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# GENIX PHARMACEUTICALS CORPORATION

## NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN THAT AN ANNUAL GENERAL MEETING (**the "**Meeting**") of holders of common shares ("**Common Shares**") of Genix Pharmaceuticals Corporation (the "**Company**") will be held at Suite 1100 - 1111 Melville Street, Vancouver, BC V6E 3V6, on Wednesday, July 8, 2026, at 10:00 a.m. for the following purposes:

1. to receive and consider the audited financial statements of the Company for the financial year ended October 31, 2025, and the report of the auditor thereon;

2. to fix the number of directors of the Company to be elected at the Meeting at five (5);

3. to elect the Board of Directors of the Company for the ensuing year;

4. to appoint the auditor of the Company for the ensuing year and to authorize the Board of Directors to fix the auditor's remuneration;

5. to consider, and if thought fit, approve the ordinary resolution, as more particularly set forth in the accompanying Management Information Circular prepared for the purpose of the Meeting, relating to the re-approval of the stock option plan of the Company; and

6. to transact such other business as may be properly brought before the meeting or any adjournment thereof.

An Information Circular accompanies this Notice. The Information Circular contains details of matters to be considered at the Meeting. No other matters are contemplated, however any permitted amendment to or variation of any matter identified in this Notice may properly be considered at the Meeting. The Meeting may also consider the transaction of such other business as may properly come before the Meeting or any adjournment thereof.

The consolidated audited financial statements for the year ended October 31, 2025, the report of the auditor and the related management discussion and analysis will be made available at the Meeting and are available on www.sedarplus.ca.

**The Company strongly encourages each Shareholder to submit a form of proxy or voting instruction form in advance of the Meeting using one of the methods described below and in the Circular**.

Registered Shareholders should complete, date and sign a proxy form in advance of the Meeting and return it to Endeavor Trust Corporation ("Endeavor"), 702 – 777 Hornby Street, Vancouver, BC V6Z 1S4, Fax: 604-559-8908; by email proxy@endeavortrust.com; or by electronic voting through www.eproxy.ca in each case by 10:00 a.m. (PST) on July 6, 2026, or in the event of an adjournment or postponement of the Meeting, 48 hours before the time of the adjourned or postponed Meeting (excluding Saturdays, Sundays and holidays). Votes cast electronically are in all respects equivalent to and will be treated in the exact same manner as, votes cast via a paper proxy form. Further details on the electronic voting process are provided in the form of proxy. Beneficial Shareholders who receive the Meeting materials through their broker or other intermediary should complete and return their form of proxy or voting information form in accordance with the instructions provided by their broker or intermediary. Shareholders are reminded to review the Circular prior to voting.

Shareholders who are unable to attend the Meeting in person and who wish to ensure that their shares will be voted at the Meeting are requested to complete, date, and sign the enclosed form of proxy, or another suitable form of proxy, and deliver it by hand, fax or by mail in accordance with the instructions set out in the form of proxy and in the Information Circular.

Non-registered Shareholders who plan to attend the Meeting must follow the instructions set out in the form of proxy or voting instruction form and in the Information Circular to ensure that their shares will be voted at the Meeting. If you hold your shares in a brokerage account, you are a non-registered shareholder.

**DATED this 21st day of May, 2026.**

**BY ORDER OF THE BOARD OF DIRECTORS**

*Signed "Sina Pirooz"*
**Mr. Sina Salehi Pirooz**
**Chief Executive Officer and Director**

# GENIX PHARMACEUTICALS CORPORATION

## INFORMATION CIRCULAR

as at May 21, 2026
(except as otherwise indicated)

**This Information Circular is furnished in connection with the solicitation of proxies by the management of GENIX PHARMACEUTICALS CORPORATION (the "Company") for use at the annual general meeting (the "Meeting") of its shareholders (the "Shareholders") to be held on Wednesday, July 8, 2026, at the time and place and for the purposes set forth in the accompanying notice of the Meeting.**

In this Information Circular, references to "the Company", "GENX", "we" and "our" refer to Genix Pharmaceuticals Company "Common Shares" means common shares without par value in the capital of the Company. "Beneficial Shareholders" means shareholders who do not hold Common Shares in their own name and "intermediaries" refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

## GENERAL PROXY INFORMATION

### Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. The Company will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to beneficial owners of the Common Shares held of record by those intermediaries and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

### Appointment of Proxyholders

The individuals named in the accompanying form of proxy (the "**Proxy**") are directors and/or officers of the Company**. If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than either of the persons designated in the Proxy, who need not be a shareholder, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

### Voting by Proxyholder

The persons named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted on accordingly. The Proxy confers discretionary authority on the persons named therein with respect to:

(a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors;

(b) any amendment to or variation of any matter identified therein; and

(c) any other matter that properly comes before the Meeting.

**In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter.**

### Registered Shareholders

Registered shareholders of the Company (the "**Registered Shareholders**") may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered shareholders may choose one of the following options to submit their proxy:

(a) complete, date and sign the Proxy and return it to the Company's transfer agent, by mail or deposited at the offices of Endeavor Trust Corporation ("**Endeavor**"), Proxy Department, Suite 702 – 777 Hornby Street, Vancouver, B.C., V6Z 1S4,

(b) by email to proxy@endeaortrust.com;

(c) by following the voting link provided on the proxy; or

(d) by fax to 1-604-559-8908 unless the chair of the Meeting elects to exercise his or her discretion to accept proxies received subsequently.

In all cases the Registered Shareholder must ensure the proxy is received at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting, or the adjournment thereof, at which the proxy is to be used.

**Beneficial Shareholders**

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

If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in the shareholder's name on the records of the Company. Common Shares will more likely be registered under the names of the shareholder's broker or an agent of that broker (an "intermediary"). In the United States, the vast majority of such Common Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depositary for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of meetings of shareholders. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

There are two kinds of Beneficial owners – those who object to their name being made known to the issuers of securities which they own (called "**OBOs**" for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are (called "NOBOs" for Non-Objecting Beneficial Owners).

These securityholder materials are being sent to both registered . If you are a non-registered owner, and the Company or its agent sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding securities on your behalf.

The form of proxy supplied to you by your broker will be similar to the proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote your Common Shares on your behalf. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in the United States and in Canada. Broadridge mails a Voting Instruction Form ("**VIF**") in lieu of a proxy provided by the Company. The VIF will name the same persons as the Company's Proxy to represent your Common Shares at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), other than any of the persons designated in the VIF, to represent your Common Shares at the Meeting, and that person maybe you. To exercise this right, you should insert the name of the desired representative (which may be yourself) in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting, and the appointment of any shareholder's representative.

**If you receive a VIF from Broadridge, the VIF must be** completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have your Common Shares voted at the Meeting and to vote your Common Shares at the Meeting.

**Notice to United States Shareholders**

The solicitation of proxies is not subject to the requirements of Section 14(a) of the U.S. Exchange Act by virtue of an exemption applicable to proxy solicitations by foreign private issuers as defined in Rule 3b-4 of the U.S. Exchange Act. Accordingly, this Circular has been prepared in accordance with applicable Canadian disclosure requirements. Residents of the United States should be aware that such requirements differ from those of the United States applicable to proxy statements under the U.S. Exchange Act.

This document does not address any income tax consequences of the disposition of the Company's shares by shareholders. Shareholders in a jurisdiction outside of Canada should be aware that the disposition of shares by them may have tax consequences both in those jurisdictions and in Canada and are urged to consult their tax advisors with respect to their particular circumstances and the tax considerations applicable to them.

Any information concerning any properties and operations of the Company has been prepared in accordance with Canadian standards under applicable Canadian securities laws and may not be comparable to similar information for United States companies.

Financial statements included or incorporated by reference herein have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board, and are subject to auditing and auditor independence standards in Canada. Such consequences for the Shareholders who are resident in, or citizens of, the United States may not be described fully in this Information Circular.

The enforcement by the Company Shareholders of civil liabilities under the United States federal securities laws may be affected adversely by the fact that the Company is incorporated or organized under the laws of a foreign country, that some or all of their officers and directors and the experts named herein are residents of a foreign country and that the major assets of the Company are located outside the United States.

**Revocation of Proxies**

Shareholders have the power to revoke Proxies previously given by them. Revocation can be effected by an instrument in writing (which includes a Proxy bearing a later date) signed by a shareholder or the shareholder's attorney authorized in writing and in the case of a corporation, duly executed under its corporate seal or signed by a duly authorized officer or attorney for the corporation, and either delivered to our registered office at Unit 9, Suite 230 – 997 Seymour Street, Vancouver, BC Canada, V6B 3M1, or to our transfer agent, Endeavor Trust Corporation ("**Endeavor**") by mail to the Proxy Department, Suite 702 – 777 Hornby Street, Vancouver, B.C., V6Z 1S4, by email to proxy@endeavortrust.com or by fax to 1-604-559-8908, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, or deposited with the Chair of the Meeting on the day of the Meeting.

## QUORUM

The by-laws of the Company provide that a quorum of shareholders is present at a meeting of shareholders of the Company if at least two persons holding or representing by proxy not less than five (5%) percent of the outstanding shares of the Company entitled to vote at the Meeting.

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

No director or executive officer of the Company, or any person who has held such a position since the beginning of the last completed financial year end of the Company, nor any nominee for election as a director of the Company, nor any associateor affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or, otherwise, in any matter to be acted on at the Meeting other than the election of directors, the appointment of the auditor and as may be set out herein.

## VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The board of directors (the "**Board**") of the Company has fixed May 21, 2026, as the record date (the "**Record Date**") for determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

The Company is listed on the TSX Venture Exchange under the stock symbol "GENX". The Company also trades on the OTC pink marketplace under the symbol "BENPF".

**The authorized capital of the Company consists of an unlimited number of Common Shares. As of May 21, 2026, there were 61,224,131 Common Shares issued and outstanding, each carrying the right to one vote. No group of shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Common Shares.**

As of the date hereof, the directors, insiders, and executive officers of the Company, as a group, owned beneficially, directly or indirectly, or exercised control or direction over, approximately 19,817,081 Common Shares representing approximately 32.37% of the outstanding Common Shares.

To the knowledge of the directors and executive officers of the Company, as at May 21, 2026, no person or corporation beneficially owned, directly or indirectly, or exercised control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Company other than:

| Name and Municipality of Residence | Type of Ownership | Number of Common Shares | Percentage owned |
|---|---|---|---|
| Paul Chow | Direct | 9,325,746 | 15.23% |
| Mahmoud Aziz | Direct | 7,419,671 | 12.12% |
| Union Venture Trading S.A. (1) | Direct | 9,173,671 | 14.98% |

Notes:

(1) Union Venture Trading S.A. is a Hong Kong based company owned by Mr. Anwardeen Mohammad Hasan.

## PARTICULARS OF MATTERS TO BE ACTED UPON

### 1. FINANCIAL STATEMENTS

The audited consolidated financial statements of the Company for the year ended October 31, 2025, the reports of the auditor thereon and the related management's discussion and analysis were filed on SEDAR at www.sedarplus.ca, and will be tabled at the Meeting and will be available at the Meeting.

**No approval or other action needs to be taken at the Meeting in respect of these documents.**

### 2. NUMBER OF DIRECTORS

Shareholders of the Company will be asked to consider and, if thought appropriate, to approve and adopt an ordinary resolution fixing the number of directors to be elected at the Meeting. In order to be effective, an ordinary resolution requires the approval of a majority of the votes cast by shareholders who vote in respect of the resolution.

At the Meeting, it will be proposed that FIVE (5) directors be elected to hold office until the next annual general meeting or until their successors are elected or appointed. **Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote in favour of the ordinary resolution fixing the number of directors to be elected at the Meeting at FIVE (5).**

### 3. ELECTION OF DIRECTORS

The Board presently consists of FIVE (5) directors. The Board has determined the number of directors to be elected for the ensuing year at FIVE (5) The term of office of each of the current directors will end at the conclusion of the Meeting. Unless the director's office is vacated earlier in accordance with the provisions of the *Business Corporations Act* (British Columbia) ("**BCA**"), each director elected at the Meeting will hold office until the conclusion of the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

The following table sets out the names of management's FIVE (5) nominees for election as directors, all major offices and positions with the Company and any of its significant affiliates each now holds, the principal occupation, business or employment of each director nominee, the period of time during which each nominee has been a director of the Company and the number of Common Shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at May 21, 2026.

| Name of Nominee; Current Position with the Company and Province or State and Country of Residence | Position with and Name and Principal Business of each Company/Employer (1) | Director Since | Number of Common Shares beneficially owned, directly, or indirectly, or controlled or directed (2) |
|---|---|---|---|
| **Sina Salehi Pirooz** (3)<br>*Chief Executive Officer, Director*<br>British Columbia, Canada | Owner of Coal Harbor Compounding Pharmacy and President of SP RX Services. Mr. Pirooz is a registered and practicing pharmacist and a professional member of the College of Pharmacists of British Columbia since 2003. | August 3, 2018 | 2,800,000 shares<br>4.57% |
| **Jamie Lewin** (3)<br>*Director*<br>British Columbia, Canada | Jamie Lewin is a professional accountant. | March 11, 2019 | Nil shares |
| **Kevin James Bottomley** (3)(4)<br>*Director*<br>British Columbia, Canada | Mr. Bottomley is an experienced consultant in the resource investment and finance industry. | September 5, 2019 | 5,000 shares<br>0.01% undiluted |
| **Mahmoud Aziz** (4)<br>*President and Director*<br>British Columbia, Canada | Mr. Aziz is the Chairman and President of Canagen Pharmaceuticals Inc., a company he founded in 2001. | May 19, 2021 | 7,419,671 shares<br>12.12% |
| **Paul Chow** (4)<br>*Director*<br>British Columbia, Canada | Mr. Chow has served as an officer and director of several public and private companies providing business strategies and financial advisory services for over 20 years | March 19, 2021 | 9,325,746 shares<br>15.23% |

Notes:

(1) The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective nominees.

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

(3) Member of the Audit Committee. Mr. Lewin is the Audit Chair.

(4) Member of the Compensation and Corporate Governance Committee

None of the proposed nominees for election as a director of the Company are proposed for election pursuant to any arrangement or understanding between the nominee and any other person, except the directors and senior officers of the Company acting solely in such capacity.

A shareholder can vote for all of the above nominees, vote for some of the above nominees and withhold for other of the above nominees or withhold for all of the above nominees. **Unless otherwise instructed, the named proxyholders will vote FOR the election of each of the proposed nominees set forth above as directors of the Company. At the Meeting the above persons will be nominated for election as director as well as any person nominated pursuant to the Advance Notice Provision. Only persons nominated by management pursuant to this Information Circular or pursuant to the Advance Notice Provision will be considered valid director nominees eligible for electionat the Meeting.**

***Cease Trade Orders***

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

a) while that person was acting in that capacity was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days: or

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

c) while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

To the best of management's knowledge, no proposed director has, within the ten (10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director other than those named below.

Paul Chow was a director of 1040442 BC Ltd., a non-trading reporting issuer, when the Company became subject to a cease trade order by the British Columbia Securities Commission on December 2, 2016, for failure to file financial statements on or before the required deadline. The BC Securities Commission revoked the cease trade order on May 23, 2017. Mr. Chow resigned from the board of directors of 1040442 BC Ltd. on March 17, 2017.

None of our directors have 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.

***Bankruptcies***

No proposed director, within 10 years before the date of this Management Information Circular, has been a director or executive officer of any company that, while the proposed director was acting in that capacity, or within a year of the proposed director 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.

***Personal Bankruptcies***

No proposed director has, within 10 years before the date of this Management Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such proposed director.

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

**Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the election of the Nominees.**

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT EACH SHAREHOLDER VOTE "FOR" THE ELECTION OF THE ABOVE NOMINEES AS DIRECTORS.**

## 4. APPOINTMENT AND REMUNERATION OF AUDITOR

At the Meeting, Buckley Dodds CPA, Chartered Professional Accountants ("**Buckley**") located at Suite 2700 – 1177 West Hastings Street, Vancouver, BC V6E 2K3, will be recommended by management and the Board for re-appointment as auditor of the Company and to set the remuneration for the coming year.

**Management recommends Shareholders vote in favour of the appointment of Buckley Dodds CPA as auditor of the Company for the ensuing year and to authorize the Board to fix the auditor's remuneration. Unless you provide instructions otherwise, the persons named in the enclosed form of proxy intend to vote FOR the appointment of Buckley Dodds CPA, Chartered Professional Accountants, as auditor of the Company until the close of the next annual general (or Special) meeting, and for management to fix the compensation of the auditor.**

## 5. CONTINUATION OF STOCK OPTION PLAN

The Company has a stock option plan (the "**Plan**") which was previously approved by the shareholders of the Company on May 29, 2025. A copy of the Plan can be found as filed on SEDAR+ at www.sedarplus.ca or shareholders may request a copy by contacting the Company. The Plan is incorporated herein by reference.

The Plan shall be administered by the Board of Directors ("**Board**") of the Company, or if appointed, by a special committee of directors appointed from time to time by the Board. The aggregate number of Common Shares which may be reserved for issuance under the Plan shall not exceed 10% of the Company's issued and outstanding Common Shares. The number of Common Shares subject to an option to a participant shall be determined by the Board, but no participant shall be granted an option which exceeds the maximum number of shares permitted by any stock exchange on which the Common Shares are then listed, or other regulatory body having jurisdiction. The exercise price of the Common Shares covered by each option shall be determined by the Board, provided however, that the exercise price shall not be less than the price permitted by any stock exchange on which the Common Shares are then listed, or other regulatory body having jurisdiction. The maximum length any option shall be ten (10) years from the date the option is granted, provided that participant's options expire ninety (90) days after a participant ceases to act for the Company, subject to extension at the discretion of the Board, except upon the death of a participant, in which case the participant's estate shall have twelve (12) months in which to exercise the outstanding options. The Plan includes a provision that should an option expiration date fall within a blackout period or immediately following a blackout period, the expiration date will automatically be extended for ten (10) business days following the end of the blackout period. The Board of Directors have the absolute discretion to amend or terminate the Plan.

Policy 4.4 of the TSX Venture Exchange Inc. (the "**Exchange**") requires that rolling stock option plans must receive shareholder approval yearly, at an issuer's annual general meeting. In accordance with Policy 4.4, shareholders will be asked to consider and if thought fit, approve an ordinary resolution re-approving, adopting, and ratifying the Plan as the Company's stock option plan.

The text of the ordinary resolution to be considered at the Meeting will be substantially as follows:

**"Be it resolved as an ordinary resolution of the Company that:**

1. the stock option plan of the Company be approved substantially in the form as outlined (the "**Plan**") and the Plan be and is hereby ratified, approved and adopted as the stock option plan of the Company;

2. the form of the Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the shareholders of the Company;

3. the issued and outstanding stock options previously granted shall be continued under and governed by the Plan;

4. the shareholders of the Company hereby expressly authorize the board of directors to revoke this resolution before it is acted upon without requiring further approval of the shareholders in that regard; and

5. any one (or more) director or officer of the Company is authorized and directed, on behalf of the Company, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under corporate seal of the Company or otherwise) that may be necessary or desirable to give effect to this ordinary resolution."

**Unless otherwise directed, it is the intention of the Management Designees to vote proxies in favour of the resolution re-approving the Plan. In order to be effective, an ordinary resolution requires approval of a majority of the votes cast by shareholders who vote in respect to the resolution.**

## 6. OTHER BUSINESS

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

## GENERAL

**Unless otherwise directed, it is management's intention to vote for proxies in favour of the resolutions set forth herein.** All special resolutions to be brought before the Meeting require, for the passing of the same, a two-thirds majority of the votes cast at the Meeting by the holders of Common Shares. All ordinary resolutions require, for the passing of the same, a simple majority of the votes cast at the Meeting by the holders of Common Shares. All approvals by disinterested shareholders require the approval of the shareholders not affected by, or interested in, the matter to be approved.

## STATEMENT OF EXECUTIVE COMPENSATION

For the purposes of this Executive Compensation disclosure:

"**Compensation securities**" includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the company or any of its subsidiaries;

"**NEO**" or "**named executive officer**" means each of the following individuals:

(a) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief executive officer ("CEO"), including an individual performing functions similar to a CEO;

(b) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer ("CFO"), including an individual performing functions similar to a CFO;

(c) in respect of the company and its subsidiaries, the most highly compensated executive officer other than the 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, for that financial year; and

(d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the company, and was not acting in a similar capacity, at the end of that financial year.

## DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

During financial year ended October 31, 2025, based on the definition above, the NEOs of the Company were: Sina Salehi Pirooz, CEO and director, and Danny Lee, CFO of the Company. Subsequently, effective April 30, 2026, Mr. Lee resigned as CFO and Ms. Raylen Tamayo was appointed.

**Table of Compensation, Excluding Compensation Securities in Financial Year ended October 31, 2025**

The following table of compensation, excluding options and compensation securities, provides a summary of the compensation paid by the Company to NEOs and directors of the Company for the two (2) completed financial years ended October 31, 2025, and October 31, 2024, Options and compensation securities are disclosed under the heading "**StockOptions and Other Compensation Securities**" in this Information Circular.

| SUMMARY COMPENSATION TABLE | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Name and Principal Position** | **Year Ended Oct. 31** | **Consulting Fees/Salary($)** | **Share-Based Awards ($)(1)** | **Option-Based Awards ($)(2)** | **Non-Equity IncentivePlan Compensation ($)** | | **Pension Value ($)** | **All Other Compensation ($)** | **Total Compensation ($)(3)** |
| | | | | | **Annual Incentive Plans** | **Long-Term Incentive Plans** | | | |
| **Sina Salehi Pirooz** (3) *Chief Executive Officer and Director* | 2025 | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| | 2024 | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| **Mahmoud Aziz**(3) *Director and President* | 2025 | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| | 2024 | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| **Kevin Bottomley** *Director* | 2025 | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| | 2024 | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| **Paul Chow**(3) *Director* | 2025 | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| | 2024 | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| **Jamie Lewin**(3) *Director* | 2025 | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| | 2024 | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| **Danny Lee**(4) *Former CFO* | 2025 | 36,000 | NIL | NIL | NIL | NIL | NIL | NIL | 36,000 |
| | 2024 | 36,000 | NIL | NIL | NIL | NIL | NIL | NIL | 36,000 |

**Notes:**

(1) "**Share-Based Award**" means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units and stock.

(2) "**Option-Based Award**" means an award under an equity incentive plan of options, including, for greater certainty,share options, share appreciation rights and similar instruments that have option-like features. The "grant date fair value" has been determined by using the Black-Scholes option pricing model. See discussion below.

(3) Mr. Pirooz, Mr. Aziz, Mr. Chow and Mr. Lewin did not receive any additional compensation for serving as director of the Company.

(4) Mr. Lee resigned as Chief Financial Officer effective April 30, 2026.

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

Elements of the Compensation Program

Executive compensation is set to attract and retain the best available talent while efficiently utilizing available resources. The Company compensates executive management with a package typically including a base salary ("**Base Salary**"), an incentive compensation plan ("**Incentive Compensation**") and equity compensation (the "**Equity Compensation**") designed to be competitive with comparable employers. In considering executive management's compensation, the Board takes into consideration the financial condition of the Company. The Base Salary is set in comparison to the comparable positions in the market and in the industry, the Incentive Compensation is used as a short-term incentive to achieve Company objectives, and the Equity Compensation is designed to allow the participants to enjoy the benefits of any increase in company valuation and share price, should such an increase occur. Executive compensation is designed to reward activities and achievements that are aligned with the long-term interests of the Company's shareholders.

The Base Salary, Incentive Compensation and Equity Compensation for the Company's NEOs, including the CEO and the CFO is determined by the Company's Compensation and Corporate Governance Committee. The Compensation and Corporate Governance Committee sets the compensation of the NEOs using generally available market data and their combined industry experience. The Compensation and Corporation Governance Committee delegates to the NEOs the responsibility to set the compensation packages for all other senior management and staff.

The Compensation and Corporate Governance Committee is responsible for executive and director compensation, includingreviewing and recommending director compensation, overseeing the Company's base compensation structure and equity- based compensation program, recommending compensation of the Company's officers and employees, and evaluating the performance of officers generally and in light of annual goals and objectives.

The Compensation and Corporate Governance Committee also assumes responsibility for reviewing and monitoring the long-range compensation strategy for the Company's senior management. The Compensation and Corporate Governance Committee reviews the compensation of senior management on an annual basis taking into account compensation paid by other issuers of similar size and activity.

The current members of the Company's Compensation and Corporate Governance Committee are Paul Chow, Kevin Bottomley and Mahmoud Aziz.

Philosophy and Objectives

The Company is a junior exploration and production company with limited resources and sales that are greatly impacted by oil and gas commodity prices. The compensation program for the senior management of the Company is designed within this context with a view that the level and form of compensation achieves certain objectives, including:

(a) attracting and retaining qualified executives;

(b) motivating the short and long-term performance of these executives; and

(c) better aligning their interests with those of the Company's shareholders.

In compensating its senior management, the Company has employed a combination of base salary and equity participation through its Option Plan (described below). Recommendations for senior management compensation are presented to the Board for review.

Base Salary or Consulting Fees

In the Board's view, paying base salaries which are reasonable in relation to the level of service expected while remaining competitive in the markets in which the Company operates is a first step to attracting and retaining qualified and effective executives.

Base salary ranges for the executive officers were initially determined upon a review of companies within the oil producing industry, which were of the same size as the Company, at the same stage of development as the Company and considered comparable to the Company.

In determining the base salary of an executive officer, the Board considers the following factors:

(a) the particular responsibilities related to the position;
(b) salaries paid by other companies in the oil producing industry which were similar in size as the Company;
(c) the experience level of the executive officer;
(d) the amount of time and commitment which the executive officer devotes to the Company; and
(e) the executive officer's overall performance and performance in relation to the achievement of corporate milestones and objectives.

Bonus Incentive Compensation

The Company's objective is to achieve certain strategic objectives and milestones. The Board considers executive bonus compensation dependent upon the Company meeting those strategic objectives and milestones and sufficient cash resourcesbeing available for the granting of bonuses. The Board approves executive bonus compensation dependent upon compensation levels based on recommendations of the CEO. Such recommendations are generally based on information provided by issuers that are similar in size and scope to the Company's operations.

Equity Participation

The Company believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation is accomplished through the Company's share option plan. Stock options are granted to executives and employees taking into account a number of factors, including the amount and term of options previously granted,base salary and bonuses and competitive factors. The amounts and terms of options granted are determined by the Compensation and Corporate Governance Committee based on recommendations put forward by the CEO. Due to the Company's limited financial resources, the Company emphasizes the provisions of option grants to maintain executive motivation.

**Compensation Review Process**

*Risks Associated with the Company's Compensation Program*

The Company's directors have not considered the implications of any risks to the Company associated with decisions regarding the Company's compensation program. The Company intends to formalize its compensation policies and practices and will take into consideration the implications of the risks associated with the Company's compensation program and how it might mitigate those risks.

The Company did not retain a compensation consultant during the financial year ending October 31, 2025.

*Benefits and Perquisites*

The Company does not, as of the date of this Information Circular, offer any benefits or perquisites to its NEOs other than potential grants of incentive stock options as otherwise disclosed and discussed herein.

*Hedging by Directors or NEOs*

The Company has not, to date, adopted a policy restricting its executive officers and directors from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, which are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by executive officers or directors. The Company is not, however, aware of any directors of officers having entered into this type of transaction.

As of the date of this Information Circular, entitlement to grants of incentive stock options under the Company's stock option plan are the only equity security elements awarded by the Company to its executive officers and directors.

**Stock Options and other Compensation Securities**

There are currently no incentive stock options (option-based awards) pursuant to the Company's Stock Option Plan outstanding to NEOs and directors of the Company as at the Date of this information circular being May 21, 2026.

**Employment, Consulting and Management Agreements**

The Company does not have any employment, consulting or management agreements or arrangements with any of the Company's current directors and the NEO's are both signed to employment agreements.

**Pension Disclosure**

The Company does not have a pension plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement as of October 31, 2025.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out, as at Record Date of May 21, 2026, information regarding outstanding options, warrants and rights granted by the Company under its equity compensation plans.

| | Number of securities to be issued upon exercise of outstanding options | Weighted-average exercise price of outstanding options | Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) |
|---|---|---|---|
| **Plan Category** | **(a)** | **(b)** | **(c)** |
| Equity compensation plans approved by securityholders – 2025 Share Option Plan | Nil | - | 6,122,413 |
| Equity compensation plans not approved by securityholders | Nil | - | Nil |
| **Total** | **-** | | **6,122,413** |

**Note:** The Share Option Plan represents the limitation of 10% of the issued and outstanding Common Shares as at the record date of May 21, 2026, less issued options as listed in the second column of this table.

## AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

National Instrument 52-110 of the Canadian Securities Administrators ("**NI 52-110**") requires the Company, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its audit committeeand its relationship with its independent auditor, as set forth in the following:

### The Audit Committee's Charter

The Company's Audit Committee is attached as Schedule "A" to this Information Circular.

### Composition of the Audit Committee

The current members of the Audit Committee are Jamie Lewin (Chair), Paul Chow and Kevin Bottomley. All three are independent and all members are considered to be financially literate.

### Relevant Education and Experience

Jamie Lewin (Chair), Paul Chow and Kevin Bottomley have many years of practical business experience. They have all served for many years as directors of public companies, and all three members have experience reviewing financial statements of public companies and meet the criteria of "financially literate" as outlined in NI 52-110.

### Audit Committee Oversight

At October 31, 2025, the Audit Committee did not make any recommendations to the Board to nominate or compensate any auditor other than Buckley Dodds CPA.

### Reliance on Certain Exemptions

At October 31, 2025, the Company's auditor, Buckley Dodds CPA did not provide any material non-audit services.

### Pre-Approval Policies and Procedures

Refer to the Company's Audit Committee Charter attached as Schedule "A" to this Information Circular, for specific policies for the engagement of non-audit services.

### External Auditor Service Fees

The Audit Committee has reviewed the nature and amount of the non-audited services provided by Buckley Dodds CPA to ensure auditor independence. Fees incurred with Buckley Dodds CPA, for audit and non-audit services in the last two (2) fiscal years ended October 31 for audit fees are outlined in the following table:

| Nature of services | Fees paid for year ended October 31, 2024 | Fees paid for year ended October 31, 2025 |
|---|---|---|
| Audit fees (1) | $18,000 | $20,087 |
| Tax fees (3) | Nil | Nil |
| All Other Fees (4) | Nil | Nil |
| **Total** | **$18,000** | **$20,087** |

**Notes:**

(1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's consolidated 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" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

(3) "Tax Fees" include 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. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

(4) "All Other Fees" include all other non-audit services.

### Exemption

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

## CORPORATE GOVERNANCE

### General

Corporate governance refers to the policies and structure of the board of directors of a company, whose members are elected by and are accountable to the shareholders of the company. Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure the board of directors recognizes the principles of good management. The Board is committed to sound corporate governance practices, as such practices are both in the interests of shareholders and help to contribute to effective and efficient decision-making.

### Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A "material relationship" is a relationship which could, in the view of the Company's Board, be reasonably expected to interfere with the exercise of a director's independent judgment.

There are no special structures or processes in place to facilitate the functioning of the directors of the Company independently of management. However, the independent directors are given full access to management so that they can develop an independent perspective and express their views and communicate their expectations of management.

The Board facilitates its independent supervision over management by ensuring a majority of the Board are not officers of the Company. During the financial year ended October 31, 2025, the independent members of the Board were Paul Chow and Kevin Bottomley, Jamie Lewin and the non-independent director of the Board were Sina Salehi Pirooz (Chief Executive Officer) and Mahmoud Aziz (President)

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A "material relationship" which could, in the view of the Company's Board, be reasonably expected to interfere with the exercise of a director's independent judgement.

**Directorships**

The directors who are currently serving on boards of other reporting companies (or equivalent) are set out below:

| Name of Director | Name of reporting companyand Exchange listed |
|---|---|
| Kevin Bottomley | Zimtu Capital Corp.- TSXV<br>Q2 Metals Corp – TSXV<br>Pender Street Capital - TSXV<br>VTen Metals Corp. - TSXV |
| Paul Chow | Mapath Capital Corp. - NEX |
| Jamie Lewin | Hercules Resource Corp. - CSE |

**Orientation and Continuing Education**

When new directors are appointed, they receive orientation, commensurate with their previous experience, on the Company's properties, business, technology and industry and on the responsibilities of directors.

Board meetings may also include presentations by the Company's management and employees to give the directors insight into the Company's business.

**Ethical Business Conduct**

The Company has not adopted any policies or codes of business conduct and ethics at this time. Given the experience of the Board, and their prior dealings, the Company, at this point in time, is not taking any additional steps to encourage and promote a culture of ethical business conduct.

**Nomination of Directors**

A Compensation and Corporate Governance Committee Charter adopted by the Company currently consists of Paul Chow, Kevin Bottomley and Mahmoud Aziz.

In fulfilling its oversight responsibilities for the nominations to the Board, the Compensation and Corporate Governance Committee shall: 1) establish criteria for selecting new directors which shall reflect, among other facts, a candidate's integrity and business ethics, strength of character, judgment, experience, and independence, as well as factors relating to the composition of the Board, including its size and structure, the relative strengths and experience of current board members and principles of diversity; 2) consider and recruit candidates to fill new positions on the Board; 3) review any candidate recommended by the shareholders of the Company; 4) be responsible for conducting appropriate inquiries to establish a candidate's compliance with the independent and other qualification requirements established by the Compensation and Corporate Governance Committee; 5) assess the contributions of current directors in connection with theannual recommendation of a slate of nominees and at that time review the criteria for Board candidates in the context of the evaluation process and other perceived needs of the Board; and 6) recommend the director nominees for election by the shareholders.

**Compensation**

Pursuant to the Compensation and Corporate Governance Committee Charter, in discharging its oversight responsibilities for executive compensation and Board compensation, the Compensation and Corporate Governance Committee shall: 1) review and approve on an annual basis the corporate goals and objectives relevant to the CEO's compensation; 2) evaluate at least once a year the CEO's performance in light of established goals and objectives and, based on such evaluation, shall, together with all other independent members of the Board, determine and approve the CEO's annual compensation, including, as appropriate, salary, bonus, incentive, and equity compensation; 3) review and approve on an annual basis the evaluation process and compensation structure for the Company's executive officers, including parameters for salary adjustments (at the discretion of the CEO) for officers are established; and 4) review and make recommendations to the Board with respect to the adoption, amendment, and termination of the Company's management incentive-compensation and equity-compensation plans, oversee their administration and discharge any duties imposed on this Committee by any of those plans.

### Other Board Committees

The Board has formally appointed two standing committees: the Audit Committee and the Compensation and Corporate Governance Committee.

### Assessments

Pursuant to the Compensation and Corporate Governance Committee Charter, in discharging its oversight responsibilities for the performance review of the Board, committees, and directors, this Committee shall: 1) evaluate the performance of the Board on an annual basis; 2) solicit comments from all directors and report annually to the Board on its assessment of the Board's performance; and 3) evaluate the performance of individual directors and committees of the Board on a periodic basis.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Other than set out below, no directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Company were indebted to the Company as of the end of the most recently completed financial year or as at the date hereof.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than set out in this Information Circular, no informed person of the Company, any proposed director of the Company,or any associate or affiliate of any informed person or proposed director, has 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 or any of its subsidiaries.

## MANAGEMENT CONTRACTS

There are no management functions of the Company which are to any substantial degree performed by a person or company other than the directors or executive officers of the Company.

## ADDITIONAL INFORMATION

Additional information concerning the Company is available through the Internet on SEDAR+ which may be accessed under the Company's SEDAR+ profile at www.sedarplus.ca or may be obtained by a Shareholder upon request without charge from the Company. The Company may require the payment of a reasonable charge from any person or company who is not a securityholder of the Company, who requests a copy of any such document.

## OTHER MATTERS

The Board is not aware of any other matters which it anticipates will come before the Meeting as of the date of mailing of this Information Circular.

The contents of this Information Circular and its distribution to shareholders have been approved by the Board.

**DATED** at Vancouver, British Columbia, May 21, 2026.

**BY ORDER OF THE BOARD**

*"Sina Pirooz"*

**Sina Pirooz**
**Chief Executive Officer**

**SCHEDULE "A"**
**AUDIT COMMITTEE CHARTER**

The primary function of the audit committee (the **Committee**) is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Corporation to regulatory authorities and shareholders, the Corporation's systems of internal controls regarding finance and accounting and the Corporation's auditing, accounting and financial reporting processes. The Committee's primary duties and responsibilities are to:

a) serve as an independent and objective party to monitor the Corporation's financial reporting and internal control system and review the Corporation's financial statements;

b) review and appraise the performance of the Corporation's external auditor;

c) provide an open avenue of communication among the Corporation's auditor, financial and senior management and the Board of Directors; and

d) report regularly to the Board of Directors the results of its activities.

**Composition**

The Committee shall be comprised of a minimum three directors as determined by the Board of Directors. If the Corporation ceases to be a "venture issuer" (as that term is defined in National Instrument 52 110 – *Audit Committees*), then all of the members of the Committee shall be free from any material relationship with the Corporation that, in the opinion of the Board of Directors, would interfere with the exercise of their independent judgment as a member of the Committee.

If the Corporation ceases to be a venture issuer then all members of the Committee shall also have accounting or related financial management expertise. All members of the Audit Committee should have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

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

**Meetings**

The Committee shall meet a least once quarterly, or more frequently as circumstances dictate or as may be prescribed by securities regulatory requirements. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditor in separate sessions.

**Responsibilities and Duties**

To fulfill its responsibilities and duties, the Committee shall:

**1.** Documents/Reports Review

(a) review and update this Audit Committee Charter annually;

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

(c) review regular summary reports of directors and officers expense account claims at least annually. Establish and review approval policies for expense reports and, as required, request audits of expense claims and policies for expense approval and reimbursements. The Chairman of the Audit Committee or of the Compensation Committee to approve expense reports of the President and the CEO and the CEO to approve those of the directors and officers.

**2.** External Auditor

(a) review annually, the performance of the external auditor who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Corporation;

(b) obtain annually, a formal written statement of external auditor setting forth all relationships between the external auditor and the Corporation;

(c) review and discuss with the external auditor any disclosed relationships or services that may impact the objectivity and independence of the external auditor;

(d) take, or recommend that the Board of Directors take, appropriate action to oversee the independence of the external auditor, including the resolution of disagreements between management and the external auditor regarding financial reporting;

(e) recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditor nominated annually for shareholder approval;

(f) recommend to the Board of Directors the compensation to be paid to the external auditor;

(g) at each meeting, where desired, consult with the external auditor, without the presence of management, about the quality of the Corporation's accounting principles, internal controls and the completeness and accuracy of the Corporation's financial statements;

(h) review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation;

(i) review with management and the external auditor the audit plan for the year-end financial statements; and

(j) review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Corporation's external auditor. The pre-approval requirement is waived with respect to the provision of non-audit services if:

(i) the aggregate amount of all such non-audit services that were not pre-approved is reasonably expected to constitute not more than five percent of the total amount of feeds paid by the Corporation to its external auditor during the fiscal year in which the non-audit services are provided,

(ii) such services were not recognized by the Corporation at the time of the engagement to be non-audit services, and

(iii) such services are promptly brought to the attention of the Committee by the Corporation and approved prior to the completion of the audit by the Committee or by one or more members of the Committee to whom authority to grant such approvals has been delegated by the Committee.

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

**3.** Financial Reporting Processes

(a) in consultation with the external auditor, review with management the integrity of the Corporation's financial reporting process, both internal and external;

(b) consider the external auditor's judgments about the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting;

(c) consider and approve, if appropriate, changes to the Corporation's auditing and accounting principles and practices as suggested by the external auditor and management;

(d) review significant judgments made by management in the preparation of the financial

statements and the view of the external auditor as to appropriateness of such judgments;

(e) following completion of the annual audit, review separately with management and the external auditor any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;

(f) review any significant disagreement among management and the external auditor in connection with the preparation of the financial statements;

(g) review with the external auditor and management the extent to which changes and improvements in financial or accounting practices have been implemented;

(h) review any complaints or concerns of the Corporation about any questionable accounting, internal accounting controls or auditing matters;

(i) review certification process;

(j) establish a procedure for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters;

(k) establish a procedure for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters; and

(l) on at least an annual basis, review with the Corporation's counsel, any legal matters that could have a significant impact on the Corporation's financial statements, the Corporation's compliance with applicable laws and regulations, and inquiries received from regulators or government agencies.

**4.** Authority

The Audit Committee will have the authority to:

(a) review any related-party transactions;

(b) engage independent counsel and other advisors as it determines necessary to carry out its duties;

(c) to set and pay compensation for any independent counsel and other advisors employed by the Committee;

(d) communicate directly with the internal and external auditors; and

(e) conduct and authorize investigations into any matters within the Committee's scope of responsibilities. The Committee shall be empowered to retain independent counsel and other professionals to assist in the conduct of any investigation.