock options to the Named Executive Officers of the Corporation, and to others, including, without limitation, to the Corporation's directors, and for reviewing the Compensation Committee's recommendations regarding the compensation to be awarded to any other officers of the Corporation from time to time, to ensure such arrangements reflect the responsibilities and risks associated with each such officer's position. The Board of Directors incorporates the following goals when it makes its compensation decisions with respect to the Corporation's Named Executive Officers : (i) the recruiting and retaining of executives who are critical both to the success of the Corporation and to the enhancement of shareholder value; (ii) the provision of fair and competitive compensation; (iii) the balancing of the interests of Management with the interests of the Corporation's Shareholders; (iv) the rewarding of performance, both on an individual basis and with respect to the operations of the Corporation as a whole; and (v) the preservation of available financial resources.

The Implementation of the Corporation's Compensation Policies

Base Employment/Consulting Fee

During the year ended June 30, 2010, the Corporation was contractually obligated to pay the Chief Executive Officer a base salary of \$96,000 per annum. This amount was agreed upon between the Chief Executive Officer and the Corporation taking into account the following considerations:

- the Chief Executive Officer's public company and regulatory experience gained through his involvement with the Corporation;
- the total number of years of the Chief Executive Officer's relevant experience; and
- the financing raised by the Corporation while the Chief Executive Officer has been in office.

The payment of this salary was not dependent on the Chief Executive Officer's fulfillment of any specific performance goals or similar criteria.

During the year ended June 30, 2010, the Corporation paid the Chief Financial Officer a consulting fee at a per hour rate based upon the number of hours of service provided by the Chief Financial Officer. This amount was agreed upon between the Chief Financial Officer and the Corporation taking into account the following considerations:

- the Chief Financial Officer's prior public company and specialized financial reporting experience gained through his senior financial management roles at a number of public mineral exploration and mining companies;
- the Chief Financial Officer's experience as a Certified Accountant, both at an accounting firm and providing services to various companies; and

- the Chief Financial Officer's previous record of success with junior public companies in creating value for shareholders.

The payment of this consulting fee was not dependent on the Chief Financial Officer's fulfillment of any specific performance goals or similar criteria.

Stock Options

The granting of options to the Named Executive Officers under the Corporation's Stock Option Plan provides an appropriate long-term incentive to management to create shareholder value. The number of options the Corporation grants to each Named Executive Officer reasonably reflects the Named Executive Officer's specific contribution to the Corporation in the execution of such person's responsibilities. However, the number of options granted does not depend upon nor does it reflect the fulfillment of any specific performance goals or similar conditions. Previous grants of options to Named Executive Officers are taken into consideration by the Compensation Committee in developing its recommendations with respect to the granting of new options. No options were granted to the Named Executive Officers in the year ended June 30, 2010.

The granting of options to the non-management directors of the Corporation under the Corporation's Stock Option Plan provides an appropriate long-term incentive to these directors to provide proper independent oversight to the Corporation with a view to maximizing shareholder value. The number of options the Corporation grants to each of these directors reasonably reflects each director's contributions to the Corporation in his capacity as a director and as a member of one or more committees of the Board of Directors (if applicable), including without limitation the Compensation Committee and the Audit Committee. Previous grants of options awarded to the independent directors of the Corporation are taken into consideration when the Corporation considers the granting of new options to the independent directors. No options were granted to any of the Corporation's independent directors during the year ended June 30, 2010.

The compensation of directors, which includes a director's fee of \$500 for independent directors and \$250 for non-independent directors for meeting of the Board of Directors, a committee of the Board of Directors or of shareholders attended, and the granting of options under the Corporation's Stock Option Plan, is determined by the full Board of Directors. The payment of the directors' fees to the independent directors recognizes their contributions to the Corporation in their capacities as independent directors and members of one or more committees of the Board of Directors (if applicable), including without limitation the Compensation Committee and the Audit Committee.

Summary Compensation Table

The following table contains information about the compensation paid to, earned by and payable to, the Corporation's Chief Executive Officer, Wojciech Drzazga, and Chief Financial Officer, Mike Kindy, for the fiscal year ending June 30, 2010. In accordance with the Form, the Corporation does not have any other "Named Executive Officers" given that no executive officer receives total salary and bonus in excess of \$150,000. Specific aspects of compensation payable to the Named Executive Officers of the Corporation are dealt with in further detail in subsequent tables.

**Summary Compensation Table
Non-Equity Incentive
Plan Compensation
(\$)**

Name and Principal Position	Year	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards (\$)	Annual Incentive Plans	Long-Term Incentive Plans	Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
Wojciech Drzazga, Chairman and C.E.O.	2010	\$94,702	Nil	Nil	Nil	Nil	Nil	\$1,950 ⁽¹⁾	\$96,652
Mike Kindy, C.F.O. and V.P. Finance	2009	\$89,450	Nil	Nil	Nil	Nil	Nil	\$2,300 ⁽¹⁾	\$91,750
Mike Kindy, C.F.O. and V.P. Finance	2010	Nil	Nil	Nil	Nil	Nil	Nil	\$39,690 ⁽²⁾	\$39,690
Mike Kindy, C.F.O. and V.P. Finance	2009	Nil	Nil	Nil	Nil	Nil	Nil	\$39,600 ⁽²⁾	\$39,600

Notes:

⁽¹⁾ Director Fees.

⁽²⁾ Mr. Kindy is retained as consultant and therefore does not receive a salary.

Outstanding Share-Based and Option-Based Awards Granted to Named Executive Officers as of June 30, 2010

The following table summarizes all share-based and option-based awards granted by the Corporation to its Named Executive Officers which are outstanding as of June 30, 2010.

Name	Option-Based Awards			Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-The-Money Options (\$)⁽¹⁾	Number of Shares or Units of Shares that have not Vested	Market or Payout Value of Share-Based Awards that have not Vested (\$)
Wojciech Drzazga, Chairman and C.E.O.	25,000	\$2.04	June 27, 2011	Nil	Nil	Nil

Note:

⁽¹⁾ Based on the closing price of the Common Shares on the Exchange on June 30, 2010 (being the last day of the fiscal year on which the shares were traded) of \$0.105 per Common Share.

Value Vested or Earned by Named Executive Officers During the Year Ended June 30, 2010 Under Option-Based Awards, Share-Based Awards and Non-Equity Incentive Plan Compensation

The following table summarizes the value vested or earned during the year by Named Executive Officers in respect of option-based awards, share-based awards and non-equity incentive plan compensation during the year ended June 30, 2010.

Name	Option-Based Awards- Value Vested During the Year (\$) ⁽¹⁾	Share-Based Awards- Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation- Value Earned During the Year (\$)
Wojciech Drzazga	Nil	Nil	Nil
<u>Mike Kindy</u>	Nil	Nil	Nil

Note:

⁽¹⁾ Determined based on the difference between the market price of the underlying Common Shares on the vesting date and the exercise price of the options.

Employment/Consulting Contracts

The Corporation has a written employment agreement with Wojciech Drzazga to employ Mr. Drzazga as the Corporation's Chairman and Chief Executive Officer at an annual salary, currently set at \$91,450 per year plus a performance bonus effective from January 1, 2002. The agreement provides for severance pay of fifteen (15) months salary in lieu of notice plus one (1) additional month for each full year of employment after January 1, 2002 to a total maximum severance of twenty (20) months salary. There is no written agreement between the Corporation and Mike Kindy. Mr. Kindy bills his time for being the C.F.O. at a fixed hourly rate on an as needed basis.

Termination and Change of Control Benefits

Other than as noted above, the Corporation has no compensatory plan or arrangement with respect to the Named Executive Officers that results or will result from the resignation, retirement or any other termination of employment of any such officer's employment with the Corporation, from a change of control of the Corporation or a change in the responsibilities of a Named Executive Officer following a change in control.

Compensation of Directors

The following table contains information about the compensation awarded to, earned by, paid to or payable to, the Corporation's directors, other than its Named Executive Officers, the compensation of whom is detailed above under "Summary Compensation Table", for the fiscal year ended June 30, 2010.

Name	Fees Earned (\$)	Share- Based Awards (\$)	Director Compensation Table		Pension Value (\$)	All Other Compensation (\$)	Total (\$)
			Option- Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)			
				Annual Incentive Plans	Long- Term Incentive Plans		
John Perreault ⁽¹⁾ , President and COO	\$1,450	Nil	Nil	Nil	Nil	\$83,688 ⁽²⁾	\$85,138
K Michael Guerreiro	\$3,250	Nil	Nil	Nil	Nil	Nil	\$3,250
<u>Mike Hiscott</u>	\$3,250	Nil	Nil	Nil	Nil	Nil	\$3,250

Notes:

⁽¹⁾ Mr. Perreault, is not an independent director, he is the President and Chief Operating Officer of the Corporation but is not a Named Executive Officer as his total compensation does not exceed \$150,000 per annum.

(2) Compensation earned in his capacity as President and Chief Operating Officer.

The independent directors of the Corporation are entitled to receive directors' fees in the amount of \$500 for each meeting of the Board of Directors, a committee of the Board of Directors or of shareholders attended. Non-independent directors are entitled to a fee in the amount of \$250 for each meeting of the Board of Directors, a committee of the Board of Directors or of shareholders attended or \$150 if attendance is by teleconference. All directors are reimbursed by the Corporation for travel and other out-of-pocket expenses incurred in attending directors and shareholders meetings and meetings of Board committees. Directors are also entitled to receive compensation to the extent that they provide services to the Corporation at rates that would be charged by such directors for such services to arm's length parties.

Outstanding Share-Based and Option-Based Awards Granted to Directors (Other Than Directors Who Are Named Executive Officers) as of June 30, 2010

The following table summarizes all share-based and option-based awards granted by the Corporation to its directors (other than directors who are Named Executive Officers whose share-based and option-based awards outstanding as of June 30, 2010 are detailed above) which are outstanding as of June 30, 2010.

Name	Option-Based Awards			Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-The-Money Options (\$) ⁽¹⁾	Number of Shares or Units of Shares that have not Vested	Market or Payout Value of Share-Based Awards that have not Vested (\$)
John Perreault	25,000	\$2.04	June 27, 2011	Nil	Nil	Nil
K Michael Guerriero	25,000	\$2.04	June 27, 2011	Nil	Nil	Nil

Note:

(1) Based on the closing price of the Common Shares on the Exchange on June 30, 2010 (being the last day of the fiscal year on which the shares were traded) of \$0.105 per Common Share.

Value Vested or Earned During the Year Ended June 30, 2010 by Directors (Other Than Directors Who Are Named Executive Officers) Under Option-Based Awards, Share-Based Awards and Non-Equity Incentive Plan Compensation

The following table summarizes the value vested or earned during the year ended June 30, 2010 by directors of the Corporation (other than directors who are Named Executed Officers whose value vested or earned during the year ended June 30, 2010 under option-based awards, share-based awards and non-equity incentive plan compensation is detailed above) in respect of option-based awards, share-based awards and non-equity incentive plan compensation.

Name	Option-Based Awards- Value Vested During the Year (\$) ⁽¹⁾	Share-Based Awards- Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation- Value Earned During the Year (\$)
John Perreault	Nil	Nil	Nil
K Michael Guerreiro	Nil	Nil	Nil
Mike Hiscott	Nil	Nil	Nil

Note:

- (1) Determined based on the difference between the market price of the underlying Common Shares on the vesting date and the exercise price of the options.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out information as of June 30, 2010 with respect to compensation plans under which equity securities of the Corporation are authorized for issuance.

<u>Plan Category</u>	<u>Number of securities to be issued upon exercise of outstanding options, warrants and rights</u> ⁽¹⁾	<u>Weighted-average exercise price of outstanding options, warrants and rights</u>	<u>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column)</u>
Equity compensation plans approved by security holders	75,000	\$2.04	976,030
Equity compensation plans not approved by security holders	Nil	Nil	Nil
<u>Total</u>	<u>75,000</u>	<u>\$2.04</u>	<u>976,030</u>

Note:

- (1) Currently, the only applicable plan is the Plan (as defined in heading "Stock Option Plan")

STOCK OPTION PLAN

The directors of the Corporation adopted a New Stock Option Plan (the "Plan") to encourage Common Share ownership in the Corporation by directors, officers, employees (full or part-time) and consultants of the Corporation or its subsidiaries from time to time which was approved by the majority of disinterested shareholders at the annual and special meeting of shareholders held on June 28, 1996. The Plan was amended at the Shareholder's Meeting held on December 5, 2000. The Plan was further amended on December 17, 2002 and June 14, 2005 to comply with the requirements of the TSXV. The Plan was further amended at the Shareholder's Meeting held on March 11, 2010. The Plan permits the number of shares reserved for issuance pursuant to stock options granted to insiders to exceed 10% of the outstanding issue and the issuance to insiders within a one (1) year period of a number of shares to exceed 10% of the outstanding issue. The maximum number of options that can be granted to any person in any twelve (12) month period cannot exceed 5% of outstanding capital. Options granted to any one consultant in any twelve (12) month period or employee providing investor relations services cannot exceed more than 2% of the Corporation's outstanding capital. Options granted to persons providing investor relation activities must vest over a twelve (12) month period with no more than 25% of the options vesting in any quarter.

The Plan provides that eligible persons thereunder include any director, employee, (full-time or part-time), officer or consultant of the Corporation or any subsidiary thereof. A consultant means an individual (including an individual whose services are contracted through a personal holding corporation) with whom the Corporation or a subsidiary has a contract for substantial services. The Plan allows the Corporation to attract new officers and directors by allowing it to offer stock options as inducements to join the Corporation.

The Plan is administered by the Board of Directors of the Corporation. The Board of Directors has the authority to determine, among other things, subject to the terms and conditions of the Plan, the terms, limitations, restrictions and conditions respecting the grant of stock options under the Plan.

The Plan originally provided for 2,200,000 Common Shares as a maximum number of Common Shares in the capital of the Corporation that was reserved for issuance under the Plan, pursuant to shareholder approval on June 28, 1996. The Corporation increased the maximum number of Common Shares reserved under the Plan to 2,790,000 Common Shares pursuant to shareholder approval on December 16, 1997, to 2,980,000 Common Shares pursuant to shareholder approval on December 21, 1998, to 3,301,513 Common Shares pursuant to shareholder approval on February 15, 2000, to 4,245,916 Common Shares pursuant to shareholder approval on December 5, 2000, to 6,271,020 Common Shares pursuant to shareholder approval on February 19, 2002, to 9,209,709 Common Shares pursuant to shareholder approval on June 14, 2005 and 12,612,360 Common Shares pursuant to shareholder approval on March 11, 2010. Shareholders also approved the consolidation of Common Shares on March 11, 2010, whereby the number of Common Shares reserved for issuance under the Plan was adjusted to 1,051,030 post-Consolidation Common Shares.

The Board of Directors has the authority under the Plan to establish the option price at the time each stock option is granted which shall in all cases be not less than the closing price of the Common Shares on the trading day immediately preceding the date of the grant. Common shares of the Corporation currently trade on the TSXV. Any repricing of stock options granted to insiders must be approved by a majority of the disinterested shareholders of the Corporation.

Options granted under the Plan must be exercised no later than ten (10) years after the date of grant and options are not transferable other than by will or the laws of descent and distribution. If an optionee ceases to be an eligible person for any reason whatsoever other than death, each option held by such optionee will cease to be exercisable in a period not exceeding one hundred and eighty (180) days following the termination of the optionee's position with the Corporation. If an optionee dies, the legal representative of the optionee may exercise the optionee's options for a period of one (1) year after the date of the optionee's death but only up to and including the original option expiry date.

The Corporation will not provide any optionee with financial assistance in order to enable such optionee to exercise stock options granted under the Plan.

There are currently 975,000 stock options outstanding under the Plan, and 76,030 options are available to be granted under the Plan. The details of the stock options granted under the Plan that remain outstanding are as follows:

Name and Position	Common Shares Under Option	Exercise Price Range (per Common Share)	Expiry Date
Directors	775,000	\$0.10 - \$2.04	June 27, 2011 – November 30, 2015
Senior Officers	200,000	\$0.10	November 30, 2015
TOTAL	975,000		

INDEBTEDNESS OF OFFICERS AND DIRECTORS

No officer or director of the Corporation is indebted to the Corporation for any sum.

MANAGEMENT CONTRACTS

No management functions of the Corporation are performed to any substantial degree by a person other than the directors or executive officers of the Corporation.

INTEREST OF INSIDERS IN MATERIAL TRANSACTIONS

No insider of the Corporation, no proposed nominee for election as a director of the Corporation, and no associate or affiliate of any of the foregoing, has any material interest, direct or indirect, in any transaction since the commencement

of the Corporation's last financial year or in any proposed transaction, which, in either case, has materially affected or will materially affect the Corporation or any of its subsidiaries, other than disclosed under the headings "Executive Compensation", "Stock Option Plan" and "Other Material Facts" and as disclosed below.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITORS

Multilateral Instrument 52-110 of the Canadian Securities Administrators ("MI 52-110") requires the Corporation, as a Venture Issuer, to disclose annually in its information circular certain information relating to the Corporation's audit committee and its relationship with the Corporation's independent auditors.

The Audit Committee's Charter

The Corporation's Audit Committee is governed by its Audit Committee Charter, a copy of which is annexed hereto as **Schedule "A"**.

Composition of the Audit Committee

The Corporation's Audit Committee is comprised of three (3) directors, Mike Hiscott, John Perreault and K. Michael Guerreiro. As defined in MI 52-110, Mike Hiscott and K. Michael Guerreiro are independent. Also as defined in MI 52-110, all members of the Audit Committee are financially literate.

Audit Committee Oversight

Since the commencement of the Corporation's most recently completed fiscal year, the Corporation's Board of Directors has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

Relevant Education and Experience

The following is a summary of the relevant education and experience of each of the members of the Corporation's Audit Committee:

John Perreault

Mr. Perreault has worked in the electronic manufacturing industry for many years. Mr. Perreault has been the President of Permotech Electronics Corporation (a wholly owned subsidiary of the Corporation), since 2002. During this time he has reviewed financial statements and management discussion and analysis of the financial statements and discussed financial issues with management, accountants and auditors. As a result, he has gained an understanding of accounting principles and the ability to analyze and evaluate the financial statements of the Corporation.

K. Michael Guerreiro

Mr. Guerreiro is a sales representative in the real estate industry and has been a director of the Corporation for over 10 years. Mr. Guerreiro's principal occupation demands the ability to review and analyze financial statements and discuss financial issues with accountants. This educational and practical experience has resulted in Mr. Guerreiro being able to understand accounting principles and review and evaluate financial statements of the Corporation.

Mike Hiscott

Mr. Hiscott is a Chartered Accountant and member of the ICAO. He was the Vice President – Finance of M&M Meat Shops Ltd until his retirement in 2004. Mr. Hiscott has vast experience with all areas of accounting and therefore has understanding of accounting principles and the ability to analyze and evaluate the financial statements of the Corporation.

Reliance on Certain Exemptions

Since the effective date of MI 52-110, the Corporation has not relied on the exemptions contained in sections 2.4 or 8 of MI 52-110. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditors, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditors in the fiscal year in which the non-audit services were provided. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of MI 52-110, in whole or in part.

Pre-Approval Policies and Procedures

The Committee has not adopted specific policies and procedures for the engagement of non-audit services. The Committee will review the engagement of non-audit services as required.

External Auditors Service Fees (By Category)

The fees paid to the Corporation's external auditors in each of the last two (2) fiscal years for audit fees are as follows:

Financial Year	<u>Ending</u>	<u>Audit Fees</u>	<u>Audit Related Fees</u> ⁽¹⁾	<u>Tax Fees</u> ⁽²⁾	<u>All Other Fees</u> ⁽³⁾
	2010	\$30,750	Nil	Nil	Nil
	2009	\$35,437	Nil	Nil	Nil

Notes:

- (1) Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under Audit Fees.
- (2) Fees charged for tax compliance, tax advice and tax planning services.
- (3) Fees for services other than disclosed in any other column.

Exemption

The Corporation is relying upon the exemption in section 6.1 of MI 52-110 for venture issuers which allows for an exemption from Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations) of MI 52-110 and allows for the short form of disclosure of audit committee procedures set out in Form 52-110F2.

CORPORATE GOVERNANCE DISCLOSURE

Effective June 30, 2006, the securities regulatory authorities in Canada adopted National Instrument 58-101-Disclosure of Corporate Governance Practices (“**NI-58-101**”) and National Policy 58-201 Corporate Governance Guidelines (“**NP-58-201**”). NP-58-201 contains a series of guidelines for effective corporate governance. The guidelines deal with such matters as the constitution and independence of corporate boards, their functions, the experience and education of board members and other items dealing with sound corporate governance.

Pursuant to NI-58-101, the Corporation is now required to provide disclosure in this information circular of its corporate governance practices in accordance with Form 58-101-1 which follows:

1. **Board of Directors** - Currently Mike Hiscott and K. Michael Guerreiro are independent directors of the Corporation. Wojciech Drzazga is the C.E.O. and John Perreault is the President and C.O.O. of the Corporation.
2. **Directorships** - No director of the Corporation is presently a director of any other issuer that is a reporting

issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction.

3. **Orientation and Continuing Education** – To date, the Board of Directors has not developed a Corporate Governance Policy due to the small size of the Corporation. The Board of Directors continues to monitor the needs of the Corporation and will implement such a policy when appropriate. Currently, the Board of Directors is responsible for vetting potential new directors and ensuring they are provided with proper orientation. The Board of Directors has not currently established criteria for continuing education for directors.

4. **Ethical Business Conduct** - The directors understand their fiduciary obligations as directors of a public company. The Corporation has only a few employees and the Corporation instructs them in appropriate business practices.

5. **Nomination of Directors** - The Board of Directors is currently responsible for identifying new candidates for the Board of Directors including members to fill any vacancies on the Board of Directors. It will consider candidates submitted by directors, officers, employees, shareholders and others and may retain search firms for the purpose of identifying suitable candidates who meet the level of personal and professional integrity and ability the Board of Directors deems appropriate for directors of the Corporation.

6. **Compensation** - The Corporation has a Compensation Committee which reviews the compensation of directors and officers including the granting of stock options, and makes recommendations to the full Board of Directors. The committee is to be comprised of two (2) independent directors being Mike Hiscott and K. Michael Guerreiro. Compensation will be determined with reference, in part, to compensation of officers and directors in similar industries performing similar functions.

7. **Other Board Committees** – The Board of Directors assessed the Corporation’s needs and at this point in time is not applicable for the Corporation to have any other standing committees of the Board.

8. **Assessments** - The full Board of Directors will establish procedures for satisfying itself that the Board, its committees, and its individual directors are performing effectively.

PARTICULARS OF MATTERS TO BE ACTED UPON

Presentation of Financial Statements

The Audited Financial Statements for the fiscal years ended June 30, 2010 and June 30, 2009 and the report of the auditors thereon will be submitted to the Meeting. Receipt at the Meeting of the auditors’ report and the Corporation’s Financial Statements for its last completed fiscal period will not constitute approval or disapproval of any matters referred to therein. The Audited Financial Statements and the Management’s Discussion and Analysis for the years ended June 30, 2010 and June 30, 2009 have been mailed to shareholders of record and non-objecting beneficial shareholders. A copy of these financial statements can be obtained at www.sedar.com. In the alternative, upon receiving a written request to the address on the first page of this Circular, the Corporation will mail a copy of the financial statements to you.

Election of the Board of Directors

The Board of Directors of the Corporation presently consists of four (4) directors. The directors have passed a resolution fixing the number of directors to be elected at this meeting at four (4). The persons named in the enclosed form of proxy intend to vote for the election as directors of the Corporation, the four (4) nominees of Management whose names are set forth below. Management does not contemplate that any of the nominees will be unable to serve as a director, but if that should occur for any reason prior to the meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion. Each director elected will hold office until the next annual meeting or until his successor is duly elected, unless his office is earlier vacated in accordance with the by-laws of the Corporation. The

following table and notes thereto state the names of all the persons proposed to be nominated for election as directors, all of the positions and offices with the Corporation now held by them, their present and past principal occupations or employments and the approximate number of shares of the Corporation beneficially owned, directly or indirectly, or over which control or direction is exercised, by each of them as of May 16, 2011. The information as to shares beneficially owned has been furnished to the Board of Directors by the respective nominees.

Name Municipality of Residence	Position with Corporation	Principal Occupation or Employment for the Last Five Years	Director From	Number of Shares Beneficially Owned or Controlled
Wojciech Drzazga Brampton, Ontario	Chairman, C.E.O. and Director	C.E.O. of the Corporation. President of the Corporation until January of 2002	June 28, 1996	411,377 Common Shares and 4,135 Class "A" Special Shares
John Perreault ⁽¹⁾ Richmond Hill, Ontario	President, C.O.O. and Director	President of the Corporation and its subsidiary, Permotech Electronics Corporation	February 19, 2002	94,439 Common Shares
K. Michael Guerreiro ⁽¹⁾⁽²⁾ Cambridge, Ontario	Director	Employed as a Sales Representative, Royal LePage Real Estate Services Ltd.	June 28, 1996	18,061 Common Shares
Mike Hiscott ⁽¹⁾⁽²⁾ Kitchener, Ontario	Director	Vice-President of M&M Meat Shops until retirement in 2004	April 24, 2008	Nil

Notes:

- (1) Member of the Audit Committee.
- (2) Member of the Compensation Committee.

The shareholders are urged to elect Management's nominees as directors of the Corporation.

Cease Trade Orders, Penalties or Sanctions, and Bankruptcies

Cease Trade Orders

None of the directors or officers of the Corporation is, or within the past ten (10) years prior to the date hereof has been, a director, officer or promoter of any other issuer that, while that person was acting in that capacity:

- (1) was subject to a cease trade or similar order or an order that denied the issuer access to any statutory exemptions for a period of more than 30 consecutive days; or
- (2) was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been 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 that person,

except for William R. Johnstone who was corporate secretary of PacRim Resources Inc., until December 7, 2009 which has been cease traded by the Ontario Securities Commission, the Alberta Securities Commission and the British Columbia Securities Commission for failure to file financial statements and Edda Resources Inc. (now Razore Rock Resources Inc.), which was cease traded by the Ontario Securities Commission for failure to file financial statements until January, 2008.

Penalties or Sanctions

None of the directors or officers of the Corporation has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or have entered into a settlement agreement with a Canadian securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision other than William R. Johnstone. Mr. Johnstone was reprimanded by the TSXV for breaching three (3) requirements of an undertaking given to the TSXV in his capacity as an officer and director of Outlook Resources Inc. (“**Outlook**”) in respect of the holding of an annual general meeting for Outlook in compliance with TSXV policies. Mr. Johnstone was required to resign as an officer and director of Outlook; was restricted to his current involvement as an officer and/or director of six TSXV listed companies; and is required to obtain prior written approval from TSXV before having any involvement as an officer and/or director of another TSXV listed company.

Individual Bankruptcies

None of the directors or officers of the Corporation has, within the ten years prior to the date hereof, been declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been 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 that individual.

Conflict of Interest

To the best of the Corporation’s knowledge and other than as disclosed herein, there are no existing or potential conflicts of interest among the Corporation, its promoters, directors, officers or other members of management of the Corporation except that certain of the directors, officers, promoters and other members of management serve as directors, officers, promoters and members of management of other public companies and therefore it is possible that a conflict may arise between their duties as a director, officer, promoter or member of management of such other companies and their duties as a director, officer, promoter or management of the Corporation.

The directors and officers of the Corporation are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosure by directors of conflicts of interest and the Corporation will rely upon such laws in respect of any directors’ and officers’ conflicts of interest or in respect of any breaches of duty by any of its directors and officers.

Appointment of Auditor

The persons named in the enclosed form of proxy intend to vote for the appointment of MSCM LLP, Chartered Accountants, of Toronto, Ontario, as auditors of the Corporation to hold office until the next annual meeting of shareholders and to authorize the directors of the Corporation to fix the auditors’ remuneration.

On the representations of the said auditors, neither that firm nor any of its partners has any direct financial interest nor any material indirect financial interest in the Corporation or any of its subsidiaries nor has had any connection during the past three (3) years with the Corporation or any of its subsidiaries in the capacity of promoter, underwriter, voting trustee, director, officer or employee.

The shareholders are urged by Management to appoint MSCM LLP, Chartered Accountants, as the Corporation’s auditors and to authorize the Board of Directors to fix their remuneration.

ADDITIONAL INFORMATION

Additional information concerning the Corporation can be obtained from www.sedar.com.

Financial information concerning the Corporation is provided in the Corporation's financial statements and Management Discussion and Analysis for its fiscal year ended June 30, 2010. Copies of these documents may be obtained from the Corporation by making a request in writing to the Corporation at 523 McNicoll Avenue, North York, Ontario, M2H 2C9, fax (416) 297-5156 Attention: Chief Executive Officer.

APPROVAL OF DIRECTORS

The Circular and the mailing of same to shareholders have been approved by the Board of Directors of the Corporation.

DATED the 16th day of May, 2011

**BY ORDER OF THE
BOARD OF DIRECTORS**

"Wojciech Drzazga"

WOJCIECH DRZAZGA
Chief Executive Officer

SCHEDULE “A”

ZTEST ELECTRONICS INC. (the “Corporation”)

AUDIT COMMITTEE CHARTER

Purpose of the Audit Committee

The purpose of the Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of the Corporation is to assist the Board in fulfilling its responsibility for the oversight of the financial reporting process. The purpose of this Charter is to ensure that the Corporation maintains a strong, effective and independent audit committee, to enhance the quality of financial disclosure made by the Corporation and to foster increased investor confidence in both the Corporation and Canada’s capital markets. It is the intention of the Board that through the involvement of the Committee, the external audit will be conducted independently of the Corporation’s Management to ensure that the independent auditors serve the interests of shareholders rather than the interests of Management of the Corporation. The Committee will act as a liaison to provide better communication between the Board and the external auditors. The Committee will review financial reports or other financial information provided by the Corporation to regulatory authorities and shareholders and review the integrity, adequacy and timeliness of the financial reporting and disclosure practices of the Corporation. The Committee will monitor the independence and performance of the Corporation’s independent auditors.

Composition and Procedures of the Audit Committee

The Committee shall consist of at least three (3) directors. Members of the Committee shall be appointed by the Board and may be removed by the Board in its discretion. While the Board may recommend a Chairman for the Committee, the Committee shall have the discretion to appoint the Chairman from amongst its members. The Committee shall establish procedures for quorum, notice and timing of meetings subject to the proviso that a quorum shall be no less than two (2) Committee members. Meetings shall be held no less regularly than once per quarter to review the audited financial statements and interim financial statements of the Corporation. At least one (1) member of the Committee shall be independent and the Board and the Committee shall endeavor to appoint a majority of independent directors to the Committee, who in the opinion of the Board, would be free from a relationship which would interfere with the exercise of the Committee members’ independent judgment. At least one (1) member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices applicable to the Corporation. For the purposes of this Charter, an individual is financially literate if he or she has 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 Corporation’s financial statements.

Specific duties and responsibilities of the Audit Committee

- (1) The Committee shall recommend to the Board:
 - (a) the external auditors to be nominated for the purpose of preparing or issuing an auditors' report or performing other audit, review or attest services for the Corporation; and
 - (b) the compensation of the external auditors.
- (2) The Committee shall be directly responsible for overseeing the work of the external auditors engaged for the purpose of preparing or issuing an auditors' report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between Management and the external auditors regarding financial reporting.
- (3) The Committee shall pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the Corporation's external auditors.
- (4) The Committee satisfies the pre-approval requirement in subsection (3) if:
 - (a) the aggregate amount of all the non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Corporation and its subsidiary entities to the Corporation's external auditors during the fiscal year in which the services are provided;
 - (b) the Corporation or the subsidiary entity of the Corporation, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and
 - (c) the services are promptly brought to the attention of the Committee and approved, prior to the completion of the audit, by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee.
- (5)
 - (a) The Committee may delegate to one or more independent members the authority to pre-approve non-audit services in satisfaction of the requirement in subsection (3).
 - (b) The pre-approval of non-audit services by any member to whom authority has been delegated pursuant to subsection (5)(a) must be presented to the Committee at its first scheduled meeting following such pre-approval.
- (6) The Committee satisfies the pre-approval requirement in subsection (3) if it adopts specific policies and procedures for the engagement of the non-audit services, if:
 - (a) the pre-approval policies and procedures are detailed as to the particular service;
 - (b) the Committee is informed of each non-audit service; and
 - (c) the procedures do not include delegation of the Committee's responsibilities to

Management.

- (7) The Committee shall review the Corporation's financial statements, MD&A and annual and interim earnings press releases before the Corporation publicly discloses this information.
- (8) The Committee must be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure referred to in subsection (7), and must periodically assess the adequacy of those procedures.
- (9) The Committee must establish procedures for:
 - (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
 - (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
- (10) The Committee must review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation.
- (11) The Committee shall have the authority:
 - (a) to engage independent counsel and other advisors as it determines necessary to carry out its duties,
 - (b) to set and pay the compensation for any advisors employed by the Committee; and
 - (c) to communicate directly with the internal and external auditors.
- (12) The Committee shall review with Management and independent auditors the quality and the appropriateness of the Corporation's financial reporting and accounting policies, standards and principles and significant changes in such standards or principles or in their application, including key accounting decisions affecting the financial statements, alternatives thereto and the rationale for decisions made.
- (13) The Committee shall review the clarity of the financial statement presentation with a view to ensuring that the financial statements provide meaningful and readily understandable information to shareholders and the investing public.
- (14) The Committee shall monitor the independence of the independent auditors and establish procedures for confirming annually the independence of the independent auditors and any relationships that may impact upon the objectivity and the independence of the external auditors.
- (15) The Committee shall review with Management and the external auditors the audit plan for the year-end financial statements prior to the commencement of the year end audit.

- (16) The Committee shall review the appointments of the Corporation's Chief Financial Officer and any other key financial executives involved in the financial reporting process.
- (17) The Committee shall review with Management and the external auditors significant related party transactions and potential conflicts of interest.
- (18) The Committee shall review in consultation with the external auditors and Management the integrity of the Corporation's financial reporting process and internal controls.
- (19) The Committee shall meet with the external auditors in the absence of Management to discuss the audit process, any difficulties encountered, any restrictions on the scope of work or access to required information, any significant judgments made by Management and any disagreement among Management and the external auditors in the preparation of the financial statements and such other matters that may arise as a result of the audit or review by the external auditors.
- (20) The Committee shall conduct or authorize any review or investigation and consider any matters of the Corporation the Committee believes is within the scope of its responsibilities and shall establish procedures for such review or investigation as may be required.
- (21) The Committee shall make recommendations to the Board with respect to changes or improvements to financial or accounting practices, policies and principles and changes to this Charter.