

**AMERICAN POTASH CORP.  
(formerly New Tech Minerals Corp.)**

**Annual General Meeting  
to be held on Tuesday, February 14, 2023**

**Notice of Annual General Meeting  
and  
Information Circular**

**January 9, 2023**

**AMERICAN POTASH CORP.**  
**(formerly New Tech Minerals Corp.)**  
880 - 580 Hornby Street  
Vancouver, BC V6C 3B6

**INFORMATION CIRCULAR**

(as at January 9, 2023 except as otherwise indicated)

**SOLICITATION OF PROXIES**

This information circular (the “**Circular**”) is provided in connection with the solicitation of proxies by the management (the “**Management**”) of American Potash Corp. (the “**Company**”). The form of proxy which accompanies this Circular (the “**Proxy**”) is for use at the annual general meeting of the shareholders of the Company to be held on Tuesday, February 14, 2023 (the “**Meeting**”), at the time and place set out in the accompanying notice of Meeting (the “**Notice of Meeting**”). The Company will bear the cost of this solicitation. The solicitation will be made by mail, but may also be made by telephone.

**VIRTUAL ATTENDANCE**

Due to continuing concerns regarding the coronavirus (COVID-19) and in consideration of the health and safety of shareholders, employees, other stakeholders and the broader community, **the Company is also providing access to the Meeting virtually. Please note that shareholders and proxyholders will not be able to vote virtually**, and we encourage you to vote your shares by proxy ahead of the Meeting if you are not able to attend in person.

Please contact Jonathan George of the Company by email at [jon@americanpotash.com](mailto:jon@americanpotash.com) no later than 10:30 a.m. (local time in Vancouver, British Columbia) on February 13, 2023 to be included in the virtual meeting and be provided with the meeting ID and password.

It is the shareholders' and proxyholders' responsibility to ensure connectivity during the Meeting and the Company encourages its shareholders to allow sufficient time to call in to the Meeting before it begins.

**APPOINTMENT AND REVOCATION OF PROXY**

The person named in the Proxy is the Company's legal counsel. **A registered shareholder who wishes to appoint some other person to serve as their representative at the Meeting may do so by striking out the printed names and inserting the desired person's name in the blank space provided.** The completed Proxy should be delivered to Computershare Investor Services Inc. (“**Computershare**”) by 10:30 a.m. (local time in Vancouver, British Columbia) on February 10, 2023, or before 48 hours (excluding Saturdays, Sundays and holidays) before any adjournment of the Meeting at which the Proxy is to be used.

The Proxy may be revoked by:

- (a) signing a proxy with a later date and delivering it at the time and place noted above; or
- (b) signing and dating a written notice of revocation and delivering it to Computershare, or by transmitting a revocation by telephonic or electronic means, to Computershare, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment of it, at which the Proxy is to be used.

## Provisions Relating to Voting of Proxies

The common shares represented by Proxy in the form provided to shareholders will be voted or withheld from voting by the designated holder in accordance with the direction of the registered shareholder appointing him. If there is no direction by the registered shareholder, those common shares will be voted for all proposals set out in the Proxy and for the election of directors and the appointment of the auditors as set out in this Circular. The Proxy gives the person named in it the discretion to vote as such person sees fit on any amendments or variations to matters identified in the Notice of Meeting, or any other matters which may properly come before the Meeting. At the time of printing of this Circular, the Management knows of no other matters which may come before the Meeting other than those referred to in the Notice of Meeting.

## Advice to Beneficial Holders of Common Shares

The information set forth in this section is of significant importance to many shareholders, as a substantial number of shareholders do not hold common shares in their own name. Shareholders who hold their common shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their common shares in their own name (referred to herein as “Beneficial Shareholders”) should note that only proxies deposited by shareholders who appear on the records maintained by the Company’s registrar and transfer agent as registered holders of common shares will be recognized and acted upon at the Meeting. If common shares are listed in an account statement provided to a Beneficial Shareholder by a broker, then those common shares will, in all likelihood, not be registered in the shareholder’s name. 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 CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). In the United States, the vast majority of such shares are registered under the name of Cede & Co., the registration name for The Depository Trust Company, which acts as nominee for many United States brokerage firms. Shares held by brokers (or their agents or nominees) on behalf of a broker’s client can only be voted or withheld at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker’s 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 shareholder 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. The form of instrument of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the instrument of proxy provided directly to registered shareholders by the Company. 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 vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. (“Broadridge”) in Canada. Broadridge typically prepares a machine-readable voting instruction form (“VIF”), mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the VIFs 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 VIF cannot use that form to vote common shares directly at the Meeting. The VIFs must be returned to Broadridge (or instructions respecting the voting of common shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the common shares voted. If you have any questions respecting the voting**

**of common shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

The Notice of Meeting, Circular, Proxy and VIF, as applicable, are being provided 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 (“OBOs”) and those who do not object to their identity being made known to the issuers of the securities which they own (“NOBOs”). Subject to the provisions of National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“NI 54-101”), issuers may request and obtain a list of their NOBOs from intermediaries directly or via their transfer agent and may obtain and use the NOBO list for the distribution of proxy-related materials directly (not via Broadridge) to such NOBOs. 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.

Pursuant to the provisions of NI 54-101, the Company is providing the Notice of Meeting, Circular and Proxy or VIF, as applicable, to both registered owners of the securities and non-registered owners of the securities. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Company (and not the intermediary holding common shares on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the VIF. As a result, if you are a non-registered owner of the securities, you can expect to receive a scannable VIF from Computershare. Please complete and return the VIF to Computershare in the envelope provided or by facsimile. In addition, telephone voting and internet voting instructions can be found on the VIF. Computershare will tabulate the results of the VIFs received from the Company’s NOBOs and will provide appropriate instructions at the Meeting with respect to the common shares represented by the VIFs they receive.

The Company’s OBOs can expect to be contacted by Broadridge or their brokers or their broker’s agents as set out above. The Company does not intend to pay for intermediaries to deliver the Notice of Meeting, Circular and VIF to OBOs and accordingly, if the OBO’s intermediary does not assume the costs of delivery of those documents in the event that the OBO wishes to receive them, the OBO may not receive the documentation.

Although a Beneficial Shareholder 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. NI 54-101 allows a Beneficial Shareholder who is a NOBO to submit to the Company or an applicable intermediary any document in writing that requests that the NOBO or a nominee of the NOBO be appointed as proxyholder. If such a request is received, the Company or an intermediary, as applicable, must arrange, without expenses to the NOBO, to appoint such NOBO or its nominee as a proxyholder and to deposit that proxy within the time specified in this Circular, provided that the Company or the intermediary receives such written instructions from the NOBO at least one business day prior to the time by which proxies are to be submitted at the Meeting, with the result that such a written request must be received by 10:30 a.m. (local time in Vancouver, British Columbia) on the day which is at least three business days prior to the Meeting. **A Beneficial Shareholder who wishes to attend the Meeting and to vote their common shares as proxyholder for the registered shareholder, should enter their own name in the blank space on the VIF or such other document in writing that requests that the NOBO or a nominee of the NOBO be**

**appointed as proxyholder 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 the Notice of Meeting, Circular and the accompanying Proxy are to registered shareholders of the Company as set forth on the list of registered shareholders of the Company as maintained by the registrar and transfer agent of the Company, Computershare, unless specifically stated otherwise.

### **Financial Statements**

The audited financial statements of the Company for the year ended July 31, 2022, together with the auditor's report on those statements and Management Discussion and Analysis, will be presented to the shareholders at the Meeting.

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

As at the date of the accompanying Notice of Meeting, the Company's authorized capital consists of an unlimited number of common shares of which 69,714,449 common shares are issued and outstanding. All common shares in the capital of the Company carry the right to one vote.

Shareholders registered as at January 9, 2023, are entitled to attend and vote at the Meeting. Shareholders who wish to be represented by proxy at the Meeting must, to entitle the person appointed by the Proxy to attend and vote, deliver their Proxies at the place and within the time set forth in the notes to the Proxy.

To the knowledge of the directors and executive officers of the Company, as of the date of this Circular, no persons beneficially own, directly or indirectly, or exercise control or direction over, 10% or more of the issued and outstanding common shares of the Company.

### **ELECTION OF DIRECTORS**

The directors of the Company are elected annually and hold office until the next annual general meeting of the shareholders or until their successors are elected or appointed. The Management of the Company proposes to nominate the persons listed below for election as directors of the Company to serve until their successors are elected or appointed. In the absence of instructions to the contrary, Proxies given pursuant to the solicitation by the Management will be voted for the nominees listed in this Circular. Management does not contemplate that any of the nominees will be unable to serve as a director. The number of directors of the Company is set at four.

Pursuant to Part 27 of the Company's Articles, any additional director nominations for the Meeting must have been received by the Company, not less than 35 days, nor more than 65 days prior to the date of the Meeting. As no 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 the nominees for election as directors, the offices they hold within the Company, their occupations, the length of time they have served as directors of the Company, and the number of common shares of the Company which each beneficially owns, directly or indirectly, or over which control or direction is exercised, as of the date of this Circular.

Name, province or state and country of residence and position, if any, held in the Company	Principal occupation during the past five years	Served as director of the Company since	Number of common shares of the Company beneficially owned, directly or indirectly, or controlled or directed at present <sup>(1)</sup>
<b>JONATHAN GEORGE<sup>(2)</sup></b> British Columbia, Canada  <i>Chief Executive Officer,                      President and Director</i>	Self-employed consulting geologist.	June 26, 2018	1,678,000
<b>JOHN A. GREIG<sup>(2)(3)</sup></b> British Columbia, Canada  <i>Director</i>	Self-employed.	November 21, 2006	5,050,517
<b>KENNETH R. HOLMES<sup>(2)(4)</sup></b> British Columbia, Canada  <i>Director</i>	Self-employed businessman, lawyer and Director from January 2012 to present.	January 19, 2011	55,959
<b>KENT AUSBURN</b> Washington, USA  <i>Director</i>	Managing Member of American Potash LLC, a Nevada-based company wholly-owned by the Company; former Director of ICC International Cannabis Corp.	January 19, 2011	513,600

Notes:

- (1) The information as to common shares beneficially owned or controlled has been provided by the nominees themselves.
- (2) A member of the audit committee.
- (3) John A. Greig holds 750,517 common shares directly and 4,300,000 common shares indirectly through Jag Holdings Ltd., a private company controlled by John A. Greig.
- (4) Kenneth R. Holmes holds 20,102 common shares directly and 35,857 common shares indirectly through Primarius Capital Corporation, a private company controlled by Kenneth Holmes.

No proposed director is being elected under any arrangement or understanding between the proposed director and any other person or company.

### Corporate Cease Trade Orders or Bankruptcies

No director or proposed director of the Company is, or within the ten years prior to the date of this Circular has been, a director or executive officer of any company, including the Company, that while that person was acting in that capacity:

- (a) was the subject of a cease trade order or similar order or an order that denied the company access to any exemption under securities legislation for a period of more than 30 consecutive days; or
- (b) was subject to an event that resulted, after the director ceased to be a director or executive officer of the company being the subject of a cease trade order or similar order or an order

that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or

- (c) 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.

### **Individual Bankruptcies**

No director or proposed director of the Company has, within the ten years prior to the date of this Circular, become bankrupt or 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.

### **Penalties or Sanctions**

None of the proposed directors have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, has entered into a settlement agreement with a securities regulatory authority or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable security holder making a decision about whether to vote for the proposed director.

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **General**

For the purposes of this Statement of Executive Compensation:

“CEO” means an individual who acted as chief executive officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

“CFO” means an individual who acted as chief financial officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

“Named Executive Officer” or “NEO” means each of the following individuals:

- (a) a CEO;
- (b) a CFO;
- (c) each of the three most highly compensated executive officers of the Company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year and whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6 - *Statement of Executive Compensation*, for that financial year; and
- (d) each individual who would be a NEO under paragraph (c) above but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of the most recently completed financial year.

During the financial year ended July 31, 2022, the Company had two Named Executive Officers (“NEOs”) being, Jonathan George, the CEO, President and a Director and Carmen Amezcua, the former CFO and

Corporate Secretary of the Company. Ms. Amezcua resigned as CFO and Corporate Secretary of the Company subsequent to July 31, 2022.

## **COMPENSATION DISCUSSION AND ANALYSIS**

### **Compensation Discussion and Analysis**

The Company is listed on the Canadian Securities Exchange (the “CSE”) and its primary business is the acquisition and exploration of mineral properties. The CEO and CFO are compensated for their services to the Company, which compensation is comprised of management fees and the granting of incentive stock options from time to time. The Company grants incentive stock options for the purposes of assisting the Company in compensating, attracting, retaining and motivating its NEOs.

As the Company does not currently have a compensation committee, the Board of Directors of the Company (the “Board”) has the responsibility to administer compensation policies related to executive management of the Company. The Company has a committee to administer option based awards. The Board recognizes in the future it may need to provide a total compensation package that will attract and retain qualified and experienced executives as well as align the compensation of each executive’s level of responsibility. However, at the Company’s present stage of development, such a package is not necessary.

The Board has not formally considered the risks associated with the Company’s compensation policies and practices. The Company has attempted to minimize those compensation practices and policies that expose the Company to inappropriate or excessive risks.

The Company’s NEOs and directors are not permitted to purchase financial instruments, including for greater certainty, prepaid variable forward contracts, equity swaps, collars or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEOs or directors.

### **Share-Based and Option-Based Awards**

The Company does not grant share-based awards. The Board, or a committee of the Board, is responsible for granting options to the NEOs. Stock option grants are designed to reward the NEOs for success on a similar basis as the shareholders of the Company, but these rewards are highly dependent upon the volatile stock market, much of which is beyond the control of the NEOs. When new options are granted, the Board, or a committee of the Board, takes into account the previous grants of options, the number of stock options currently held, position, overall individual performance, anticipated contribution to the Company’s future success and the individual’s ability to influence corporate and business performance. The purpose of granting such stock options is to assist the Company in compensating, attracting, retaining and motivating the officers, directors and employees of the Company and to closely align the personal interest of such persons to the interest of the shareholders.

The exercise price of the stock options granted is generally determined by the market price at the time of grant, less any allowable discount.

### SUMMARY COMPENSATION TABLE

Set out below is a summary of compensation paid or accrued during the Company's three most recently completed financial years to the Company's NEOs.

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards <sup>(1)</sup> (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual Incentive plans	Long-term incentive plans			
<b>Jonathan George</b> CEO, President and Director <sup>(2)</sup>	2022	60,000 <sup>(3)</sup>	N/A	24,205	N/A	N/A	N/A	Nil	84,205 <sup>(3)</sup>
	2021	60,000 <sup>(3)</sup>	N/A	Nil	N/A	N/A	N/A	Nil	60,000 <sup>(3)</sup>
	2020	60,000 <sup>(3)</sup>	N/A	Nil	N/A	N/A	N/A	Nil	60,000 <sup>(3)</sup>
<b>Carmen Amezcuita</b> Former CFO and Corporate Secretary <sup>(4)</sup>	2022	15,839 <sup>(5)</sup>	N/A	4,841	N/A	N/A	N/A	Nil	20,680 <sup>(5)</sup>
	2021	10,822 <sup>(5)</sup>	N/A	Nil	N/A	N/A	N/A	Nil	10,822 <sup>(5)</sup>
	2020	12,871 <sup>(5)</sup>	N/A	Nil	N/A	N/A	N/A	Nil	12,871 <sup>(5)</sup>

Note:

- (1) The fair value of option-based awards is determined by the Black-Scholes Option Pricing Model with the following assumptions:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Average risk-free interest rate:	0.98%	N/A	N/A
Expected dividend yield:	0%	N/A	N/A
Average expected volatility:	145%	N/A	N/A
Expected life of option:	5 years	N/A	N/A

The Company has chosen the Black-Scholes methodology to calculate the grant date fair value of option-based awards as it is the methodology used in the Company's financial statements.

- (2) Mr. George was appointed President of the Company on June 25, 2018 and CEO of the Company on January 29, 2019.
- (3) Represents management fees paid to J. George Geological Consulting Inc., a company wholly owned by Mr. George.
- (4) Ms. Amezcuita was appointed CFO and Corporate Secretary on January 29, 2019 and resigned as CFO and Corporate Secretary on August 31, 2022. Effective September 1, 2022, Lawrence Cheung was appointed CFO and Corporate Secretary.
- (5) Ms. Amezcuita is a former employee of Malaspina Consultants Inc. ("**Malaspina**"). The amounts disclosed consist of consulting fees charged by Malaspina to the Company, which are attributable to the services provided by Ms. Amezcuita to the Company. The total amount of fees charged by Malaspina in connection with all services provided to the Company were \$20,443 for the year ended July 31, 2020, \$17,572 for the year ended July 31, 2021 and \$24,438 for the year ended July 31, 2022.

## Narrative Discussion

The Company entered into a consulting agreement with Malaspina dated October 15, 2018 (the “**Malaspina Agreement**”) pursuant to which Malaspina agreed to provide accounting and related services to the Company, including the services of the CFO and Corporate Secretary, commencing October 15, 2018 until the cancellation of the Malaspina Agreement, which may be cancelled by the Company or Malaspina by giving 60 days written notice. Malaspina’s fees for providing these services are based on agreed upon hourly rates for the services of the CFO and accountant, plus other office expenses. The Malaspina Agreement also provides that Malaspina will be granted stock options commensurate with the CFO’s contribution to the Company’s business plan. Ms. Amezcuita, the Company’s former CFO, was an employee of Malaspina and Mr. Cheung, the Company’s current CFO, is an employee of Malaspina.

## INCENTIVE PLAN AWARDS

### Outstanding Share-Based Awards and Option-Based Awards

The Company does not have any share-based awards held by a NEO. The following table sets forth the outstanding option-based awards held by the NEOs of the Company at the end of the most recently completed financial year:

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$) <sup>(1)</sup>	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
<b>Jonathan George</b> <i>CEO, President and Director</i>	200,000	0.10	Aug. 7/23	Nil	N/A	N/A
	250,000	0.10	Jan. 8/24	Nil	N/A	N/A
	500,000	0.075	Sept. 29/26	Nil	N/A	N/A
<b>Carmen Amezcuita</b> <i>Former CFO and Corporate Secretary</i>	50,000	0.10	Jan. 8/24	Nil	N/A	N/A
	100,000	0.075	Sept. 29/26	Nil	N/A	N/A

Note:

- (1) “In-the-Money Options” means the excess of the market value of the Company’s common shares on July 31, 2022 over the exercise price of the options. The market price for the Company’s common shares on July 26, 2022, being the last trading date of the Company’s last completed financial year was \$0.03.

### Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth details of the value vested or earned for all incentive plan awards during the most recently completed financial year by each NEO:

Name	Option-based awards - Value vested during the year <sup>(1)</sup> (\$)	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
<b>Jonathan George</b> <i>CEO, President and Director</i>	Nil	N/A	N/A
<b>Carmen Amezcua</b> <i>Former CFO and Corporate Secretary</i>	Nil	N/A	N/A

Note:

- (1) All options granted to the NEOs vested on the date of grant and the exercise price of such options was equal to the closing price of the Company's common shares as of the date of grant.

### Narrative Discussion

The following information is intended as a brief description of the Company's stock option plan (the "**Stock Option Plan**") and is qualified in its entirety by the full text of the Stock Option Plan, a copy of which may be obtained from the Company by contacting the Company by email at [jon@americanpotash.com](mailto:jon@americanpotash.com):

1. The aggregate number of common shares which may be issued pursuant to the Stock Option Plan will not exceed 10% of the issued and outstanding common shares at the time of grant of any option under the Stock Option Plan.
2. The price per common share at which any common share which is the subject of an option may be purchased shall be determined by a committee of the Board (the "**Committee**") at the time the option is granted, provided however, that such price shall not be lower than the greater of the closing market price of the underlying securities on (a) the trading day prior to the date of grant of the stock option; and (b) the date of grant of the stock option, less the discounts permitted by the CSE.
3. Options under the Stock Option Plan may be granted by the Committee to directors, senior officers, employees or consultants of the Company (collectively, the "**Participants**").
4. Options granted under the Stock Option Plan are exercisable over a period not exceeding ten years, provided that notwithstanding the foregoing, if the term of any option granted under the Stock Option Plan ends on a day occurring during a blackout period (being the period imposed by the Company during which insiders are prohibited from trading in the securities of the Company) or within nine business days thereafter, such expiry date of the option shall be automatically extended without any further act or formality to that date which is the tenth business day after the end of the blackout period, such tenth business day to be considered the expiry date for such option for all purposes under the Stock Option Plan. In no event shall the option period exceed ten years.
5. Subject to any vesting restrictions imposed by the CSE, the Committee may, in its sole discretion, determine the time during which options shall vest and the method of vesting, or that no vesting restriction shall exist.
6. No single Participant may be granted options to purchase a number of common shares of the Company which equal more than 5% of the issued common shares of the Company in any one

twelve-month period unless the Company has obtained disinterested shareholder approval in respect of such grant and meets applicable CSE requirements.

7. Options shall not be granted if the exercise of the option would result in the issuance of more than 2% of the issued common shares of the Company in any twelve-month period to any one consultant of the Company (or any of its subsidiaries).
8. Options shall not be granted if the exercise of the option would result in the issuance of more than 2% of the issued common shares of the Company in any twelve month period to persons employed to provide investor relations activities. Options granted to consultants performing investor relations activities will contain vesting provisions such that vesting occurs over at least 12 months with no more than one-quarter of the options vesting in any three month period.
9. If a Participant ceases to be an officer, technical consultant/non-technical consultant or employee of the Company or any of its subsidiaries as a result of retirement, resignation or termination without cause, such Participant shall have the right for a period of 90 days (or until the normal expiry date of the option rights of such Participant, if earlier) from the date of ceasing to be a technical consultant/non-technical consultant or employee to exercise all unexercised option rights of that Participant under the Stock Option Plan to the extent they were exercisable on the date of ceasing to be a technical consultant/non-technical consultant or employee (subject to extension at the discretion of the Board).
10. In the event a director ceases to act, the options will expire 90 days thereafter with the addition of one additional month to exercise the option, for every year a director served as a director, to a maximum of 12 months for exercise of the options; provided however that if a director is convicted of a criminal or securities offence (a "**Conviction**"), is declared bankrupt or is terminated arising from a court order or shareholder resolution, the option shall terminate on the date of such Conviction, date of bankruptcy, court order or shareholder resolution.
11. No right or interest of any Participant in or under the Stock Option Plan is assignable or transferable, in whole or in part, either directly or by operation of law or otherwise in any manner except by bequeath or the laws of descent and distribution.
12. In the event an option granted under the Stock Option Plan expires unexercised or is terminated by reason of dismissal of the Participant for cause or is otherwise lawfully cancelled prior to exercise of the option, the option common shares that were issuable thereunder will be returned to the Stock Option Plan and will be eligible for reissuance.
13. Subject to applicable approval of the CSE, the Committee may, at any time, suspend or terminate the Stock Option Plan, or amend or revise the terms of the Stock Option Plan; provided that no such amendment or revision shall result in a material adverse change to the terms of any options theretofore granted under the Stock Option Plan, unless shareholder approval, or disinterested shareholder approval, as the case may be, is obtained for such amendment or revision.

#### **PENSION BENEFITS**

The Company does not have a pension plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement.

## TERMINATION AND CHANGE OF CONTROL BENEFITS

The Company has no compensatory plan, contract or arrangement where an NEO is entitled to receive more than \$100,000 (including periodic payments or instalments) to compensate such executive officer in the event of resignation, retirement or other termination of the NEO's employment with the Company or its subsidiaries, a change of control of the Company, or a change in responsibilities of the NEO following a change in control.

## DIRECTOR COMPENSATION

Other than compensation paid to the NEOs, and except as noted below, no compensation was paid to directors in their capacity as directors of the Company or its subsidiaries, in their capacity as members of a committee of the Board or of a committee of the board of directors of its subsidiaries, or as consultants or experts, during the Company's most recently completed financial year.

Set out below is a summary of compensation paid or accrued during the Company's most recently completed financial year to the Company's directors, other than the NEOs previously disclosed:

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$) <sup>(1)</sup>	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
John A. Greig	Nil	N/A	24,205	N/A	N/A	Nil	24,205
Kenneth R. Holmes	Nil	N/A	7,262	N/A	N/A	Nil	7,262
Kent Ausburn	Nil	N/A	7,262	N/A	N/A	Nil	7,262

Note:

- (1) The fair value of option-based awards is determined by the Black-Scholes Option Pricing Model with the following assumptions:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Average risk-free interest rate:	0.98%	N/A	N/A
Expected dividend yield:	0%	N/A	N/A
Average expected volatility:	145%	N/A	N/A
Expected life of option:	5 years	N/A	N/A

The Company has chosen the Black-Scholes methodology to calculate the grant date fair value of option-based awards as it is the methodology used in the Company's financial statements.

## Narrative Discussion

Directors are compensated through the grant of stock options. No directors' fees are paid.

## INCENTIVE PLAN AWARDS

### Outstanding Share-Based Awards and Option-Based Awards

The Company does not have any share-based awards held by a director. The following table sets forth details of all awards granted to directors of the Company which are outstanding at the end of the most recently completed financial year.

Name	Option-based Awards			Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$) <sup>(1)</sup>	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
John A. Greig	300,000	0.10	Aug. 7/23	Nil	N/A	N/A
	500,000	0.075	Sept. 29/26	Nil	N/A	N/A
Kenneth R. Holmes	100,000	0.10	Aug. 7/23	Nil	N/A	N/A
	250,000	0.10	Jan. 8/24	Nil	N/A	N/A
	150,000	0.075	Sept. 29/26	Nil	N/A	N/A
Kent Ausburn	200,000	0.10	Aug. 7/23	Nil	N/A	N/A
	150,000	0.075	Sept. 29/26	Nil	N/A	N/A

Note:

- (1) “In-the-Money Options” means the excess of the market value of the Company’s common shares on July 31, 2022 over the exercise price of the options. The market price for the Company’s common shares on July 26, 2022, being the last trading date of the Company’s last completed financial year was \$0.03.

### Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth details of the value vested or earned for all incentive plan awards during the most recently completed financial year by each director:

Name	Option-based awards - Value vested during the year <sup>(1)</sup> (\$)	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
John A. Greig	Nil	N/A	N/A
Kenneth R. Holmes	Nil	N/A	N/A
Kent Ausburn	Nil	N/A	N/A

Note:

- (1) All options granted to the directors vested on the date of grant and the exercise price of such options was equal to the closing price of the Company’s common shares as of the date of grant.

## EQUITY COMPENSATION PLAN INFORMATION

The following table sets out those securities of the Company which have been authorized for issuance under equity compensation plans, as at the end of the most recently completed financial year:

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)</b>
Equity compensation plans approved by the securityholders	3,000,000	\$0.09	3,971,444
Equity compensation plans not approved by the securityholders	Nil	Nil	Nil
<b>Total</b>	3,000,000	\$0.09	3,971,444

#### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

None of the current or former directors, executive officers, employees of the Company or its subsidiaries, or their respective associates, are as of the date of this Circular, or have been since the beginning of the last completed financial year of the Company, indebted to the Company or any of its subsidiaries (or another entity if the indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Company or any of its subsidiaries).

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

Other than as disclosed elsewhere in this Circular, no director or executive officer of the Company or any proposed nominee of Management of the Company for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, since the beginning of the Company's last financial year in matters to be acted upon at the Meeting, other than the election of directors, the appointment of auditors and the confirmation of the Stock Option Plan.

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

Other than as disclosed elsewhere in this Circular, none of the persons who were directors or executive officers of the Company or a subsidiary at any time during the Company's last completed financial year, the proposed nominees for election to the Board, any person or company who beneficially owns, directly or indirectly, or who exercises control or direction over (or a combination of both) more than 10% of the issued and outstanding common shares of the Company, nor the associates or affiliates of those persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction or proposed transaction which has materially affected or would materially affect the Company.

## **APPOINTMENT OF AUDITOR**

Management intends to nominate Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, for re-appointment as auditor of the Company. Forms of proxies given pursuant to this solicitation will, on any poll, be voted as directed and, if there is no direction, for the re-appointment of Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, as the auditor of the Company to hold office for the ensuing year with remuneration to be fixed by the directors. Dale Matheson Carr-Hilton Labonte LLP was first appointed as the auditor for the Company effective July 19, 2013.

## **MANAGEMENT CONTRACTS**

Other than as disclosed elsewhere in this Circular, no Management functions of the Company are to any substantial degree performed by a person or company other than the directors or NEOs of the Company.

## **AUDIT COMMITTEE**

The Company is required to have an audit committee (the “**Audit Committee**”) comprised of not less than three directors, a majority of whom are not officers, control persons or employees of the Company or an affiliate of the Company.

### **Audit Committee Charter**

The text of the Audit Committee’s charter is attached as Schedule “A” to this Circular.

### **Composition of Audit Committee and Independence**

The Company’s current Audit Committee consists of Kenneth R. Holmes, John A. Greig and Jonathan George.

National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”) provides that a member of an audit committee is “independent” if the member has no direct or indirect material relationship with the Company, which could, in the view of the Company’s Board, reasonably interfere with the exercise of the member’s independent judgment. Of the Company’s current Audit Committee members, Kenneth R. Holmes and John A. Greig are “independent” within the meaning of NI 52-110. Jonathan George is not “independent” as he is also the President and CEO of the Company.

NI 52-110 provides that 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 Company’s financial statements. All of the members of the Audit Committee are “financially literate” as that term is defined. The following sets out the Audit Committee members’ education and experience that is relevant to the performance of his responsibilities as an Audit Committee member.

### **Relevant Education and Experience**

*Kenneth R. Holmes* – Mr. Holmes has extensive management experience and has been a director of several public companies.

*John A. Greig* – Since 1970, Mr. Greig has been a founder/co-founder, senior officer and former director of several successful exploration/mining companies listed on Canadian and US exchanges. These companies include Cumberland Resources Ltd., Eurozinc Mining Corporation and Sutton Resources Ltd.

*Jonathan George* – Mr. George is a self-employed consulting geologist.

### **Audit Committee Oversight**

Since the commencement of the Company's most recently completed financial year, the Audit Committee of the Company has not made any recommendations to nominate or compensate an external auditor which were not adopted by the Board.

### **Reliance on Certain Exemptions**

Since the commencement of the Company's most recently completed financial year, the Company has not relied on:

- (a) the exemption in section 2.4 (De Minimis Non-audit Services) of NI 52-110;
- (b) the exemption in subsection 6.1.1(4) (Circumstances Affecting the Business or Operations of the Venture Issuer) of NI 52-110;
- (c) the exemption in subsection 6.1.1(5) (Events Outside Control of Member) of NI 52-110;
- (d) the exemption in subsection 6.1.1(6) (Death, Incapacity or Resignation) of NI 52-110; or
- (e) an exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemptions).

### **Pre-Approval Policies and Procedures**

The Audit Committee has not adopted any specific policies and procedures for the engagement of non-audit services.

### **Audit Fees**

The following table sets forth the fees paid by the Company and its subsidiaries to Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, for services rendered in the last two fiscal years:

	<u>2022</u>	<u>2021</u>
	(\$)	(\$)
Audit fees <sup>(1)</sup>	20,244	20,000
Audit related fees <sup>(2)</sup>	Nil	Nil
Tax fees <sup>(3)</sup>	3,900	3,400
All other fees <sup>(4)</sup>	<u>Nil</u>	<u>Nil</u>
Total	<u>24,144</u>	<u>23,400</u>

Notes:

- (1) "Audit fees" include aggregate fees billed by the Company's external auditor in each of the last two fiscal years for audit fees.
- (2) "Audited related fees" include the aggregate fees billed in each of the last two fiscal years for assurance and related services by the Company's external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under "Audit fees" above. The services provided include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax fees" include the aggregate fees billed in each of the last two fiscal years for professional services rendered by the Company's external auditor for tax compliance, tax advice and tax planning. The services provided include tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All other fees" include the aggregate fees billed in each of the last two fiscal years for products and services provided by the Company's external auditor, other than "Audit fees", "Audit related fees" and "Tax fees" above.

### Exemption in Section 6.1

The Company is a "venture issuer" as defined in NI 52-110 and is relying on the exemption in section 6.1 of NI 52-110 relating to Parts 3 (*Composition of Audit Committee*) and 5 (*Reporting Obligations*).

### CORPORATE GOVERNANCE DISCLOSURE

National Instrument 58-101 - *Disclosure of Corporate Governance Practices*, requires all reporting issuers to provide certain annual disclosure of their corporate governance practices with respect to the corporate governance guidelines (the "**Guidelines**") adopted in National Policy 58-201. These Guidelines are not prescriptive, but have been used by the Company in adopting its corporate governance practices. The Board and Management consider good corporate governance to be an integral part of the effective and efficient operation of Canadian corporations. The Company's approach to corporate governance is set out below.

#### Board of Directors

Management is nominating four individuals to the Board, all of whom are current directors of the Company.

The Guidelines suggest that the board of directors of every reporting issuer should be constituted with a majority of individuals who qualify as "independent" directors under NI 52-110, which provides that a director is independent if he or she has no direct or indirect "material relationship" with the Company. The "material relationship" is defined as a relationship which could, in the view of the Company's Board, reasonably interfere with the exercise of a director's independent judgement. All of the current members of the Board are considered "independent" within the meaning of NI 52-110, except for Jonathan George, who is the CEO and President of the Company.

## **Directorships**

No director of the Company is also a director of any other reporting issuers.

## **Orientation and Continuing Education**

The Board does not have any formal policies with respect to the orientation of new directors nor does it take any measures to provide continuing education for the directors. At this stage of the Company's development the Board does not feel it necessary to have such policies or programs in place.

## **Ethical Business Conduct**

To date, the Board has not adopted a formal written Code of Business Conduct and Ethics. However, the current size of the Company's operations, and the small number of officers and consultants, allow the Board to monitor on an ongoing basis the activities of management to ensure that the highest standard of ethical conduct is maintained. As the Company grows in size and scope, the Board anticipates that it will formulate and implement a formal Code of Business Conduct and Ethics.

## **Nomination**

The Board does not have a formal process in place with respect to the appointment of new directors. The Board expects that when the time comes to appoint new directors to the Board that the nominees would be recruited by the current Board members, and the recruitment process would involve both formal and informal discussions among Board members and the senior officers of the Company.

## **Compensation**

The quantity and quality of the compensation for the directors and CEO is reviewed on an annual basis. At present, the Board is satisfied that the current compensation arrangements adequately reflect the responsibilities and risks involved in being an effective director of the Company. At this time, the Company does not believe its size and limited scope of operations requires a formal compensation committee.

## **Other Board Committees**

At the present time, the only standing committee is the Audit Committee. The written charter of the Audit Committee, as required by NI 52-110, is contained in Schedule "A" to this Circular. As the Company grows, and its operations and management structure become more complex, the Board expects it will constitute formal standing committees, such as a Corporate Governance Committee, a Compensation Committee and a Nominating Committee, and will ensure that such committees are governed by written charters and are composed of at least a majority of independent directors.

## **Assessments**

The Board reviews its own performance and effectiveness as well as the effectiveness and performance of its committees. Effectiveness is subjectively measured by comparing actual corporate results with objectives. The contributions of individual directors are informally monitored by other Board members, bearing to mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

The Board believes its corporate governance practices are appropriate and effective for the Company, given its size and operations.

## PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

### Confirming Stock Option Plan

The Company presently has in place a “rolling” Stock Option Plan whereby the Company is authorized to grant stock options of up to 10% of its issued and outstanding common shares, from time to time. The Stock Option Plan is described above under the heading “Compensation Discussion and Analysis - Incentive Plan Awards – Narrative Discussion”.

Shareholders will be asked to consider, and if thought fit, to approve an ordinary resolution ratifying and approving the Company’s Stock Option Plan. There have been no changes to the Stock Option Plan since it was last approved by shareholders of the Company at the February 15, 2022 annual general meeting.

Reference can be made to the full text of the Stock Option Plan, a copy of which may be obtained from the Company by contacting the Company by email at [jon@americanpotash.com](mailto:jon@americanpotash.com). At the Meeting, the shareholders will be asked to approve the following ordinary resolution:

“**BE IT RESOLVED**, as an ordinary resolution of the shareholders of American Potash Corp. that:

1. The Company's current stock option plan (the “**Plan**”), as adopted by the board of directors of the Company and further described in the Company's Information Circular dated January 9, 2023, be and is hereby ratified, confirmed and approved;
2. The Board be and is hereby authorized, in its absolute discretion, to administer the Plan and amend or modify the Plan in accordance with its terms and conditions and with the policies of the Canadian Securities Exchange (the “**CSE**”); and
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 Plan required by the CSE or applicable securities regulatory authorities and to complete all transactions in connection with the administration of the Plan.”

The form of the ordinary 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 ordinary resolution.

**Management recommends that Shareholders vote for the ordinary resolution at the Meeting. It is the intention of Management's proxyholders, if not expressly directed otherwise in such form of Proxy, to vote such Proxy FOR the ordinary resolution.**

### General Matters

It is not known whether any other matters will come before the Meeting other than those set forth above and in the Notice of Meeting, but if any other matters do arise, the person named in the Proxy intends to vote on any poll, in accordance with his or her best judgement, exercising discretionary authority with respect to amendments or variations of matters set forth in the Notice of Meeting and other matters which may properly come before the Meeting or any adjournment of the Meeting.

### **ADDITIONAL INFORMATION**

Additional information relating to the Company may be found on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information about the Company is provided in the Company's comparative annual financial statements to July 31, 2022, a copy of which, together with Management's Discussion and Analysis thereon, can be found on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com). Additional financial information concerning the Company may be obtained by any securityholder of the Company free of charge by contacting the Company by email at [jon@americanpotash.com](mailto:jon@americanpotash.com).

### **BOARD APPROVAL**

The contents of this Circular have been approved and its mailing authorized by the directors of the Company.

DATED at Vancouver, British Columbia, the 9th day of January, 2023.

### **ON BEHALF OF THE BOARD**

(signed) "*Jonathan George*"

Jonathan George,  
President and Chief Executive Officer

**AMERICAN POTASH CORP.**

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**Schedule "A"**  
**Audit Committee Charter**

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**(SEE ATTACHED)**

## **SCHEDULE "A"**

### **AMERICAN POTASH CORP. (the "Company")**

#### **AUDIT COMMITTEE CHARTER Charter of the Audit Committee of the Board of Directors of the Company**

##### **Mandate**

The primary function of the Audit Committee ("**Committee**") is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the following: (a) the financial reports and other financial information provided by the Company to regulatory authorities and shareholders; (b) the Company's systems of internal controls regarding finance and accounting; and (c) the Company's auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Committee's primary duties and responsibilities are to (i) serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements; (ii) review and appraise the performance of the Company's external auditors; (iii) provide an open avenue of communication among the Company's auditors, financial and senior management and the Board of Directors; and (iv) to ensure the highest standards of business conduct and ethics.

##### **Composition**

The Committee shall be comprised of three directors as determined by the Board of Directors, the majority of whom shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the Committee.

At least one 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. For the purposes of the Company's Charter, the definition of "financially literate" is 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 presumably be expected to be raised by the Company's financial statements.

The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders' meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

##### **Meetings**

The Committee shall meet at least twice annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

## **Responsibilities and Duties**

To fulfill its responsibilities and duties, the Committee shall:

### Documents/Reports Review

Review and update this Charter annually.

Review the Company's financial statements, MD&A, any annual and interim earning statements and press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion or review rendered by the external auditors.

### **External Auditors**

Review annually the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Company.

Obtain annually a formal written statement of external auditors setting forth all relationships between the external auditors and the Company.

Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.

Take or recommend that the full Board of Directors take appropriate action to oversee the independence of the external auditors.

Recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.

At each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.

Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.

Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.

Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:

- (a) the aggregate amount of all such non-audit services provided to the Company constitutes not more than 5% of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;
- (b) such services were not recognized by the Company at the time of the engagement to be non-audit services; and

- (c) such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval such authority may be delegated by the Committee to one or more independent members of the Committee.

#### Financial Reporting Processes

In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.

Consider the external auditor's judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.

Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management,

Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.

Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.

Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.

Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.

Review certification process.

Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

#### Other

Review any related party transactions.

Review reports from persons regarding any questionable accounting, internal accounting controls or auditing matters ("**Concerns**") relating to the Company such that:

- an individual may confidentially and anonymously submit their Concerns to the Chairman of the Committee in writing, by telephone, or by e-mail;
- the Committee reviews as soon as possible all Concerns and addresses same as they deem necessary; and
- the Committee retains all records relating to any Concern reported by an individual for a period the Committee judges to be appropriate.

All of the foregoing in a manner that the individual submitting such Concerns shall have no fear of adverse consequences.