



**WESTCOT VENTURES CORP.**

**ANNUAL GENERAL MEETING  
OF  
SHAREHOLDERS**

**MONDAY, DECEMBER 11, 2017**



# WESTCOT VENTURES CORP.

## INFORMATION CIRCULAR

(Containing information as at November 6, 2017, unless indicated otherwise)

### SOLICITATION OF PROXIES

This Management Information Circular (the “**Information Circular**”) is furnished in connection with the solicitation of proxies by the management of Westcot Ventures Corp. (the “**Company**”) for use at the Annual General Meeting of Shareholders of the Company (and any adjournment thereof) to be held at 10:00 a.m. (Pacific Time) on Monday, December 11, 2017 (the “**Meeting**”) at the place and for the purposes set forth in the accompanying Notice of Meeting. While it is expected that the solicitation will be primarily by mail, proxies may be solicited personally or by telephone by the regular employees of the Company at nominal cost. All costs of solicitation by management will be borne by the Company. Advance notice of the Meeting was originally filed on SEDAR on October 12, 2017.

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

### APPOINTMENT AND REVOCATION OF PROXIES

The individuals named in the accompanying form of proxy are directors or officers of the Company. **A SHAREHOLDER WISHING TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER) TO REPRESENT HIM AT THE MEETING HAS THE RIGHT TO DO SO, EITHER BY STRIKING OUT THE NAME OF THE PERSON NAMED IN THE ACCOMPANYING FORM OF PROXY AND INSERTING THE DESIRED PERSON’S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY OR BY COMPLETING ANOTHER FORM OF PROXY.** A proxy will not be valid unless the completed form of proxy is received by Computershare Trust Company of Canada (“**Computershare**”), 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, not less than forty-eight (48) hours (excluding Saturdays, Sundays and holidays) before the time for holding the meeting or, with respect to any matters occurring after the reconvening of any adjournment of the Meeting, not less than forty-eight (48) hours prior to the time of recommencement of such adjourned meeting.

A shareholder who has given a proxy may revoke it by an instrument in writing executed by the shareholder or by his attorney authorized in writing or, where the shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered either to the Company, at Suite 1080, 789 West Pender Street, Vancouver, British Columbia, V6C 1H2, at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof or to the Chair of the Meeting on the day of the Meeting or any adjournment thereof. Only registered shareholders have the right to revoke a proxy. Non-Registered Holders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective intermediaries to revoke the proxy on their behalf.

A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

### VOTING OF PROXIES

The shares represented by a properly executed proxy in favour of persons designated as proxyholders in the enclosed form of proxy will:

- (a) be voted or withheld from voting in accordance with the instructions of the person appointing the proxyholder on any ballot that may be called for; and
- (b) where a choice with respect to any matter to be acted upon has been specified in the form of proxy, be voted in accordance with the specification made in such proxy.

ON A POLL, SUCH SHARES WILL BE VOTED IN FAVOUR OF EACH MATTER FOR WHICH NO CHOICE HAS BEEN SPECIFIED OR WHERE BOTH CHOICES HAVE BEEN SPECIFIED BY THE SHAREHOLDER.

The enclosed form of proxy, when properly completed and delivered and not revoked, confers discretionary authority upon the person appointed proxy thereunder to vote with respect to amendments or variations of matters identified in the Notice of Meeting, and with respect to other matters which may properly come before the Meeting. In the event that amendments or variations to matters identified in the Notice of Meeting are properly brought before the Meeting or any further or other business is properly brought before the Meeting, it is the intention of the persons designated in the enclosed form of proxy to vote in accordance with their best judgment on such matters or business. At the time of the printing of this Information Circular, the management of the Company knows of no such amendment, variation or other matter that may be presented to the Meeting.

#### **ADVICE TO BENEFICIAL SHAREHOLDERS**

Only registered shareholders or proxyholders duly appointed by registered shareholders are permitted to vote at the Meeting. Most shareholders of the Company are “non-registered” shareholders because the shares they own are not registered in their names but are instead registered in the names of a brokerage firm, bank or other intermediary or in the name of a clearing agency. Shareholders who do not hold their shares in their own name (referred to herein as “**Beneficial Shareholders**”) should note that only registered shareholders are entitled to vote at the Meeting. If common shares of the Company (each, a “**Common Share**”) are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in such shareholder’s name on the records of the Company. Such Common Shares will more likely be registered under the name of the shareholder’s broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities, which company acts as nominee for many Canadian brokerage firms). Common Shares held by brokers (or their agents or nominees) on behalf of a broker’s client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the brokers’ clients. Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided by the Company to the registered shareholders. However, its purpose is limited to instructing the registered shareholder (i.e. the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”). Broadridge typically prepares a machine-readable voting instruction form, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise

communicate voting instructions to Broadridge (by way of the internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote Common Shares directly at the Meeting. The voting instruction form must be returned to Broadridge (or instructions respecting the voting of Common Shares must be communicated to Broadridge) well in advance of the Meeting in order to have the Common Shares voted.

This Information Circular and accompanying materials are being sent to both registered shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories – those who object to their identity being known to the issuers of securities which they own (“**Objecting Beneficial Owners**”, or “**OBOs**”) and those who do not object to their identity being made known to the issuers of the securities they own (“**Non-Objecting Beneficial Owners**”, or “**NOBOs**”). Subject to the provision of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of Reporting Issuers* (“**NI 54-101**”) issuers may request and obtain a list of their NOBOs from intermediaries via their transfer agents. If you are a Beneficial Shareholder, and the Company or its agent has sent these materials directly to you, your name, address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the Common Shares on your behalf.

As the Company does not intend to pay intermediaries to forward the meeting materials to OBOs, Beneficial Shareholders who are OBOs will not receive the materials unless their intermediary assumes the costs of delivery.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the Common Shares in that capacity. Beneficial shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered shareholder should enter their own names in the blank space on the proxy or voting instruction form provided to them and return the same to their broker (or the broker’s agent) in accordance with the instructions provided by such broker.

All references to shareholders in this Information Circular and the accompanying form of Proxy and Notice of Meeting are to shareholders of record unless specifically stated otherwise.

#### **RECORD DATE AND QUORUM**

The Company has set the close of business on November 6, 2016, as the record date (the “**Record Date**”) for the Meeting. Only the holders of Common Shares of record as at the Record Date are entitled to receive notice of and to vote at the Meeting, unless after that date a shareholder of record transfers his or her Common Shares and the transferee, upon producing properly endorsed certificates evidencing such shares or otherwise establishing that he or she owns such shares, requests at least ten (10) days prior to the Meeting that the transferee’s name be included in the list of shareholders entitled to vote, in which case such transferee is entitled to vote such shares at the Meeting.

Under the Articles of the Company, subject to the special rights and restrictions attached to the shares of any affected class or series of shares, the quorum for the transaction of business at a meeting of shareholders is one or more persons who are, or who represent by proxy, shareholders of the Company.

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

Management of the Company is not aware of 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 or the appointment of auditors, of any person who has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year, of each proposed nominee for election as a director of the Company, or of any associate or affiliate of such persons, except as hereinafter disclosed. As directors and executive officers of the Company may participate in the Company's stock option plan, they, accordingly, have an interest in its approval and ratification, which will be sought at the Meeting. (See "Particulars of Matters to be Acted Upon – New Stock Option Plan").

## **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

The Company is authorized to issue an unlimited number of Common Shares without par value of which 3,196,593 Common Shares were issued and outstanding as of the Record Date. Only shareholders of record at the close of business on November 6, 2017, who either personally attend the Meeting or who have completed and delivered a form of proxy in the manner and subject to the provisions described herein shall be entitled to vote or to have their shares voted at the Meeting on the basis of one vote for each Common Share held.

To the knowledge of the directors and senior officers of the Company, and based upon the Company's review of the records maintained by Computershare and insider reports filed with the System for Electronic Disclosure by Insiders ([www.sedi.ca](http://www.sedi.ca)), as at the Record Date, there are no persons or companies who beneficially own, directly or indirectly, or exercise control or direction over shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company.

## **STATEMENT OF EXECUTIVE COMPENSATION**

The following information regarding executive compensation is presented in accordance with national Instrument Form 51-102F6V - *Statement of Executive Compensation – Venture Issuers*. The objective of this disclosure is to communicate the compensation the Company paid, made payable, awarded, granted, gave or otherwise provided to each named executive officer and director for the financial years ended January 31, 2016, and 2017, and the decision-making process relating to compensation. The aim of this disclosure is to provide insight into executive compensation as a key aspect of the overall stewardship and governance of the Company and to help shareholders understand how decisions about executive compensation are made.

### **Named Executive Officer**

In this section, Named Executive Officer ("**NEO**") means each of the following individuals:

- (a) each individual who during any part of the most recently completed financial year served as a Chief Executive Officer ("**CEO**");
- (b) each individual who during any part of the most recently completed financial year served as a Chief Financial Officer ("**CFO**");

- (c) the most highly compensated executive officer, other than the CEO or CFO, at the end of the most recently completed financial year whose total compensation was more than \$150,000 for that financial year; and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year.

Disclosure in this section sets forth compensation for each of Marc Enright-Morin, the Company's President, CEO and a director, Nilda Rivera, the former CFO (together, the "NEOs"), current directors Michael Young and Anastase Maragos, and former directors Marc Levy and Van Phu Bui (together, the "Directors").

#### Director and NEO Compensation

##### ***Director and NEO Compensation, Excluding Compensation Securities***

The following table sets out all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company to each NEO, in any capacity, for the financial years ended January 31, 2016, and 2017:

<b>Table of Compensation Excluding Compensation Securities</b>							
<b>Name and position</b>	<b>Year<sup>1</sup></b>	<b>Salary, consulting fee, retainer, or commission (\$)</b>	<b>Bonus (\$)</b>	<b>Committee or meeting fees (\$)</b>	<b>Value of perquisites (\$)</b>	<b>Value of all other compensation (\$)</b>	<b>Total compensation (\$)</b>
Marc Enright-Morin CEO, President Director	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil
Nilda Rivera <sup>2</sup> Former CFO	2017	N/A	N/A	N/A	N/A	N/A	N/A
	2016	Nil	Nil	Nil	Nil	Nil	Nil
Michael Young <sup>3</sup> Director	2017	22,500 <sup>4</sup>	Nil	Nil	Nil	Nil	22,500 <sup>4</sup>
	2016	N/A	N/A	N/A	N/A	N/A	N/A
Anastase Maragos <sup>5</sup> Director	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	N/A	N/A	N/A	N/A	N/A	N/A
Marc Levy <sup>6</sup> Former Director	2017	N/A	N/A	N/A	N/A	N/A	N/A
	2016	Nil	Nil	Nil	Nil	Nil	Nil
Van Phu Bui <sup>7</sup> Former Director	2017	N/A	N/A	N/A	N/A	N/A	N/A
	2016	Nil	Nil	Nil	Nil	Nil	Nil

1 Financial year ended January 31<sup>st</sup>

2 Nilda River resigned as CFO of the Company on June 19, 2015

3 Michael Young appointed a director of the Company on September 14, 2016

4 Accrued and payable as at the financial year ended January 31, 2017, to a corporation owned and controlled by Michael Young for management and consulting fees

5 Anastase Maragos appointed a director of the Company on October 28, 2016

6 Marc Levy resigned as a director of the Company on August 24, 2015

7 Van Phu Bui resigned as a director of the Company on May 27, 2015

## **Stock Options and Other Compensation Securities**

All compensation securities granted or issued to each director and NEO by the Company or one of its subsidiaries during the financial year ended January 31, 2017, for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries:

<b>Compensation Securities</b>							
<b>Name and Position</b>	<b>Type of compensation security</b>	<b>Number of compensation securities, number of underlying securities, and percentage of class</b>	<b>Date of issue or grant</b>	<b>Issue, conversion or exercise price (\$)</b>	<b>Closing price of security or underlying security on date of grant (\$)</b>	<b>Closing price of security or underlying security at year end (\$)</b>	<b>Expiry date</b>
Marc Enright-Morin CEO, President Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Michael Young Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Anastase Maragos Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A

No NEO nor directors of the Company exercised compensation securities in the financial year ended January 31, 2017.

### **Stock Option Plans and Other Incentive Plans**

Pursuant to the policies of the NEX board of the TSX Venture Exchange (“**TSXV**”), all NEX listed companies are required to adopt a stock option plan prior to granting incentive stock options in compliance with applicable TSXV policies. The Company’s current “rolling” stock option plan was adopted by the Company’s Board of Directors on October 31, 2016, and subsequently approved by the Company’s shareholders on December 7, 2016 (the “**Stock Option Plan**”). As rolling stock option plans must receive Shareholder approval on a yearly basis, Shareholders are being asked at the Meeting to approve the Stock Option Plan.

For a summary of the material terms of the Stock Option Plan, please see “*Particulars of Matters to be Acted Upon – Stock Option Plan*”.

### **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

#### **Equity Compensation Plan Information**

The following table provides information, on a post-consolidated basis pursuant to the consolidation of the Company’s securities effected September 14, 2017, regarding the Company’s equity compensation plans which were in effect as at the financial year ended January 31, 2017:

Plan Category	# of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	# of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity Compensation Plans Approved by Shareholders	39,000	\$0.50	1,326,830
Equity Compensation Plans Not Approved by Shareholders	N/A	N/A	N/A
Total	39,000	\$0.50	1,326,830

## **DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES**

National Instrument 58-101 - *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) provides guidelines on corporate governance disclosure for venture issuers as set out in Form 58-101F2 and requires full and complete annual disclosure of a listed company’s systems of corporate governance with reference to each of such guidelines (the “**Guidelines**”). Where a company’s corporate governance system differs from the Guidelines, each difference and the reason for the difference is required to be disclosed. The Company’s approach to corporate governance is provided below.

Corporate governance relates to the activities of the board of directors of the Company (the “**Board**”), the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Company. The Board is committed to sound corporate governance practices that are both in the interest of its shareholders and contribute to effective and efficient decision making. National Policy 58-201 - Corporate Governance Guidelines establishes corporate governance guidelines that apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company’s practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. NI 58-101 mandates disclosure of corporate governance practices for Venture Issuers in Form 58-101F2, which disclosure is set out below.

### **Board of Directors**

#### **Structure**

The Board is currently composed of four directors, three of whom will be standing for re-election. All of the proposed nominees for election as directors at the Meeting are current directors of the Company. Form 58-101F2 suggests that the board of directors of every listed company should be constituted with a majority of individuals who qualify as “independent” directors under National Instrument 52-110 (“**NI 52-110**”), which provides that a director is independent if he or she has no direct or indirect “material relationship” with the Company. “Material relationship” is defined as a relationship that could, in the view of the Company’s Board, be reasonably expected to interfere with the exercise of a director’s independent judgment. Of the proposed nominees: (a) Michael Young, who also serves as a Consultant



to the Company, is not considered to be independent; (b) Anastase Maragos is an independent director; and (c) Liam Corcoran is an independent director. In assessing Form 58-101F2 and making the foregoing determinations, the circumstances of each director have been examined in relation to a number of factors. It is the objective of the Company to continue the search for additional qualified individuals able to serve as directors and who would be considered as “independent”, so as to strive to have a larger majority of independent Board members and enhance the quality of the Company’s corporate governance.

The Company does not currently have a Chairman of the Board and, given the current size of the Board, does not consider that a Chairman is necessary. The independent directors exercise their responsibilities for independent oversight of management, and are provided with leadership through their positions on the Board and ability to meet independently of management whenever deemed necessary. The Board will give consideration to appointing an “independent” member as Chairman at such time as it believes that such a position is required but will not be able to do so until additional “independent” directors are recruited and appointed.

### **Mandate of the Board**

The mandate of the Board, as prescribed by the *Business Corporations Act* (British Columbia), is to manage or supervise the management of the business and affairs of the Company and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of the Company’s affairs directly and through the Audit Committee. In fulfilling its mandate, the Board, among other matters, is responsible for reviewing and approving the Company’s overall business strategies and its annual business plan, reviewing and approving the annual corporate budget and forecast, reviewing and approving significant capital investments outside the approved budget; reviewing major strategic initiatives to ensure that the Company’s proposed actions accord with shareholder objectives; reviewing succession planning; assessing management’s performance against approved business plans and industry standards; reviewing and approving the reports and other disclosure issued to shareholders; ensuring the effective operation of the Board; and safeguarding shareholders’ equity interests through the optimum utilization of the Company’s capital resources. The Board also takes responsibility for identifying the principal risks of the Company’s business and for ensuring these risks are effectively monitored and mitigated to the extent reasonably practicable. At this stage of the Company’s development, the Board does not believe it is necessary to adopt a written mandate, as sufficient guidance is found in the applicable corporate legislation and regulatory policies. However, as the Company grows, the Board will likely move to develop a formal written mandate.

In keeping with its overall responsibility for the stewardship of the Company, the Board is responsible for the integrity of the Company’s internal control and management information systems and for the Company’s policies respecting corporate disclosure and communications.

Each member of the Board understands that he is entitled, at the cost of the Company, to seek the advice of an independent expert if he reasonably considers it warranted under the circumstances.

The positions of President and CEO are combined. The Board believes the Company is well serviced and the independence of the Board from management is not compromised by the combined role. The Board does not, and does not consider it necessary to, have any formal structures or procedures in place to ensure that the Board can function independently of management. The Board believes that its proposed composition, in which two of three members are independent, is sufficient to ensure that the Board can function independently of management.

## Directorships

The following director of the Company is currently a director of other reporting issuers:

Name of Director	Other Reporting Issuers	Exchange
Marc Enright-Morin	A.I.S.Resources Limited	TSX Venture Exchange
Michael Young	Green 2 Blue Energy Corp.	Reporting Issuer

## Orientation and Continuing Education

New directors are briefed on strategic plans, short, medium and long term corporate objectives, business risks and mitigation strategies, corporate governance guidelines and existing company policies. However, there is no formal orientation for new members of the Board, and this is considered to be appropriate, given the Company's size and current level of operations. However, if the growth of the Company's operations warrants it, it is likely that a formal orientation process will be implemented.

The skills and knowledge of the Board as a whole is such that no formal continuing education process is currently deemed required. The Board is comprised of individuals with varying backgrounds, who have, both collectively and individually, extensive experience in running and managing public companies. Board members are encouraged to communicate with management, auditors and technical consultants to keep themselves current with industry trends and developments and changes in legislation, with management's assistance. Board members have full access to the Company's records. Reference is made to the table under the heading "Election of Directors" for a description of the current principal occupations of the members of the Company's Board.

## Ethical Business Conduct

The Board expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company's business plan and to meet performance goals and objectives. To date, the Board has not adopted a formal written Code of Business Conduct and Ethics. However, the current limited size of the Company's operations and the small number of officers and employees allow the independent members of the Board to monitor on an ongoing basis the activities of management and to ensure that the highest standard of ethical conduct is maintained. Should the Company operations grow in size and scope, the Board anticipates that it would then formulate and implement a formal Code of Business Conduct and Ethics.

## Nomination of Directors

The Board as a whole determines new nominees to the Board, although a formal process has not been adopted. The nominees are generally the result of recruitment efforts by the individual Board members, including both formal and informal discussions among Board members and the President and CEO. The current size of the Board is such that the entire Board takes responsibility for selecting new directors and assessing current directors. Proposed directors' credentials are reviewed in advance of a Board meeting with one or more members of the Board prior to the proposed director's nomination.

## **Compensation**

The Company does not currently pay its directors any remuneration for acting as directors and the only compensation for acting as directors received by non-management directors is through the grant of incentive stock options. The quantity and quality of the Board compensation is reviewed on an annual basis. At present, the Board is satisfied that the current Board compensation arrangements adequately reflect the responsibilities and risks involved in being an effective director of the Company. The number of options to be granted to any director or officer is determined by the Board as a whole, thereby providing the independent directors with significant input into compensation decisions. Options to be granted to “management” directors are required, as a matter of board practice, to be reviewed and approved by the “non-management” directors. Given the current size and limited scope of operations of the Company, the Board does not believe that a formal compensation committee is required. At such time as, in the opinion of the Board, the size and activities of the Company and the number of management employees warrants it, the Board will consider it necessary to appoint a formal compensation committee.

## **Other Board Committees**

Committees of the Board are an integral part of the Company’s governance structure. At the present time, the only standing committee is the Audit Committee. Disclosure with respect to the Audit Committee, as required by NI 52-110 – *Audit Committee*, is shown in the next section of this Information Circular. As the Company grows, and its operations and management structure become more complex, the Board will likely find it appropriate to constitute formal standing committees, such as a Corporate Governance Committee, Compensation Committee and Nominating Committee, and to ensure that such committees are governed by written charters and are composed of at least a majority of “independent” directors.

## **Assessments**

The Board monitors but does not formally assess the performance of individual Board members or committee members or their contributions. The Board does not, at present, have a formal process in place for assessing the effectiveness of the Board as a whole, its committees or individual directors, but will consider implementing one in the future should circumstances warrant. Based on the Company’s size, its stage of development and the limited number of individuals on the Board, the Board considers a formal assessment process to be inappropriate at this time. The Board plans to continue evaluating its own effectiveness on an ad hoc basis.

## **AUDIT COMMITTEE**

Pursuant to section 224 of the *Business Corporations Act* (British Columbia), the Company is required to have an audit committee composed of at least three directors, and a majority of the members of the committee must not be officers or employees of the Company or of an affiliate of the Company.

### **Audit Committee Charter**

Under National Instrument 52-110 – *Audit Committees* (“NI 52-110”), companies are required to provide certain disclosure with respect to their audit committee, including the text of the audit committee’s charter, which is attached hereto as Schedule “A”, the composition of the audit committee and the fees paid to the external auditor.

## Composition of the Audit Committee

The following table sets out the relevant education and experience of the directors of the Company who are members of the Audit Committee:

Member	Independent/ Not Independent <sup>1</sup>	Financially Literate/Not Financially Literate <sup>2</sup>	Relevant Education and Experience
Michael Young	Independent	Financially literate	Graduate of the Certified Financial Planning education program; has served as a director, officer and audit committee member of other companies, both public and private
Anastase Maragos	Independent	Financially literate	Partner, Watson Goepel LLP; has served as a director/audit committee member of other issuers
Liam Corcoran	Independent	Financially literate	Associate, Alexander Holburn Beaudin & Lang LLP (AHBL)- member of the firm's Insurance Practice where his practice is litigation-based and focused on insurance defence; prior to joining AHBL. Worked on business side (client management, negotiation) of film industry

<sup>1</sup> A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company that could, in the view of the Board of Directors, reasonably interfere with the exercise of a member's independent judgment.

<sup>2</sup> An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth 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.

## Audit Committee Oversight

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

## Reliance on Certain Exemptions

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

## Pre-Approval Policies and Procedures

The Audit Committee is authorized by the Board to review the performance of the Company's external auditors and approve in advance provision of services other than auditing and to consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the Company. The Chairman of the Audit Committee is authorized to approve any non-audit services or additional work which the Chairman deems as necessary and is required to notify the other members of the Audit Committee of such non-audit or additional work.

## External Auditor Service Fees (By Category)

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

Financial Year Ending	Audit Fees <sup>1</sup> (\$)	Audit Related Fees <sup>2</sup> (\$)	Tax Fees <sup>3</sup> (\$)	All Other Fees <sup>4</sup> (\$)
2017	3,063	Nil	Nil	Nil
2016	3,213	Nil	Nil	Nil

1 The aggregate audit fees billed.

2 The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements that are not included under the heading "Audit Fees".

3 The aggregate fees billed for professional services rendered for tax compliance, tax advice and tax planning.

4 The aggregate fees billed for products and services other than as set out under the headings "Audit Fees", "Audit Related Fees" and "Tax Fees".

## Exemption

The Company is relying upon the exemption in section 6.1 of National Instrument 52-110 – Audit Committees from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations).

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

At no time during the Company's last completed financial year, nor during any subsequent period, was any director, executive officer, employee, proposed management nominee for election as a director of the Company nor any associate of any such director, executive officer, or proposed management nominee of the Company nor any former director, executive officer or employee of the Company or any of its subsidiaries, indebted to the Company or any of its subsidiaries or indebted to another entity where such indebtedness is or has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Applicable securities legislation defines "informed person" to mean any of the following: (a) a director or executive officer of a reporting issuer; (b) a director or officer of a person or company that is itself an informed person or subsidiary of a reporting issuer; (c) any person or company who beneficially owns, directly or indirectly, voting securities of a reporting issuer or who exercises control or direction over voting securities of a reporting issuer or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the reporting issuer other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) a reporting issuer that has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

None of the informed persons of the Company, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, in any transactions since the commencement of the Company's most recently completed financial year, or

in any proposed transaction which, in either case, has or will materially affect the Company or any of its subsidiaries.

## MANAGEMENT CONTRACTS

The management functions of the Company are substantially performed by the directors and officers of the Company, and not to any substantial degree by any other person with whom the Company has contracted.

### PARTICULARS OF MATTERS TO BE ACTED UPON

#### **1. Annual Financial Statements**

The Board has approved the audited annual financial statements of the Company for the fiscal year ended January 31, 2017, together with the auditor's report thereon (the "**Financial Statements**"), which will be presented to Shareholders at the Meeting.

The Financial Statements and related management's discussion and analysis for the financial year ended January 31, 2017, are available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

Management will review the Company's financial results at the Meeting and Shareholders and proxyholders will be given an opportunity to discuss these results with management. **No approval or other action needs to be taken at the Meeting in respect of these documents.**

#### **2. Fixing the Number of Directors**

The Company is required to have at least three directors and there are currently three proposed nominees for election as directors to serve on the Company's Board. At the Meeting, it is proposed that the number of directors to be elected to hold office until the next annual meeting of shareholders or until their successors are elected or appointed be set at three (3).

**Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote IN FAVOUR of setting the number of directors to be elected at three (3).**

#### **3. Election of Directors**

All current directors of the Company cease to hold office immediately before the election or appointment of directors at the Meeting but are eligible for re-election or re-appointment. Unless the director's office is earlier vacated in accordance with the provisions of *Business Corporations Act* (British Columbia) or the Articles of the Company, or until his or her successor is duly elected or appointed, unless his or her office is earlier vacated.

It is proposed that the below stated nominees be elected at the Meeting as directors of the Company for the ensuing year. The director nominees include Michael Young, Anastase Maragos, and Liam Corcoran, all of whom are current directors of the Company.

The persons designated in the enclosed form of proxy, unless otherwise directed, intend to vote FOR the election to the Board of the nominees listed 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 designated in the enclosed form of proxy reserve the right to vote for other nominees in their discretion.

Pursuant to the Company’s Advance Notice Policy, as adopted by the directors of the Company on March 31, 2013, and subsequently approved by the shareholders of the Company, along with the addition of Advance Notice Provisions (the “**Provisions**”) to the Articles of the Company, on October 16, 2013, any additional director nominations for the Meeting must be received by the Company in accordance with the Provisions. As no such nominations were received by the Company, management’s nominees for election as directors set forth below shall be the only nominees eligible to stand for election at the Meeting.

The following table sets out the names of management’s nominees for election as directors; all offices in the Company each nominee now holds; each nominee’s principal occupation, business or employment; the period of time during which each nominee has been a director of the Company; and the number of Common Shares of the Company beneficially owned by each nominee, directly or indirectly, or over which each nominee exercised control or direction, as at the Record Date.

Name, Province and Country of Residence and Position Held <sup>1</sup>	Principal Occupation for the Past Five Years <sup>1</sup>	Director of the Company Since	Common Shares Beneficially Owned or Controlled, Directly or Indirectly <sup>2</sup>
Michael Young <sup>3</sup> British Columbia Canada  Director	Self-employed consultant/advisor: 1994 – present; Chief Financial Officer and VP Corporate Development, Green 2 Blue Energy Corp.: 2015 - present; Director, DraftTeam Fantasy Sports Inc. (formerly Intelimax Media Inc.): 2006 – 2015; President and Chief Financial Officer, DraftTeam Fantasy Sports Inc.: 2012 - 2015; Chief Executive Officer, DraftTeam Fantasy Sports Inc.: 2013	September 14, 2016	44,207
Anastase Maragos <sup>3</sup> British Columbia Canada  Director	Partner, Watson Goepel LLP: 1992 – present	October 28, 2016	Nil
Liam Corcoran <sup>3</sup> British Columbia Canada  Director	Associate, Alexander Holburn Beaudin & Lang LLP: 2014 – present	June 23, 2017	Nil

- 1 The information as to the residency and principal occupation, not being within the knowledge of the Company, has been furnished by the respective directors individually.
- 2 The information as to shares beneficially owned or over which a director exercises control or direction, not being within the knowledge of the Company, has been furnished by the respective directors individually and from the records obtained from the System for Electronic Disclosure by Insiders (SEDI) available at [www.sedi.ca](http://www.sedi.ca).
- 3 Denotes member of Audit Committee

## Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Company, no proposed director:

- (a) is, at the date of this Information Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that,
  - (i) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
  - (ii) was subject to an order that was issued after the proposed director 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 the capacity as director, chief executive officer or chief financial officer;
- (b) is, as at the date of this Circular, or has been within 10 years before the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- (c) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director;
- (d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (e) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

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

#### **4. Appointment of Auditors**

Jackson & Company, Chartered Professional Accountants (“**Jackson & Company**”), first appointed auditor of the Company on October 12, 2016, is the independent registered certified auditor of the Company. Shareholders will be asked to approve the appointment of Jackson & Company as auditor of the Company to hold office until the next Annual General Meeting of Shareholders, or until a successor is appointed, at a remuneration to be fixed by the Board of Directors.



**Management recommends the appointment of Jackson & Company as auditor of the Company, and, unless otherwise directed, the persons named in the enclosed form of proxy intend to vote IN FAVOUR of such appointment at a remuneration to fixed by the Board of Directors of the Company.**

## **5. Stock Option Plan**

Pursuant to the policies of the NEX board of the TSX Venture Exchange (“**TSXV**”), all NEX listed companies are required to adopt a stock option plan prior to granting incentive stock options in compliance with applicable TSXV policies. The Company’s current “rolling” stock option plan was adopted by the Company’s Board of Directors on October 31, 2016, and subsequently approved by the Company’s shareholders on December 7, 2016 (the “**Stock Option Plan**”). As rolling stock option plans must receive Shareholder approval on a yearly basis, Shareholders are being asked at the Meeting to approve the Stock Option Plan.

The following information is intended as a brief description of the Stock Option Plan and is qualified in its entirety by the full text of the Stock Option Plan, a copy of which will be available for inspection at the Meeting. A Shareholder may also obtain a copy of the Stock Option Plan by contacting the Company at Suite 1080, 789 West Pender Street, Vancouver, BC V6C 1H2.

As of the date of this Information Circular, the total number of options outstanding is 39,000, all as granted to a director and officer of the Company. In addition, the Company had 10,500 charitable options outstanding.

### **Stock Option Plan - Summary**

The purpose of the Stock Option Plan is to advance the interests of the Company by encouraging equity participation in the Company through the acquisition of Common Shares. It is the intention of the Company that, if and so long as the Common Shares are listed on the NEX and/or TSX Venture Exchange, at the discretion of the Board of Directors of the Company, the Stock Option Plan will at all times be in compliance with the policies of the TSX Venture Exchange and unless the Board of Directors determines otherwise, any inconsistencies between the Stock Option Plan and the policies of the TSX Venture Exchange whether due to inadvertence or changes in the policies of the TSX Venture Exchange will be resolved in favour of the policies of the TSX Venture Exchange.

The Board will administer the Stock Option Plan and may, from time to time, in its discretion, and in accordance with the requirements of the TSX Venture Exchange, grant to bona fide directors, employees and consultants of the Company, non-assignable and non-transferable options to purchase Common Shares. The Board may from time to time, subject to regulatory or shareholder approval, amend or revise the terms of the Stock Option Plan.

Under the Stock Option Plan, the aggregate number of Common Shares that may be reserved for issuance, together with any Common Shares reserved for issuance under any other share compensation arrangement implemented by the Company, shall not exceed 10% of the total number of issued Common Shares of the Company (calculated on a non-diluted basis) at the time an option is granted. If any options granted under the Stock Option Plan shall expire, terminate or be cancelled for any reason without having been exercised in full, any unpurchased Common Shares to which such options relate shall be available for the purposes of granting of further options under the Stock Option Plan.

### **Limitation on Option Grants**

The following restrictions on the granting of Options are applicable under the Stock Option Plan:

- (a) Individuals. The aggregate number of optioned shares that may be reserved for issuance pursuant to options granted to any one individual must not exceed 5% of the issued Common Shares of the Company (determined as at the date of grant) in a 12-month period, unless the Company has obtained Disinterested Shareholder Approval, as such term is defined in the 2016 Rolling Stock Option Plan.
- (b) Optionees Performing Investor Relations Activities. The aggregate number of options granted to individuals/consultants engaged to provide Investor Relations Activities (as defined in the policies of the TSX Venture Exchange) in a 12-month period must not exceed 2% of the issued Common Shares of the Company (determined as at the date of grant) without the prior consent of the TSX Venture Exchange.
- (c) Consultants. The aggregate number of options granted to any one consultant in a 12-month period must not exceed 2% of the issued Common Shares of the Company (determined as at the date of grant) without the prior consent of the TSX Venture Exchange.

### **Exercise Price**

If the Common Shares are listed on the TSX Venture Exchange, subject to a minimum price of \$0.05 per share, the exercise price for an option under the Stock Option Plan shall be fixed by the Board when the option is granted, provided that such price shall not be less than the discounted market price and the exercise price must be set in accordance with the policies of the TSX Venture Exchange. If the Common Shares are not listed, posted and trading on any stock exchange or bulletin board, then the exercise price will be determined by the Board at the time of granting. If an option is granted within 90 days of a distribution by a prospectus by the Company, the exercise price will not be less than the price that is the greater of the minimum prevailing price permitted by the policies of the TSX Venture Exchange and the per share price paid by public investors for Common Shares acquired under the distribution by the prospectus, with the 90-day period beginning on the date a final receipt is issued for the prospectus. In all other cases, the exercise price shall be determined in accordance with the rules and regulations of any applicable regulatory bodies.

### **Term and Vesting**

Any option must be exercised within a term set by the Board at the time of grant, such term not to exceed ten (10) years from the date of the granting of the option. The vesting period or periods within this term during which an option or a portion thereof may be exercised by a participant under the Stock Option Plan shall be determined by the Board.

### **Termination of Options**

Unless the Board determines otherwise, options will terminate in the following circumstances:

- (a) Termination of Services for Cause, Refusal to Stand for Election or Upon Resignation. If the engagement of the optionee as a director, employee or consultant is terminated for cause (as determined by common law) or if such director, employee or consultant resigns, or in the case of a director, refuses to stand for re-election, any option granted to such optionee shall terminate and cease to be exercisable immediately upon the optionee ceasing to be a director, employee or consultant by reason of termination for cause, refusal to stand for re-election or by resignation.

- (b) Termination of Services Without Cause. If the engagement of the optionee as a director, employee or consultant of the Company is terminated for any reason other than cause (as determined by common law), resignation, disability or death, the optionee may exercise any option granted hereunder to the extent that such option was exercisable and had vested on the date of termination until the date that is the earlier of (i) the expiry date of the option, and (ii) the date that is 90 days after the effective date of the optionee ceasing to be a director, employee or consultant for that other reason.
- (c) Death. If the optionee dies, the optionee's lawful personal representatives, heirs or executors may exercise any option granted hereunder to the optionee to the extent such option was exercisable and had vested on the date of death until the earlier of (i) the expiry date of the option, and (ii) one year after the date of death of such optionee.
- (d) Disability. If the optionee ceases to be an eligible person, as such term is defined in the 2016 Rolling Stock Option Plan, due to his disability, or, in the case of an optionee that is a company, the disability of the person who provides management or consulting services to the Company or to an affiliate of the Company, the optionee may exercise any option granted hereunder to the extent that such option was exercisable and had vested on the date of disability until the earlier of (i) the expiry date of the option, and (ii) the date that is 90 days after the date of disability.

#### **Other Provisions**

The Stock Option Plan contains provisions governing the acceleration of the vesting of options in the event of a change of control of the Company or in the event of a take-over proposal.

Notwithstanding the provisions contained herein for the expiry of options, in the event that the expiry date of an option falls during a black out period that is formally imposed by the Company pursuant to its policies as a result of the bona fide existence of undisclosed material information, the 2016 Rolling Stock Option Plan provides that the expiry date of such option shall be automatically extended for a period of ten (10) business days following the general disclosure of the undisclosed material information.

#### **Approval**

The Stock Option Plan is subject to annual acceptance by the shareholders of the Company at the Meeting and by the TSX Venture Exchange. At the Meeting, shareholders will be asked to approve the following ordinary resolution (the "Stock Option Plan Resolution"), which must be approved by at least a majority of the votes cast by shareholders represented in person or by proxy at the Meeting who vote in respect of the Stock Option Plan Resolution:

"BE IT RESOLVED, as an ordinary resolution of the shareholders of the Company, that:

1. The incentive stock option plan of the Company, as described and detailed as the Stock Option Plan in the Information Circular of the Company dated November 6, 2017 (the "Stock Option Plan"), be and is hereby ratified, confirmed and approved;
2. The board of directors of the Company be authorized in its absolute discretion to administer the Stock Option Plan and amend or modify the Stock Option Plan in accordance with its terms and conditions and with the policies of the TSX Venture Exchange (the "TSXV");

3. Any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Company or otherwise, all such deeds, documents, instruments and assurances as in his opinion may be necessary or desirable to give effect to the foregoing resolutions, including, without limitation, making any changes to the Stock Option Plan required by the TSXV or other applicable securities regulatory authorities and to complete all transactions in connection with the administration of the Stock Option Plan; and
4. The directors of the Company may revoke this resolution before it is acted upon without further approval of the shareholders.”

The form of the Stock Option Plan Resolution set forth above is subject to such amendments as management may propose at the Meeting, but which do not materially affect the substance of the Stock Option Plan Resolution.

**Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote such proxies IN FAVOUR of the resolutions approving the Stock Option Plan.**

#### **5. Other Business**

The Company will consider and transact such other business as may properly come before the Meeting or any adjournment or adjournments thereof. Management of the Company knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. Should any other matters properly come before the Meeting the Common Shares represented by the proxies solicited hereby will be voted on such matter in accordance with the best judgement of the persons voting by proxy.

#### **ADDITIONAL INFORMATION**

Additional information regarding the Company and its business activities is available on the SEDAR website located at [www.sedar.com](http://www.sedar.com) under “Company Profiles – Westcot Ventures Corp.”. The Company’s financial information is provided in the Company’s comparative financial statements for its financial year ended January 31, 2017. Shareholders of the Company may request copies of the Company’s financial statements by contacting the Chief Executive Officer of the Company at Suite 1080, 789 West Pender Street, Vancouver, British Columbia, V6C 1H2.

## SCHEDULE "A"

The following is the text of the current Charter of the Audit Committee (the "Charter") as adopted by the Board on January 1, 2008. The Board of Directors may amend the Charter in the future in light of evolving corporate governance standards.

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### Audit Committee Charter

#### Overall Purpose / Objectives

The Audit Committee will assist the board of directors (the "Board") in fulfilling its responsibilities. The Audit Committee will review the financial reporting process, the system of internal control and management of financial risks, the audit process, and the Company's process for monitoring compliance with laws and regulations and its own code of business conduct. In performing its duties, the committee will maintain effective working relationships with the Board of Directors, management, and the external auditors and monitor the independence of those auditors. To perform his or her role effectively, each committee member will obtain an understanding of the responsibilities of committee membership as well as the Company's business, operations and risks.

#### Authority

The Board authorizes the audit committee, within the scope of its responsibilities, to seek any information it requires from any employee and from external parties, to obtain outside legal or professional advice and to ensure the attendance of Company officers at meetings as appropriate.

#### Organization

(a) Membership

The Audit Committee will be comprised of at least three members, who are directors, a majority of which are not officers or employees of the Company.

The chairman of the Audit Committee will be nominated by the committee from time to time. A quorum for any meeting will be two members.

The secretary of the Audit Committee will be the Company Secretary, or such person nominated by the Chairman.

(b) Attendance at Meetings

The Audit Committee may invite such other persons (e.g. the President or Chief Financial Officer) to its meetings, as it deems appropriate.

Meetings shall be held not less than four times a year. Special meetings shall be convened as required. External auditors may convene a meeting of the Audit Committee if they consider that it is necessary.

The proceedings of all meetings will be minuted.

## Roles and Responsibilities

The Audit Committee will:

- Gain an understanding of whether internal control recommendations made by external auditors have been implemented by management.
- Gain an understanding of the current areas of greatest financial risk and whether management is managing these effectively.
- Review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- Review any legal matters which could significantly impact the financial statements as reported on by the general counsel and meet with outside independent counsel whenever deemed appropriate.
- Review the annual and quarterly financial statements, including Management's Discussion and Analysis and all annual and interim earnings press releases, prior to public dissemination, including any certification, report, opinion or review rendered by the external auditors and determine whether they are complete and consistent with the information known to committee members; determine that the auditors are satisfied that the financial statements have been prepared in accordance with generally accepted accounting principles.
- Pay particular attention to complex and/or unusual transactions such as those involving derivative instruments and consider the adequacy of disclosure thereof.
- Focus on judgmental areas, for example those involving valuation of assets and liabilities and other commitments and contingencies.
- Review audit issues related to the Company's material associated and affiliated companies that may have a significant impact on the Company's equity investment.
- Meet with management and the external auditors to review the annual financial statements and the results of the audit.
- Evaluate the fairness of the interim financial statements and disclosures and obtain explanations from management on whether:
  - (a) actual financial results for the interim period varied significantly from budgeted or projected results;
  - (b) generally accepted accounting principles have been consistently applied;
  - (c) there are any actual or proposed changes in accounting or financial reporting practices; and
  - (d) there are any significant or unusual events or transactions which require disclosure and, if so, consider the adequacy of that disclosure.
- Review the external auditors' proposed audit scope and approach and ensure no unjustifiable restriction or limitations have been placed on the scope.

- Review the performance of the external auditors and approve in advance provision of services other than auditing. Consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the company. The Board authorizes the Chairman of the Audit Committee to approve any non-audit or additional audit work which the Chairman deems as necessary and to notify the other members of the Audit Committee of such non-audit or additional work.
- Make recommendations to the Board regarding the reappointment of the external auditors and the compensation to be paid to the external auditor.
- Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- Review and approve the Company's hiring policies regarding partners, employers and former partners and employees of the present and former external auditors of the Company.
- Establish a procedure for:
  - (a) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters; and
  - (b) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters.
- Meet separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately.
- Endeavour to cause the receipt and discussion on a timely basis of any significant findings and recommendations made by the external auditors.
- Ensure that the Board is aware of matters which may significantly impact the financial condition or affairs of the business.
- Perform other functions as requested by the full Board.
- If necessary, institute special investigations and, if appropriate, hire special counsel or experts to assist, and set the compensation to be paid to such special counsel or other experts.
- Review and recommend updates to the charter; receive approval of changes from the Board.