

**AADIRECTION CAPITAL CORP.**

**NOTICE OF ANNUAL MEETING  
OF SHAREHOLDERS  
TO BE HELD ON JUNE 1, 2022**

**AND**

**INFORMATION CIRCULAR**

**MAY 2, 2022**

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

**AADIRECTION CAPITAL CORP.**

Suite 300, 1055 West Hastings Street  
Vancouver, British Columbia V6E 2E9

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS (“Notice”)**

NOTICE is given that an annual meeting (the “**Meeting**”) of the holders of common shares (the “**Shareholders**”) of AADirection Capital Corp. (“**AAD**” or the “**Company**”) will be held at Suite 300, 1055 West Hastings St, Vancouver, British Columbia V6E 2E9, on Wednesday, June 1, 2022 at 10:00 a.m. (Vancouver time), for the following purposes:

- (i) to receive the Company’s audited financial statements for the fiscal year ended December 31, 2021, the report of the auditor and the related management discussion and analysis;
- (ii) to elect directors to the board (“**Board**”) of directors of the Company to hold office until the next annual general meeting of Shareholders or until their successors are appointed;
- (iii) to appoint Mao & Ying LLP as AAD’s auditor for the ensuing year or until their successor is appointed, and to authorize the Board of Directors to fix the remuneration to be paid to the auditor;
- (iv) to approve the Company’s stock option plan;
- (v) to authorize the increase in the size of the Board from three to four directors and to elect the directors of the Company; and
- (vi) to transact such other business as may be properly brought before the Meeting or any adjournment thereof.

The Company’s Board has fixed April 27, 2022 as the record date for the determination of Shareholders entitled to receive notice of and to vote at the Meeting and at any adjournment or postponement thereof. Each registered Shareholder at the close of business on that date is entitled to receive notice and vote at the Meeting.

If you are a registered Shareholder of AAD and are unable to attend the Meeting in person, please complete, date and sign the accompanying form of proxy and deposit it with AAD’s transfer agent, Odyssey Trust Company, 350 - 409 Granville Street, Vancouver, British Columbia, V6C 1T2, no later than 10:00 a.m. on May 30, 2022 or at least 2 business days before the time and date of any adjournment or postponement of the Meeting.

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

To Vote Your Proxy Online please visit:

<https://login.odysseytrust.com/pxlogin> and click on VOTE . You will require the CONTROL NUMBER printed with your address to the right on your proxy form. If you vote by Internet, do not mail this proxy.

1. By mail or personal delivery to Odyssey Trust Company, United Kingdom Building, 350 – 409 Granville Street, Vancouver, B.C. V6C 1T2; or

2. By fax to Odyssey, to the attention of the Proxy Department at 1-800-517-4553 (toll free within Canada and the U.S.) or 416-263-9524 (international); or

3. By internet by going to <https://login.odysseytrust.com/pxlogin> and following the online voting instructions given to you.

In view of the ongoing COVID-19 outbreak, the Company asks that, in considering whether to attend the Meeting in person, shareholders follow the instructions of the Public Health Agency of Canada. The Company encourages Shareholders not to attend the Meeting in person if experiencing any COVID-19 symptoms. The Company encourages shareholders to vote prior to the Meeting by proxy and join the Meeting by teleconference. To access the Meeting by teleconference, please contact the Company by email at [maryxm@shaw.ca](mailto:maryxm@shaw.ca) no less than one (1) business day before

the Meeting and a telephone number or Zoom meeting link will be provided.

Dated at Vancouver, British Columbia, this 2<sup>nd</sup> day of May, 2022.

**BY ORDER OF THE BOARD OF DIRECTORS**

Signed: “**Xiao Qin (Mary) Ma**”

Xiao Qin (Mary) Ma, Director, CEO & CFO

**AADIRECTION CAPITAL CORP.**

Suite 300, 1055 West Hastings Street  
Vancouver, British Columbia  
V6E 2E9

**INFORMATION CIRCULAR**

This Information Circular (the “**Circular**”) accompanies the Notice of the annual meeting (the “**Meeting**”) of the holders (“**Shareholders**”) of common shares (“**Shares**” or “**Common Shares**”) of AADirection Capital Corp.(the “**Company**” or “**AAD**”), and is furnished to Shareholders holding Shares of the Company in connection with the solicitation by management of AAD of proxies to be voted at the Meeting to be held at **10:00 am on Wednesday, June 1, 2022 at Suite 300, 1055 West Hastings Street, Vancouver, British Columbia V6E 2E9** or at any adjournment or postponement thereof.

Unless the context otherwise requires, capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Glossary of Terms in this Circular.

**COVID-19**

In view of the ongoing COVID-19 outbreak, the Company asks that, in considering whether to attend the Meeting in person, shareholders follow the instructions of the Public Health Agency of Canada. The Company encourages Shareholders not to attend the Meeting in person if experiencing any COVID-19 symptoms. The Company encourages shareholders to vote prior to the Meeting by proxy and join the Meeting by teleconference. To access the Meeting by teleconference, please contact the Company by email no less than one (1) business day before the Meeting at [maryxm@shaw.ca](mailto:maryxm@shaw.ca) and a telephone number will be provided.

**INFORMATION CONTAINED IN THIS INFORMATION CIRCULAR**

The date of this Circular is May 2, 2022. Unless otherwise stated, all amounts herein are in Canadian dollars. The following documents filed by the Company on SEDAR at [www.sedar.com](http://www.sedar.com) are specifically incorporated by reference into, and form an integral part of, this Circular: the audited financial statements of the Company and the related notes thereto, for the financial year ended December 31, 2021; the report of the Company's auditor thereon; and management's discussion and analysis related to such financial statements.

The Company has its common shares listed on the TSX Venture Exchange (the “**Exchange**”) as a capital pool company. Accordingly, material activities of the Company are subject to compliance with the policies of the Exchange (“**Exchange Policies**”) which are incorporated by reference herein, and while the Company is a capital pool company it is specifically subject to the provisions of Exchange Policy 2.4.

No person has been authorized to give any information or to make any representation in connection with matters described herein other than those contained in this Circular and, if given or made, any such information or representation should be considered not to have been authorized by the Company.

This Circular does not constitute the solicitation of an offer to purchase any securities or the solicitation of a proxy by any person in any jurisdiction in which such solicitation is not authorized or in which the person making such solicitation is not qualified to do so or to any person to whom it is unlawful to make such solicitation.

Information contained in this Circular should not be construed as legal, tax or financial advice and Shareholders are urged to consult their own professional advisers in connection therewith.

**PROXIES AND VOTING RIGHTS**

**Management Solicitation**

The solicitation of proxies by management of the Company will be conducted by mail and may be supplemented by telephone or other personal contact to be made without special compensation by the directors, officers and employees of the Company. AAD does not reimburse Shareholders, nominees or agents for costs incurred in obtaining from their principals authorization to execute forms of proxy, except that AAD has requested brokers and nominees who hold stock in their respective names to furnish the proxy-related materials to their customers, and the Company will

reimburse such brokers and nominees for their related out of pocket expenses. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by AAD. No person has been authorized to give any information or to make any representation other than as contained in this Circular in connection with the solicitation of proxies.

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

The Company has arranged for intermediaries to forward the Meeting materials to beneficial owners of Shares (the “**Beneficial Shareholders**”) held of record by those intermediaries. The Company has distributed or made available for distribution, copies of the Notice, this Circular and form of proxy to clearing agencies, securities dealers, banks and trust companies or their nominees (collectively, the “**Intermediaries**”) for distribution to Beneficial Shareholders held of record by those Intermediaries. Such Intermediaries are required to forward such documents to the Beneficial Shareholders unless a Beneficial Shareholder has waived the right to receive them. The solicitation of proxies from Beneficial Shareholders will be carried out by the Intermediaries or by AAD if the names and addresses of the Beneficial Shareholders are provided by Intermediaries. AAD will pay the permitted fees and costs of the Intermediaries for reasonable fees and disbursements incurred in connection with the distribution of these materials.

AAD does not intend to pay for Intermediaries to forward to objecting Beneficial Shareholders under NI 54-101 the proxy-related materials and Form 54-101F7 *Request for Voting Instructions Made by Intermediary*. An objecting Beneficial Shareholder will not receive such materials unless the objecting Beneficial Shareholder’s Intermediary assumes the cost of delivery.

These proxy-related materials are being sent to both registered and non-registered Shareholders. If you are a non-registered Shareholder, and the Company or its agent has sent these materials directly to you, your name and address and information about your Shares, have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf.

#### **Appointment of Proxy**

Registered shareholders (“**Registered Shareholders**”) are entitled to vote at the Meeting. On a show of hands, every Shareholder is entitled to one vote for each Share that such Shareholder holds on the record date of April 27, 2022 on the resolutions to be voted upon at the Meeting, and any other matter to come before the Meeting. The list of Registered Shareholders is available for inspection during normal business hours at the offices of Odyssey Trust Company Ltd. (“**Odyssey Trust Company**”) and will be available at the Meeting.

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

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

**TO EXERCISE THE RIGHT, THE SHAREHOLDER MAY DO SO BY STRIKING OUT THE PRINTED NAMES AND INSERTING THE NAME OF SUCH OTHER PERSON AND, IF DESIRED, AN ALTERNATE TO SUCH PERSON, IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY. SUCH SHAREHOLDER SHOULD NOTIFY THE NOMINEE OF THE APPOINTMENT, OBTAIN THE NOMINEE’S CONSENT TO ACT AS PROXY AND SHOULD PROVIDE INSTRUCTION TO THE NOMINEE ON HOW THE SHAREHOLDER’S SHARES SHOULD BE VOTED. THE NOMINEE SHOULD BRING PERSONAL IDENTIFICATION TO THE MEETING.**

In order to be voted, the completed form of proxy must be received by the Company’s registrar and transfer agent, Odyssey Trust Company at their offices located at 350 - 409 Granville Street, Vancouver, British Columbia, V6C 1T2, by mail, or by fax at 1-800-517-4553, or by email at [proxy@odysseytrust.com](mailto:proxy@odysseytrust.com) no later than 10:00 am on Monday, May 30, 2022, or at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) before the time and date of any adjournment or postponement of the Meeting.

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

### **Revocation of Proxy**

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

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

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

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

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

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

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

## **ADVICE TO BENEFICIAL SHAREHOLDERS**

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

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

brokerage firms). **Beneficial Shareholders should ensure that instructions respecting the voting of their Shares are communicated to the appropriate person well in advance of the Meeting.**

The Company does not have access to names of Beneficial Shareholders. Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is similar to the Form of Proxy provided to Registered Shareholders by AAD. However, its purpose is limited to instructing the Registered Shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in the United States and in Canada. Broadridge typically prepares a special voting instruction form, mails this form to the Beneficial Shareholders and asks for appropriate instructions regarding the voting of Shares to be voted at the Meeting. Beneficial Shareholders are requested to complete and return the voting instructions to Broadridge by mail or facsimile. Alternatively, Beneficial Shareholders can call a toll-free number and access Broadridge's dedicated voting website (each as noted on the voting instruction form) to deliver their voting instructions and to vote the Shares held by them. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder receiving a Broadridge voting instruction form cannot use that form as a proxy to vote Shares directly at the Meeting – the voting instruction form must be returned to Broadridge well in advance of the Meeting in order to have its Shares voted at the Meeting.**

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

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

## **PARTICULARS OF MATTERS TO BE ACTED ON**

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

The Company is authorized to issue an unlimited number of common shares without par value. As of the record date, determined by the Board to be the close of business on April 27, 2022, a total of 6,000,000 Shares were issued and outstanding. Each Share carries the right to one vote at the Meeting.

Only Registered Shareholders as of the record date, April 27, 2022, are entitled to receive notice of, and to attend and vote at, the Meeting or any adjournment or postponement of the Meeting.

To the knowledge of the directors and senior officers of the Company, no person or company beneficially owns, directly or indirectly, or exercised control or direction over, Shares carrying more than 10% of the voting rights attached to the outstanding Shares of AAD, except as set forth below:

<b>Name of Shareholder</b>	<b>Number of Shares Owned</b>	<b>Percentage of Outstanding Shares <sup>(1)</sup></b>
Joanne Yan	850,000	14.17%
Jackie Cheung	850,000	14.17%
Michael Woods	200,000	3.33%
Xiao Qin (Mary) Ma	100,000	1.67%

**Notes:**

(1) Based on 6,000,000 Shares issued and outstanding as of the date of this Circular.

## AUDITED FINANCIAL STATEMENTS

The audited financial statements of AAD for the period ended December 31, 2021, and the report of the auditor on those statements will be placed before the Meeting. Receipt at the Meeting of the audited financial statements of AAD will not constitute approval or disapproval of any matters referred to in those statements. No vote will be taken on the audited financial statements. These audited financial statements are available at [www.sedar.com](http://www.sedar.com).

Pursuant to National Instrument 51-102 *Continuous Disclosure Obligations* and National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*, both of the Canadian Securities Administrators, a person or corporation who in the future wishes to receive annual and interim financial statements from AAD must deliver a written request for such material to AAD. Shareholders who wish to receive annual and interim financial statements are encouraged to complete the appropriate section on the Request form attached to this Circular and send it to the transfer agent, Odyssey Trust Company.

## ELECTION OF DIRECTORS

### NUMBER AND ELECTION OF DIRECTORS

Management of the Company is seeking shareholder approval of an ordinary resolution setting the number of Directors of the Company at four (4), and electing Directors for the ensuing year. The affairs of the Company are managed by the Board of Directors who are elected at each Annual General Meeting of Shareholders and hold office until the next

Information concerning the Current Directors, as furnished by the individual nominees, as of the date of this Circular, is as follows:

Name, Province, Country of Residence & Position(s)	Principal Occupation Business or Employment for Last Five Years	Periods during which Nominee has Served as a Director	Number of Shares Owned <sup>(1)</sup>
<b>XIAO QIN (MARY) MA</b> British Columbia, Canada <i>CEO, CFO, Director</i>	CEO, CFO and a director of Hanwei Energy Services Corp., a company listed on TSX; a former director and CFO of P&P Ventures Inc., a company listed on the TSXV from 2010 to 2018.	November 10, 2021 to Present	100,000 Shares (1.67%)
<b>JOANNE YAN</b> <sup>(2)</sup> British Columbia, Canada <i>Director</i>	The President of Joyco Consulting Services Inc. which Ms. Yan founded in 1994 to provide consulting services in the areas of corporate structuring, business development, and strategic planning.	December 1, 2020 to Present	850,000 Shares (14.17%)
<b>MICHAEL WOODS</b> <sup>(2)</sup> British Columbia, Canada <i>Corporate Secretary and Director</i>	Lawyer	December 1, 2020 to Present	2000,000 Shares (3.33%)
<b>JACKIE CHEUNG</b> <sup>(2)</sup> British Columbia, Canada <i>Director</i>	Businessperson	December 1, 2020 to Present	850,000 Shares (14.17%)
Total as a group			2,000,000 Shares (33.33%)

(1) Shares beneficially directly or indirectly owned or over which control or direction is exercised, at the date of this Circular, based upon information furnished to the Company by the individual directors. These numbers do not include outstanding convertible securities available for exercise.

(2) Member of the audit committee (“**Audit Committee**”) of AAD.

### ***Cease Trade Orders***

Other than as described below, to the knowledge of the Company, as of the date hereof, no Nominee is, or has been, within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Company) that:

- (a) was subject to a cease trade order or similar order or an order that denied the corporation access to any statutory exemptions for a period of more than 30 consecutive days (an "**Order**"), which was issued while the proposed director or executive officer was acting in the capacity as director, CEO or CFO; or
- (b) was subject to an Order that was issued after the director or executive officer 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, CEO or CFO.

To the best of the Company's knowledge, and other than as disclosed herein, there are no known existing or potential conflicts of interest among the Company, its promoters, directors and officers or other members of management of the Company or of any proposed promoter, director, officer or other member of management as a result of their outside business interests, except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Company and their duties as a director or officer of such other companies. All related party transactions during each reporting period are detailed in the Company's Management Discussion & Analysis for the fiscal year ended December 31, 2021.

### ***Bankruptcies***

To the best of the Company's knowledge, no proposed director of AAD is, or within ten (10) years before the date of this Circular, has been a director or an executive officer of any company that, while the person was acting in that capacity, or within a year of that person ceasing to act in the capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets or made a proposal under any legislation relating to bankruptcies or insolvency.

### ***Personal Bankruptcies***

To the best of the Company's knowledge, no proposed director of AAD has, within ten (10) years before the date of this 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.

### ***Securities Related Penalties and Sanctions***

To the best of the Company's knowledge, no proposed director has been subject to, or entered into a settlement agreement resulting from:

- (a) a court order relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **Definitions**

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

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

"**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) a CEO;

- (b) 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, as determined in accordance with subsection 1.3(5) of National Instrument 51-102, for that financial year; and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year;

“**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;

“**plan**” includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, securities, similar instruments or any other property may be received, whether for one or more persons;

“**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; and

“**underlying securities**” means any securities issuable on conversion, exchange or exercise of compensation securities.

### Named Executive Officer and Director Compensation

The following table summarizes the compensation paid to the directors and NEOs of AAD for the last two completed financial years:

Table of compensation excluding compensation securities							
Name and position	Year Ended Dec 31	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
<b>Xiao Qin (Mary) Ma</b> CEO, CFO & Director (1)	2021	700(5)	Nil	Nil	Nil	Nil	Nil
<b>Joanne Yan</b> CEO, CFO & Director (2)	2021	Nil	Nil	Nil	Nil	Nil	Nil
<b>Joanne Yan</b> CEO, CFO & Director	2020 (3)	Nil	Nil	Nil	Nil	Nil	Nil
<b>Jackie Cheung</b> Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
<b>Jackie Cheung</b> Director	2020 (3)	Nil	Nil	Nil	Nil	Nil	Nil
<b>Michael Woods</b> Corporate Secretary & Director	2021	21,815 (4)	Nil	Nil	Nil	Nil	Nil
<b>Michael Woods</b> Corporate Secretary & Director	2020	1,170 (4)	Nil	Nil	Nil	Nil	12,000

- (1) Mary Ma was appointed CEO, CFO and a Director on November 10, 2021.
- (2) Joanne Yan ceased to be CEO & CFO of the Issuer on November 10, 2021.
- (3) The Issuer was incorporated on December 1, 2020.
- (4) Legal fees received or accrued by Woods & Company of which Michael Woods is the sole legal practitioner.
- (5) Accounting fee accrued by Marvellous Consulting Corp. of which Mary Ma is the principal.

Other than as set forth in the foregoing table, the named executive officers and directors have not received, during the completed financial years, compensation pursuant to any standard arrangement for the compensation of directors for their services in their capacity as directors, including any additional amounts payable for committee participation or special assignments, any other arrangement, in addition to, or in lieu of, any standard arrangement, for the compensation of directors in their capacity as directors, or any arrangement for the compensation of directors for services as consultants or experts.

### Stock Options and Other Compensation Securities

The following tables set forth the details of all compensation securities granted or issued to each named executive officer and director by AAD (or any subsidiary, as applicable) in the most recently completed financial year for services provided or to be provided, directly or indirectly, to AAD (or any subsidiary, as applicable):

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Joanne Yan Director	Stock Options	300,000	Aug. 17. 2021	\$0.10 per Share	N/A	\$0.135	Aug. 16, 2026
Jackie Cheung Director	Stock Options	150,000	Aug. 17. 2021	\$0.10 per Share	N/A	\$0.135	Aug. 16, 2026
Michael Woods Corporate Secretary & Director	Stock Options	150,000	Aug. 17. 2021	\$0.10 per Share	N/A	\$0.135	Aug. 16, 2026

No named executive officer or director of the Company exercised any outstanding compensation securities during the most recently completed financial year of the Company.

### Stock Option Plans and Other Incentive Plans

The Board proposes to adopt an updated stock option plan (the “**Replacement Stock Option Plan**”) dated as of June 1, 2022 that replaces the stock option plan that was adopted by the shareholders as at December 1, 2020. The purpose of the Stock Option Plan is to advance the interests of the Corporation and its shareholders and subsidiaries by attracting, retaining and motivating the performance of selected directors, officers, employees or consultants of the Corporation of high caliber and potential and to encourage and enable such persons to acquire and retain a proprietary interest in the Corporation by ownership of its stock. The Stock Option Plan provides that, subject to the requirements of the Exchange, the aggregate number of securities reserved for issuance, set aside and made available for issuance under the Stock Option Plan may not exceed 10% of the issued and outstanding shares of the Corporation at the time of granting of options. Furthermore, the aggregate number of shares that may be issued pursuant to the exercise of stock options awarded under the Stock Option Plan and all other security-based compensation arrangements of the Corporation shall not exceed 10% of the issued and outstanding Shares at any given time.

The aggregate number of options granted under the Stock Option Plan in any 12 month period to any one person (including Associates and Affiliates), together with all other security based compensation arrangements of the Corporation, must not exceed 5% of the then issued and outstanding Common Shares of the Corporation on a non-diluted basis. No stock options may be granted by the Corporation to an investor relations service provider while the Corporation is a capital pool company.

The Stock Option Plan will be administered by the board of directors of the Corporation or by a special committee of directors which will have full and final authority with respect to the granting of all options thereunder. Options may be granted under the Stock Option Plan to such directors, officers, employees or consultants of the Corporation or its subsidiaries, if any, as the board of directors may, from time to time, designate. Options may also be granted to employees of management companies providing management services to the Corporation. The exercise price of any options granted under the Stock Option Plan shall be determined by the board of directors, subject to the approval of

the Exchange if necessary but in no event may this exercise price be lower than the exercise price permitted by the Exchange.

The term of any options granted under the Stock Option Plan shall be determined by the board of directors at the time of grant, subject to earlier termination in the event of dismissal for cause, termination other than for cause, or in the event of death. The term of any options granted under the Stock Option Plan may not exceed ten (10) years.

If desired by the board of directors, options granted under the Stock Option Plan may be subject to vesting. Options granted under the Stock Option Plan are not to be transferable or assignable other than as a consequence of the death of the holder. Subject to certain exceptions, in the event that a director, officer, consultant, or employee of the Corporation ceases to hold office or ceases to be a management company employee, options granted to such individual under the Stock Option Plan will expire 90 days after such individual ceases to hold office or such longer period as determined by the board of directors of the Corporation. In the event of death of an option holder, options granted under the Stock Option Plan expire one year from the date of the death of the option holder.

Should the expiry date of an option fall within a period during which the relevant participant is prohibited from exercising an option due to trading restrictions imposed by the Corporation pursuant to any policy of the Corporation respecting restrictions on trading that is in effect at that time (the "**Black Out Period**") or within nine (9) business days following the expiration of a Black Out Period, such expiry date of the option shall be automatically extended without any further act or formality to that date which is the tenth (10th) business day after the end of the Black Out Period, such tenth (10th) business day to be considered the expiry date for such option for all purposes under the Plan. The ten (10) business day period may not be extended by the Corporation's board of directors.

It is in order for the shareholders to approve the Stock Option Plan. The text of the Stock Option Plan resolution to be considered at the Meeting will be substantially as follows:

**“BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:**

1. the Replacement Stock Option Plan of the Company be approved; and
2. any director or officer of the Company be and he or she is hereby authorized and directed, for and on behalf of the Company, to execute and deliver all such documents and to do all such other acts or things as he or she may determine to be necessary or advisable to give effect to this resolution, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination.”

The Board recommends that shareholders vote in favour of approving the Replacement Stock Option Plan resolution as set out above.

**Employment, Consulting and Management Agreements**

There were no agreements or arrangements in place under which compensation was provided during the most recently completed financial year or is payable in respect of services provided to the Issuer that were performed by a director or named executive officer, or performed by any other party but are services typically provided by a director or a named executive officer, other than the reimbursement of expenses any director or NEO may have incurred on behalf of the Issuer.

Except as noted below, there were no agreements or arrangement containing provisions with respect to change of control, severance, termination or constructive dismissal.

**Oversight and Description of Named Executive Officers and Director Compensation**

The Board is responsible for determining, by way of discussions at board meetings, the compensation to be paid to the Company's executive officers. AAD at this time does not have a formal compensation program with specific performance goals and is restricted from doing so pursuant to Exchange Policies. AAD presently has one NEO, Xiao Qin (Mary) Ma. Ms. Ma has served as CEO, CFO and as a Director since November 10, 2021. Joanne Yan was previously the Corporation's sole NEO having served as CEO, and CFO of the Corporation since December 1, 2020.

Once AAD completes a "Qualifying Transaction" (as defined under Exchange Policies), AAD's executive compensation may comprise of base fees. Base fees will be compensation in connection with job responsibilities and reflect the level of skills, expertise and capabilities demonstrated by NEOs of the Company.

Compensation may be designed to achieve the following key objectives:

- (a) to support our overall business strategy and objectives;
- (b) to provide market competitive compensation that is substantially performance-based;
- (c) to provide incentives that encourage superior corporate performance and retention of highly skilled and talented employees; and
- (d) to align executive compensation with corporate performance and therefore Shareholders' interests.

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

No person who is, or at any time during the two most recently completed financial years was, a director or executive officer of AAD, a proposed nominee for election as a director of AAD, or an associate of any of the foregoing individuals, has been indebted to the Company at any time since the commencement of the Company's last completed financial year.

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

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

## **AUDIT COMMITTEE DISCLOSURE**

National Instrument 52-110 of the Canadian Securities Administrators ("NI 52-110") requires the Company, as a venture issuer, to disclose annually in its Circular certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor.

### **The Audit Committee Charter**

The text of AAD's audit committee charter is included as Schedule "A" to this Circular.

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

As of the date of this Circular, the following are the members of the Audit Committee:

<b>Audit Committee Members</b>		
Joanne Yan (Chair)	Independent	Financially literate
Jackie Cheung	Independent	Financially literate
Michael Woods	Not independent	Financially literate

### **Relevant Education and Experience**

In addition to each member's general business experience, the education and experience of each member that is relevant to the performance of the member's responsibilities as a member of the Audit Committee is as follows:

#### Joanne Yan

Ms. Yan brings 25 years of experience in advising and managing both public and private companies. Ms. Yan is the President of Joyco Consulting Services Inc., which she founded in 1994 to provide consulting services in the areas of corporate structuring, business development and strategic planning. Ms. Yan has served on the Board of Directors of several public and private companies, including ElectraMeccanica Vehicles Corp. listed on NASDAQ, Hanwei Energy

Services Corp. listed on the Toronto Stock Exchange and OOOOO Entertainment Commerce Limited listed on the TSX Venture Exchange.

#### Jackie Cheung

Mr. Cheung obtained a Bachelor of Arts from Simon Fraser University in 2005. Mr. Cheung is currently the COO of Next Level Energy Inc., a Company that manufactures and distributes innovative dietary supplement products. Mr. Cheung is also the President of Koi Communications Corp., which provides communications and marketing consulting services to private and public companies. His company services companies in various sectors, including retail and manufacturing sectors. Mr. Cheung is experienced as a public company director having served on the boards of numerous companies listed on Canadian exchanges.

#### Michael Woods

Mr. Woods is a British Columbia lawyer who works as a sole practitioner specializing in securities law at his firm, Woods & Company, in West Vancouver and Vancouver, British Columbia. Mr. Woods has been practicing law for the past 32 years, most of which has involved acting for publicly listed companies. He has served on the boards of numerous companies listed on the TSX Venture Exchange.

#### **Audit Committee Oversight**

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

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

Since the effective date of NI 52-110, the Corporation has not relied on the exemptions contained in sections 2.4, 6.1.1(4), (5) and (6), or Part 8 of the Instrument. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditor where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

In respect of the most recently completed financial year, the Corporation is relying on the exemption set out in section 6.1 of the Instrument with respect to compliance with the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of the Instrument.

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

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

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

In the following table, "audit fees" are fees billed by the Company's external auditor for services provided in auditing the Company's annual financial statements for the subject year. "Audit-Related Fees" are fees not included in audit fees that are billed by the Auditor for assurance and related services that are reasonably related to the performance of the audit review of the Company's financial statements. "Tax Fees" are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. "All Other Fees" are fees billed by the Auditor for products and services not included in the foregoing categories.

The aggregate fees billed by the Auditor in the last two fiscal years, by category, are as set out in the table below.

<b>Financial Year Ended July 31</b>	<b>Audit Fees (\$)</b>	<b>Audit-Related Fees (\$)</b>	<b>Tax Fees (\$)</b>	<b>All Other Fees (\$)</b>
2021	3,500	Nil	Nil	Nil
2020	2,000	Nil	Nil	Nil

## APPOINTMENT OF AUDITOR

At the Meeting, Shareholders will be asked to pass an ordinary resolution appointing Mao & Ying LLP as the auditor to hold office until the next annual meeting of the Shareholders or until such firm is removed from office or resigns as provided by law and to authorize the Board to fix the remuneration to be paid to the auditor. Mao & Ying LLP of Vancouver, British Columbia has effectively served as the auditor for AAD since its incorporation on December 1, 2020.

The resolution to be proposed at the Meeting will be in substantially the following form:

**"BE IT RESOLVED, AS AN ORDINARY RESOLUTION OF THE SHAREHOLDERS, WITH OR WITHOUT AMENDMENT, THAT:**

- (a) the appointment of Mao & Ying LLP as the auditors of the Company, to hold office until the next annual meeting of Shareholders or until their successor is duly elected or appointed pursuant to the constating documents of the Company and applicable securities laws, at remuneration to be fixed by the board of directors of the Company, be and is hereby authorized and approved; and
- (b) any director or officer of the Company be and he or she is hereby authorized and directed, for and on behalf of the Company, to execute and deliver all such documents and to do all such other acts or things as he or she may determine to be necessary or advisable to give effect to this resolution, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination."

## CORPORATE GOVERNANCE

Maintaining a high standard of corporate governance is a priority for the Board and the Company's management believes that effective corporate governance will help create and maintain shareholder value in the long term. A description of AAD' corporate governance practices, which addresses the matters set out in National Instrument 58-101 *Disclosure of Corporate Governance Practices*, is set out below.

### Board of Directors

The board of directors (the "**Board**") of the Corporation facilitates its exercise of independent supervision over the Corporation's management through meetings of the Board with two independent Board member currently, such members being able to raise any conflict concerns for discussion at Board meetings. No such concerns have arisen and the Board is restricted by Exchange Policies with respect to activities that could give rise to concerns. The Board reviews and will review its procedures on an ongoing basis to ensure it is functioning independently of management particularly following completion of a Qualifying Transaction. As circumstances require, the Board will meet without management present and convene meetings, as deemed necessary, of the independent directors, at which meetings non-independent directors and members of management are not in attendance. When conflicts arise, interested parties are precluded from voting on matters in which they may have an interest.

Xiao Qin (Mary) Ma is the CEO and the CFO of the Corporation and is therefore not independent. Michael Woods is the Corporate Secretary and carries out a policy making function and is therefore not independent.

Joanne Yan and Jackie Cheung are "independent" in that they are free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act with the best interests of the Corporation, other than the interests and relationships arising from shareholdings.

### Directorships

The current directors of the Company, who are also each nominated for election as directors of AAD at the Meeting, serve as a director or officer of one or more other reporting issuers as at the date of this Notice of Meeting and Circular as listed below. However, our directors are required by law to act honestly and in good faith with a view to our best interests and to disclose any interests which they may have in any of our projects or opportunities. If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not we will participate in any project or opportunity, that director will primarily consider the degree of risk to which we may be exposed and our financial position at that time.

The directors of the Corporation are currently directors of the following other reporting issuers:

Name of Director	Name of Reporting Issuer
Joanne Yan	Hanwei Energy Services Corp. ElectraMeccanica Vehicles Corp. OOOOO Entertainment Commerce Limited
Xiao Qin (Mary) Ma	Hanwei Energy Services Corp.

To the best of our knowledge, there are no known existing or potential conflicts of interest among us and our promoters, directors, officers or other members of management as a result of their outside business interests except that certain of the directors, officers, promoters and other members of management serve as directors, officers, promoters and members of management of other public companies, and therefore it is possible that a conflict may arise between their duties as a director, officer, promoter or member of management of such other companies.

#### **Orientation and Continuing Education**

The Board briefs all new directors with respect to the policies of the Board and other relevant corporate and business information. The Board does not provide any continuing education, but does encourage directors to individually and as a group keep themselves informed on changing corporate governance and legal issues. Directors are individually responsible for updating their skills as required to meet their obligations as directors. In addition, the Board undertakes strategic planning sessions with management.

#### **Ethical Business Conduct**

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

#### **Nomination of Directors**

The Board is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting of Shareholders.

New nominees must have a track record in general business management, special expertise in an area of strategic interest to AAD, the ability to devote the required time, show support for the Company's mission and strategic objectives, and a willingness to serve.

#### **Compensation**

The Board conducts reviews with regard to the compensation of the directors and senior officers once a year. To make its recommendations on such compensation, the Board informally takes into account the types of compensation and the amounts paid to directors and officers of comparable publicly traded Canadian companies.

At present, no compensation is paid to the directors of the Company in their capacity as directors. The Board does not currently have a compensation committee.

#### **Other Board Committees**

The Board has no other committees other than the Audit Committee.

#### **Assessments**

The Board regularly monitors the adequacy of information given to directors, communications between the Board and management and the strategic direction and processes of the Board and its committees. The Board is currently responsible for assessing its own effectiveness, the effectiveness of individual directors and the effectiveness of the Audit Committee.

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

Except as disclosed elsewhere in this Circular, no director or executive officer of the Company who was a director or executive officer since the beginning of the Company's last financial year, each proposed nominee for election as a director of AAD, or any associate or affiliates of any such directors, officers or nominees, has any material interest, direct or indirect, by way of beneficial ownership of Shares or other securities in AAD or otherwise, in any matter to be acted upon at the Meeting other than the election of directors.

## **ADDITIONAL INFORMATION**

Additional information relating to AAD is available at [www.sedar.com](http://www.sedar.com) under the Company's profile. Shareholders may contact the Company at its head office by mail at Suite 300, 1055 West Hastings Street, Vancouver, BC V6E 2E9, to request copies of the Company's financial statements and related Management's Discussion and Analysis (the "MD&A"). Financial information is provided in the audited financial statements and MD&A for AAD for its year ended December 31, 2021.

## **OTHER MATTERS**

Management of AAD knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting included at the beginning of this Circular. **However, if any other matters that are not known to management should properly come before the Meeting, the accompanying form of proxy confers discretionary authority upon the persons named in the proxy to vote on such matters in accordance with their best judgment.**

## **APPROVAL OF THE BOARD OF DIRECTORS**

The Board has authorized and approved the content of this Circular has been approved and the delivery of it to each Shareholder of AAD entitled to receive it and to the appropriate regulatory agencies.

Dated at Vancouver, British Columbia as of the 2<sup>nd</sup> day of May, 2022.

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

**AADIRECTION CAPITAL CORP.**

***Signed: "Xiao Qin (Mary) Ma"***

Xiao Qin (Mary) Ma  
Director, CEO & CFO

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

**ITEM 1: THE AUDIT COMMITTEE'S CHARTER PURPOSE**

The overall purpose of the Audit Committee (the "**Committee**") of AADirection Capital Corp. (the "**Corporation**") is to ensure that the Corporation's management has designed and implemented an effective system of internal financial controls to review and report on the integrity of the financial statements and related financial disclosure of the Corporation and to review the Corporation's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information. It is the intention of the board of directors ("**Board**") that through the involvement of the Committee, the external audit will be conducted independently of the Corporation's Management to ensure that the independent auditors serve the interests of Shareholders rather than the interests of Management of the Corporation. The Committee will act as a liaison to provide better communication between the Board and the external auditors. The Committee will monitor the independence and performance of the Corporation's independent auditors.

**COMPOSITION, PROCEDURES AND ORGANIZATION**

1. The Committee shall consist of at least three members of the Board.
2. Upon expansion of the Board to four or more members, at least two (2) members of the Committee shall be independent and the Committee shall endeavour to appoint a majority of independent directors to the Committee who, in the opinion of the Board, would be free from a relationship which would interfere with the exercise of the Committee members' independent judgment. At least one (1) member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices applicable to the Corporation. For the purposes of this Audit Committee Charter ("**Charter**"), an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.
3. The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may, at any time, remove or replace any member of the Committee and may fill any vacancy in the Committee.
4. Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair from among their number.
5. The quorum for meetings shall be a majority of the members of the Committee, present in person, by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.
6. The Committee shall have access to such officers and employees of the Corporation, to the Corporation's external auditors and to such information respecting the Corporation, as it considers to be necessary or advisable in order to perform its duties and responsibilities.
7. Meetings of the Committee shall be conducted as follows:
  - (a) the Committee plans to meet at least four times annually at such times and at such locations as may be requested by the chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;
  - (b) the external auditors shall receive notice of and have the right to attend all meetings of the Committee; and

- (c) management representatives may be invited to attend all meetings except private sessions with the external auditors.
8. The internal auditors and the external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in the Corporation as it deems necessary and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

## **ROLES AND RESPONSIBILITIES**

9. The overall duties and responsibilities of the Committee shall be as follows:
- (a) to assist the Board in the discharge of its responsibilities relating to the Corporation's accounting principles, reporting practices and internal controls and its approval of the Corporation's annual and quarterly financial statements and related financial disclosure;
  - (b) to establish and maintain a direct line of communication with the Corporation's internal and external auditors and assess their performance;
  - (c) to ensure that the management of the Corporation has designed, implemented and is maintaining an effective system of internal financial controls; and
  - (d) to report regularly to the Board on the fulfillment of its duties and responsibilities.
10. The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:
- (a) to recommend to the Board a firm of external auditors to be engaged by the Corporation, and to verify the independence of such external auditors;
  - (b) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;
  - (c) to review the audit plan of the external auditors prior to the commencement of the audit;
  - (d) to review and/ or discuss with the external auditors, upon completion of their audit:
    - (i) the non-audit services provided by the external auditors;
    - (ii) the quality and not just the acceptability of the Corporation's accounting principles; and
    - (iii) the implementation of structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management.
11. The duties and responsibilities of the Committee as they relate to the internal control procedures of the Corporation are to:
- (a) review the appropriateness and effectiveness of the Corporation's policies and business practices which impact on the financial integrity of the Corporation, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;
  - (b) review compliance under the Corporation's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate;

- (c) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Corporation; and
  - (d) periodically review the Corporation's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.
12. The Committee is also charged with the responsibility to:
- (a) review the Corporation's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto;
  - (b) review and approve the financial sections of:
    - (i) the annual report to Shareholders and the annual information form, if required;
    - (ii) annual and interim MD&A;
    - (iii) prospectuses;
    - (iv) news releases discussing financial results of the Corporation; and
    - (v) other public reports of a financial nature requiring approval by the Board,
    - (vi) and report to the Board with respect thereto;
  - (c) review regulatory filings and decisions as they relate to the Corporation's financial statements;
  - (d) review the appropriateness of the policies and procedures used in the preparation of the Corporation's financial statements and other required disclosure documents and consider recommendations for any material change to such policies;
  - (e) review and report on the integrity of the Corporation's financial statements;
  - (f) review the minutes of any audit committee meeting of subsidiary companies;
  - (g) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Corporation and the manner in which such matters have been disclosed in the financial statements;
  - (h) review the Corporation's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information; and
  - (i) develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board of Directors following each annual general meeting of shareholders.
13. The Committee shall have the authority:
- (a) to engage independent counsel and other advisors as it determines necessary to carry out its duties,
  - (b) to set and pay the compensation for any advisors employed by the Committee; and
  - (c) to communicate directly with the internal and external auditors.

**ITEM 2: COMPOSITION OF THE AUDIT COMMITTEE**

The current members of the Committee are Joanne Yan, Jackie Cheung and , Michael Woods, Corporate Secretary. Joanne Yan and Jackie Cheung are independent and are financially literate. Michael Woods is financially literate but is not independent. "Independent" and "financially literate" have the meaning used in National Instrument 52-110 (the "NI 52-110") of the Canadian Securities Administrators.

**ITEM 3: RELEVANT EDUCATION AND EXPERIENCE**

The relevant education and/or experience of each member of the Committee is as follows:

Joanne Yan

Ms. Yan brings 25 years of experience in advising and managing both public and private companies. Ms. Yan is the President of Joyco Consulting Services Inc., which she founded in 1994 to provide consulting services in the areas of corporate structuring, business development and strategic planning. Ms. Yan has served on the Board of Directors of several public and private companies, including ElectraMeccanica Vehicles Corp. listed on NASDAQ, Hanwei Energy Services Corp. listed on the Toronto Stock Exchange and OOOOO Entertainment Commerce Limited listed on the TSX Venture Exchange

Jackie Cheung

Mr. Cheung obtained a Bachelor of Arts from Simon Fraser University in 2005. Mr. Cheung is currently the COO of Next Level Energy Inc., a Company that manufactures and distributes innovative dietary supplement products. Mr. Cheung is also the President of Koi Communications Corp., which provides communications and marketing consulting services to private and public companies. His company services companies in various sectors, including retail and manufacturing sectors. Mr. Cheung is experienced as a public company director having served on the boards of numerous companies listed on Canadian exchanges.

Michael Woods

Mr. Woods is a British Columbia lawyer who works as a sole practitioner specializing in securities law at his firm, Woods & Company, in West Vancouver and Vancouver, British Columbia. Mr. Woods has been practicing law for the past 32 years, most of which has involved acting for publicly listed companies. He has served on the boards of numerous companies listed on the TSX Venture Exchange.

**ITEM 4: AUDIT COMMITTEE OVERSIGHT**

At no time since the commencement of the Corporation's most recently completed financial year was a recommendation of the Committee to nominate or compensate an external auditor (currently, Mao & Ying LLP, Chartered Professional Accountants) not adopted by the Board.

**ITEM 5: RELIANCE ON CERTAIN EXEMPTIONS**

Since the effective date of NI 52-110, the Corporation has not relied on the exemptions contained in sections 2.4, 6.1.1(4), (5) and (6), or Part 8 of the Instrument. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditor where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

**ITEM 6: PRE-APPROVAL POLICIES AND PROCEDURES**

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