



**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS  
TO BE HELD ON SEPTEMBER 11, 2024**

**AND**

**INFORMATION CIRCULAR**

*August 12, 2024*

*This document requires immediate attention. If you are in doubt as to how to deal with the documents or matters referred to in this notice and information circular, you should immediately contact your advisor.*

**FENDX TECHNOLOGIES INC.**  
2010 Winston Park Drive, 2<sup>nd</sup> Floor  
Oakville, ON L6H 5R7  
Telephone: (800) 344-9868

**NOTICE OF ANNUAL GENERAL MEETING**

**TO THE SHAREHOLDERS:**

**NOTICE IS HEREBY GIVEN** that the annual general meeting (the “**Meeting**”) of shareholders of FendX Technologies Inc. (the “**Company**”) will be held at Suite 728, Bentall 5, 550 Burrard Street, Vancouver, BC and via ZOOM at:

<https://us06web.zoom.us/j/81269771350?pwd=2iKVDsqjyxUfCU9KW6pedZSUGNBVwe.1>

Meeting ID: 812 6977 1350

Passcode: 802150 or find your local number at <https://us06web.zoom.us/j/81269771350?pwd=2iKVDsqjyxUfCU9KW6pedZSUGNBVwe.1>

on Wednesday, September 11, 2024, at the hour of 10:00 a.m. (Vancouver time) for the following purposes:

- (1) to receive the audited financial statements of the Company for the fiscal year ended December 31, 2023, and the accompanying report of the auditors;
- (2) to set the number of directors of the Company at three (3);
- (3) to elect Dr. Carolyn Myers, Stephen Randall and Pierre Soulard as directors of the Company;
- (4) to appoint Dale Matheson Carr-Hilton LaBonte LLP as the auditors of the Company for the fiscal year ending December 31, 2024 and to authorize the directors of the Company to fix the remuneration to be paid to the auditors for the fiscal year ending December 31, 2024; and
- (5) to transact such further or other business as may properly come before the Meeting and any adjournment or postponement thereof.

The accompanying Information Circular provides additional information relating to the matters to be dealt with at the Meeting and is supplemental to, and expressly made a part of, this notice of Meeting (the “**Notice of Meeting**”).

The board of directors of the Company has fixed August 6, 2024 as the record date for the determination of shareholders entitled to notice of and to vote at the Meeting and at any adjournment or postponement thereof. Each registered shareholder at the close of business on that date is entitled to such notice and to vote at the Meeting in the circumstances set out in the accompanying Information Circular.

If you are a registered shareholder of the Company and unable to attend the Meeting in person, please vote by proxy by following the instructions provided in the form of proxy at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) before the time and date of the Meeting or any adjournment or postponement thereof.

In view of COVID-19, the Company asks that, in considering whether to attend the Meeting in person, shareholders follow the instructions of the Public Health Agency of Canada (<https://www.canada.ca/en/public-health/services/diseases/2019-novel-coronavirus-infection.html>). The Company encourages Shareholders not to attend the Meeting in person if experiencing any of the described COVID-19 symptoms of fever, cough or difficulty breathing. As always, the Company encourages shareholders to vote prior to the Meeting. Shareholders are encouraged to vote on the matters before the meeting by proxy and to join the Meeting by ZOOM.

If you are a non-registered shareholder of the Company and received this Notice of Meeting and accompanying materials through a broker, a financial institution, a participant, or a trustee or administrator of a retirement savings plan, retirement income fund, education savings plan or other similar savings or investment plan registered under the *Income Tax Act* (Canada), or a nominee of any of the foregoing that holds your securities on your behalf (each, an “**Intermediary**”), please complete and return the materials in accordance with the instructions provided to you by your Intermediary.

**DATED** at Vancouver, British Columbia, this 12<sup>th</sup> day of August, 2024.

By Order of the Board of Directors of

**FENDX TECHNOLOGIES INC.**

*“Carolyn Myers”*

\_\_\_\_\_  
Dr. Carolyn Myers  
President, Chief Executive Officer and Director

**PLEASE VOTE. YOUR VOTE IS IMPORTANT. WHETHER OR NOT YOU EXPECT TO ATTEND THE MEETING,  
PLEASE COMPLETE, SIGN AND DATE THE ENCLOSED FORM OF PROXY AND PROMPTLY RETURN IT IN  
THE ENVELOPE PROVIDED.**

**FENDX TECHNOLOGIES INC.**  
2010 Winston Park Drive, 2<sup>nd</sup> Floor  
Oakville, ON L6H 5R7  
Telephone: (800) 344-9868

**INFORMATION CIRCULAR**  
**August 12, 2024**

**INTRODUCTION**

This information circular (the “**Information Circular**”) accompanies the notice of annual general meeting of shareholders (the “**Notice**”) of FendX Technologies Inc. (the “**Company**”) and is furnished to shareholders (each, a “**Shareholder**”) holding common shares (each, a “**Share**”) of the Company in connection with the solicitation by the management of the Company of proxies to be voted at the annual general meeting (the “**Meeting**”) of the Shareholders to be held at 10:00 a.m. on Wednesday, September 11, 2024 at Suite 728, Bentall 5, 550 Burrard Street, Vancouver, BC and via ZOOM at

<https://us06web.zoom.us/j/81269771350?pwd=2iKVdsqjyxUfCU9KW6pedZSUGNBVwe.1>

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or at any adjournment or postponement thereof.

**Date and Currency**

The date of this Information Circular is August 12, 2024. Unless otherwise stated, all amounts herein are in Canadian dollars.

**COVID-19**

In view of COVID-19, the Company asks that, in considering whether to attend the Meeting in person, Shareholders follow the instructions of the Public Health Agency of Canada (<https://www.canada.ca/en/public-health/services/diseases/2019-novel-coronavirus-infection.html>). The Company encourages Shareholders not to attend the Meeting in person if experiencing any of the described COVID-19 symptoms of fever, cough or difficulty breathing. As always, the Company encourages Shareholders to vote prior to the Meeting. Shareholders are encouraged to vote on the matters before the meeting by proxy and to join the Meeting by ZOOM.

**PROXIES AND VOTING RIGHTS**

**Management Solicitation**

The solicitation of proxies by management of the Company will be conducted by mail and may be supplemented by telephone or other personal contact to be made without special compensation to any of the directors, officers and employees of the Company. The Company does not reimburse Shareholders, nominees or agents for costs incurred in obtaining authorization from their principals to execute forms of proxy, except that the Company has requested brokers and nominees who hold stock in their respective names to furnish this proxy material to their customers who are NOBOs (as defined below), and the Company will reimburse such brokers and nominees for their related out of pocket expenses. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company.

No person has been authorized to give any information or to make any representation other than as contained in this Information Circular in connection with the solicitation of proxies. If given or made, such information or representations must not be relied upon as having been authorized by the Company. The delivery of this Information Circular shall not create, under any circumstances, any implication that there has been no change in the information set forth herein since the date of this Information Circular. This Information Circular does not constitute the solicitation of a proxy by anyone in any jurisdiction in which such solicitation is not authorized, or in which the person making such solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such an offer of solicitation.

### **Appointment of Proxy**

Registered Shareholders are entitled to vote at the Meeting. A Shareholder is entitled to one vote for each Share that such Shareholder holds on the record date of August 6, 2024 on the resolutions to be voted upon at the Meeting, and any other matter to come before the Meeting.

The persons named as proxyholders (the “**Designated Persons**”) in the enclosed form of proxy are directors and/or officers of the Company.

**A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON OR COMPANY (WHO NEED NOT BE A SHAREHOLDER) OTHER THAN THE DESIGNATED PERSONS NAMED IN THE ENCLOSED FORM OF PROXY TO ATTEND AND ACT FOR OR ON BEHALF OF THAT SHAREHOLDER AT THE MEETING.**

**A SHAREHOLDER MAY EXERCISE THIS RIGHT BY INSERTING THE NAME OF SUCH OTHER PERSON IN THE BLANK SPACE PROVIDED ON THE FORM OF PROXY. SUCH SHAREHOLDER SHOULD NOTIFY THE NOMINEE OF THE APPOINTMENT, OBTAIN THE NOMINEE’S CONSENT TO ACT AS PROXY AND SHOULD PROVIDE INSTRUCTION TO THE NOMINEE ON HOW THE SHAREHOLDER’S SHARES SHOULD BE VOTED. THE NOMINEE SHOULD BRING PERSONAL IDENTIFICATION TO THE MEETING.**

The Shareholder may vote by mail, by telephone or via the Internet by following instructions provided in the form of proxy at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) prior to the scheduled time of the Meeting, or any adjournment or postponement thereof. The Chairman of the Meeting, in his sole discretion, may accept completed forms of proxy on the day of the Meeting or any adjournment or postponement thereof.

A proxy may not be valid unless it is dated and signed by the Shareholder who is giving it or by that Shareholder’s attorney-in-fact duly authorized by that Shareholder in writing or, in the case of a corporation, dated and executed by a duly authorized officer or attorney-in-fact for the corporation. If a form of proxy is executed by an attorney-in-fact for an individual Shareholder or joint Shareholders, or by an officer or attorney-in-fact for a corporate Shareholder, the instrument so empowering the officer or attorney-in-fact, as the case may be, or a notarially certified copy thereof, must accompany the form of proxy.

### **Revocation of Proxies**

A Shareholder who has given a proxy may revoke it at any time before it is exercised by an instrument in writing: (a) executed by that Shareholder or by that Shareholder’s attorney-in-fact authorized in writing or, where the Shareholder is a corporation, by a duly authorized officer of, or attorney-in-fact for, the corporation; and (b) delivered either: (i) to the Company at the address set forth above, at any time up to and including the last business day preceding the day of the Meeting or, if adjourned or postponed, any reconvening thereof, (ii) to the Chairman of the Meeting prior to the vote on matters covered by the proxy on the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or (iii) in any other manner provided by law.

Also, a proxy will automatically be revoked by either: (i) attendance at the Meeting and participation in a poll (ballot) by a Shareholder, or (ii) submission of a subsequent proxy in accordance with the foregoing procedures. A revocation of a proxy does not affect any matter on which a vote has been taken prior to any such revocation.

#### **Voting of Shares and Proxies and Exercise of Discretion by Designated Persons**

A Shareholder may indicate the manner in which the Designated Persons are to vote with respect to a matter to be voted upon at the Meeting by marking the appropriate space on the proxy. **The Shares represented by a proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for and if the Shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted accordingly.**

**IF NO CHOICE IS SPECIFIED IN THE PROXY WITH RESPECT TO A MATTER TO BE ACTED UPON, THE PROXY CONFERS DISCRETIONARY AUTHORITY WITH RESPECT TO THAT MATTER UPON THE DESIGNATED PERSONS NAMED IN THE FORM OF PROXY. IT IS INTENDED THAT THE DESIGNATED PERSONS WILL VOTE THE SHARES REPRESENTED BY THE PROXY IN FAVOUR OF EACH MATTER IDENTIFIED IN THE PROXY.**

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to other matters which may properly come before the Meeting, including any amendments or variations to any matters identified in the Notice. At the date of this Information Circular, management of the Company is not aware of any such amendments, variations or other matters to come before the Meeting.

In the case of abstentions from, or withholding of, the voting of the Shares of a Shareholder on any matter, the Shares that are the subject of the abstention or withholding will be counted for determination of a quorum, but will not be counted as affirmative or negative on the matter to be voted upon.

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

**The information set out in this section is of significant importance to those Shareholders who do not hold Shares in their own name. Shareholders who do not hold their Shares in their own name (referred to in this Information Circular as “Beneficial Shareholders”) should note that only proxies deposited by Shareholders whose names appear on the records of the Company as the registered holders of Shares can be recognized and acted upon at the Meeting.** If Shares are listed in an account statement provided by a broker, then in almost all cases those Shares will not be registered in the Beneficial Shareholder’s name on the records of the Company. Such Shares will more likely be registered under the names of the Beneficial Shareholder’s broker or an agent of that broker. In the United States, the vast majority of such 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). **Beneficial Shareholders should ensure that instructions respecting the voting of their Shares are communicated to the appropriate person well in advance of the Meeting.**

The Company does not have access to the names of all Beneficial Shareholders. Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholders’ meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by his, her or its broker (or the agent of the broker) is similar to the form of proxy provided to registered Shareholders by the Company. However, its purpose is limited to instructing the registered Shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in the United States and in Canada. Broadridge typically prepares a special voting instruction form, mails this form to the Beneficial Shareholders and asks for appropriate instructions regarding the voting of Shares to be voted at the Meeting. If Beneficial

Shareholders receive the voting instruction forms from Broadridge, they are requested to complete and return the voting instruction forms to Broadridge by mail or facsimile. Alternatively, Beneficial Shareholders can call a toll-free number and access Broadridge's dedicated voting website (each as noted on the voting instruction form) to deliver their voting instructions and to vote the Shares held by them. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Shares to be represented at the Meeting. **A Beneficial Shareholder receiving a Broadridge voting instruction form cannot use that form as a proxy to vote Shares directly at the Meeting – the voting instruction form must be returned to Broadridge well in advance of the Meeting in order to have the applicable Shares voted at the Meeting.**

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

Alternatively, a Beneficial Shareholder may request in writing that his, her or its broker send to the Beneficial Shareholder a legal proxy which would enable the Beneficial Shareholder to attend at the Meeting and vote his, her or its Shares.

Beneficial Shareholders consist of non-objecting beneficial owners (each, a "**NOBO**") and objecting beneficial owners (each, an "**OBO**"). A NOBO is a beneficial owner of securities that has provided instructions to an intermediary holding the securities in an account on behalf of the beneficial owner that the beneficial owner does not object, for that account, to the intermediary disclosing ownership information about the beneficial owner under National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") of the Canadian Securities Administrators. An OBO means a beneficial owner of securities that has provided instructions to an intermediary holding the securities in an account on behalf of the beneficial owner that the beneficial owner objects, for that account, to the intermediary disclosing ownership information about the beneficial owner under NI 54-101.

The Company will not pay for the delivery of proxy-related materials to OBOs of the Shares under NI 54-101 and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary*. The OBOs of the Shares will not receive the materials unless their intermediary assumes the costs of delivery.

All references to Shareholders in this Information Circular are to registered Shareholders, unless specifically stated otherwise.

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

The Company is authorized to issue an unlimited number of Shares without par value. As of the record date, determined by the board of directors of the Company (the "**Board**") to be the close of business on August 6, 2024 a total of 73,356,693 Shares were issued and outstanding. Each Share carries the right to one vote at the Meeting.

Only registered Shareholders as of the record date are entitled to receive notice of, and to attend and vote at, the Meeting or any adjournment or postponement of the Meeting.

To the knowledge of the directors and executive officers of the Company, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, Shares carrying more than 10% of the voting rights attached to the outstanding Shares of the Company.

## FINANCIAL STATEMENTS

The audited financial statements of the Company for the year ended December 31, 2023 together with the auditor’s report thereon, will be presented to the Shareholders at the Meeting. The Company’s financial statements and management discussion and analysis are available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

## NUMBER OF DIRECTORS

At the Meeting, Shareholders will be asked to pass an ordinary resolution to set the number of directors of the Company at three (3). An ordinary resolution needs to be passed by a simple majority of the votes cast by the Shareholders present in person or represented by proxy and entitled to vote at the Meeting.

**Management recommends that Shareholders vote for the approval of setting the number of directors of the Company at three (3).**

## ELECTION OF DIRECTORS

At present, the directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting, or until their successors are duly elected or appointed in accordance with the Company’s Articles or until such director’s earlier death, resignation or removal.

The Company’s Articles contain an advance notice provision (the “**Advance Notice Provision**”) of the nomination of directors in certain circumstances. To be timely, the advance notice by the nominating Shareholder (the “**Nominating Shareholder**”) must be made:

- (a) in the case of an annual meeting of Shareholders, not less than 30 and not more than 65 days prior to the date of the annual meeting of Shareholders; provided, however, that in the event that the annual meeting of Shareholders is to be held on a date that is less than 50 days after the date (the “**Notice Date**”) on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder is to be made not later than the close of business on the 10th day after the Notice Date in respect of such meeting; and
- (b) in the case of a special meeting (which is not also an annual meeting) of Shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting of Shareholders was made.

No nominations of directors for the Meeting by the Nominating Shareholders were received in accordance with the provisions of the Advance Notice Provision.

Management of the Company proposes to nominate all of the current directors of the Company, as set out in the table below, for election by the Shareholders as directors of the Company. Information concerning such persons, as furnished by the individual nominees, is as follows:

Name, Place of Residence and Position(s) with the Company	Principal Occupation, Business or Employment for Last Five Years <sup>(1)</sup>	Director Since	Number of Shares Owned <sup>(1)</sup>
Dr. Carolyn Myers <sup>(2)</sup> New Jersey, USA  <i>President, Chief Executive Officer and Director</i>	Dr. Myers has been the CEO and President of the Company since July 28, 2020; Principal of BioEnsemble LLC since April 2017.	July 28, 2020	1,875,001 <sup>(4)</sup>



Name, Place of Residence and Position(s) with the Company	Principal Occupation, Business or Employment for Last Five Years <sup>(1)</sup>	Director Since	Number of Shares Owned <sup>(1)</sup>
Stephen Randall, CPA, CGA <sup>(2)(3)</sup> Ontario, Canada  <i>Director</i>	Mr. Randall is a consultant and corporate director was a director of Titan Medical Inc. from June 2017 to June 2021 and CFO and Corporate Secretary of Titan Medical Inc. from March 2010 to October 2020.	January 4, 2023	25,000 <sup>(5)</sup>
Pierre Soulard <sup>(2)</sup> Ontario, Canada  <i>Director</i>	Mr. Soulard is a lawyer and has been a director of CyberCatch Holdings, Inc., cybersecurity company listed on the TSX Venture Exchange since April 2023; Chief Legal Officer of CoinSmart Financial Inc. from February 2022 to July 2023; Partner with Miller Thomson LLP from August 2015 until December 2021.	January 4, 2023	Nil <sup>(6)</sup>

(1) Information has been furnished by the respective nominees individually.

(2) Member of the Audit Committee.

(3) Chairman of the Audit Committee.

(4) Does not include: (i) an aggregate of 2,100,000 stock options to purchase Shares, with each stock option exercisable into one Share, of which 450,000 are exercisable at a price of \$0.15 per Share until April 22, 2027, 400,000 are exercisable at a price of \$0.30 per Share until January 24, 2028 and 1,250,000 are exercisable at a price of \$0.29 per Share until July 18 2029; (ii) 125,000 warrants to purchase Shares, with each warrant exercisable into one Share at a price of \$0.40 per Share until March 25, 2027 and (iii) 250,000 restricted share units which vest into Shares as to 50% on each of March 18, 2025 and January 18, 2026.

(5) Does not include: (i) an aggregate of 700,000 stock options to purchase Shares, with each stock option exercisable into one Share, of which 300,000 are exercisable at a price of \$0.30 per Share until January 24, 2028 and 400,000 are exercisable at a price of \$0.29 per Share until July 18, 2029; and (ii) 25,000 warrants to purchase Shares, with each warrant exercisable into one Share at a price of \$0.40 per Share until March 25, 2027.

(6) Does not include an aggregate of 700,000 stock options to purchase Shares, with each stock option exercisable into one Share, of which 300,000 are exercisable at a price of \$0.30 per Share until January 24, 2028 and 400,000 are exercisable at a price of \$0.29 per Share until July 18, 2029.

Management does not contemplate that any of its nominees will be unable to serve as directors. If any vacancies occur in the slate of nominees listed above before the Meeting, then the Designated Persons intend to exercise discretionary authority to vote the Shares represented by proxies for the election of any other persons as directors.

**Management recommends that Shareholders vote for the election of each of the nominees listed above as a director of the Company.**

#### *Orders*

To the best of management's knowledge, no proposed director of the Company is, or within the ten (10) years before the date of this Information Circular has been, a director, chief executive officer or chief financial officer of any company that:

- (a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued after the proposed director

ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

#### *Bankruptcies*

To the best of management's knowledge, no proposed director of the Company is, or within ten (10) years before the date of this Information Circular, has been, a director or an executive officer of any company that, while the person was acting in that capacity, or within a year of that person ceasing to act in the 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 or made a proposal under any legislation relating to bankruptcies or insolvency.

#### *Penalties and Sanctions*

To the best of management's knowledge, no proposed director of the Company 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.

### **STATEMENT OF EXECUTIVE COMPENSATION**

#### **General**

For the purpose of this Statement of Executive Compensation:

**"NEO"** or **"named executive officer"** means:

- (a) each individual who served as chief executive officer ("**CEO**") of the Company, or who performed functions similar to a CEO, during any part of the most recently completed financial year,
- (b) each individual who served as chief financial officer ("**CFO**") of the Company, or who performed functions similar to a CFO, during any part of the most recently completed financial year,
- (c) the most highly compensated executive officer of the Company or any of its subsidiaries (if any) other than individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V, for that financial 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 or its subsidiaries (if any), nor acting in a similar capacity, at the end of that financial year.

The following table sets forth all direct and indirect compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Company or any subsidiary thereof to each NEO and each director of the Company, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or director for services provided and for services to be provided, directly or indirectly, to the Company or any subsidiary thereof for each of the two most recently completed financial years, other than stock options and other compensation securities:

Name and Position	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites <sup>(1)</sup> (\$)	Value of All Other Compensation (\$)	Total Compensation (\$)
Dr. Carolyn Myers <sup>(2)</sup> <i>President, CEO and Director</i>	2023	240,000	-	-	-	-	240,000
	2022	240,000	-	-	-	-	240,000
Rose Zanic <sup>(3)</sup> <i>CFO and Corporate Secretary</i>	2023	173,750	25,000	-	-	-	198,750
	2022	132,188	-	-	-	-	132,188
Andrea Mulder <sup>(4)</sup> <i>Chief Operating Officer</i>	2023	165,000	33,000	-	-	3,190	201,190
	2022	165,000	33,000	-	-	2,750	200,750
Stephen Randall <sup>(5)</sup> <i>Director</i>	2023	29,671	-	-	-	-	29,671
	2022	-	-	-	-	-	-
Pierre Soulard <sup>(5)</sup> <i>Director</i>	2023	24,726	-	-	-	-	24,726
	2022	-	-	-	-	-	-
Ian Mark Landy <sup>(6)</sup> <i>Former Director</i>	2023	-	-	-	-	-	-
	2022	46,538	-	-	-	-	46,538
Prakash Gowd <sup>(6)</sup> <i>Former Director</i>	2023	-	-	-	-	-	-
	2022	46,438	-	-	-	-	46,438

(1) "Perquisites" include perquisites provided to an NEO or director that are not generally available to all employees and that, in aggregate, are: (a) \$15,000, if the NEO or director's total salary for the financial year is \$150,000 or less, (b) 10% of the NEO or director's salary for the financial year if the NEO or director's total salary for the financial year is greater than \$150,000 but less than \$500,000, or (c) \$50,000 if the NEO or director's total salary for the financial year is \$500,000 or greater.

(2) Dr. Carolyn Myers has been the CEO, President and a director of the Company since July 28, 2020.

(3) Rose Zanic has been the CFO of the Company since February 17, 2022 and the Corporate Secretary of the Company since September 22, 2022.

(4) Andrea Mulder has been the Chief Operating Officer ("COO") of the Company since May 17, 2021.

(5) Stephen Randall and Pierre Soulard each has been a director of the Company since January 4, 2023.

(6) Mark Landy and Prakash Gowd each resigned from being a director of the Company on December 5, 2022.

### Stock Options and Other Compensation Securities

The following table sets out all compensation securities granted or issued to each director and NEO by the Company or any subsidiary thereof in the year ended December 31, 2023 for services provided, or to be provided, directly or indirectly, to the Company or any subsidiary thereof:

Compensation Securities							
Name and Position	Type of Compensation Security	Number of Compensation Securities, Number of Underlying Securities and Percentage of Class	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
Dr. Carolyn Myers <i>President, CEO and Director</i>	Stock Options <sup>(1)</sup>	400,000/400,000/ 14.59%	January 24, 2023	\$0.30	N/A <sup>(3)</sup>	0.18	January 24, 2028
Rose Zanic <i>CFO and Corporate Secretary</i>	Restricted Stock Units <sup>(2)</sup>	150,000/150,000/ 5.48%	January 24, 2023	N/A	N/A <sup>(3)</sup>	0.18	N/A <sup>(2)</sup>
Andrea Mulder <i>Chief Operating Officer</i>	Stock Options <sup>(1)</sup>	150,000/150,000/ 5.48%	January 24, 2023	\$0.30	N/A <sup>(3)</sup>	0.18	January 24, 2028
Stephen Randall <i>Director</i>	Stock Options <sup>(1)</sup>	300,000/300,000/ 10.95%	January 24, 2023	\$0.30	N/A <sup>(3)</sup>	0.18	January 24, 2028
Pierre Soulard <i>Director</i>	Stock Options <sup>(1)</sup>	300,000/300,000/ 10.95%	January 24, 2023	\$0.30	N/A <sup>(3)</sup>	0.18	January 24, 2028

<sup>(1)</sup> These stock options vest as follows: (i) one-third on January 24, 2023, (ii) one-third on January 24, 2024 and (iii) one-third on January 24, 2025.

<sup>(2)</sup> 100% of these restricted stock units vested on May 24, 2023.

<sup>(3)</sup> The common shares of the Company (each, a “**Share**”) were not listed for trading on the date of grant.

The following table discloses the total amount of compensation securities held by the NEOs and directors as at December 31, 2023:

Name and Position	Number of Options Held as at December 31, 2023	Option Exercise Price	Expiry Date
Dr. Carolyn Myers <i>President, CEO and Director</i>	450,000	\$0.15	April 22, 2027
	400,000	\$0.30	January 24, 2028
Rose Zanic <i>CFO and Corporate Secretary</i>	300,000	\$0.30	December 24, 2027
Andrea Mulder <i>Chief Operating Officer</i>	150,000	\$0.15	April 22, 2027
	150,000	\$0.30	January 24, 2028
Stephen Randall <i>Director</i>	300,000	\$0.30	January 24, 2028

Name and Position	Number of Options Held as at December 31, 2023	Option Exercise Price	Expiry Date
Pierre Soulard <i>Director</i>	300,000	\$0.30	January 24, 2028

No compensation securities were re-priced, cancelled and replaced, had their term extended, or otherwise materially modified in the Company's financial year ended December 31, 2023.

#### Exercise of Compensation Securities by Directors and NEOs

No compensation securities were exercised by directors and NEOs in the year ended December 31, 2023, other than 150,000 RSUs granted to the CFO that vested on May 24, 2023.

#### Stock Option Plans and Other Incentive Plans

The Company currently has an equity incentive plan (the "Equity Incentive Plan") which was adopted by the Board on October 19, 2021.

The purpose of the Equity Incentive Plan is to attract, retain and motivate key individuals. The Equity Incentive Plan is available to directors, officers, employees and consultants of the Company and its subsidiaries, as determined by the Board. The maximum number of Shares available for issuance under the Equity Incentive Plan in respect of awards shall not exceed 20% of the issued and outstanding number of Shares from time to time. All of the Shares covered by exercised, cancelled or terminated awards will automatically become available Shares for the purposes of awards that may be subsequently granted under the Equity Incentive Plan and the number of awards available to grant increases as the number of issued and outstanding Shares increases. As a result, the Equity Incentive Plan is considered an "evergreen" plan. As of date hereof, a total of 7,321,667 awards have been granted under the Plan which are currently outstanding, comprised of 6,691,667 Options (as defined below) and 630,000 restricted share units.

So long as it is required by the rules and policies of the Canadian Securities Exchange (the "Exchange") or such other exchange upon which the Shares may be come listed for trading, the total number of Shares issuable to persons performing investor relations activities on behalf of the Company pursuant to the Equity Incentive Plan, together with Shares issuable to all persons performing investor relations activities under all of the Company's other security-based compensation arrangements, shall not exceed two (2%) percent of the issued and outstanding Shares in any twelve-month period. Except as otherwise provided in an applicable award agreement or as determined by the Board, neither awards nor any rights under any such awards shall be assignable or transferable other than pursuant to a will or by the laws of descent and distribution.

The Equity Incentive Plan provides for the issuance of "stock options", "restricted share units", "performance share units" and "deferred share units".

*Stock Options:* The Equity Incentive Plan provides that the Board may, from time to time, in its sole discretion, grant awards of stock options (the "Options") to directors, employees and consultants. An Option entitles a holder thereof to purchase a prescribed number of treasury Shares at an exercise price set at the time of the grant. Such grant may be settled in Shares, cash or combination thereof in the discretion of the Board. If settled in cash, such payment will be equal to the In-the-Money Amount (as defined below). The Board will establish the exercise price at the time each Option is granted, which exercise price, while the Shares are listed for trading on the Exchange, must in all cases be not less than the closing price of the Shares on the Exchange on the date of grant. Subject to any accelerated termination as set forth in the Equity Incentive Plan, each Option expires on its respective expiry date. The Board will have the authority to determine the vesting terms applicable to grants of Options. Once an Option becomes vested, it shall remain vested and shall be exercisable until expiration or termination of the Option, unless otherwise specified by the Board, or as otherwise set forth in any written employment agreement, award agreement or other written agreement between the Company or a subsidiary of the Company and the

participant. The Board has the right to accelerate the date upon which any Option becomes exercisable. The Board may provide at the time of granting an Option that the exercise of that Option is subject to restrictions, in addition to those specified in the Equity Incentive Plan, such as vesting conditions relating to the attainment of specified performance goals.

Unless otherwise specified by the Board at the time of granting an Option and set forth in the particular award agreement, an exercise notice must be accompanied by payment of the exercise price. Subject to the policies of the Exchange, a participant may, in lieu of exercising an Option pursuant to an exercise notice, elect to surrender such Option to the Company (a "**Cashless Exercise**") in consideration for an amount from the Company equal to (i) the Market Price of the Shares issuable on the exercise of such Option (or portion thereof) as of the date such Option (or portion thereof) is exercised, less (ii) the aggregate exercise price of the Option (or portion thereof) surrendered relating to such Shares (the "**In-the-Money Amount**") by written notice to the Company indicating the number of Options such participant wishes to exercise using the Cashless Exercise, and such other information that the Company may require. Subject to the provisions of the Equity Incentive Plan and the policies of the Exchange, the Company will satisfy payment of the In-the-Money Amount by delivering to the participant such number of Shares having a fair market value equal to the In-the-Money Amount.

If a participant's employment, consulting agreement or arrangement is terminated for cause, or is voluntarily terminated by the participant, any Options granted to the participant that have not been exercised, surrendered or settled as of the termination date will be immediately forfeited and canceled as of the termination date. If a participant's employment, consulting agreement or arrangement is terminated without cause, or termination is due to the participant's death or disability, a portion of any unvested Options granted to the participant will, subject to the applicable award agreement, immediately vest, such portion to be equal to the number of unvested Options held by the participant as of the termination date, disability date, or date of death, as applicable, multiplied by a fraction the numerator of which is the number of days between the date of grant and the termination date, disability date, or date of death, as applicable, and the denominator of which is the number of days between the date of grant and the date any unvested Options were originally schedule to vest. Any vested Options may be exercised by the participant at any time during the period that terminates on the earlier of: (A) the expiry date of such Options; and (B) the date that is 90 days after the termination date. If an Option remains unexercised upon the earlier of (A) or (B), the Option shall be immediately forfeited and cancelled for no consideration upon the termination of such period. In the case of directors, if a participant ceases to be a director for any reason, subject to the applicable award agreement, all Options granted to such participant that have not been exercised, surrendered or settled as of the termination date will be immediately forfeited and cancelled as of the termination date. If a participant retires, then a portion of any unvested Options shall immediately vest, such portion to be equal to the number of unvested Options held by the participant as of the retirement date, multiplied by a fraction the numerator of which is the number of days between the date of grant and the retirement date, and the denominator of which is the number of days between the date of grant and the date any unvested Options were originally schedule to vest. Any vested Option may be exercised by the participant at any time during the period that terminates on the earlier of: (A) the expiry date of such Option; and (B) the third anniversary of the participants date of retirement. If an Option remains unexercised upon the earlier of (A) or (B), the Option shall be immediately forfeited and cancelled for no consideration upon the termination of such period. Notwithstanding the foregoing, if, following the participant's retirement, the participant commences active service with the Company, or acts as a service provider to any person that carries on or proposes to carry on a business competitive with the Company or any of its subsidiaries, any Options held by such participant that have not been exercised or settled as of the commencement date shall be immediately forfeited and cancelled as of the commencement date.

*Restricted Share Units.* The Equity Incentive Plan provides that the Board may, from time to time, in its sole discretion, grant awards of restricted share units (each, an "**RSU**") to directors, employees and consultants. RSUs shall be subject to such vesting restrictions as the Board may establish in the applicable award agreement. The typical restriction for RSUs is time based (i.e. vesting after a fixed period of time). Each vested RSU, at the election of the participant but subject to the approval of the Board, shall be settled in one fully paid and non-assessable Share, a cash payment, or a combination of Shares and cash.

*Performance Share Units.* The Equity Incentive Plan provides that the Board may, from time to time, in its sole discretion, grant awards of performance share units (each, a “PSU”) to directors, employees and consultants. Each PSU shall, contingent upon the attainment of the performance criteria within the applicable performance cycle, represent one Share, a cash payment, or a combination thereof, unless otherwise specified in the applicable award agreement. The performance criteria will be established by the Board which, without limitation, may include criteria based upon the achievement of corporate, divisional or individuals goals, and may be applied to performance relative to an index or comparator group, or on any other basis determined by the Board. Typical performance criteria could include gross revenues, earnings before interest, taxes, depreciation and amortization, share price performance, the attainment of a specified amount of financing or satisfaction of a participant’s key performance indicators. The applicable award agreement may provide the Board with the right to revise the performance criteria during a performance cycle or after it has ended, if unforeseen events occur, including, without limitation, changes in capitalization, equity restructuring, acquisitions or divestitures, if such events have a substantial effect on the financial results of the Company and make the application of the performance criteria unfair absent a revision. All PSUs will vest and become payable to the extent that the performance criteria are satisfied in the sole determination of the Board.

*Deferred Share Units.* The Equity Incentive Plan provides that the Board may, from time to time, in its sole discretion, grant awards of deferred share units (each, a “DSU”, and together with RSUs and PSUs, the “Awards”) to directors in lieu of director fees (but not to employees or consultants). The number of DSUs to be granted to a participant shall be calculated by dividing the amount of fees selected by the director by the market price on the grant date. The market price is defined in the Equity Incentive Plan as the five-day weighted average closing price of the Shares on the immediately preceding five trading days prior to the grant date. Except as otherwise determined by the Board or set forth in the award agreement, DSUs shall vest immediately. Each vested DSU may be redeemed for one Share, or at the election of the participant and subject to Board approval, a cash payment, with such cash payment calculated by multiplying the number of DSUs to be redeemed for cash by the market price per Share as at the settlement date.

*Termination of Employee, Consultant or Director.* If a participant’s employment, consulting agreement or arrangement is terminated for cause, or is voluntarily terminated by the participant, any Awards granted to the participant that have not been exercised, surrendered or settled as of the termination date will be immediately forfeited and canceled as of the termination date. If a participant’s employment, consulting agreement or arrangement is terminated without cause, or termination is due to the participant’s death or disability, a portion of any unvested RSUs granted to the participant will, subject to the applicable award agreement, immediately vest, such portion to be equal to the number of unvested Awards held by the participant as of the termination date, disability date, or date of death, as applicable, multiplied by a fraction the numerator of which is the number of days between the date of grant and the termination date, disability date, or date of death, as applicable, and the denominator of which is the number of days between the date of grant and the date any unvested Awards were originally schedule to vest. Any Awards granted to such participant that had vested prior to the participant’s termination without cause, death or disability will be settled within 90 days after the termination date, disability date, or date of death, as applicable. In the case of directors, if a participant ceases to be a director for any reason, subject to the applicable award agreement, all Awards granted to such participant that have not been exercised, surrendered or settled as of the termination date will be immediately forfeited and cancelled as of the termination date. If a participant retires, then (i) a portion of any unvested Awards shall immediately vest, such portion to be equal to the number of unvested Awards held by the participant as of the retirement date, multiplied by a fraction the numerator of which is the number of days between the date of grant and the retirement date, and the denominator of which is the number of days between the date of grant and the date any unvested Awards were originally schedule to vest, (ii) any outstanding Awards that vest based on the achievement of performance goals and that have not previously become vested shall continue to be eligible to vest based upon the actual achievement of such performance goals. In the case of a vested Award described in (ii) above, such Awards will be settled at the same time the Award would otherwise have been settled had the participant remained in active service with the Company or its subsidiary. Notwithstanding the foregoing, if, following the participant’s retirement, the participant commences active service with the Company, or acts as a service provider to any person that carries on or proposes to carry on a business competitive with the Company or any of its subsidiaries,

any Awards held by such participant that have not been exercised or settled as of the commencement date shall be immediately forfeited and cancelled as of the commencement date.

*Change of Control.* The Board may, without the consent of any participant, take such steps as it deems necessary or desirable, including to cause (i) the conversion or exchange of any outstanding Awards or Options into or for, rights or other securities of substantially equivalent value in any entity participating in or resulting from a change in control; (ii) outstanding Awards or Options to vest and become exercisable, realizable, or payable, or restrictions applicable to an Award or Option to lapse, in whole or in part prior to or upon consummation of such merger or change of control, or for such Awards or Options to terminate; (iii) the termination of an Award or Option in exchange for an amount of cash and/or property, if any, equal to the amount that would have been attained upon the exercise or settlement of such Award or Option or realization of the participant's rights as of the date of the occurrence of the transaction; (iv) the replacement of such Award or Option with other rights or property selected by the Board where such replacement would not adversely affect the holder; or (v) any combination of the foregoing.

The Equity Incentive Plan was approved by the shareholders of the Company on June 16, 2023 and is next required to be approved by the shareholders on or before June 16, 2026. A copy of the Equity Incentive Plan is attached as Schedule "B" to the Company's Notice and Information Circular dated May 16, 2023 and filed on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

#### **Employment, Consulting and Management Agreements**

Except as described below, the Company does not have any contracts, agreements, plans or arrangements that provides for payments to a director or NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Company or a change in an NEO's responsibilities.

The Company has entered into a consulting agreement with an effective date of January 1, 2022, as amended, with BioEnsemble LLC ("**BioEnsemble**") for the provision of services by Dr. Carolyn Myers to the Company as its CEO. The Company and BioEnsemble also entered into an indemnification agreement dated December 27, 2021. Pursuant to the consulting agreement, BioEnsemble receives monthly compensation of \$20,000 per month with a discretionary annual bonus payable of up to 20%. The consulting agreement has a 12-month term and is automatically renewed for successive one-year periods thereafter, unless terminated. The consulting agreement may be terminated by the Company at any time upon the provision of at least 30 days' written notice unless there is a change of control, in which case by the Company by giving at least twelve months advance notice in writing to BioEnsemble and by BioEnsemble on at least 30 days' written notice.

The Company entered into a consulting agreement dated February 17, 2022, as amended, with RCF Advisors Ltd. ("**RCF**") for the provision of management, financial and administrative services, including services provided by Ms. Zanic as its CFO. The Company, Rose Zanic and RCF also entered into an indemnification agreement dated February 17, 2022. RCF receives compensation of \$250 per hour plus GST, subject to a minimum monthly fee of \$7,000 plus GST. The consulting agreement has a 12-month term and is automatically renewed for successive one-year periods thereafter, unless terminated. The agreement may be terminated by the Company at any time by the provision of at least 30 days' written notice or by RCF at any time upon the provision of at least 60 days' notice.

The Company entered into an employment agreement dated August 8, 2022 with Andrea Mulder for the provision of services by Ms. Mulder to the Company as its COO. Pursuant to the employment agreement, Ms. Mulder receives annual compensation of \$165,000 per year payable semi-monthly in arrears with a discretionary year-end bonus payable of up to 20%. The employment agreement includes termination provisions, and may be terminated by the Company at any time upon the provision of at least 3 months' notice and by Ms. Mulder on 30 days' written notice. In the event Ms. Mulder's employment is terminated by the Company within 12 months of a change of control of the Company, the Company shall pay a lump sum to Ms. Mulder equal to 6 months of monthly



compensation. The Company and Ms. Mulder also entered into an indemnification agreement dated December 27, 2021.

The Company entered into a director services agreement dated January 4, 2023 with Stephen Randall to act as an independent director and an indemnification agreement dated January 4, 2023. Mr. Randall receives a director fee of \$25,000 per year and \$5,000 per year for acting as audit committee chair, which director fee may be paid in cash or Shares.

The Company entered into a director services agreement dated January 4, 2023 with Pierre Soulard to act as an independent director and an indemnification agreement dated January 4, 2023. Mr. Soulard receives a director fee of \$25,000 per year, which director fee may be paid in cash or Shares.

### **Oversight and Description of Director and NEO Compensation**

The Company currently has in place a Compensation Committee, as described below. The Compensation Committee is responsible for setting the overall compensation strategy of the Company and administering the Company's director and executive compensation program with input from the CEO of the Company in respect of all executive officers other than the CEO. As part of its mandate, the Board approves the remuneration of the directors and NEOs of the Company. The NEOs of the Company for the financial years ended December 31, 2023 and December 31, 2022, were the CEO, CFO and COO, and these NEOs are the NEOs of the Company. The Board is also responsible for reviewing the Company's compensation policies and guidelines generally. Directors and NEOs that are also directors of the Company disclose their interest in and abstain from voting on any compensation decisions relating to them, as applicable, in accordance with applicable corporate legislation. The objective of Company's executive compensation program is to motivate, reward, and retain management talent that is needed to achieve the Company's business objectives. The compensation program is designed to ensure that compensation is competitive and is commensurate with the experience, performance, and contribution of the individuals involved and the overall performance of the Company. In evaluating performance, consideration is given to the level of responsibility and experience of the individual, the relative importance of the position to the Company, the professional qualifications of the individual and the performance of the individual over time as well as the Company's financial resources. The Company, at its present stage, does not have any formal objectives, criteria and analysis for determining the compensation of its NEOs and primarily relies on the discussions and determinations of the Compensation Committee and Board based on recommendations from the CEO. Compensation of directors is reviewed and approved by the Compensation Committee and Board. *Elements of Compensation*

The executive compensation program is comprised of three principal components: (i) base salaries or executive consultant fees; (ii) bonuses, and (iii) the Equity Incentive Plan. Each component of the executive compensation program is described below.

#### *Base Salaries and Executive Consulting Fees*

NEOs are paid a base salary or executive consultant fee to compensate them for providing the leadership and specific skills needed to fulfill their responsibilities. The payment of base salaries or executive consulting fees is an important component of the intended compensation program and serves to attract and retain qualified individuals. The Company does not have pre-existing performance criteria or objectives. All significant elements of compensation awarded to, earned by, paid or payable to NEOs are determined by the Company on a subjective basis which includes assessment of factors particular to the executive, including individual performance, the scope of the executive's role with the Corporation and retention considerations. The Company has not used any peer group to determine compensation for its directors and NEO.

*Bonuses*

The Board may from time to time approve bonus payments to reward NEOs for their performance and contribution to the Company based on recommendations of the CEO. The Company does not have pre-existing performance criteria or objectives. Bonuses also serve as a retention incentive for NEOs so that they remain in the employ of the Company. The payment of bonuses is consistent with the intended overall objective of the Company to reward performance.

*Equity Incentive Plan*

The Board has the responsibility to administer compensation policies related to executive management of the Company, including share-based awards. The Board has approved the Equity Incentive Plan pursuant to which the Board has granted stock options and/or RSUs to executive officers. The Equity Incentive Plan provides compensation to participants and an additional incentive to work toward long-term company performance. The Equity Incentive Plan has been and will be used to provide stock options, PSUs, DSUs and/or RSUs which are granted in consideration of the level of responsibility of the executive as well as his or her impact and/or contribution to the longer-term operating performance of the Company. In determining the number of options, PSUs, DSUs and/or RSUs to be granted to the executive officers, the Board takes into account the number of options, PSUs, DSUs and/or RSUs, if any, previously granted to each executive officer and the exercise price of any outstanding options to ensure that such grants are in accordance with the policies of the Exchange, and closely align the interests of the executive officers with the interests of shareholders.

Compensation for the most recently completed financial year should not be considered an indicator of expected compensation levels in future periods. All compensation is subject to and dependent on the Company's financial resources and prospects.

**Pension Plan Benefits**

The Company does not have any pension, defined benefit, defined contribution or deferred compensation plans in place.

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

The following table sets forth details of the Equity Incentive Plan, being the Company's only equity compensation plan, as of December 31, 2023.

<b>Plan Category</b>	<b>Number of shares to be issued upon exercise of outstanding awards <sup>(1)</sup> (a)</b>	<b>Weighted-average exercise price of outstanding awards (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 Shareholders	2,741,667 options	\$0.25	7,915,311
	Nil Awards	N/A	
Equity compensation plans not approved by Shareholders	N/A	N/A	N/A
<b>Total</b>	<b>2,741,667 options</b>	<b>\$0.25</b>	<b>7,915,311</b>
	<b>Nil Awards</b>	<b>N/A</b>	

<sup>(1)</sup> The Company does not have any warrants or rights outstanding under any equity compensation plans.

See “*Statement of Executive Compensation – Stock Option Plans and Other Incentive Plans*” above for further details of the Equity Incentive Plan.

### APPOINTMENT OF AUDITOR

At the Meeting, Shareholders will be asked to pass an ordinary resolution to appoint Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants as auditors of the Company for the fiscal year ending December 31, 2024, and to authorize the directors of the Company to fix the remuneration to be paid to the auditors for the fiscal year ending December 31, 2024. An ordinary resolution needs to be passed by a simple majority of the votes cast by the Shareholders present in person or represented by proxy and entitled to vote at the Meeting. Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants, were appointed as the auditors of the Company on February 26, 2021.

**Management recommends that Shareholders vote for the appointment of Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants as the Company’s auditors for the Company’s fiscal year ending December 31, 2024 and the authorization of the directors of the Company to fix the remuneration to be paid to the auditors for the fiscal year ending December 31, 2024.**

### AUDIT COMMITTEE DISCLOSURE

Under National Instrument 52-110 – *Audit Committees (“NI 52-110”)*, a reporting issuer is required to provide disclosure annually with respect to its audit committee, including the text of its audit committee charter, information regarding composition of the audit committee, and information regarding fees paid to its external auditor. The Company provides the following disclosure with respect to its audit committee (the “**Audit Committee**”):

#### The Audit Committee Charter

The full text of the Company’s audit committee charter (the “**Audit Committee Charter**”) is attached as Schedule “A” to this Information Circular.

#### Composition of the Audit Committee

The following are the members of the Audit Committee as at the date hereof:

#### Audit Committee Members

Dr. Carolyn Myers	Not Independent <sup>(1)</sup>	Financially Literate <sup>(2)</sup>
Stephen Randall, CPA, CGA (Chairman)	Independent <sup>(1)</sup>	Financially Literate <sup>(2)</sup>
Pierre Soulard	Independent <sup>(1)</sup>	Financially Literate <sup>(2)</sup>

<sup>(1)</sup> 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 Board, reasonably interfere with the exercise of a member’s independent judgment. Under NI 52-110, an individual who is, or has been within the last three years, an employee or executive officer of the issuer, is considered to have a material relationship with the issuer.

<sup>(2)</sup> An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements.

The Audit Committee is responsible for review of both interim and annual financial statements for the Company. For the purposes of performing their duties, the members of the Audit Committee have the right, at all times, to inspect all the books and financial records of the Company and any subsidiaries and to discuss with management

and the external auditors of the Company any accounts, records and matters relating to the financial statements of the Company. The Audit Committee members meet periodically with management and annually with the external auditors.

### **Relevant Education and Experience**

The following sets out the education and experience of each Audit Committee member that is relevant to the performance of their responsibilities as an Audit Committee member and that provides each member with: (i) an understanding of the accounting principles used by the Company to prepare its financial statements; (ii) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions, (iii) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more individuals engaged in such activities; and (iv) an understanding of internal controls and procedures for financial reporting:

#### **Stephen Randall – *Chairman***

Stephen Randall is an experienced senior financial manager and director with over 40 years' experience. Mr. Randall has served in senior financial roles with private, publicly traded and start-up companies in the manufacturing, telecommunications, technology and medical device sectors. From 2010 until 2020, Mr. Randall was the CFO and Corporate Secretary of Titan Medical Inc., a Canadian medical device development company listed on both the TSX, (TMD) and Nasdaq, (TMDI). For the years 2017 to 2021 he was also on the Board of Directors of Titan Medical Inc. Previous board experience includes Community Head Injury Resource Services (CHIRS) from 2010 to 2016 where he served as a Director, Treasurer and Chair of the Audit Committee. Mr. Randall holds the Canadian CPA, CGA designation as well as a Hon. B. Comm. and B.A.

Mr. Randall's experience has provided him with an understanding of financial reporting requirements respecting financial statements sufficient enough to enable him to discharge his duties as a member of the Audit Committee.

#### **Dr. Carolyn Myers**

Dr Myers is an experienced pharmaceutical executive having held senior leadership roles at Allergan (now AbbVie Inc.), Forest Laboratories, Inc., Mylan N.V. (now Viatris) and Pharmacia Corporation (now Pfizer). She has 30 years of experience in the pharmaceutical industry and is currently CEO of the Company. She is also Principal of BioEnsemble Inc., providing consulting business strategy services to small and mid-size pharma, biotech and medical technology companies. Previously, she was Vice President of Global Alliance Management and International Business Development at Allergan, Vice President of Marketing at Forest Laboratories, Inc. President of Dey Laboratories and President of Mylan Technologies. Dr. Myers is an Executive Committee member of Mid Atlantic Bio Angels, a Healthcare Committee member of Golden Seeds and an independent board member of Hyloris Pharmaceuticals. She has a Ph.D. from the University of British Columbia and a M.B.A. from Rutgers University.

Dr. Myers' experience has provided her with an understanding of financial reporting requirements respecting financial statements sufficient enough to enable her to discharge her duties as a member of the Audit Committee.

#### **Pierre Soulard**

Pierre Soulard has been a director of CyberCatch Holdings, Inc. (TSXV: CYBE) since April 2023, was the Chief Legal Officer of CoinSmart (NEO: SMRT) and is a former partner at Miller Thomson LLP, a leading Canadian law firm. Mr. Soulard's legal practice focused on securities law, corporate finance, mergers and acquisitions and corporate governance for a wide range of national and international issuers and investors. Mr. Soulard obtained a Bachelor

of Arts from Laval University, a B.C.L./LLB from McGill University and a Master of Law from Osgoode Hall Law School.

Mr. Soulard’s experience has provided him with an understanding of financial reporting requirements respecting financial statements sufficient enough to enable him to discharge his duties as a member of the Audit Committee.

Each member of the Audit Committee has:

- an understanding of the accounting principles used by the Company to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- experience with analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company’s financial statements, or experience actively supervising individuals engaged in such activities; and
- an understanding of internal controls and procedures for financial reporting.

#### **Audit Committee Oversight**

Since the commencement of the Company’s most recently completed financial year, the Board has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

#### **Reliance on Certain Exemptions**

Since the commencement of the Company’s most recently completed financial year, the Company has not relied on the exemptions in sections 2.4, 6.1.1(4), 6.1.1(5), 6.1.1(6) or Part 8 of NI 52-110. Section 2.4 (*De Minimis Non-Audit Services*) provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the financial year in which the non-audit services were provided. Sections 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*), 6.1.1(5) (*Events Outside Control of Member*) and 6.1.1(6) (*Death, Incapacity or Resignation*) provide exemptions from the requirement that a majority of the members of the Company’s Audit Committee must not be executive officers, employees or control persons of the Company or of an affiliate of the Company. Part 8 (*Exemptions*) permits a company to apply to a securities regulatory authority or regulator for an exemption from the requirements of NI 52-110 in whole or in part.

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

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by, as applicable, the Board and the Audit Committee, on a case-by-case basis.

#### **External Auditor Service Fees**

The aggregate fees billed by the Company’s external auditor in the last two fiscal years, by category, are as follows:

<b>Year Ended December 31</b>	<b>Audit Fees<sup>(1)</sup></b>	<b>Audit Related Fees<sup>(2)</sup></b>	<b>Tax Fees<sup>(3)</sup></b>	<b>All Other Fees<sup>(4)</sup></b>
2023	\$40,000	\$20,000	Nil	Nil
2022	\$30,000	\$13,500	Nil	\$13,500

- (1) **"Audit Fees"** include fees necessary to perform the annual audit and quarterly reviews of our financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) **"Audit-Related Fees"** 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 reported as audit fees. The services provided in this category include due diligence assistance, accounting consultations on proposed transactions, and consultation on International Financial Reporting Standards conversion.
- (3) **"Tax Fees"** include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice.
- (4) **"All Other Fees"** includes all fees other than those reported as Audit Fees, Audit-Related Fees or Tax Fees.

### **Exemption**

The Company is relying on the exemption provided by section 6.1 of NI 52-110 which provides that the Company, as a venture issuer, is not required to comply with Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

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

No current or former director, executive officer, proposed nominee for election to the Board, or associate of such persons is, or at any time since the beginning of the Company's most recently completed financial year has been, indebted to the Company or any of its subsidiaries.

No indebtedness of current or former director, executive officer, proposed nominee for election to the Board, or associate of such person is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

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

Except as otherwise disclosed herein, no: (a) director, proposed director or executive officer of the Company; (b) person or company who beneficially owns, directly or indirectly, Shares or who exercises control or direction of Shares, or a combination of both, carrying more than ten percent of the voting rights attached to the Shares outstanding (each, an **"Insider"**); (c) director or executive officer of an Insider; or (d) associate or affiliate of any of the directors, executive officers or Insiders, has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company, except with an interest arising from the ownership of Shares where such person or company will receive no extra or special benefit or advantage not shared on a pro rata basis by all holders of the same class of Shares.

### **MANAGEMENT CONTRACTS**

There were no management functions of the Company, which were, to any substantial degree, performed by a person other than the directors or executive officers of the Company, except as otherwise described in this Information Circular.

### **CORPORATE GOVERNANCE**

Pursuant to National Instrument 58-101 – *Disclosure of Corporate Governance Practices*, the Company is required to disclose its corporate governance practices as follows:

### **Board of Directors**

The Board facilitates its exercise of independent supervision over the Company's management through frequent meetings of the Board.

Stephen Randall and Pierre Soulard are "independent" in that each are independent and free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act with the best interests of the Company, other than the interests and relationships arising from being shareholders of the Company. Dr. Carolyn Myers is the President and CEO of the Company and is therefore not independent.

### **Directorships**

Certain directors of the Company are currently also directors of other reporting issuers, as described in the table below:

<b>Name of Director of the Company</b>	<b>Names of Other Reporting Issuers</b>
Dr. Carolyn Myers	Hyloris Pharmaceuticals SA – Brussels Stock Exchange
Pierre Soulard	CyberCatch Holdings Inc. – TSX Venture Exchange

### **Orientation and Continuing Education**

New Board members receive an orientation package which includes reports on operations and results, and any public disclosure filings by the Company, as may be applicable. Board meetings are sometimes held at the Company's offices or by zoom meeting and, from time to time, are combined with presentations by the Company's management to give the directors additional insight into the Company's business. In addition, management of the Company makes itself available for discussion with all Board members.

### **Ethical Business Conduct**

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

### **Nomination of Directors**

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of view and experience.

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. However, if there is a change in the number of directors required by the Company, this policy will be reviewed.

### **Compensation**

The Board is responsible for determining compensation for the directors and the chief executive officer of the Company to ensure it reflects the responsibilities and risks of being a director and chief executive officer of a public

company. The Board will determine compensation for the directors and the chief executive officer taking into account the Company's business ventures and the Company's financial position.

#### **Other Board Committees**

Other than the Audit Committee, the Board has formed a compensation committee (the "**Compensation Committee**") consisting of Dr. Myers, Stephen Randall and Pierre Soulard. Tasks related to developing and monitoring the Company's approach to the compensation of the Company's NEOs and directors are performed by the Compensation Committee in consultation with the Board. The compensation of the NEOs, directors and the Company's employees or consultants, if any, is reviewed, recommended and approved by the Compensation Committee in consultation with the Board.

#### **Assessments**

Due to the minimal size of the Board, no formal policy has been established to monitor the effectiveness of the directors, the Board and its committees.

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

Except as disclosed elsewhere in this Information Circular, no director or executive officer of the Company who was a director or executive officer since the beginning of the Company's last financial year, no proposed nominee for election as a director of the Company, nor any associate or affiliates of any such directors, officers or nominees, has any material interest, direct or indirect, by way of beneficial ownership of Shares or other securities in the Company or otherwise, in any matter to be acted upon at the Meeting, other than the election of directors, the grant of stock options which may be granted to such persons under the Equity Incentive Plan and the grant of awards which may be granted to such persons. See "*Statement of Executive Compensation – Stock Option Plans and Other Incentive Plans*" above for further details of the Equity Incentive Plan.

#### **ADDITIONAL INFORMATION**

Shareholders may contact the Company at its office by mail at 2010 Winston Park Drive, 2<sup>nd</sup> Floor, Oakville, ON L6H 5R7, to request copies of the Company's financial statements and related Management's Discussion and Analysis (the "**MD&A**"). Financial information is provided in the Company's audited financial statements and MD&A for the most recently completed financial year and in the financial statements and MD&A for subsequent financial periods, which are available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

#### **OTHER MATTERS**

Other than the above, management of the Company know of no other matters to come before the Meeting other than those referred to in the Notice. If any other matters that are not currently known to management should properly come before the Meeting, the accompanying form of proxy confers discretionary authority upon the Designated Persons named therein to vote on such matters in accordance with their best judgment.



**APPROVAL OF THE BOARD OF DIRECTORS**

The contents of this Information Circular have been approved, and the delivery of it to each shareholder of the Company entitled thereto and to the appropriate regulatory agencies has been authorized, by the Board.

Dated at Vancouver, British Columbia this 12th day of August, 2024.

**ON BEHALF OF THE BOARD OF DIRECTORS OF**

**FENDX TECHNOLOGIES CORP.**

*"Carolyn Myers"*

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Dr. Carolyn Myers  
President, Chief Executive Officer  
and Director

## **SCHEDULE "A"**

### **AUDIT COMMITTEE CHARTER**

#### **FENDX TECHNOLOGIES INC. (the "Corporation")**

### **AUDIT COMMITTEE CHARTER**

#### **1. MANDATE**

The audit committee will assist the board of directors of the Corporation (the "**Board**") in fulfilling its financial oversight responsibilities. The committee will review and consider, in consultation with the Corporation's external auditors, the financial reporting process, the system of internal control over financial reporting and the audit process. In performing its duties, the audit committee will maintain effective working relationships with the Board, management and the external auditors. To effectively perform his or her role, each committee member must obtain an understanding of the principal responsibilities of committee membership as well as the Corporation's business, operations and risks.

#### **2. COMPOSITION**

The Board will appoint, from among their membership, an audit committee after each annual meeting of the shareholders of the Corporation. The audit committee will consist of a minimum of three directors.

##### **2.1 Independence**

Subject to Sections 3.2, 3.3, 3.4, 3.5 and 3.6 and Part 6 of National Instrument 52-110 (Audit Committees) ("**NI 52-110**"), a majority of the members of the audit committee must be "independent" (as defined in Section 1.4 of NI 52-110).

##### **2.2 Expertise of Committee Members**

Subject to Sections 3.5 and 3.8 and Part 6 of NI 52-110, a majority of the members of the audit committee must be "financially literate" (as defined in Section 1.6 of NI 52-110) or must become financially literate within a reasonable period of time after his or her appointment to the committee. At least one member of the committee must have accounting or related financial management expertise.

#### **3. MEETINGS**

The audit committee shall meet in accordance with a schedule established each year by the Board, and at other times that the audit committee may determine. The audit committee shall meet at least annually with the Corporation's Chief Financial Officer and external auditors in separate executive sessions.

#### **4. ROLES AND RESPONSIBILITIES**

The audit committee shall fulfill the following roles and discharge the following responsibilities:

#### **4.1 External Audit**

The audit committee shall be directly responsible for overseeing the work of the external auditors in preparing or issuing the auditor's report, or performing other audit, review or attestation services, including the resolution of disagreements between management and the external auditors regarding financial reporting. In carrying out this duty, the audit committee shall:

- (a) recommend to the Board that the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attestation services for the Corporation;
- (b) review (by discussion and enquiry) the external auditors' proposed audit scope and approach;
- (c) review the performance of the external auditors and recommend to the Board the appointment or discharge of the external auditors;
- (d) review and recommend to the Board the compensation to be paid to the external auditors;
- (e) review and confirm the independence of the external auditors by reviewing the non-audit services provided and the external auditors' assertion of their independence in accordance with professional standards; and
- (f) review and approve the Corporation's hiring policies regarding partners and employees, and former partners and employees, of the present and former external auditor of the Corporation.

#### **4.2 Internal Control**

The audit committee shall consider whether adequate controls are in place over annual and interim financial reporting as well as controls over assets, transactions and the creation of obligations, commitments and liabilities of the Corporation. In carrying out this duty, the audit committee shall:

- (a) evaluate the adequacy and effectiveness of management's system of internal controls over the accounting and financial reporting system within the Corporation; and
- (b) ensure that the external auditors discuss with the audit committee any event or matter which suggests the possibility of fraud, illegal acts or deficiencies in internal controls.

#### **4.3 Financial Reporting**

The audit committee shall review the financial statements and financial information of the Corporation prior to their release to the public. In carrying out this duty, the audit committee shall:

##### *General*

- (a) review significant accounting and financial reporting issues, especially complex, unusual and related party transactions;
- (b) review and ensure that the accounting principles selected by management in preparing financial statements are appropriate;

*Annual Financial Statements*

- (c) review the draft annual financial statements and provide a recommendation to the Board with respect to the approval of the financial statements;
- (d) meet with management and the external auditors to review the financial statements and the results of the audit, including any difficulties encountered;
- (e) review management's discussion & analysis respecting the annual reporting period prior to its release to the public;

*Interim Financial Statements*

- (f) review and approve the interim financial statements prior to their release to the public;
- (g) review management's discussion & analysis respecting the interim reporting period prior to its release to the public; and

*Release of Financial Information*

- (h) where reasonably possible, review and approve all public disclosure containing financial information, including news releases, prior to release to the public. An audit committee must be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, and must periodically assess the adequacy of those procedures.

**4.4 Non-Audit Services**

All non-audit services (being services other than services rendered for the audit and review of the financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements) which are proposed to be provided by the external auditors to the Corporation or any subsidiary of the Corporation shall be subject to the prior approval of the audit committee.

*Delegation of Authority*

- (a) The audit committee may delegate to one or more independent members of the audit committee the authority to approve non-audit services, provided any non-audit services approved in this manner must be presented to the audit committee at its next scheduled meeting.

*De-Minimis Non-Audit Services*

- (b) The audit committee may satisfy the requirement for the pre-approval of non-audit services if:
  - (i) the aggregate amount of all non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Corporation and its subsidiaries to the external auditor during the fiscal year in which the services are provided; or
  - (ii) the services are brought to the attention of the audit committee and approved, prior to the completion of the audit, by the audit committee or by one or more of its members to whom authority to grant such approvals has been delegated.

*Pre-Approval Policies and Procedures*

- (c) The audit committee may also satisfy the requirement for the pre-approval of non-audit services by adopting specific policies and procedures for the engagement of non-audit services, if:
  - (i) the pre-approval policies and procedures are detailed as to the particular service;
  - (ii) the audit committee is informed of each non-audit service; and
  - (iii) the procedures do not include delegation of the audit committee's responsibilities to management.

**4.5 Other Responsibilities**

The audit committee shall:

- (a) establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters;
- (b) establish procedures for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters;
- (c) ensure that significant findings and recommendations made by management and the external auditor are received and discussed on a timely basis;
- (d) review the policies and procedures in effect for considering officers' expenses and perquisites;
- (e) perform other oversight functions as requested by the Board; and
- (f) review and update this Charter and receive approval of changes to this Charter from the Board.

**4.6 Reporting Responsibilities**

The audit committee shall regularly update the Board about committee activities and make appropriate recommendations.

**5. RESOURCES AND AUTHORITY OF THE AUDIT COMMITTEE**

The audit committee shall have the resources and the authority appropriate to discharge its responsibilities, including the authority to

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for any advisors employed by the audit committee; and
- (c) communicate directly with the internal and external auditors.

**6. GUIDANCE – ROLES & RESPONSIBILITIES**

The audit committee should consider undertaking the actions described in the following guidance, which is intended to provide the audit committee members with additional guidance on fulfilment of their roles and responsibilities on the committee:

**6.1 Internal Control**

- (a) evaluate whether management is setting the goal of high standards by communicating the importance of internal control and ensuring that all individuals possess an understanding of their roles and responsibilities,
- (b) focus on the extent to which external auditors review computer systems and applications, the security of such systems and applications, and the contingency plan for processing financial information in the event of an IT systems breakdown, and
- (c) gain an understanding of whether internal control recommendations made by external auditors have been implemented by management;

**6.2 Financial Reporting**

*General*

- (a) review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements,
- (b) ask management and the external auditors about significant risks and exposures and the plans to minimize such risks,
- (c) understand industry best practices and the Corporation's adoption of them;

*Annual Financial Statements*

- (d) review the annual financial statements and determine whether they are complete and consistent with the information known to committee members, and assess whether the financial statements reflect appropriate accounting principles in light of the jurisdictions in which the Corporation reports or trades its shares;
- (e) pay attention to complex and/or unusual transactions such as restructuring charges and derivative disclosures;
- (f) focus on judgmental areas such as those involving valuation of assets and liabilities, including, for example, the accounting for and disclosure of loan losses; warranty, professional liability; litigation reserves; and other commitments and contingencies;
- (g) consider management's handling of proposed audit adjustments identified by the external auditors;
- (h) ensure that the external auditors communicate all required matters to the committee;

*Interim Financial Statements*

- (i) be briefed on how management develops and summarizes interim financial information, the extent to which the external auditors review interim financial information;
- (j) meet with management and the auditors, either telephonically or in person, to review the interim financial statements;

- (k) to gain insight into the fairness of the interim statements and disclosures, obtain explanations from management on whether:
  - (i) actual financial results for the quarter or interim period varied significantly from budgeted or projected results;
  - (ii) changes in financial ratios and relationships of various balance sheet and operating statement figures in the interim financials statements are consistent with changes in the Corporation's operations and financing practices;
  - (iii) generally accepted accounting principles have been consistently applied;
  - (iv) there are any actual or proposed changes in accounting or financial reporting practices;
  - (v) there are any significant or unusual events or transactions;
  - (vi) the Corporation's financial and operating controls are functioning effectively;
  - (vii) the Corporation has complied with the terms of loan agreements, security indentures or other financial position or results dependent agreement; and
  - (viii) the interim financial statements contain adequate and appropriate disclosures;

**6.3 Compliance with Laws and Regulations**

- (a) periodically obtain updates from management regarding compliance with this policy and industry "best practices";
- (b) be satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements;
- (c) review the findings of any examinations by securities regulatory authorities and stock exchanges; and

**6.4 Other Responsibilities**

- (a) review, with the Corporation's counsel, any legal matters that could have a significant impact on the Corporation's financial statements.