

## CLARA TECHNOLOGIES CORP.

### NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that the annual general and special meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of common shares (“**Common Shares**”) of Clara Technologies Corp. (the “**Corporation**”) will be held on November 15, 2024 at 10:00 a.m. (Vancouver Time), in virtual-only format, which will be conducted via Zoom at

<https://us05web.zoom.us/j/85492479657?pwd=LEXD5jbvIEzGm0RyPjOlrPH0fP6eVk.1>

for the following purposes:

1. to receive and consider the audited annual financial statements of the Corporation for the financial year ended May 31, 2024, together with a report of the auditors thereon;
2. to set the number of directors of the Corporation at four and to elect the directors of the Corporation to serve from the close of the Meeting until the close of the next annual meeting of shareholders of the Corporation or their successors are elected or appointed, all as the case may be, unless his or her office is earlier vacated in accordance with the by-laws of the Corporation or the provisions of the *Canada Business Corporation Act*;
3. to re-appoint Charles Sung, of CAN Partners LLP, as auditors of the Corporation, to hold office until the next annual meeting of the shareholders of the Corporation and to authorize the directors of the Corporation to fix the auditor’s remuneration;
4. to transact any other business as may properly be brought before the Meeting or any adjournment(s) or postponement thereof.

The details of all matters proposed to be put before the Shareholders at the Meeting are set forth in the information circular of the Corporation (“**Circular**”) accompanying this Notice of Annual General and Special Meeting.

The Circular, and the financial statements for the year ended May 31, 2024 and the accompanying MD&A can be downloaded from:

<https://www.sedarplus.ca/>

The record date for determination of the Shareholders entitled to receive notice of and to vote at the Meeting is September 25, 2024 (the “**Record Date**”). No person who becomes a shareholder of the Corporation after the Record Date will be entitled to vote or act at the Meeting or any adjournment thereof. If you wish to be represented by proxy at the Meeting or any adjournment thereof, you must deposit a completed, dated and signed form of proxy with the Corporation’s transfer agent, Integral Transfer Agency (the “**Transfer Agent**”), by mail at 401 Bay St. #2702, Toronto, ON M5H 2Y4, by facsimile at 647-794-3332, or by e-mail to support@integraltransfer.com prior to 10:00 a.m. (Vancouver time) on November 11, 2024 or, if the Meeting is adjourned or postponed, not less than 48 hours (other than a Saturday, Sunday or holiday) prior to the start of the adjourned or postponed meeting. Notwithstanding the foregoing, the Chair of the Meeting has the discretion to accept proxies received after such deadline. If a Shareholder receives more than one form of proxy because such holder owns Common Shares registered in different names or addresses, each form of proxy should be completed and returned.

Registered Shareholders and duly appointed proxyholders can also attend the Meeting online at <https://us05web.zoom.us/j/85492479657?pwd=LEXD5jbvIEzGm0RyPjOlrPH0fP6eVk.1> where they can participate, vote, or ask questions during the Meeting. Shareholders may vote online if they provide the Transfer Agent with their email address by sending their email address to support@integraltransfer.com with the subject line “Clara Technologies Corp. 2024 Meeting”.

**If you are a non-registered holder of Common Shares and have received these materials from your broker or another intermediary, please complete and return the voting instruction form or other authorization form provided to you by your broker or intermediary in accordance with the instructions provided. Failure to do so may result in your Common Shares not being eligible to be voted at the Meeting.**

The form of proxy confers discretionary authority with respect to: (i) amendments or variations to the matters of business to be considered at the Meeting; and (ii) other matters that may properly come before the Meeting. As of the date hereof, management of the Corporation knows of no amendments, variations or other matters to come before the Meeting other than the matters set forth in this Notice of Annual and Special Meeting. Shareholders who are planning on returning the accompanying form of proxy are encouraged to review the Circular carefully before submitting the proxy form.

DATED this September 25, 2024.

BY ORDER OF THE BOARD OF DIRECTORS OF CLARA TECHNOLOGIES CORP.

*(Signed) "Oleksandr Havrylov"*

**NAME: OLEKSANDR HAVRYLOV**

Title: Chief Executive Officer

## CLARA TECHNOLOGIES CORP.

### MANAGEMENT INFORMATION CIRCULAR

**For the Annual General and Special Meeting of Shareholders to be held on November 15, 2024**

### GENERAL PROXY INFORMATION

#### Solicitation of Proxies

This management information circular (“**Circular**”) is furnished in connection with the solicitation by the management of Clara Technologies Corp. (“**Clara**” or the “**Corporation**”) of proxies to be used at the annual general and special meeting (the “**Meeting**”) of holders of common shares (“**Shareholders**”) of the Corporation to be held virtually, on **November 15, 2024** at 10:00 a.m. (Vancouver time), at <https://us05web.zoom.us/j/85492479657?pwd=LEXD5jbvIEzGm0RyPjOlrPH0fP6eVk.1> and at any postponement(s) or adjournment(s) thereof for the purposes set forth in the accompanying notice of meeting (the “**Notice of Meeting**”). References in this Circular to the “**Meeting**” include references to any postponement(s) or adjournment(s) thereof. It is expected that the solicitation will be primarily by mail but proxies may also be solicited through other means by employees, consultants and agents of the Corporation. The cost of solicitation by management will be borne by the Corporation.

The board of directors of the Corporation (the “**Board**”) has by resolution fixed the close of business on September 25, 2024 as the record date for the meeting (the “**Record Date**”) being the date for the determination of the registered holders of common shares of the Corporation (the “**Common Shares**”) entitled to notice of and to vote at the Meeting and any adjournment(s) or postponement(s) thereof. The Board has by resolution fixed 10:00 a.m. (Vancouver time) on November 11, 2024, or 48 hours (excluding Saturdays, Sundays and holidays) before any adjournment(s) or postponement(s) of the Meeting, as the time by which proxies (each a “**Proxy**”) to be used at or acted upon at the Meeting or any adjournment(s) or postponement(s) thereof shall be deposited with the Corporation’s transfer agent, Integral Transfer Agency Inc. (the “**Transfer Agent**”). The time limit for deposit of proxies may be waived or extended by the chair of the Meeting at his or her discretion without notice.

The Corporation shall make a list of all persons who are registered holders of Common Shares on the Record Date and the number of Common Shares registered in the name of each person on that date. Each Shareholder is entitled to one vote on each matter to be acted on at the Meeting for each Common Share registered in his name as it appears on the list. Shareholders can also contact the Transfer Agent with general inquiries at [support@integraltransfer.com](mailto:support@integraltransfer.com) or call 416-623-8028.

#### Appointment of Proxyholders

The persons named in the form of proxy are directors and/or officers of the Corporation. **A Shareholder has the right to appoint, as proxyholder or alternate proxyholder, a person, persons or a company (who need not be a Shareholder) to represent such Shareholder at the meeting, other than any of the persons designated in the form of proxy, and may do so either by inserting the name of his chosen nominee in the space provided for that purpose on the form and striking out the other names on the form, or by completing another proper form of proxy.**

#### Deposit of Proxy

An appointment of a proxyholder or alternate proxyholder, by resolution of the directors duly passed, **WILL NOT BE VALID FOR THE MEETING OR ANY ADJOURNMENT THEREOF**

**UNLESS IT IS DEPOSITED WITH THE CORPORATION'S REGISTRAR AND TRANSFER AGENT, INTEGRAL TRANSFER AGENCY INC. AT 401 BAY ST., #2702, TORONTO, ON M5H 2Y4: (I) BY MAIL OR IN PERSON; (II) BY FACSIMILE AT 647-794-3332; OR (III) BY EMAIL AT SUPPORT@INTEGRALTRANSFER.COM NOT LATER THAN 10:00 A.M. (VANCOUVER TIME).. ON NOVEMBER 11, 2024 OR, IF THE MEETING IS ADJOURNED, NOT LATER THAN 48 HOURS (EXCLUDING SATURDAYS, SUNDAYS AND STATUTORY HOLIDAYS) PRECEDING THE TIME OF SUCH ADJOURNED MEETING.**

### **Revocation of Proxies**

A Shareholder who has given a proxy may revoke the proxy:

- (a) by depositing an instrument in writing executed by the Shareholder or by the Shareholder's attorney authorized in writing at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used; or
- (b) in any other manner provided by law.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

### **Voting Virtually at the Meeting**

A registered Shareholder or a non-registered Shareholder who has appointed themselves or a third-party proxyholder to represent him, her or it at the Meeting, will appear on a list of Shareholders prepared by the Transfer Agent. In order to vote at the virtual meeting, Non-Registered Shareholders who appoint themselves as a proxyholder **MUST** register with the Transfer Agent by sending their email address to [support@integraltransfer.com](mailto:support@integraltransfer.com) with the subject line "Clara Technologies Corp. 2024 Meeting." If you have any questions or require further information with regard to voting your Common Shares, please contact the Transfer Agent toll-free in North America at 416-623-8028 or by email at [support@integraltransfer.com](mailto:support@integraltransfer.com).

Registered Shareholders and duly appointed proxyholders can attend the Meeting online by going to <https://us05web.zoom.us/j/85492479657?pwd=LEXD5jbvIEzGm0RyPjOlrPH0fP6eVk.1>.

Duly appointed proxyholders – To register a proxyholder, a Shareholder must provide the Transfer Agent with the contact information of his, her or its proxyholder at [support@integraltransfer.com](mailto:support@integraltransfer.com) by no later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of BC) prior to the Meeting so that the Transfer Agent may provide a proxyholder with the Meeting link via email.

Voting at the Meeting will only be available for registered Shareholders and duly appointed proxyholders, who have registered with the Transfer Agent. Non-Registered Shareholders who have not appointed themselves may attend the Meeting as a guest at the Meeting link contained in the accompanying Notice of Meeting. Shareholders who wish to appoint a third-party proxyholder to represent them at the Meeting **MUST** submit their Proxy or voting instruction form (as applicable), prior to registering their proxyholder. Registering the proxyholder is an additional step once a Shareholder has submitted his, her or its Proxy. To register a proxyholder, a Shareholder **MUST** provide all relevant contact information for the proxyholder, to the Transfer Agent at [support@integraltransfer.com](mailto:support@integraltransfer.com) 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of BC) prior to the Meeting.

**It is important to be connected to the internet at all times during the Meeting in order to vote when balloting commences. It is recommended that attendees use their latest internet browser and do not use Internet Explorer.**

## **Non-Registered Shareholders**

Only registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, shares beneficially owned by a holder who is not a registered Shareholder (a “**Non-Registered Holder**”) are registered either: (i) in the name of an intermediary with whom the Non-Registered Holder deals in respect of the Common Shares such as, among others, banks, trust companies, securities dealers or brokers or trustees or administrators of self-administered RRSPs, RRIFs, RESPs, and similar plans (an “**Intermediary**”); or (ii) in the name of a clearing agency (such as The Canadian Depository for Securities Limited of which the Intermediary is a participant). In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Corporation will distribute copies of the Notice of Meeting, form of proxy and this Circular to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are then required to forward the materials to the appropriate Non-Registered Holders. Non-Registered Holders will be given, in substitution for the proxy otherwise contained in proxy-related material, a request for voting instruction (the “**Voting Instructions Form**”) which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary, will constitute voting instructions which the Intermediary must follow.

The purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Holder who receives the voting instructions form wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should so indicate in the place provided for that purpose in the Voting Instructions Form and a form of legal proxy will be sent to the Non-Registered Holder. In any event, Non-Registered Holder should carefully follow the instructions of their intermediary as set out in the Voting Instructions Form.

Non-Registered Shareholders who have received the Circular and related materials (collectively, the "Meeting Materials") from their Intermediary should, other than as set out herein, follow the directions of their Intermediary with respect to the procedure to be followed for voting at the Meeting. Generally, Non-Registered Shareholders will either:

- (a) be provided with a form of proxy executed by the Intermediary but otherwise uncompleted. The Non-Registered Shareholder may complete the proxy and return it directly to such Intermediary; or
- (b) be provided with a request for voting instructions. The Intermediary is required to send the Corporation an executed form of proxy completed in accordance with any voting instructions received by the Intermediary.

If you are a Non-Registered Shareholder, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained from your Intermediary in accordance with applicable securities regulatory requirements. By choosing to send the Documents to you directly, the Corporation (and not your Intermediary) has assumed responsibility for (i) delivering the Meeting Materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

## **Participating in the Meeting**

The Meeting will be hosted online by way of a Zoom meeting platform. Shareholders will not be able to attend the Meeting in person. A summary of the information Shareholders will need to attend the Meeting is provided below. The Meeting will begin at 10:00 a.m. (Vancouver time) on November 15, 2024.

United States Non-Registered Shareholders: To attend and vote at the Meeting, you must first obtain a valid legal proxy from your Intermediary and then register in advance to attend the Meeting. Follow the instructions from your Intermediary included with these Meeting materials, or contact your Intermediary to request a legal proxy form. After first obtaining a valid legal proxy from your Intermediary, to then register to attend the Meeting, you must submit a copy of your legal proxy to the Transfer Agent at [support@integraltransfer.com](mailto:support@integraltransfer.com).

Requests for registration must be labeled as "Legal Proxy" and be received no later than 10:00 a.m. (Vancouver time) on November 11, 2024. Provided you have first registered with the Transfer Agent, you will receive a confirmation of your registration by email after your registration materials have been received. You may attend the Meeting at:

<https://us05web.zoom.us/j/85492479657?pwd=LEXD5jbvIEzGm0RyPjOlrPH0fP6eVk.1> and vote your Common Shares at the online portal provided by the Transfer Agent during the Meeting. Any appointees must reach out to the Transfer Agent, in advance of the meeting at [support@integraltransfer.com](mailto:support@integraltransfer.com) (latest 48 hours before the meeting).

If you intend to vote again on matters subject to previously submitted proxies, you will be revoking any and all such previously submitted proxies. If you DO NOT wish to revoke all previously submitted proxies, please do not vote during the Meeting.

If you are eligible to vote at the Meeting, it is important that you are connected to the internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure connectivity for the duration of the Meeting.

Voting: Registered Shareholders and/or duly appointed proxyholders will be able to vote by casting their vote when prompted to do so during the Meeting.

Questions: Registered Shareholders and/or duly appointed proxyholders will also be able to ask questions when prompted to do so during the Meeting.

Guests will not be able to vote or ask questions at the Meeting.

**Notice Regarding Information.** Unless otherwise stated, the information contained in this Circular is as of September 25, 2024. All dollar amount references, unless otherwise indicated, are expressed in Canadian dollars. Electronic copies of the Meeting material may be obtained at [www.sedarplus.ca](http://www.sedarplus.ca).

### **Voting of Proxies**

Common Shares represented by properly executed proxies in favor of persons designated in the printed portion of the enclosed form of proxy will **be voted for each of the matters to be voted on by Shareholders as described in this Circular or withheld from voting or voted against if so indicated on the form of proxy and in accordance with the instructions of the Shareholder**. In the absence of such election, the proxy will confer discretionary authority to be voted in favor of each matter set out in the form of proxy for which no choice has been specified. The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting or other matters that may properly come before the Meeting. At the time of printing this Circular, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters that are not now known to management should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxies.

## **Voting Securities and Principal Holder Thereof**

The Corporation is authorized to issue an unlimited number of Common Shares. As of September 25, 2024, the Corporation has issued and outstanding 15,333,400 fully paid and non-assessable Common Shares. All of the outstanding Common Shares are entitled to be voted at the Meeting and each resolution identified in the accompanying Notice of Meeting will be an ordinary resolution requiring for its approval a majority of the votes cast by Shareholders in attendance at the Meeting (in person or by proxy) in respect of the resolution.

The Record Date for the Meeting is September 25, 2024. Each holder of Common Shares is entitled to one vote for each Common Share shown as registered in such holder's name on the list of Shareholders prepared as of the close of business on the Record Date with respect to all matters to be voted on at the Meeting.

To the knowledge of the directors and senior officers of the Corporation, as of the date hereof no person beneficially owns, directly or indirectly, or exercises control over, Common Shares carrying more than 10% of the voting rights attached to the outstanding Common Shares of the Corporation.

## **Interest of Certain Persons or Companies in Matters to be Acted Upon**

No director or executive officer of the Corporation, nor any person who had held such a position since the beginning of the last completed financial year end of the Corporation, no nominee for election as a director of the Corporation (a "**Nominee**") nor any respective associates or affiliates of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise in any matter to be acted upon at this Meeting other than the election of directors or the appointment of auditors.

## **MATTERS TO BE CONSIDERED**

### **Financial Statements**

The financial statements for the year ended May 31, 2024, together with the auditor's report thereon, will be presented to Shareholders for review at the Meeting and were made available to Shareholders online on the Transfer Agent's website <https://integraltransfer.com/>. No vote by the Shareholders is required with respect to this matter.

### **Election of Directors**

Under the constating documents of the Corporation, the Corporation is to have a minimum of one director and a maximum of fifteen directors, the number of which may be fixed from time to time by a resolution of the board. The Corporation currently has four directors, being Oleksandr Havrylov, George Kovalyov, Vladimir Vinogradov, and Yuliia Baranets.

The Shareholders are asked to set the number of directors at four and approve the election of the following nominees to the board: Oleksandr Havrylov, George Kovalyov, Vladimir Vinogradov, and Yuliia Baranets (collectively, the "**Nominees**") to hold office until the next annual meeting of Shareholders or until their successors are elected or appointed, unless such office is earlier vacated in accordance with the provisions of the Canada Business Corporations Act. Shareholders can vote for all the proposed directors set forth herein, vote for some of them and withhold for others, or withhold for all of them. Management does not contemplate that the Nominees will be unable to serve as directors, however, if before the Meeting, any Nominee becomes unable to serve as a director for any reason, the persons named in the accompanying proxy reserve the right to vote for another nominee in their discretion.

The following sets forth the name of each of the persons proposed to be nominated for election as a director of the Corporation and each such Nominee’s principal occupation, business or employment, and the period of time during which each has been a director of the Corporation, as applicable, the number of Common Shares of the Corporation beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at the date hereof.

**Unless authority to do so is withheld, the persons named in the accompanying proxy intend to vote for the election of all of the Nominees.** If prior to the Meeting any of such Nominees is unable to or unwilling to serve, the persons named in the accompanying form of proxy will vote for another nominee in accordance with their discretion if additional nominations are made at the Meeting. Each nominee elected will hold office until the next annual meeting of shareholders of the Corporation, or any postponement(s) or adjournment(s) thereof, or until his successor is elected or appointed.

### *The Nominees*

<b>Name and Municipality of Residence</b>	<b>Principal Occupation or Employment during the Past Five Years (2)</b>	<b>Director Since (1)</b>	<b>Number of Common Shares Beneficially Owned or Over which Control is Exercised(3)</b>
Oleksandr Havrylov (4) (5) West Vancouver, BC, Canada	President and CEO of Arlex Games Corp the game manufacturing and distribution company from December 2014 till June 2017; President of Club Group Investment the Real estate company since June 2019; President of Lucero Brands LLS the health supplements manufacturing and distribution company since May 2019.	April 15, 2021	900,000
George Kovalyov Richmond, BC, Canada	Director and VP of Finance of Phivida Holdings Inc. a premier brand of cannabidiol-infused foods, beverages and clinical products company from April 2017 till August 2020; CFO, Director of Margaret Lake Diamonds LTD. from January 2021 till August 2022; Director of Health Logic Interactive Inc. a technology company since September 2020 and the CFO from September 2020 till September 2022; Chief financial officer of Marizyme, Inc. a medical device company since December 2021; Director of DGTL Holdings Inc since November 2022	April 15, 2021	1,000,000
Vladimir Vinogradov (4) Surrey, BC, Canada	Test Lead, Wealth Compass, LCTR projects in Agile environment of HSBC Bank from October 2016 till March 2019; Senior QA Analyst/Test Lead of PBR Services an IT company from March 2019 till September 2021; Test Lead in Agile environment of HSBC Bank since October 2021.	July 20, 2022	1,000,000
Yuliia Baranets (4) Konotop, Ukraine	Freelance business consultant in China from January 2015 till January 2018; Director, CEO and CFO of Lux Amber Corp. the USA public company from January 2018 till March 2020; Freelance consultant for public US and China companies since April 2020.	July 20, 2022	Nil

Notes:

- (1) Each director of the Company ceases to hold office immediately before an annual general meeting for the election of directors is held but is eligible for re-election or re-appointment.
- (2) Unless otherwise indicated, to the knowledge of the applicable officer or director, the organization at which the officer or director was occupied or employed is still carrying on business.
- (3) These common shares are subject to escrow restrictions. See “Escrowed Securities”.
- (4) Member of the audit committee.
- (5) Oleksandr Havrylov may be a “Promoter” (as defined in Section 1 of the Securities Act (British Columbia)) of the Company, in that he took the initiative in founding and organizing the Company.



## ***Board Nominees***

### *Oleksandr Havrylov – Director, CEO*

Mr. Havrylov is a President of Lucero Brands LLS, the company involved in manufacturing and distribution of health supplements on Amazon. Also, a president of Club Group Investment – USA Real estate company. Previously he had served as a president and CEO of Arlex Games Corp. from 2014 to 2017. From 2010 to 2014 was a president and CEO of Geo Production Corp. In addition he had served as a president and CEO of a manufacturing and distribution of arcade games company Punch Line Corp. from 2004 to 2009. From 2000 to 2004 president of Inventius Corp. He devotes 75% of his working time on operations of Clara, which is equivalent to 40 hours of working time per week. Mr. Havrylov is not an employee of the Company and has not entered into any engagement agreement or any non-competition agreement with the Company. As CEO Oleksandr Havrylov is responsible for the day to day operations of the Company and the implementation of significant corporate policies as may be directed by the board of directors from time to time. Oleksandr Havrylov has more than 10 years' experience in e-commerce software and mobile applications industry.

### *George Kovalyov – President, Director*

Mr. Kovalyov is a chief financial officer since December 2021 of Marizyme, Inc. a medical device company listed on the OTCQB. The director of DGTL Holdings Inc. since November 2022 listed on the TSX.V. The director of Health Logic Interactive Inc. ("HLII"), a technology company listed on the TSX.V under symbol CHIP. Previously he had served as the chief operating officer and the chief financial officer of HLII from September 2020 to September 2022. In addition, he has served as a director and chief financial officer of Margaret Lake Diamonds Inc. (TSX.V: DIA) since January 2021 to August 2022. From April 2017 to September 2020, Mr. Kovalyov was VP of Finance and director of Phivida Holdings Inc. (CSE:VIDA), a premier brand of cannabidiol-infused foods, beverages and clinical products. From October 2016 to August 2018, he was the principal owner of Schindler and Company, an accounting consulting firm. Mr. Kovalyov is a chartered accountant and is a member of Chartered Professional Accountants of Canada. Also, Mr. Kovalyov has more than 5 years' experience in e-commerce industry.

He graduated from Kwantlen University College with a Bachelor of Business Administration (BBA), Accounting. He devotes 70% of his working time on operations of Clara, which is equivalent to 35-40 hours of working time per week. Mr. Kovalyov is not an employee of the Company and has not entered into any engagement agreement or any non-competition agreement with the Company.

### *Vladimir Vinogradov – Director and Secretary*

Before Mr. Vinogradov joined Clara Technologies Corp., he worked as a Test Lead in Agile environment at HSBC Bank since 2021 till present. From March 2019 to September 2021, Mr. Vinogradov was engaged with PBR Services as a Senior QA Analyst/Test Lead. For the period from October 2016 to March 2019, he held the position of a Test Lead, Wealth Compass, LCTR projects in Agile environment at HSBC Bank. Mr. Vinogradov worked as Senior Quality Assurance Analyst / Automation Developer with BC HYDRO, Ministry of Education, Canadian Institute of Health, and Royal Bank Group. Mr. Vinogradov is a senior QA Analyst with over 15 years' experience of working with data structures. Mr. Vinogradov took a leading role in dealing with complex business softwares and applications and covered the full spectrum of IT strategies. Vladimir Vinogradov got the Master of Science in Computer Systems. Currently he devotes 10-12 hours per week for the Company which represents 25% of his total work hours. Mr. Vinogradov is not an employee of the Company and has not entered into any engagement agreement or any non-competition agreement with the Company.

### *Yuliia Baranets –Director, CFO*

From 2015-2018, Mrs Baranets worked as a freelance business consultant in China. As a business consultant, Yuliia Baranets managed start-ups and businesses of affluent individuals and investors.

From January 2018 to 2020 Mrs Baranets served as the Director, CEO and CFO of Lux Amber Corp.

From 2013 to present Mrs Baranets has been a successful investor in start-ups and public companies.

From 2020 to present, Mrs Baranets has been running a consulting business for public US and China companies. Yuliia Baranets holds a Master degree in Law of Ukrainian National Academy of Management. Mrs. Baranets holds a position as Director at Clara Technologies Corp. and devotes 50% of her working time. Mrs. Baranets is an independent contractor of the Company. We don't have a formal agreement or resolution in place. We verbally agreed to her fees. Yuliia Baranets has more than 5 years' experience in e-commerce industry. She is married to Artem Baranets the shareholder of Clara Technologies Corp.

As CFO Mrs Baranets is responsible for establishing and maintaining financial disclosure controls and procedures for the Company in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements.

### **Cease Trade Orders or Bankruptcies**

No proposed director of the Corporation is, or within ten years prior to the date hereof has been, (a) a director, chief executive officer or chief financial officer of any company (including the Corporation) that, (i) was subject to a cease trade order, an order similar to a cease trade order or 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 (ii) 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; (b) no proposed director of the Corporation (i) is, or within ten years prior to the date hereof has been, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (ii) has, within ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; and (c) no proposed director has been subject to (i) 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 (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

### **Appointment of Auditors**

Unless authority to do so is withheld, the persons named in the accompanying proxy intend to vote for the appointment of CAN Partners LLP of Toronto, Ontario as auditors of the Corporation until the close

of the next annual meeting of shareholders of the Corporation and to authorize the directors to fix their remuneration. CAN Partners LLP have been the auditors for the Corporation since July 12, 2022.

**Management of the Corporation and the Board unanimously recommend that Shareholders vote in favor for the appointment of CAN Partners LLP and the authorization of the Board to fix their remuneration. Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the appointment of CAN Partners LLP and the authorization of the Board to fix their remuneration Consolidation.**

## **EXECUTIVE COMPENSATION DISCLOSURE**

### **Oversight and Description of Director and Named Executive Officer Compensation**

#### ***Named Executive Officers***

For the financial year ended May 31, 2024, the objectives of the Corporation's compensation strategy is to ensure that compensation for its Named Executive Officers (as defined below) is sufficiently attractive to retain high performing individuals to assist the Corporation in achieving its goals.

The process for determining executive compensation is relatively informal, in view of the size and early stage of the Corporation and its operations. Except as otherwise described below, the Corporation does not maintain specific performance goals or use benchmarks in determining the compensation of executive officers. The Board may at its discretion award either a cash bonus or stock options for high achievement or for accomplishments that the Board deems as worthy of recognition.

#### ***Salary***

As of the date of this Circular, no cash compensation has been paid neither to Dimitri Lakutin, being the President and Chief Executive Officer of the Corporation, nor to Yuliia Baranets, being the Chief Financial Officer of the Corporation.

#### ***Bonus***

As of the date of this Circular, no bonuses have been paid to Named Executive Officers.

#### ***Stock Option Grants***

The Corporation does not maintain any equity incentive plans. As of the date of this circular, no stock options have been granted by the Corporation to any Named Executive Officers.

#### ***Director Compensation***

Compensation of directors in the financial year ended May 31, 2024 was determined on a case-by-case basis with reference to the role that each director provides to the Corporation. No compensation was paid to Oleksandr Havrylov, George Kovalyov, Vladimir Vinogradov or Yuliia Baranets.

#### ***Table of Compensation Excluding Compensation Securities***

The following table sets forth the compensation paid or awarded to the directors and the following executive officers of the Corporation: (i) the Chief Executive Officer; (ii) the Chief Financial Officer; and (iii) the three most highly compensated individuals whose total compensation will be more than C\$150,000 (each, a "NEO").



## Employment, Consulting and Management Agreements

There are no employment contracts or arrangements in existence between the Company and any director or officer of the Company.

There is no arrangement or agreement made between the Company and any of its Named Executive Officers pursuant to which a payment or other benefit is to be made or given by way of compensation in the event of that officer's resignation, retirement or other termination of employment, or in the event of a change of control of the Company or a change in the Named Executive Officer's responsibilities following such a change of control.

## Securities Authorized for Issuance Under Equity Compensation Plans

The Corporation does not have a stock option plan and there are no outstanding options.

	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights</b>	<b>Number of securities remaining available under equity compensation plans (excluding securities reflected in column (a)) as of May 31, 2024</b>
<b>Plan Category</b>	<b>(a)</b>	<b>(b)</b>	<b>(c)</b>
Equity compensation plans approved by security holders	N/A	N/A	N/A
Equity compensation plans not approved by security holders	N/A	N/A	N/A
<b>TOTAL</b>	Nil	Nil	Nil

## Pension, Defined Benefit or Actuarial Plan

The Corporation does not currently have a pension, defined benefit or actuarial plan under which benefits are determined primarily by final compensation (or average final compensation) and years of services.

## Termination and Change of Control Benefits

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

None of the directors or officers of the Corporation are entitled to termination or change of control benefits.

## Indebtedness of Directors and Executive Officers

As at the date of this Circular and during the financial year ended May 31, 2024, no director or executive officer or employee of the Corporation, former director or executive officer or employee or the Corporation or Nominee (and each of their associates and/or affiliates) was indebted, including under any securities purchase or other program, to (i) the Corporation or its subsidiaries, or (ii) any other entity which is, or was at any time during the financial year ended May 31, 2024, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or its subsidiaries.

## **Directors' and Officers' Insurance and Indemnification**

The Corporation does not maintain any key person insurance on any of its directors or officers and as a result the Corporation would bear the full loss and expense of hiring and replacing any director or officer in the event of the loss of any such persons by their resignation, retirement, incapacity, or death, as well as any loss of business opportunity or other costs suffered by the Corporation from such loss of any director or officer.

## **Interest of Informed Persons in Material Transactions**

No informed person (as such term is defined under applicable securities laws) of the Corporation or Nominee (and each of their associates or affiliates) has had any direct or indirect material interest in any transaction involving the Corporation in the most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or its subsidiaries.

## **CORPORATE GOVERNANCE POLICIES**

On June 30, 2005, National Instrument 58-101 – Disclosure of Corporate Governance Practices (“NI 58-101”) and National Policy 58-201 – Corporate Governance Guidelines (the “Guidelines”), came into force. The Guidelines address matters such as the constitution of and the functions to be performed by the Company’s board. NI 58-101 requires that the Company disclose its approach to corporate governance with reference to the Guidelines. The board of the Company is committed to ensuring that the Company has an effective corporate governance system, which adds value and assists the Company in achieving its objectives.

### **Board of Directors**

Yuliia Baranets is the chair of the Board of Directors.

Each of Vladimir Vinogradov and George Kovalyov is an “independent” Director, according to the definition set out in NI 52-110. Each of Oleksandr Havrylov and Yuliia Baranets is not independent as he is currently an executive officer of the Company. The independent Directors believe that their knowledge of the Company’s business and their independence are sufficient to facilitate the functioning of the Board independently of management. To facilitate open and candid discussion among the Board’s independent Directors, the independent Directors have the discretion to meet in private in the absence of the other Directors whenever they believe it is appropriate to do so. To date, the independent Directors have not held a meeting at which non-independent Directors and members of management were not in attendance.

### **Other Public Company Directorships**

The directors of the Company are presently directors of other reporting issuers, as follows:

Director	Other Issuers	Securities exchange the reporting issuers are listed on
Oleksandr Havrylov	None	N/A
George Kovalyov	Mairzyme, Inc. DGTL Holdings Inc. Health Logic Interactive Inc.	OTCQB TSX.V TSX.V
Vladimir Vinogradov	None	N/A
Yuliia Baranets	None	N/A

## **Orientation and Continuing Education**

The Board will be responsible for ensuring that new directors are provided with an orientation and education program, which will include written information about the duties and obligations of directors, the business and operations of the Corporation, documents from recent Board meetings, and opportunities for meetings and discussion with senior management and other directors. Directors are expected to attend all meetings of the Board and are also expected to prepare thoroughly in advance of each meeting in order to actively participate in the deliberations and decisions.

The Board recognizes the importance of ongoing director education and the need for each director to take personal responsibility for this process. The Board notes that it has benefited from the experience and knowledge of individual members of the Board in respect of the evolving governance regime and principles. The Board ensures that all directors are apprised of changes in the Corporation's operations and business.

## **Code of Business Ethics**

The Board is apprised of the activities of the Corporation and ensures that it conducts such activities in an ethical manner. The Board had not adopted a written code of business conduct and ethics, however, the Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations; providing guidance to consultants, officers and directors to help them recognize and deal with ethical issues; promoting a culture of open communication, honesty and accountability; and ensuring awareness of disciplinary actions for violations of ethical business conduct.

## **Disclosure Relating to Diversity**

Pursuant to section 172.1 of the Canada Business Corporations Act, the Corporation is required to disclose information relating to diversity among the directors and among the "members of senior management". Members of senior management is defined to include chair and vice-chair of the board, president of the corporation, chief executive officer and chief financial officer, vice president in charge of a principal business unit, division or function, including sales, finance or production, and anyone who performs a policy-making function within the corporation.

The Corporation has one woman on the Board, which represents 25% of the Board, and has no Indigenous peoples, persons with disabilities, or visible minorities on the Board, or in a senior management position (as defined above).

The Corporation has not adopted term limits or other mechanisms for director renewal. The Corporation does not have a policy relating to the identification and nomination of directors from the designated groups, and no mandate or policy exists for the Board to consider diversity when nominating candidates for election or re-election. The Corporation does not consider diversity when making senior management appointments, and the Corporation does not currently have targets for representation on the Board or among senior management for each designated group.

## **Nomination of Directors**

The Board is largely responsible for identifying new candidates for nomination to the Board. The process by which candidates are identified is through recommendations presented to the Board, which establishes and discusses qualifications based on corporate law and regulatory requirements as well as education and experience related to the business of the Corporation.

## **Compensation**

The Board is responsible for determining the compensation of the directors and Chief Executive Officer of the Corporation. The process for determining executive compensation is relatively informal, in view

of the size and early stage of the Corporation and its operations. The Corporation does not maintain specific performance goals or use benchmarks in determining the compensation of executive officers. The Board may at its discretion award either a cash bonus or stock options for high achievement or for accomplishments that the Board deem as worthy of recognition.

### **Other Board Committees**

The Board currently has one standing committee, namely the Audit Committee. There is no Compensation Committee.

### **Board Assessments**

The Board and its individual directors are assessed on an informal basis continually as to their effectiveness and contribution. The Chairman of the Board encourages discussion amongst the Board as to evaluation of the effectiveness of the Board as a whole and of each individual director. All directors are free to make suggestions for improvement of the practice of the Board at any time and are encouraged to do so.

## **AUDIT COMMITTEE INFORMATION**

The purposes of the Audit Committee are to assist the Board's oversight of: the integrity of the Corporation's financial statements; the Corporation's compliance with legal and regulatory requirements; the qualifications and independence of the Corporation's independent auditors; and the performance of the independent auditors and the Corporation's internal audit function.

National Instrument 52-110 – Audit Committees of the Canadian Securities Administrators (the “**Instrument**”) governs the composition and function of audit committees of every listed company, including the Corporation. The Instrument requires the Corporation to have a written audit committee Charter and to make the disclosure required by Form 52-110F2, which includes disclosure of the text of the audit committee charter in the management information circular of the Corporation wherein management solicits proxies from the security holders of the Corporation for the purpose of electing directors to the Board.

Please see Schedule “A” for the Audit Committee Charter.

### **Composition of the Audit Committee**

The Corporation's audit committee is currently comprised of three directors: Oleksandr Havrylov, Vladimir Vinogradov, and Yuliia Baranets. Each member of the audit committee is financially literate and Vladimir Vinogradov is independent, as such term is defined in the Instrument.

### **Relevant Education and Experience**

#### ***Oleksandr Havrylov – Director, CEO***

Mr. Havrylov is a President of Lucero Brands LLS, the company involved in manufacturing and distribution of health supplements on Amazon. Also, a president of Club Group Investment – USA Real estate company. Previously he had served as a president and CEO of Arlex Games Corp. from 2014 to 2017. From 2010 to 2014 was a president and CEO of Geo Production Corp. In addition, he had served as a president and CEO of a manufacturing and distribution of arcade games company Punch Line Corp. from 2004 to 2009. From 2000 to 2004 president of Inventius Corp. He devotes 75% of his working time on operations of Clara, which is equivalent to 40 hours of working time per week. Mr. Havrylov is not an employee of the Company and has not entered into any engagement agreement or any non-competition agreement with the Company. As CEO Oleksandr Havrylov is responsible for the day to day operations of the Company and the implementation of significant corporate policies as may be



directed by the board of directors from time to time. Oleksandr Havrylov has more than 10 years' experience in e-commerce software and mobile applications industry.

***George Kovalyov –Director***

Mr. Kovalyov is a director since December 2021 of Marizyme, Inc. a medical device company listed on the OTCQB. The director of DGTL Holdings Inc. since November 2022 listed on the TSX.V. The director of Health Logic Interactive Inc. ("HLII"), a technology company listed on the TSX.V under symbol CHIP. Previously he had served as the chief operating officer and the chief financial officer of HLII from September 2020 to September 2022. In addition, he has served as a director and chief financial officer of Margaret Lake Diamonds Inc. (TSX.V: DIA) since January 2021 to August 2022. From April 2017 to September 2020, Mr. Kovalyov was VP of Finance and director of Phivida Holdings Inc. (CSE:VIDA), a premier brand of cannabidiol-infused foods, beverages and clinical products. From October 2016 to August 2018, he was the principal owner of Schindler and Company, an accounting consulting firm. Mr. Kovalyov is a chartered accountant and is a member of Chartered Professional Accountants of Canada. Also, Mr. Kovalyov has more than 5 years' experience in e-commerce industry.

He graduated from Kwantlen University College with a Bachelor of Business Administration (BBA), Accounting. He devotes 70% of his working time on operations of Clara, which is equivalent to 35-40 hours of working time per week. Mr. Kovalyov is not an employee of the Company and has not entered into any engagement agreement or any non-competition agreement with the Company.

***Vladimir Vinogradov – Director and Secretary***

Before Mr. Vinogradov joined Clara Technologies Corp., he worked as a Test Lead in Agile environment at HSBC Bank since 2021 till present. From March 2019 to September 2021, Mr. Vinogradov was engaged with PBR Services as a Senior QA Analyst/Test Lead. For the period from October 2016 to March 2019, he held the position of a Test Lead, Wealth Compass, LCTR projects in Agile environment at HSBC Bank. Mr. Vinogradov worked as Senior Quality Assurance Analyst / Automation Developer with BC HYDRO, Ministry of Education, Canadian Institute of Health, and Royal Bank Group. Mr. Vinogradov is a senior QA Analyst with over 15 years' experience of working with data structures. Mr. Vinogradov took a leading role in dealing with complex business softwares and applications and covered the full spectrum of IT strategies. Vladimir Vinogradov got the Master of Science in Computer Systems. Currently he devotes 10-12 hours per week for the Company which represents 25% of his total work hours. Mr. Vinogradov is not an employee of the Company and has not entered into any engagement agreement or any non-competition agreement with the Company.

***Yuliia Baranets – Director, CFO***

From 2015-2018, Mrs. Baranets worked as a freelance business consultant in China. As a business consultant, Yuliia Baranets managed start-ups and businesses of affluent individuals and investors.

From January 2018 to 2020 Mrs. Baranets served as the Director, CEO and CFO of Lux Amber Corp.

From 2013 to present Mrs. Baranets has been a successful investor in start-ups and public companies.

From 2020 to present, Mrs. Baranets has been running a consulting business for public US and China companies. Yuliia Baranets holds a Master degree in Law of Ukrainian National Academy of Management. Mrs. Baranets holds a position as Director at Clara Technologies Corp. and devotes 50% of her working time. Mrs. Baranets is an independent contractor of the Company. We don't have a formal agreement or resolution in place. Yuliia Baranets has more than 5 years' experience in e-commerce industry. She is married to Artem Baranets the shareholder of Clara Technologies Corp.

As CFO Mrs. Baranets is responsible for establishing and maintaining financial disclosure controls and procedures for the Company in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements.

#### **Audit Committee Oversight**

At no time since the commencement of the Corporation's most recently completed financial year has there been a recommendation of the audit committee to nominate or compensate an external auditor which was not adopted by the Board.

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

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on either (a) an exemption in section 2.4 of the Instrument; or (b) an exemption from the Instrument, in whole or in part, granted under Part 8 (Exemptions) of the Instrument. As the Corporation is listed on the CSE, it is relying on the exemption provided in section 6.1 of the Instrument with respect to Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations).

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

The audit committee of the Corporation has not adopted specific policies and procedures for the engagement of non-audit services.

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

CAN Partners LLP are the external auditors of the Corporation. The aggregate fees billed and estimated to be billed by the external auditors for the last fiscal year is set out in the table below. "Audit Fees" includes fees for audit services including the audit services completed for the Corporation and its subsidiaries. "Audit Related Fees" includes fees for assurance and related services by the Corporation's external auditor that are reasonably related to the performance of the audit or review of the Corporation's financial statements and not reported under Audit Fees including the review of interim filings and travel related expenses for the annual audit. "Tax Fees" includes fees for professional services rendered by the external auditor for tax compliance, tax advice, and tax planning. "All Other Fees" includes all fees billed by the external auditors for services not covered in the other three categories.

<b>Year</b>	<b>Audit Fees</b>	<b>Audit Related Fees</b>	<b>Tax Fees</b>	<b>All Other Fees</b>
2022	\$Nil	\$Nil	\$Nil	\$Nil
2023	\$9,040	\$Nil	\$Nil	\$Nil
2024	\$11,016.37	\$Nil	\$Nil	\$Nil

#### **AUDITORS AND TRANSFER AGENT**

CAN Partners LLP was appointed as the auditor of the Corporation on December 2, 2021. CAN Partners LLP is independent within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

The registrar and Transfer Agent for the Common Shares is Integral Transfer Agency Inc. at its office in Toronto, Ontario.

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

Other than as previously disclosed in this Circular or disclosed below, the Corporation is not aware of any material interests, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or executive officer, proposed nominee for election as a director or any Shareholder holding more than 10% of the voting rights attached to the Common Shares or an associate or affiliate of any of the foregoing in any transaction in the preceding financing year or any proposed or ongoing transaction of the Corporation which has or will materially affect the Corporation.

## **OTHER MATTERS**

Management of the Corporation is not aware of any matters to come before the Meeting other than as set forth in the Notice of Meeting that accompanies this Circular. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed Proxy to vote the Common Shares represented thereby in accordance with their best judgement on such matter.

## **ADDITIONAL INFORMATION**

Additional information relating to the Corporation may be found under the profile of the Corporation on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). The information contained in this Circular is given as of September 25, 2024.

Additional financial information is provided in the Corporation's audited financial statements and related management's discussion and analysis for the year ended May 31, 2024, which can be found under the profile of the Corporation on SEDAR+. Shareholders may also request these documents from the Chief Executive Officer of the Corporation by email at [claracapitalcorp@gmail.com](mailto:claracapitalcorp@gmail.com).

Board Approval

The contents of this Circular and the sending thereof to the Shareholders of the Corporation have been approved by the Board.

**BY ORDER OF THE BOARD OF DIRECTORS**

*(Signed) "Oleksandr Havrylov"*

---

Chief Executive Officer

Richmond, BC

September 25, 2024

**SCHEDULE "A"**

**Audit Committee Charter**

*[See Attached]*

# **CLARA TECHNOLOGIES CORP.**

34 - 11551 Kingfisher Drive, Richmond BC

V7E3N5, Canada

E-mail: claracapitalcorp@gmail.com

## **Audit Committee Charter**

This Audit Committee Charter (the “**Charter**”) has been adopted by the Board of Directors (the “**Board**”) of the Company and this Charter governs the operation of the Audit Committee of the Board (the “**Audit Committee**”).

The purpose of the Audit Committee shall be to provide assistance to the Board in fulfilling its oversight responsibility to shareholders and others relating to:

- (1) the quality and integrity of
  - a. the financial statements
  - b. the accounting and financial reporting processes of the Company
  - c. the financial statement audits,
- (2) the Company’s compliance with applicable legal and regulatory requirements,
- (3) the Company’s independent auditors’ qualifications and independence,
- (4) the performance of the Company’s independent auditors and internal audit function.

The Audit Committee shall have the authority, to the extent it deems necessary or appropriate, to conduct investigations into any matters within its scope and to seek any information it requires from the Company’s employees, officers, and directors. The Audit Committee shall have the authority to retain and compensate independent legal, accounting, or other advisors. The Company shall pay the fees of such advisors as approved by the Audit Committee.

In fulfilling its purpose, it is the responsibility of the Audit Committee to maintain free and open communication with the Company’s independent auditors and the management of the Company, and to determine that the parties are aware of their responsibilities.

The Audit Committee shall make regular reports to the Board on the execution of its duties, any issues encountered and related recommendations. The Audit Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval. The Audit Committee shall annually review the Audit Committee’s own performance. The Audit Committee shall also discuss with the Company’s independent auditors the auditors’ observations related to the effectiveness of the Audit Committee.

### **Committee Membership**

The Audit Committee shall consist of no fewer than three members, who is a director of the Board. All members of the Audit Committee shall be financially literate in accordance with the rules of the applicable stock exchange listing standards. The members of the Audit Committee shall be appointed by the Board and the Board shall designate one person as the chairperson or delegate the authority to designate a chairperson to the Audit Committee. Audit Committee members may be replaced by the Board.

## **Meetings**

The Audit Committee shall meet as often as it determines, but at least quarterly. The Audit Committee shall meet periodically with management and the Company's independent auditors in separate executive sessions.

In discharging its oversight role, the Committee may request any officer or employee of the Company, outside counsel or any officer or employee of the Company to attend any Committee meeting in order to provide information or advice in connection with the matters to be addressed at the meeting.

## **Committee Authority and Responsibilities**

The Audit Committee shall have the responsibilities and powers set forth in this Charter. Management is responsible for the preparation, presentation, and integrity of the Company's financial statements, for the appropriateness of the accounting principles and reporting policies that are used by the Company and for establishing and maintaining control over financial reporting.

The Audit Committee shall be directly responsible for the Company's independent auditors for appointment or replacement. The Audit Committee shall be directly responsible for establishing the compensation and overseeing the work of the Company's independent auditors (including resolution of disagreements between management and the Company's independent auditors regarding financial reporting) in preparing or issuing an audit report or related work. The Company's independent auditors shall report directly to the Audit Committee.

The Audit Committee shall pre-approve all auditing services and permitted non-audit services to be performed for the Company by its independent auditors. The Audit Committee may delegate pre-approval authority to any member of the Audit Committee. The decisions of any Audit Committee member to whom pre-approval authority is delegated must be presented to the full Audit Committee at its next scheduled meeting.

The following are the principal duties and responsibilities of the Audit Committee and are set forth as a guide, with the understanding that the Audit Committee may supplement them as appropriate.

### ***Oversight of the Company's financial statements, accounting and financial reporting processes and financial statement audits***

- The Audit Committee shall meet to review and discuss the annual audited financial statements, including disclosures made in Management's Discussion and Analysis of Financial Condition and Results of Operations, with management and the Company's independent auditors prior to filing of the Company's Annual Report. The Audit Committee shall also discuss the results of the annual audit and any matters required to be communicated to the Audit Committee by the Company's independent auditors under the generally accepted auditing standards.
- The Audit Committee shall meet to review and discuss the quarterly financial statements, including disclosures made in Management's Discussion and Analysis of Financial Condition and Results of Operations, with management and the Company's independent auditors prior to the filing of the Company's Quarterly Reports. The Audit Committee shall also discuss the results of the quarterly review, where applicable, and any matters required to be communicated to the Audit Committee by the Company's independent auditors under the generally accepted auditing standards.
- The Audit Committee's review of the financial statements shall include:
  - Major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, the Company's internal controls over financial reporting (including any major

issues as to the adequacy of such controls) and, if needed, any special steps adopted in light of material control deficiencies.

- Discussions with Company management and the Company's independent auditors regarding significant, complex, and unusual transactions.
  - Discussions with Company management and the Company's independent auditors regarding significant financial reporting issues and judgements made in connection with the preparation of the financial statements.
  - Discussions with Company management and the Company's independent auditors regarding the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.
- The Audit Committee Shall receive and review a report from the Company's independent auditors prior to the filing with the Commission of the Company's Annual Report with respect to the following:
    - All critical accounting policies and practices used.
    - All material alternative treatments of financial information within generally accepted accounting principles that have been discussed with Company management, ramifications of the use of such alternative disclosures and treatments, and the treatment prepared by the Company's independent auditors.
    - Other Material written communications between the Company's independent auditors and management.
    - Adjustments proposed by the Company's independent auditors that were "passed" as immaterial or otherwise.
    - The management representation letter.
  - The Audit Committee shall review and discuss with management the Company's earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies.
  - The Audit Committee shall regularly review and discuss with the Company's independent auditors any audit problems or difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to requested information, and any significant disagreements with management. The Audit Committee shall review any accounting adjustments proposed by the Company's independent auditors that were "passed" and any "management" or "internal control" letter issued or proposed to be issued.
  - The Audit Committee shall discuss with management and the Company's independent auditors any (1) changes in internal control over financial reporting that have materially affected or are likely to materially affect the Company's internal control over financial reporting that are required to be disclosed and (2) any other changes in internal control over financial reporting that were considered for disclosure in the Company's periodic filings with the Commission.
  - The Audit Committee shall review disclosures made to the Audit Committee by the Company's Chief Executive Officer and Chief Financial Officer about any significant deficiencies in the design or operation of internal controls or material weakness therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.

***Oversight of the Company's compliance with legal and regulatory requirements***

- The Audit Committee shall inquire of the Company's independent auditors if they have detected



or become aware of the information regarding the occurrence of an illegal.

- The Audit Committee shall review reports and disclosures of transactions between the Company and any insider or related party.
- The Audit Committee shall establish and review procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
- The Audit Committee shall discuss with the Company's management and independent auditors any correspondence with regulators or governmental agencies and any published reports which raise material issues regarding the Company's financial statements or accounting policies.
- The Audit Committee shall review with senior management the Company's overall anti-fraud programs and controls.
- The Audit Committee shall discuss with management the Company's policies with respect to risk assessment and risk management, including the risk of fraud. The Audit Committee shall also discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.
- The Audit Committee shall review the Company's compliance and ethics programs including consideration of applicable legal and regulatory requirements and shall review with management its periodic evaluation of the effectiveness of such programs. The Audit Committee shall review the Company's code of conduct and programs that management has established to monitor compliance with such code.
- The Audit Committee shall receive and review any reports from the Company's attorneys relating to legal matters that may have a material impact on the financial statements or the Company's compliance policies.
- The Audit Committee shall receive and review any reports from the Company's attorneys relating to legal matters that may have a material impact on the financial statements of the Company's compliance policies.
- The Audit Committee shall evaluate with management the benefits and cost of establishing an internal audit function.

***Oversight of the Company's independent auditors' qualifications, independence and performance***

- At least annually, the Audit Committee shall obtain and review a report from the Company's independent auditors describing (a) the independent auditors' internal quality-control procedures, (b) any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm and any steps taken to deal with any such issues and (c) all relationships between the independent auditors and the Company.
- The Audit Committee shall determine that the Company's independent registered public accounting firm has a process in place to ensure the rotation of the lead audit partner and other audit partners serving the account as required under the Commission independence rules.
- The Audit Committee shall discuss with the Company's independent auditors, significant technical issues on which the Company's audit team consulted their national office, and significant matters of audit quality and consistency.
- The Audit Committee shall meet with the Company's management and independent auditors prior

to the audit to discuss the planning and staffing of the audit.

***Other Audit Committee's responsibilities and limitations***

- The Audit Committee shall recommend to the Board policies for the Company's hiring of employees or former employees of the Company's independent auditors who participated in any capacity in the audit of the Company consistent with the requirements of the Commission and applicable stock exchanges.
- The Audit Committee shall perform any other activity required by this Charter, the Company's by-laws or governing laws and which could have a significant impact on the Company's financial statements.
- The Company's management has the primary responsibility for the financial statements and the reporting process, including the Company's system of internal controls and disclosure controls and procedures. The Company's independent auditors audit the Company's financial statements and express an opinion on the financial statements based on the audit and attest to any report of the Company's management on the Company's internal controls for financial reporting required by the rules of the Commission. The Audit Committee oversees (i) the accounting and financial reporting processes of the Company and (ii) the audits or reviews of the financial statements of the Company on behalf of the Board. While the Audit Committee has the responsibilities and authority set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or reviews or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations or that the Company's internal controls for financial reporting are in compliance with law and other applicable requirements. These are the responsibilities of Company management and the Company's independent auditors.