



MANAGEMENT INFORMATION CIRCULAR

All information as at July 5, 2019, except where indicated.

PERSONS MAKING THIS SOLICITATION OF PROXIES - This Management Information Circular (“Circular”) is provided in connection with the solicitation of proxies (“Proxies”) by management of ePlay Digital Inc. (the “Company”) from the holders of common shares of the Company (“Common Shares”) in respect of the Annual General Meeting of Shareholders of the Company (the “Meeting”) to be held at 1100-1111 Melville Street Vancouver BC V6C3V6 on Friday, August 9, 2019 at 10:00 a.m. for the purposes set out in the accompanying notice of meeting (the “Notice of Meeting”).

While it is expected that the solicitation will be made primarily by mail, proxies may be solicited personally or by telephone by directors, officers and employees of the Company. All costs of this solicitation will be borne by the Company.

COMPLETION AND VOTING OF PROXIES

Voting

Voting at the Meeting will be by a show of hands, each registered shareholder and each Proxyholder (representing a registered or non-registered shareholder) having one vote, unless a poll is required or requested, whereupon each such shareholder and Proxyholder is entitled to one vote for each share held or represented, respectively. To approve a motion proposed at the Meeting a majority of greater than 50% of the votes cast will be required (an “ordinary resolution”) unless the motion requires a “special resolution” in which case a majority of 66⅔% of the votes cast will be required.

Appointment of Proxyholders

A shareholder has the right to appoint a person (who need not be a shareholder) to represent the shareholder at the Meeting other than the persons named in the Proxy as Proxyholders. To exercise this right, the shareholder must insert the name of the shareholder’s nominee in the space provided or complete another Proxy.

The persons named in the accompanying Proxy as Proxyholders are our directors or officers.

A shareholder completing the enclosed Proxy may indicate the manner in which the persons named in the Proxy are to vote with respect to any matter by marking an “X” in the appropriate space. On any poll required (for the reason described above) or requested, those persons will vote or withhold from voting the shares in respect of which they are appointed in accordance with the directions, if any, given in the Proxy, provided such directions are certain.

If a shareholder wishes to confer a discretionary authority with respect to any matter, then the space should be left blank. **In such instance, the Proxyholder, if nominated by management, intends to vote the shares represented by the Proxy in favour of the motion.**

The enclosed Proxy, when properly signed, confers discretionary authority with respect to amendments or variations to the matters identified in the Notice of Meeting and with respect to other matters which may be properly brought before the Meeting. At the time of printing this Information Circular, our management is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. If, however, other matters which are not now known to the management should properly come before the Meeting, the Proxies hereby solicited will be exercised on such matters in accordance with the best judgment of the nominees.

The Proxy must be dated and signed by the shareholder or the shareholder's attorney authorized in writing. In the case of a corporation, the Proxy must be dated and duly executed under its corporate seal or signed by a duly authorized officer or attorney for the corporation.

The completed Proxy, together with the power of attorney or other authority, if any, under which it was signed or a notarially certified copy thereof, must be deposited with our transfer agent in accordance with the instructions and before the time set out in the Proxy. Proxies received after such time may be accepted or rejected by the Chair of the Meeting in the Chair's discretion. Non-registered shareholders that are OBOs (as defined below under "Non-registered Shareholders") must deliver their completed Proxies in accordance with the instructions given by their financial institution or other intermediary that forwarded the Proxy to them.

Registered Shareholders

Only shareholders registered as shareholders in our shareholder registry maintained by our registrar and transfer agent or duly appointed Proxyholders (except as discussed below under "Non-registered Shareholders") will be recognized to make motions or vote at the Meeting.

Non-registered Shareholders

The following information is of significant importance to shareholders who do not hold Common Shares in their own name. Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by registered shareholders (those whose names appear on the records of the Company as the registered holders of Common Shares) or as set out in the following disclosure.

If Common Shares 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 the shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the names of intermediaries. In the United States, the vast majority of such Common Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of meetings of shareholders. Every intermediary has its own mailing procedures and provides its own return instructions to clients. Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated in a timely manner and in accordance with the instructions provided by their intermediary. Your intermediary will not vote your shares without receiving instructions from you. The form of proxy or voting instruction supplied to you by your broker will be similar to the proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote your Common Shares on your behalf. Most brokers delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("Broadridge") in the United States and in Canada. Broadridge mails a Voting Instruction Form ("VIF") in lieu of a Proxy provided by the Company. The VIF will name the same persons as the Company's Proxy to represent your Common Shares at the Meeting.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purpose of voting Common Shares registered in the name of its intermediary, a Beneficial Shareholder may attend the Meeting as a proxyholder for the intermediary and vote the Common Shares in that capacity. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), other than any of the persons designated in the VIF, to represent your Common Shares at the Meeting and that person may be you. To exercise this right, insert the name of the desired representative (which may be yourself) in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. 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 and the appointment of any shareholder's representative. If you receive a VIF from Broadridge, the VIF must be completed and returned to

Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have your Common Shares voted or to have an alternate representative duly appointed to attend the Meeting and vote your Common Shares at the Meeting. In accordance with the requirements of NI 54-101, we have distributed copies of the Notice of Meeting, this Information Circular, the form of proxy and related documents (collectively, the "Meeting Materials") to the clearing agencies and Intermediaries for onward distribution to OBOs. Intermediaries are required to forward the Meeting Materials to OBOs unless in the case of certain proxy-related materials the OBO has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to OBOs. With those Meeting Materials, Intermediaries or their service companies should provide OBOs of Common Shares with a "request for voting instruction form" which, when properly completed and signed by such OBO and returned to the Intermediary or its service company, will constitute voting instructions which the Intermediary must follow. The purpose of this procedure is to permit OBOs of Common Shares to direct the voting of the Common Shares that they beneficially own. There are two kinds of beneficial owners: those who object to their name being made known to the issuers of securities which they own (called "OBOs" for Objecting Beneficial Owners) and those who do not object (called "NOBOs" for Non-Objecting Beneficial Owners).

REVOCATION OF PROXIES

Shareholders have the power to revoke Proxies previously given by them. Revocation can be effected by an instrument in writing (which includes a Proxy bearing a later date) signed by a shareholder or the shareholder's attorney authorized in writing and in the case of a corporation, duly executed under its corporate seal or signed by a duly authorized officer or attorney for the corporation, and either delivered to c/o ePlay Digital Inc., 850 - 2nd Street SW, 15th Floor, Bankers Court, Calgary, AB T2P 0R8, or to our transfer agent, TSX Trust by mail to the Proxy Department, Suite 301 – 100 Adelaide Street West, Toronto, Ontario, Canada, M5H 4H1 or by fax to 1-416-595-9593 at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, or deposited with the Chair of the Meeting on the day of the Meeting.

EXERCISE OF DISCRETION

If the instructions in a Proxy are certain, the shares represented thereby will be voted on any poll by the persons named in the Proxy, and, where a choice with respect to any matter to be acted upon has been specified in the Proxy, the shares represented thereby will, on a poll, be voted or withheld from voting in accordance with the specifications so made.

Where no choice has been specified by the shareholder, and the management proxyholders have been appointed, such shares will, on a poll, be voted in accordance with the notes to the form of Proxy.

The enclosed Proxy, when properly completed and delivered and not revoked, confers discretionary authority upon the persons appointed Proxyholder thereunder to vote with respect to any amendments or variations of matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as disclosed herein, no Person has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting other than the election of directors or the appointment of auditors. For the purpose of this paragraph, "Person" shall include each person or company: (a) who has been a director or executive officer of the Company at any time since the commencement of the Company's last financial year; (b) who is a proposed nominee for election as a director of the Company; and (c) who is an associate or affiliate of a person or company included in subparagraphs (a) or (b).

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this Information Circular, no executive officer, director, employee or former executive officer, director or employee of the Company or any of its subsidiaries is indebted to the Company, or any of its subsidiaries, nor are any of these individuals indebted to another entity which indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company, or any of its subsidiaries.

INTEREST OF CERTAIN PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed herein, since the commencement of the Company's most recently completed financial year, no informed person of the Company, nominee for director or any associate or affiliate of an informed person or nominee, had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries. An "informed person" means: (a) a director or executive officer of the Company; (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company; (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company or a combination of both carrying more than 10% of the voting rights other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Company itself, if and for so long as it has purchased, redeemed or otherwise acquired any of its shares.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

Our authorized common share capital consists of an unlimited number of common shares without par value and an unlimited number of preferred shares without par value.

As at July 5, 2019, the record date for this Meeting, we have issued and outstanding 63,939,539 fully paid and non-assessable common shares, each share carrying the right to one vote.

Any shareholder of record at the close of business on July 5, 2019 is entitled to vote in person or by proxy at the Meeting. The quorum for the transaction of business at a meeting of shareholders is two persons who are, or who are represents by proxy, shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the meeting.

To the best of the knowledge of our directors and senior officers, there are no Persons who, or corporations which, beneficially owns, or controls or directs, directly or indirectly, shares carrying 10% or more of the voting rights attached to all of our outstanding shares other than Trevor Doerksen that holds 7,996,956 common shares of the Company (12.5%).

PARTICULARS OF MATTERS TO BE ACTED UPON

Number of Directors

The board of directors of the Company presently consists of three (3) directors. Shareholders will be asked at the Meeting to approve an ordinary resolution to set the number of directors elected for the ensuing year at three (3), subject to such increases as may be permitted by the articles of the Company and the provisions of the *Business Corporations Act* (British Columbia).

The Company's Board of Directors recommends a vote "FOR" the approval of the resolution setting the number of directors at three (3). In the absence of a contrary instruction, the persons designated by management of the Company in the enclosed form of proxy intend to vote FOR the approval of the resolution setting the number of directors at three (3).

Election of Directors

The term of office of each of the present directors expires at the Meeting. **The persons named below will be presented for election at the Meeting as management's nominees.** Management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until our next annual general meeting or until his or her successor is elected or appointed, unless his or her office is earlier vacated in accordance with our Articles or with the provisions of the *Business Corporations Act* (British Columbia) ("Business Corporations Act").

At the Meeting, we will ask shareholders to vote for the election of the three nominees proposed by us as directors. Each holder of Common Shares will be entitled to cast their votes for or withhold their votes from the election of each director.

Nominees

The following table provides information on the three nominees proposed for election as directors, the Province or State and Country in which each is ordinarily resident and the period during which each has served as a director.

The table also details the principal occupation of each nominee during the last five years as well as the nominees' current equity ownership consisting of common shares beneficially owned, directly or indirectly, or controlled or directed, options and warrants (each equivalent in value to a common share) credited to each nominee as at the date hereof.

Name, position and jurisdiction of residence	Principal Occupation or employment during the past five years	Director since	Number of securities beneficially owned, controlled or directed, directly or indirectly (1)
Trevor Doerksen ⁽²⁾ Director, Chief Executive Officer and President Calgary, Alberta	President of Mobovivo Inc. since inception; experienced director and producer. Mr. Doerksen has been innovating with online video, educational multimedia, user-generated content, new media and bringing media and technology together since 1989.	November 18, 2016	7,996,956 common shares 12.5% undiluted 528,000 options 13.3% diluted
Manfred von Nostitz ⁽²⁾ Director Kuala Lumpur	Since 2005 Mr. von Nostitz has served as President, Asia Pacific, of the Corporate Council Consultancy S.A., based in Kuala Lumpur. In this role, he regularly advises Western companies on business opportunities in the Asia Pacific region. He brings a broad career spectrum of business and government relations experience derived from over 30 years of work as an advisor, diplomat and corporate director in the region. Formerly the VP of Shanghai based Profound Automotive in Southeast Asia and Principal Advisor to the Malaysian Southern Bank Group.	April 14, 2015	129,066 Options
Lew Turnquist ⁽²⁾ Director Calgary, Alberta	President at Orpyx Medical Technologies Inc., a medical device Internet of Things (IoT) company. Prior to Orpyx, he was senior managing partner at Kirchner Private Capital Group, a US-based boutique merchant bank, where he led the firm's transactions (M&A) and operational advisory practices.	October 17, 2017	169,484 Options

(1) The information as to Common Shares beneficially owned, not being within the knowledge of the Company, has been obtained from SEDI or furnished by the proposed directors individually.

(2) Member of the Audit Committee.

NOMINEES FOR ELECTION AS DIRECTORS

Trevor Doerksen – Chief Executive Officer, President and Director

Mr. Doerksen has been at the intersection of media and technology for 20 years. Mr. Doerksen produced snowboarding films and was the executive producer of a national science television series. He was recently named one of the Top 20 Thinkers in Social TV and Second Screen. His graduate research into content repurposing has led to a multi-million-dollar research projects, a chapter in a widely published textbook, and the founding of Mobovivo then ePlay Digital. A serial entrepreneur, Mr. Doerksen has been awarded Entrepreneur of the year, named one of 50 Most Influential People and was featured in New York Times.

Manfred von Nostitz – Director

Mr. von Nostitz is a veteran foreign business consultant specializing in the Asia Pacific region. With over three decades in the Canadian Foreign service he held the posts of Director General for South and Southeast Asia, the U.N. and Security & Intelligence, and went on to serve as High Commissioner to Malaysia and Brunei and as Canadian Ambassador to Pakistan/Afghanistan, Thailand, Laos and Myanmar. Fluent in multiple languages, he holds a B.A. (Hon.) degree Arts & Science and an M.A. in Political Science from the University of Toronto. Since 2005 Mr. von Nostitz has served as President, Asia Pacific, of the Corporate Council Consultancy S.A., based in Kuala Lumpur. In this role, he regularly advises Western companies on business opportunities in the Asia Pacific region. He brings a broad career spectrum of business and government relations experience derived from over 30 years of work as an advisor, diplomat and corporate director in the region. Formerly the VP of Shanghai based Profound Automotive in Southeast Asia and Principal Advisor to the Malaysian Southern Bank Group, he enjoys extensive experience with corporate acquisitions, technology transfers, investor relations and merger implementation.

Lew Turnquist – Director

Mr. Turnquist has over 25 years of operational and transactional experience in technology companies. He is President at Orpyx Medical Technologies Inc., a medical device Internet of Things (IoT) company. Prior to Orpyx, he was senior managing partner at Kirchner Private Capital Group, a US-based boutique merchant bank, where he led the firm's transactions (M&A) and operational advisory practices. Prior to this role, Mr. Turnquist led the growth or turnaround of several early-stage technology companies including: VX Technologies Inc., a 3D measurement product company; J-Commerce Inc., a retail point-of-sale software company; and Cell-Loc Inc., a wireless location technology and services company.

Penalties, Sanctions, Corporate Cease Trade Orders or Bankruptcies

To the best of management's knowledge, other than described herein, no proposed director is, or has been within the last ten years, a director or executive officer of any company that:

- (a) while that person was acting in that capacity was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (b) after the director or executive officer ceased to be a director or executive officer, was the subject of a cease trade or similar order or an order which resulted from an event that happened while the director acted in that capacity that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (c) 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.

To the best of management's knowledge, no proposed director has, within the ten years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

None of our directors has been subject to (a) 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 (b) 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.

The Company's Board of Directors recommends a vote "FOR" the appointment of each of the nominees as Directors. In the absence of a contrary instruction, the persons designated by management of the Company in the enclosed form of proxy intend to vote FOR the election of the directors set out in the table above.

Appointment and Remuneration of Auditor

Shareholders will be asked to approve the re-appointment of Charlton & Company, Chartered Professional Accountants, as our auditor to hold office until the next annual general meeting of the shareholders at remuneration to be fixed by the directors. Charlton & Company has been our auditor since December, 2016.

The persons named in the enclosed Proxy will vote for the appointment of Charlton & Company, Chartered Professional Accountants of Vancouver, British Columbia, as our auditor to hold office until the next annual general meeting of the shareholders, at a remuneration to be fixed by the directors.

EXECUTIVE COMPENSATION

Unless otherwise noted, the following information is for the Company's last completed financial year ended December 31, 2018.

Named Executive Officers

For the purposes of this Circular, a Named Executive Officer ("NEO") of the Company means each of the following individuals:

- a) the Chief Executive Officer ("CEO") of the Company;
- b) the Chief Financial Officer ("CFO") of the Company;
- c) the three most highly compensated executive officers, 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 per year; and
- d) each individual who would be a NEO under paragraph (c) 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.

NEO and Director Compensation

As the last AGM held was on January 31, 2016, the following table sets forth a summary of the compensation paid to the NEOs and the Directors for the three most recently completed financial years:

TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES							
Name and Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of all other Compensation (\$)	Total Compensation (\$)
Trevor Doerksen Director, CEO and President	2018	140,759	Nil	Nil	Nil	Nil	140,759
	2017	53,143	Nil	Nil	Nil	Nil	53,143
	2016	3,125	Nil	Nil	Nil	Nil	3,125
Dong H. Shim CFO and Secretary	2018	64,910	Nil	Nil	Nil	Nil	64,910
	2017	48,000	Nil	Nil	Nil	Nil	48,000
	2016	21,811	Nil	Nil	Nil	Nil	21,811
Manfred von Nostitz ⁽³⁾ Director, former CEO & former President	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil
Lew Turnquist ⁽⁴⁾ Director	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil
Lynne Kellner ⁽⁵⁾ Former Director	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	8,500	Nil	Nil	Nil	Nil	8,500
	2016	10,500	Nil	Nil	Nil	Nil	10,500
Bill David Thomas ⁽⁶⁾ Former CFO and former Director	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	26,250	Nil	Nil	Nil	Nil	26,250

(1) Mr. Doerksen was appointed CEO and President on November 18, 2016.

(2) Mr. Shim was appointed CFO and Secretary on November 25, 2016.

(3) Mr. von Nostitz was appointed CEO, President and director effective April 14, 2015 and resigned as CEO and President on November 18, 2016. He is currently a director of the Company.

(4) Mr. Turquist was appointed director of the Company on October 19, 2017.

(5) Ms. Kellner was appointed director on November 18, 2016 and resigned on May 23, 2017

(6) Mr. Thomas was appointed CFO, Secretary, Treasurer and director on January 8, 2015 and resigned effective November 25, 2016.

(7) Debt settled amounts accrued from 2016 – 2018 for common shares at \$0.1275/share.

None of the NEOs or Directors receive perquisites or personal benefits worth in aggregate 10% or more of their total salary, or any post-retirement benefits (including insurance).

There are no employment, consulting or management agreements under which compensation is paid to a NEO or Director.

Stock Options and other Compensation Securities

The following table sets out for each NEO and Director of the Company all compensation securities granted or issued to each for services provided or to be provided, directly or indirectly, to the Company as at the year ended December 31, 2018:

COMPENSATION SECURITIES							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities and percentage of class ⁽¹⁾	Date of Issue or Grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Trevor Doerksen Director, CEO and President	Stock options	264,000	Nov 14, 2017	\$0.19	\$0.19		Nov 14, 2022
	Stock options	<u>264,000</u>	Nov 7, 2018	\$0.15	\$0.15		Nov 7, 2022
	Total	528,000					
		stock options (15.7%) underlying common shares (0.83%)					
Dong H. Shim CFO and Secretary	Common ⁽²⁾	500,000	Jun 8, 2018	\$0.11	\$0.11		N/A
	Common ⁽²⁾	<u>411,765</u>	Nov 7, 2018	\$0.1275	\$0.15		N/A
	Total	911,765					
		underlying common shares (1.44%)					
Manfred von Nostitz Director	Stock options	73,333	Nov 14, 2017	\$0.19	\$0.19	\$0.21	Nov 14, 2022
	Stock options	<u>73,333</u>	Nov 7, 2018	\$0.15	\$0.15	\$0.07	Nov 7, 2022
	Total	146,666					
		stock options (4.36%) underlying common shares (0.23%)					
Lew Turnquist Director	Common ⁽³⁾	409,636	Jun 8, 2018	\$0.11	\$0.11	\$0.07	N/A
	Common ⁽³⁾	<u>361,255</u>	Nov 7, 2018	\$0.1275	\$0.15	\$0.07	N/A
	Total	770,891					
		underlying common shares (1.22%)					
Trevor Doerksen Director, CEO and President	Stock options	64,533	Nov 14, 2017	\$0.19	\$0.19	\$0.21	Nov 14, 2022
	Stock options	<u>64,533</u>	Nov 7, 2018	\$0.15	\$0.14	\$0.07	Nov 7, 2022
	Total	129,066					
		stock options (3.84%) underlying common shares (0.20%)					
Lew Turnquist Director	Stock options	40,418	Dec 20, 2016	\$0.32	\$0.32	\$0.07	Dec 20, 2019
	Stock options	64,533	Nov 14, 2017	\$0.19	\$0.19	\$0.21	Nov 14, 2022
	Stock options	<u>64,533</u>	Nov 7, 2018	\$0.15	\$0.15	\$0.07	Nov 7, 2022
	Total	169,484					
	stock options (5.04%) underlying common shares (0.27%)						

(1) The percentage of class is based on the total number of options and common shares outstanding as at the record date: 63,939,539 common shares and 3,363,685 stock options.

(2) Common shares have been issued for \$107,500 in services rendered in lieu of cash payment.

(3) Common shares have been issued for \$97,560 in services rendered in lieu of cash payment.

There were no compensation securities exercised during the years ended December 31, 2016 through December 31, 2018.

Stock Option Plan

The Company has a stock option plan ("Option Plan") in place which provides for the issuance of stock options (an "Option") to acquire, at any time, up to a maximum of 10% of the Company's issued and outstanding Common Shares, including previously granted stock options. The Option Plan is considered a "rolling" stock option plan as the number of Common Shares reserved under the Option Plan increases with the number of the Company's issued and outstanding Common Shares.

The purpose of the Option Plan is to provide certain directors, officers and key employees of, and certain other persons who provide services to, the Company and its subsidiaries (the "Optionees") with an opportunity to purchase the Company's Common Shares and benefit from any appreciation in the value of the Company's Common Shares. This will provide an increased incentive for these individuals to contribute to the future success and prosperity of the Company, thus enhancing the value of the Common Shares for the benefit of all the shareholders and increasing the ability of the Company and its subsidiaries to attract and retain skilled and motivated individuals in the service of the Company. Under the Option Plan, an option must be exercised within a period of five years from the date of grant. Within this five year period, the Company's Board may determine the period during which an option may be exercised. Any amendment to the Option Plan may require shareholder approval. If ratification of the Plan or a modified version thereof is not obtained, the Company will not proceed to grant options under the Plan.

The following is a summary of the principal terms of the Option Plan:

Eligible Participants: The Option Plan provides that stock options may be granted to the Company's directors, officers, employees and consultants (and those of its subsidiaries).

Shares Available for Issuance: The Option Plan is considered a "rolling" stock option plan, as the number of shares available for issue under the Option Plan increases with the number of the Company's issued and outstanding shares. The maximum number of Common Shares that may be issuable under the Option Plan is a number equal to 10% of the number of issued and outstanding Common Shares on a non-diluted basis at any time. The Option Plan is also considered an "evergreen" stock option plan as when an option expires or otherwise terminates for any reason without having been exercised in full, the number of common shares reserved for issuance under that expired or terminated stock option again become available for the purposes of the Option Plan. Any stock option outstanding when the Option Plan is terminated will remain in effect until such option is exercised or it expires.

Limitations on the Grant of Options: The Option Plan provides that it is solely within the discretion of the Board to determine who should receive stock options, in what amounts and for what term, subject to the following conditions:

- (a) The maximum number of Options which may be granted to any one director, officer, employee in any 12 month period shall be 5% of the Company's issued and outstanding Common Shares unless the Company has obtained disinterested shareholder approval, if required by the regulatory rules;
- (b) If required by the regulatory rules, disinterested shareholder approval is required to the grant to Insiders, within a 12 month period, of a number of Options which, when added to the number of outstanding stock options granted to Insiders within the previous 12 months, exceed 10% of the issued shares;
- (c) The expiry date of an Option shall be no later than the tenth anniversary of the grant date of such option;
- (d) The maximum number of Options which may be granted to any one consultant within a 12-month period must not exceed 2% of the Company's issued and outstanding Common Shares; and
- (e) The maximum number of Options which may be granted within any 12 month period to employees or consultants engaged in investor relations activities must not exceed 1% of the Company's issued and outstanding Common Shares and such options must vest in stages over 12 months with no more than 25% of the options vesting in any three month period.

Exercise Price: The price at which an Option holder may purchase a Common Share upon the exercise of a stock option will be as set out in the option certificate issued in respect of the option and in any event will not be less than the market price of the Common Shares as of the date of the grant of the stock option (the “**Award Date**”). The market price of the Common Shares for a particular Award Date will typically be the closing trading price of the Company’s Common Shares on the day immediately preceding the Award Date. In no case will a stock option be exercisable at a price less than the minimum prescribed by the CSE or the applicable regulatory authorities that would apply to the award of the stock option in question.

Expiration or Termination: Under the Option Plan, a stock option will expire immediately in the event an employee ceases to be an employee of the Company as a result of termination for cause. In the event an employee ceases to be an employee as a result of resignation or termination without cause, a stock option will expire 30 days after the end of an employee’s notice period or at such other date as determined by the Board. In addition, a stock option will expire, unless otherwise determined by the Board, 30 days after: (i) a director ceases to be a director; and (ii) the expiration of a service provider’s contract. In the event of the death of an option holder, the expiry date shall be the first anniversary of the option holder’s date of death.

Vesting: Stock options granted to directors, officers, employees or service providers will vest as determined by the Board. In the event of a change of control, all options outstanding will vest immediately and be exercisable.

Amendments to the Plan: The Board of Directors of the Company may amend any existing Option or the Option Plan or the terms and conditions of any Option thereafter to be granted provided that where such amendment relates to an existing Option and it would:

- (a) Materially decrease the rights or benefits accruing to an Option Holder; or
- (b) Materially increase the obligations of an Option Holder;

Then unless otherwise excepted out by a provision of the Option Plan, the board of Directors must also obtain the written consent of the Option Holder in question to such amendment. If at the time the exercise price of an Option is reduced the Option Holder is an Insider of the Company, the Insider must not exercise the option at the reduced exercise price until the reduction in exercise price has been approved by disinterested shareholders of the Company, if required by the CSE.

As of the date of this Circular, there are 3,363,685 stock options issued and outstanding under the Option Plan (5.3% of the issued and outstanding share capital).

A copy of the Option Plan is available under the Company’s profile on SEDAR at www.sedar.com, or from the Company upon request.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out, as at Record date of July 5, 2019, information regarding outstanding options, warrants and rights granted by the Company under its equity compensation plans.

Equity Compensation Plan Information

Plan Category	Number 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)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by shareholders	Share options: 3,363,685 common shares Warrants: 16,461,912 common shares	Share options: \$0.173 per issued share option Warrants: \$0.233 per issued warrant	Share options available: 2,980,269
Equity compensation plans not approved by shareholders	Nil	Nil	Nil
Total	Share options: 3,363,685 common shares Warrants: 16,461,912 common shares	Share options: \$0.173 per issued share option Warrants: \$0.233 per issued warrant	Share options available: 2,980,269

DISCLOSURE OF CORPORATE GOVERNANCE PRACTICE

The Board of Directors is committed to ensuring that the Company identifies and implements effective corporate governance practices, which are both in the interest of its shareholders and contributes to effective and efficient decision making.

The Company's approach to significant issues of corporate governance is designed to ensure that the business and affairs of the Company are effectively managed to enhance shareholder value. Management has been able to draw assistance from individual directors as well as seek advice from the Board of Directors as a whole, when circumstances require.

In accordance with National Instrument 58-101 - *Disclosure of Corporate Governance Practices* (the "**Disclosure Instrument**") and National Policy 58-201 – Corporate Governance Guidelines (the "**Guidelines**") the Company is required to disclose, on an annual basis, its approach to corporate governance. In addition, the Company is subject to National Instrument 52-110 – *Audit Committees ("NI 52-110")*, which prescribes certain requirements in relation to audit committees and defines the meaning of independence with respect to directors. These reflect current regulatory guidelines of the Canadian Securities Administrators.

The Company has established its own corporate governance practices in light of these guidelines, as set forth below. In certain cases, the Company's practices will 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.

The Company's corporate governance practices have not been extensively developed. The Board will continue to review with management the corporate governance practices of the Company to ensure that they are sound practices for effective and efficient decision making.

Board of Directors and Directorships

The Board of Directors is responsible for the governance of the Company. It establishes the overall policies and standards of the Company. The Board of Directors meets on a regularly scheduled basis. In addition to these meetings the directors are kept informed of operations through regular reports and analyses by, and discussions with, management.

The Board of Directors of the Company is currently comprised of four directors, all of whom are proposed to be nominated for election as set out in the table on pages 5 and 6 of this Circular.

National Instrument 52-110 *Audit Committees* (“**NI 52-110**”) defines an “independent” director as one who has no direct or indirect “material relationship” with the Company. A “material relationship” is defined as a relationship that could, in the view of the Company’s Board of Directors, reasonably be expected to interfere with the exercise of a director’s independent judgement. NI 52-110 also sets out certain situations where a director will automatically be considered to have a material relationship with the Company.

Applying the definition set out in NI 52-110, two of the three members of the Board are independent. The persons who are independent are Manfred von Nostitz and Lew Turnquist. Trevor Doerksen is not independent by virtue of the fact that he is an executive officer of the Company.

The Board meets quarterly, as necessary when operations warrant, and following an annual meeting of shareholders of the Company. In carrying out its responsibilities, the Board requires management of the Company to prepare and submit budgets and programs for approval of the Board. These budgets and programs, and any updates, are to be reviewed at the Board’s quarterly meetings.

The Directors of the Company do not serve as directors of any other reporting issuers or reporting issuer equivalent(s).

Orientation and Continuing Education

Upon election or appointment of new directors, the Company will provide new directors with an information package of the Company, including, among other things, its policies, procedures and disclosures. Generally, the Company expects that the board members have a familiarity with its business. Professional advisors may be invited to attend Board meetings, as needed. The Company also relies on the relatively straightforward nature of its business and the established qualifications and expertise of its board members.

Ethical Business Conduct

The Board of Directors have not adopted a written Code of Conduct however, the Audit Committee Audit Committee is to assist the Board in fulfilling its oversight responsibilities with respect to: the financial reporting process and the quality, transparency and integrity of the financial statements and other related public disclosures; internal controls over financial reporting; compliance with legal and regulatory requirements relevant to the financial statements and financial reporting; ensuring that there is an appropriate standard of corporate conduct for senior financial personnel and employees including, if necessary, adopting a corporate code of ethics; the external auditors’ qualifications and independence; and the performance of the internal audit function and the external auditor. The Issuer has adopted a Charter of the Audit Committee of the Board of Directors.

Under corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of a company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In addition, if a director of a company also serves as a director or officer of another company engaged in similar business activities to the first company, that director must comply with the conflict of interest provisions of the BCBCA, as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgement in considering transactions and agreements in respect of which a director or officer has a material interest. Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors that evoke such a conflict.

The Audit Committee will monitor compliance by receiving reports from management as to any actual or alleged violations, as appropriate. In accordance with the provisions of the Code and applicable corporate law, any director or executive officer who holds a material interest in a proposed transaction or agreement involving the Company will be required to disclose that interest to the Audit Committee and abstain from voting on approval of such transactions as appropriate.

Nomination of Directors & Assessments

Potential candidates for appointment to the Board will be considered by the entire Board of Directors of the Company. The Board has no specific procedures for regularly assessing the effectiveness and contribution of the Board, its committees or individual directors. Members of the Board and representatives of the industry are consulted for possible candidates. With respect to the Board as a whole, the Board will monitor its performance on an ongoing basis and as part of that process, consider the overall performance of the Company and input from its shareholders. The Board as a whole is responsible for assessing its effectiveness, its members and each committee in consultation with the chair of the Board and the chair of each committee.

AUDIT COMMITTEE

NI 52-110 requires that certain information regarding the Audit Committee of an issuer be included in the management information circular sent to shareholders in connection with the issuer's annual meeting and that the Audit Committee to meet certain requirements.

Audit Committee Charter: The full text of the charter of the audit committee of the Company (the "Audit Committee") is attached as Schedule "A" to this Circular.

Composition of the Audit Committee: The Audit Committee is currently composed of three directors: Trevor Doerksen (not independent), Manfred von Nostitz and Lew Turnquist (both independent).

Relevant Education and Experience: All members of the Audit Committee have a broad understanding of the accounting principles that are applied to the preparation of financial statements. All members of the Audit Committee are financially literate in accordance with National Instrument 52-110 Audit Committees. For details regarding the education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as an Audit Committee member, see "Directors and Officers".

Mandate and responsibilities of the Audit Committee: The Audit Committee's mandate and responsibilities are detailed in its Charter, and include: (i) reviewing and recommending for approval to the Board the financial statements, accounting policies that affect the statements, annual MD&A and associated press releases; (ii) being satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements and periodically assessing those procedures; (iii) establishing and maintaining complaint procedures regarding accounting, internal accounting controls, or auditing matters and the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters; (iv) overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing such other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting; (v) pre-approving all non-audit services to be provided to the Company or its subsidiary entities by the external auditor; (vi) reviewing and monitoring the processes in place to identify and manage the principal risks that could impact the financial reporting of the Company; and (vii) reviewing and approving the Company's hiring policies regarding partners, employees, and former partners and employees of the present and former external auditor of the Company.

The Audit Committee is to meet at least quarterly to review financial statements and MD&A and to meet with the Company's external auditors at least once a year. Directors are invited to hold in-camera sessions at any time, including after Board and committee meetings. During these in-camera sessions, members of management are not present. The Company believes that these in-camera sessions contribute to the Board's independent oversight. During the fiscal year ended December 31, 2018, one Audit Committee meeting was held.

Pre-Approval Policies and Procedures: The audit committee has not adopted specific policies and procedures for the engagement of non-audit services. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Company's Board, and where applicable the audit committee, on a case-by-case basis.

Complaints: The Audit Committee has established a “Whistleblower Policy” which outlines procedures for the confidential, anonymous submission by employees regarding the Company’s compliance with all applicable government laws, rules and regulations, corporate reporting and disclosure, accounting practices, accounting controls, auditing practices and other matter relating to fraud against shareholders (the “Accounting Concerns”), without fear of retaliation of any kind. If an applicable individual has any concerns about any of the Accounting Concerns which they consider to be questionable, incorrect, misleading or fraudulent, the applicable individual is urged to come forward with any such information, complaints or concerns, without regard to the position of the person or persons responsible for the subject matter of the relevant complaint or concern.

The applicable individual may report their concern in writing, by telephone or e-mail and forward it to the Chair of the Audit Committee. All submissions will be treated on a confidential and anonymous basis, except when the Accounting Concerns refer to violation of any applicable law, rule or regulation that relates to the corporate reporting and disclosure, and to violation of the Company’s Code, when the person making the submission must be identified for purposes of performing the investigation. Further, the Company will not discharge, discipline, demote, suspend, threaten or in any manner discriminate against any person who submits in good faith an Accounting Concern.

Promptly following the receipt of any complaints submitted to it, the Audit Committee will investigate each complaint and take appropriate corrective actions. The “Whistleblower Policy” is to be reviewed by the Audit Committee on an annual basis.

Audit Committee Oversight: Since the commencement of the Company's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor that was not adopted by the Company's Board of Directors.

Reliance on Exemptions in NI 52-110 regarding *De Minimis* Non-audit Services or on a Regulatory Order Generally: In respect of the Company’s most recently completed financial year, the Company has not relied on the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110 or an exemption from NI 52-110, in whole or in part, granted by a securities regulator under Part 8 (*Exemptions*) of NI 52-110.

In respect of the most recently completed financial year, the Company is relying on the exemption set out in section 6.1 of NI 52-110 with respect to compliance with the requirements of Part 5 (*Reporting Obligations*) of NI 52-110.

Pre-Approval Policies and Procedures: The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in the Audit Committee Charter.

External Auditor Service Fees (By Category): The following table discloses the fees billed to the Company by its external auditor during the two last financial years.

Financial Year Ending	Audit Fees ⁽¹⁾	Audit Related Fees ⁽²⁾	Tax Fees ⁽³⁾	All Other Fees ⁽⁴⁾
December 31, 2018	26,775	Nil	Nil	Nil
December 31, 2017	24,480	Nil	Nil	Nil

- (1) The aggregate fees billed by the Company's auditor for audit fees.
- (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 and are not disclosed in the “Audit Fees” column.
- (3) The aggregate fees billed for professional services rendered by the Company's auditor for tax compliance, tax advice, and tax planning.
- (4) All other fees billed by the auditor for products and services not included in the foregoing categories.

OTHER BUSINESS

While there is no other business other than that business mentioned in the Notice of Meeting to be presented for action by the shareholders at the Meeting, **it is intended that the Proxies hereby solicited will be exercised upon any other matters and proposals that may properly come before the Meeting or any adjournment or adjournments thereof, in accordance with the discretion of the persons authorized to act thereunder.**

ADDITIONAL INFORMATION

Additional information relating to the Company may be found under the Company's profile on SEDAR at www.sedar.com. Financial information about the Company may be found in the Company's financial statements and Management's Discussion and Analysis for its most recently completed financial year and may be viewed on the SEDAR website at the location noted above.

Shareholders may contact the Company by mail at Suite 2464 – 246 Stewart Green SW, Calgary, AB T3H 3C8, by e-mail at info@eplaydigital.com and by telephone at (403) 775-9475 to request copies of the Company's financial statements and Management's Discussion and Analysis.

DATED this July 5, 2019.

ON BEHALF OF THE BOARD OF DIRECTORS

Trevor Doerksen
Chief Executive Officer, President and Director

Schedule "A"
AUDIT COMMITTEE CHARTER

PURPOSE

The Audit Committee (the "**Committee**") is appointed by the Board of Directors (the "**Board**") of ePlay Digital Inc. (the "**Company**"). The primary function of the Committee is to assist the Board in fulfilling its oversight responsibilities, primarily through:

1. overseeing management's conduct of the Company's financial reporting process and systems of internal accounting and financial controls;
2. monitoring the independence and performance of the Company's outside auditors; and
3. providing an avenue of communication among the outside auditors, management and the Board.

COMPOSITION

1. The Committee shall have at least three (3) members at all times, two (2) of whom must be independent of management, as well as the Company. A member of the Committee shall be considered independent if:
 - (a) In the sole discretion of the Board, it is determined that he or she has no relationship that may interfere with the exercise of his or her independent judgment; and
 - (b) He or she meets the applicable stock exchange or other regulatory requirements regarding the independence of audit committee members.
2. If any member of the Committee develops a "conflict of interest" (as that term is defined in an applicable stock exchange or other regulatory requirement), that member shall have an affirmative obligation to promptly disclose such relationship to the Board.
3. All members of the Committee shall have a practical knowledge of finance and accounting and be able to read and understand fundamental financial statements or be able to do so within a reasonable period of time after appointment to the Committee.
4. At least one member of the Committee shall have accounting or related financial management expertise, as the Board interprets such qualification in its business judgment.
5. Each member of the Committee shall be appointed by the Board and shall serve until the earlier to occur of the date on which he or she shall be replaced by the Board, resigns from the Committee or resigns from the Board.

MEETINGS

1. The Committee shall meet as frequently as circumstances dictate, but no less than one time annually for review of audited statements with the auditor, and three times via teleconference to review the un-audited quarterly financial statements with the CEO (and/or CFO if applicable in future). The Chairman of the Board shall name a chairperson of the Committee, who shall prepare and/or approve an agenda in advance of each meeting. A majority of the members of the Committee shall constitute a quorum. The Committee shall maintain minutes or other records of meetings and activities of the Committee.
2. The Committee shall, through its chairperson, report regularly to the Board following the meetings of the Committee, addressing such matters as the quality of the Company's financial statements, the performance and independence of the outside auditors, or other matters related to the Committee's

functions and responsibilities.

RESPONSIBILITIES AND DUTIES

The Committee's principal responsibility is one of oversight. The Company's management is responsible for preparing the Company's financial statements and the outside auditors are responsible for auditing and/or reviewing those financial statements.

While the Committee has the powers and responsibilities set forth in this charter, it is not the responsibility of the Committee to plan or conduct audits or to determine that the Company's financial statements present fairly the financial position, the results of operations and the cash flows of the Company, in conformity with Canadian generally accepted accounting standards. This is the responsibility of the management and the outside auditors. In carrying out these oversight responsibilities, the Committee is not providing any expert or special assurance as to the Company's financial statements or any professional certification as to the outside auditors' work.

The Committee's specific responsibilities are as follows:

General

1. The Committee shall, with the assistance of management, the outside auditors and legal counsel, as the Committee deems appropriate, review and evaluate at least annually, the Committee's:
 - (a) Charter;
 - (b) Powers and responsibilities; and
 - (c) Performance.
2. The Committee shall report and make recommendations to the Board with respect to the foregoing, as appropriate.
3. The Committee shall ensure inclusion of its then-current charter in the proxy statement for the Company's annual meetings of shareholders, in accordance with the regulations of the applicable stock exchange or other regulatory requirements.
4. The Committee shall prepare annual Committee reports for inclusion in the proxy statements for the Company's annual meetings, as required by the applicable stock exchange or other regulatory requirements.
5. The Committee shall, in addition to the performance of the duties described in this charter, undertake such additional duties as from time to time may be:
 - (a) delegated to it by the Board;
 - (b) required by law, a stock exchange or other regulatory authority; or
 - (c) deemed desirable, as is recommended by the Committee and approved by the Board, in connection with its functions described in this charter.

Internal Controls and Risk Assessment

1. The Committee shall review annually, with management and the outside auditors, if deemed appropriate by the Committee, the effectiveness of or weaknesses in the Company's internal controls, including computerized information system controls and security, the overall control environment and accounting and financial records.

2. The Committee shall obtain from the outside auditors their recommendations regarding internal controls and other matters relating to the accounting procedures and the books and records of the Company.
3. The Committee shall establish procedures for:
 - (a) The receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
 - (b) Acceptance of confidential, anonymous submissions from employees concerning questionable accounting or auditing matters.

Outside Auditors: Their Performance and Independence

1. The outside auditors are ultimately accountable to the Board and the Committee, as the representatives of the shareholders of the Company. The Committee shall evaluate and recommend to the Board the selection and, where appropriate, the replacement of the outside auditors. The Committee shall recommend to the Board the outside auditors to be proposed for shareholder approval in any proxy statement.
2. The Committee shall:
 - (a) Confer with the outside auditors concerning the scope of their examinations of the books and records of the Company and its subsidiaries;
 - (b) Review the scope, plan and procedures to be used on the annual audit, as recommended by the outside auditors;
 - (c) Review the results of the annual audits and interim financial reviews performed by the outside auditors, including:
 - (i) The outside auditors' audit of the Company's annual financial statements, accompanying footnotes and its report thereon;
 - (ii) Any significant changes required in the outside auditors' audit plans or scope;
 - (iii) Any material differences or disputes with management encountered during the course of the audit (the Committee to be responsible for overseeing the resolution of such differences and disputes);
 - (iv) Any material management letter comments and management's responses to recommendations made by the outside auditors in connection with the audit required to be discussed by Statement on Auditing Standards No. 61, as amended (Communications with Audit Committees) relating to the conduct of the audit;
 - (d) Authorize the outside auditors to perform such supplemental reviews or audits as the Committee may deem desirable; and
 - (e) Obtain from the outside auditors assurance that they have complied with any applicable stock exchange or other regulatory requirements.
3. The Committee shall inquire into any accounting adjustments that were noted or proposed by the outside auditors but were "passed" as immaterial or otherwise.
4. The Committee shall inquire as to any matters that were referred to the outside auditors' national office

relating to accounting policies and/or financial statement disclosure within the Company's financial statements and to the extent deemed appropriate, requires an opportunity to address such issues directly with a representative of such national office.

5. Pre-approval by the Committee shall be required with respect to the fees for all audit and other services performed by the outside auditors as negotiated by management.
6. The Committee's approval of any non-audit services to be rendered by the outside auditors must be obtained in advance of engaging the outside auditors to render such services. The Committee shall not approve the engagement of the outside auditors to render non-audit services prohibited by law or rules and regulations promulgated by an applicable stock exchange or other regulatory authority. The Committee shall consider whether the provision of non-audit services is compatible with maintaining the outside auditors' independence, including, but not limited to, the nature and scope of the specific non-audit services to be performed and whether the audit process would require the outside auditors to review any advice rendered by the outside auditors in connection with the provision of non-audit services.
7. The Committee shall receive from the outside auditors on a periodic basis a formal written statement delineating all relationships between the outside auditors and the Company, regarding relationships and services, which may impact the objectivity and independence of the outside auditors, and other applicable standards. The statement shall include a description of all services provided by the outside auditors and the related fees. The Committee shall actively engage in a dialogue with the outside auditors regarding any disclosed relationships or services that may impact the objectivity and independence of the outside auditors and shall evaluate, after gathering information from management, and other Board members, the performance of the outside auditors and recommend that the Board take action to satisfy itself of the independence of the outside auditors.

Financial Reporting

1. The Committee shall review and discuss with the outside auditors and management the Company's audited annual financial statements that are to be included in the Company's annual report and the outside auditors' opinion with respect to such financial statements, including reviewing the nature and extent of any significant changes in accounting principles or the application of such accounting principles; and determining whether to recommend to the Board that the financial statements be included in the Company's annual report for filing with an applicable stock exchange or other regulatory authority.
2. The Committee shall review and discuss with the outside auditors and management, and require the outside auditors to review, the Company's interim financial statements to be included in the Company's quarterly reports prior to filing such reports with an applicable stock exchange or other regulatory authority. The Committee shall review and discuss:
 - (a) The existence of significant estimates and judgments underlying the financial statements, including the rationale behind those estimates as well as the details on material accruals and reserves and the Company's accounting principles;
 - (b) All critical accounting policies identified to the Committee by the outside auditors;
 - (c) Major changes to the Company's accounting principles and practices, including those required by professional or regulatory pronouncements and actions, as brought to its attention by management and/or the outside auditors; and
 - (d) Material questions of choice with respect to the appropriate accounting principles and practices to be used in the preparation of the Company's financial statements, as brought to its attention by management and/or the outside auditors.

3. The Committee shall review and discuss the Company's disclosure under "Management's Discussion and Analysis" included in any annual or quarterly report, or other report or filing filed with an applicable stock exchange or other regulatory authority.
4. The Committee shall discuss with the outside auditors any item not reported as contingent liability or loss in the Company's financial statements as a result of a determination that such item does not satisfy a materiality threshold. The Committee shall review with the outside auditors the quantitative and qualitative analysis applied in connection with such assessment of materiality, including, without limitation, the consistency of such assessment with the requirements.
5. The Committee shall review and consider other matters in relation to the financial affairs of the Company and its accounts, and in relation to the internal and external audit of the Company as the Committee may, in its discretion, determine to be advisable.
6. The Committee shall meet at least annually with management, and the outside auditors in separate executive sessions to discuss any matters that the Committee or each of these groups believes should be discussed privately.

Compliance with Laws, Regulations and Policies

1. The Committee shall review with management actions taken to ensure compliance with any code or standards of conduct for the Company which may be established by the Board.
2. The Committee shall review with the Company's legal counsel any legal compliance matters, including securities trading practices and any other legal matters that could have a significant, adverse impact on the Company's financial statements.
3. The Committee shall review with the Company's counsel and other advisors any federal, tax or regulatory matters that may have a material impact on the Company's operations and the financial statements, related Company compliance programs and policies and programs and reports received from regulators, and shall monitor the results of the Company's compliance efforts.
4. The Committee shall periodically review the rules promulgated by the applicable stock exchange or other regulatory authority relating to the qualifications, activities, responsibilities and duties of audit Committees and shall take, or recommend that the Board take, appropriate action to comply with such rules.

