

## MONTFORT CAPITAL CORP.

### INFORMATION CIRCULAR FOR THE ANNUAL AND SPECIAL GENERAL MEETING OF THE HOLDERS OF COMMON SHARES TO BE HELD ON JUNE 12, 2024

(As at May 6, 2024, unless indicated otherwise)

#### SOLICITATION OF PROXIES

This Information Circular is provided in connection with the solicitation of proxies by the management of Montfort Capital Corp. (the “**Company**”) for use at the annual and special general meeting of the shareholders of the Company to be held at the offices of PricewaterhouseCoopers, 18 York Street, Toronto, Ontario M5J 0B2, 26<sup>th</sup> Floor, on the 12<sup>th</sup> day of June, 2024 at 10:00 am (Toronto time) (the “**Meeting**”), for the purposes set out in the accompanying notice of meeting and at any adjournment thereof. The solicitation will be made by mail and may also be supplemented by telephone or other personal contact to be made without special compensation by directors, officers and employees of the Company. The Company will bear the cost of this solicitation. The Company will not reimburse shareholders, nominees or agents for the cost incurred in obtaining authorization to execute forms of proxy from their principals.

#### APPOINTMENT AND REVOCATION OF PROXY

##### Registered Shareholders

**Registered Common Shareholders may vote their Common Shares by attending the Meeting in person as outlined above or by completing the enclosed proxy.** Registered shareholders should deliver their completed proxies to Computershare Trust Company of Canada, Proxy Dept., 100 University Avenue, 8th floor, Toronto, Ontario, M5J 2Y1 (by mail, telephone or internet according to the instructions on the proxy), not less than 48 hours (excluding Saturdays, Sundays and holidays) before the commencement of the Meeting, otherwise the shareholder will not be entitled to vote at the Meeting by proxy.

The persons named in the proxy are directors and officers of the Company and are proxyholders nominated by management. **A shareholder has the right to appoint a person other than the nominees of management named in the enclosed instrument of proxy to represent the shareholder at the Meeting. To exercise this right, a shareholder must insert the name of its nominee in the blank space provided. A person appointed as a proxyholder need not be a shareholder of the Company.**

A registered shareholder may revoke a proxy by:

- (a) signing a proxy with a later date and delivering it at the place and within the time noted above;
- (b) signing and dating a written notice of revocation (in the same manner as the proxy is required to be executed, as set out in the notes to the proxy) and delivering it:
  - (i) to the registered office of the Company, care of MLT Aikins LLP, Suite 2600, 1066 West Hastings Street, Vancouver, BC, V6E 3X1, at any time up to and including 4:00 p.m. (Vancouver Time) on the last business day preceding the day of the Meeting, or any adjournment thereof at which the proxy is to be used; or
  - (ii) to the Chair of the Meeting on the day of the Meeting or any adjournment thereof;

- (c) attending the Meeting or any adjournment thereof and registering with the scrutineer as a shareholder present in person, whereupon such proxy shall be deemed to have been revoked; or
- (d) in any other manner provided by applicable law.

### Beneficial Shareholders

**The information set forth in this section is of significant importance to many shareholders, as many shareholders do not hold their shares in the Company in their own name.** Shareholders holding their shares through banks, trust companies, securities dealers or brokers, trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans or other persons (any one of which is herein referred to as an “**Intermediary**”) or otherwise not in their own name (such shareholders herein referred to as “**Beneficial Shareholders**”) should note that only proxies deposited by shareholders appearing on the records maintained by the Company’s transfer agent as registered shareholders will be recognized and allowed to vote at the Meeting. If a shareholder’s shares are listed in an account statement provided to the shareholder by a broker, in all likelihood those shares are **not** registered in the shareholder’s name and that shareholder is a Beneficial Shareholder. Such shares are most likely registered in the name of the shareholder’s broker or an agent of that broker. In Canada the vast majority of such shares are registered under the name of CDS & Co., the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms. Shares held by brokers (or their agents or nominees) on behalf of a broker’s client can only be voted at the Meeting at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker’s clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate party well in advance of the Meeting.**

Regulatory policies require Intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. Beneficial Shareholders have the option of not objecting to their Intermediary disclosing certain ownership information about themselves to the Company (such Beneficial Shareholders are designated as non-objecting beneficial owners, or “**NOBOs**”) or objecting to their Intermediary disclosing ownership information about themselves to the Company (such Beneficial Shareholders are designated as objecting beneficial owners, or “**OBOs**”). The Company does not intend to pay for Intermediaries to forward the Meeting Materials to OBOs. OBOs will not receive the Meeting Materials unless their Intermediary assumes the cost of delivery.

In accordance with the requirements of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), the Company has elected to send the notice of meeting, this Information Circular and a request for voting instructions (a “**VIF**”), instead of a proxy (the notice of Meeting, Information Circular and VIF or proxy are collectively referred to as the “**Meeting Materials**”) indirectly to the NOBOs and indirectly through Intermediaries to the OBOs. The Intermediaries (or their service companies) are responsible for forwarding the Meeting Materials to OBOs.

Meeting Materials sent to Beneficial Shareholders are accompanied by a VIF, instead of a proxy. By returning the VIF in accordance with the instructions noted on it, a Beneficial Shareholder is able to instruct the Intermediary (or other registered shareholder) how to vote the Beneficial Shareholder’s shares on the Beneficial Shareholder’s behalf. For this to occur, it is important that the VIF be completed and returned in accordance with the specific instructions noted on the VIF.

The majority of Intermediaries now delegate responsibility for obtaining instructions from Beneficial Shareholders to Broadridge Investor Communication Solutions (“**Broadridge**”) in Canada. Broadridge typically prepares a machine-readable VIF, mails these VIFs to Beneficial Shareholders and asks Beneficial Shareholders to return the VIFs to Broadridge, usually by way of mail, the Internet or

telephone. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting by proxies for which Broadridge has solicited voting instructions. A Beneficial Shareholder who receives a Broadridge VIF cannot use that form to vote shares directly at the Meeting. The VIF must be returned to Broadridge (or instructions respecting the voting of shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the shares voted. If you have any questions respecting the voting of shares held through an Intermediary, please contact that Intermediary for assistance.

In either case, the purpose of this procedure is to permit Beneficial Shareholders to direct the voting of the shares which they beneficially own. **A Beneficial Shareholder receiving a VIF cannot use that form to vote Common Shares directly at the Meeting. Beneficial Shareholders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered.** Should a Beneficial Shareholder who receives a VIF wish to attend the Meeting or have someone else attend on their behalf, the Beneficial Shareholder may request a legal proxy as set forth in the VIF, which will grant the Beneficial Shareholder or their nominee the right to attend and vote at the Meeting.

Only registered shareholders have the right to revoke a proxy. A Beneficial Shareholder who wishes to change its vote must, at least seven days before the Meeting, arrange for its Intermediary to revoke its VIF on its behalf.

All references to shareholders in this Information Circular and the accompanying instrument of proxy and notice of Meeting are to registered shareholders unless specifically stated otherwise.

The Meeting Materials are being sent to both registered and non-registered owners of the Company's Common Shares. If you are a Beneficial Shareholder and the Company or its agent has sent the Meeting Materials directly to you, your name and address and information about your holdings of the Company's securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. By choosing to send the Meeting Materials to you directly, the Company (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering the Meeting Materials to you and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the VIF.

The Company is not relying on the notice and access delivery procedures outlined in NI 54-101 to distribute copies of proxy-related materials in connection with the Meeting.

## **VOTING OF SHARES AND EXERCISE OF DISCRETION OF PROXIES**

If a shareholder specifies a choice with respect to any matter to be acted upon, the shares represented by proxy will be voted or withheld from voting by the proxyholder in accordance with those instructions on any ballot that may be called for. In the enclosed form of proxy, in the absence of any instructions in the proxy, it is intended that such shares will be voted by the proxyholder, if a nominee of management, in favour of the motions proposed to be made at the Meeting as stated under the headings in the notice of meeting accompanying this Information Circular. If any amendments or variations to such matters, or any other matters are properly brought before the Meeting, the proxyholder, if a nominee of management, will exercise its discretion and vote on such matters in accordance with its best judgment.

The instrument of proxy enclosed, in the absence of any instructions in the proxy, also confer discretionary authority on any proxyholder other than the nominees of management named in the instrument of proxy with respect to the matters identified herein, amendments or variations to those matters, or any other matters which may properly be brought before the Meeting. To enable a proxyholder to exercise its discretionary authority a shareholder must strike out the names of the nominees of management in the enclosed instrument of proxy and insert the name of its nominee in the

space provided, and not specify a choice with respect to the matters to be acted upon. This will enable the proxyholder to exercise its discretion and vote on such matters in accordance with its best judgment.

At the time of printing this Information Circular, management of the Company is not aware that any amendments or variations to existing matters or new matters are to be presented for action at the Meeting.

Common Shareholders should complete and return the **proxy**. Common Shareholders are entitled to vote on all matters before the Meeting.

#### **MEETING HELD OUTSIDE OF BRITISH COLUMBIA**

On February 28, 2023, the Company announced in a news release that its head office had been re-located to Ontario. Accordingly, pursuant to section 166(1)(b)(iii) of the *Business Corporations Act* (British Columbia), the Company obtained approval from the British Columbia Registrar of Companies on April 24, 2024 to hold its Meeting in Toronto, Ontario.

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

The Company is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of each of the following persons in any matter to be acted upon at the Meeting other than the election of directors and the approval of the Amended and Restated Equity Incentive Plan (as defined herein) and the Employee Share Purchase Plan (as defined herein):

- (a) each person who has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year;
- (b) each proposed nominee for election as a director of the Company; and
- (c) each associate or affiliate of any of the foregoing.

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

The authorized capital of the Company consists of an unlimited number of Common Shares, an unlimited number of non-voting Series A Class A preferred shares ("**Series A Preferred Shares**") and an unlimited number of non-voting Series 1 Class C preferred shares ("**Series 1 Preferred Shares**"). On May 6, 2024 (the "**Record Date**"), the Company had 93,720,956 Common Shares outstanding, 28,485,994 Series A Preferred Shares and 498,800 Series 1 Preferred Shares outstanding. All Common Shares in the capital of the Company are of the same class and each carries the right to one vote. Common Shareholders of record on the Record Date are entitled to attend and vote at the Meeting. Preferred shareholders do not have the right to vote at any general meetings of the shareholders.

To the knowledge of the directors and executive officers of the Company, as of the date of this Information Circular, there are no persons that beneficially own, directly or indirectly, or exercise control or direction over, 10% or more of the voting rights attached to the Common Shares of the Company except as follows:

Name of Shareholder	Number of Common Shares Held	Percentage of Issued and Outstanding Common Shares
Ken Thomson <sup>(1)</sup>	17,569,000	19.0%
Blake Albright <sup>(2)</sup>	17,500,000	18.9%

**Note:**

(1) Mr. Thomson holds 17,569,000 Common Shares through a wholly-owned holding company, Universal Financial Corp.

(2) Mr. Albright holds all 17,500,000 Common Shares through a wholly-owned holding company, GreatBlake Holdings Inc.

## EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

#### *Interpretation*

“Named executive officer” (“**NEO**”) means:

- (a) a Chief Executive Officer (“**CEO**”);
- (b) a Chief Financial Officer (“**CFO**”);
- (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 for that financial year; and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

The NEOs who are the subject of this Compensation Discussion and Analysis are Michael Walkinshaw, Andrew Abouchar, Brooke Jutzi, Ken Thomson and Blake Albright.

#### **Compensation Program Objectives**

The objectives of the Company’s executive compensation program are as follows:

- to attract, retain and motivate talented executives who create and sustain the Company’s continued success;
- to align the interests of the Company’s executives with the interests of the Company’s shareholders; and
- to provide total compensation to executives that is competitive with that paid by other companies of comparable size engaged in similar business in appropriate regions.

Overall, the executive compensation program aims to design executive compensation packages competitive with executive compensation packages for executives with similar talents, qualifications and responsibilities at companies with similar financial, operating and industrial characteristics. The Company has not yet reached consistent profitability and therefore performance standards, such as

corporate profitability were deemed by the Company to not be appropriate in the evaluation of the performance of the NEOs at this time.

### ***Purpose of the Compensation Program***

The Company's executive compensation program has been designed to reward executives for reinforcing the Company's business objectives and values, for achieving the Company's performance objectives and for their individual performances.

### ***Elements of Compensation Program***

The executive compensation program consists of salaries or consulting fees, cash bonuses, and the granting of equity incentives. Director compensation consists of director's fees and the granting of equity incentives.

### ***Purpose of Each Element of the Executive Compensation Program***

The salaries/consulting fees of a NEO are intended to attract and retain executives by providing a reasonable amount of non-contingent remuneration.

The cash bonus of a NEO is intended to reward goal attainment over the most recent 12 month period.

The use of equity incentives encourages and rewards performance by aligning an increase in each NEO's compensation with increases in the Company's performance and in the value of the shareholders' investments over the longer term.

### ***Determination of the Amount of Each Element of the Executive Compensation Program***

#### *Human Resources ("HR") Committee*

The HR Committee reviews from time to time and at least once annually, the risks, if any, associated with the Company's compensation policies and practices at such time. Such a review occurred on October 4, 2023. Implicit in the Board's mandate is that the Company's policies and practices respecting compensation, including those applicable to the Company's executives, be designed in a manner which is in the best interests of the Company and its shareholders and risk implications is one of many considerations which are taken into account in such design.

It is anticipated that a significant portion of the Company's executive compensation will consist of equity awards granted under Equity Incentive Plan (as defined herein). Such compensation is both "long term" and "at risk" and, accordingly, is directly linked to the achievement of long term value creation. As the benefits of such compensation, if any, are not realized by the executive until a significant period of time has passed, the ability of executives to take inappropriate or excessive risks that are beneficial to them from the standpoint of their compensation at the expense of the Company and its shareholders is limited.

While neither salary, directors' fees, nor cash bonuses are "long term" or "at risk", as noted above, Company executives are significant investors in the Common Shares. As such, executives are not incentivized to take inappropriate or excessive risks at the expense of the Company and its shareholders that would be beneficial to them from the standpoint of their short-term compensation when their long-term compensation might be put at risk from their actions.

On August 16, 2022, Mr. Thomson entered into an employment agreement under which his base salary equals \$350,000. For 2023, Mr. Thomson was paid \$438,000, which includes a cash bonus of \$88,000, plus he was awarded 160,125 stock options and 80,350 RSUs.

On August 16, 2022, Mr. Abouchar entered into an employment agreement under which his base salary equals \$350,000. For 2023, Mr. Abouchar was paid \$438,000, including a cash bonus of \$88,000, and awarded 160,125 stock options and 1,080,350 RSU's.

On August 16, 2022, Mr. Albright entered into an employment agreement under which his base salary equals \$350,000. For 2023, Mr. Albright was paid \$438,000, which includes a cash bonus of \$88,000, plus he was awarded 80,350 stock options and 80,350 RSUs.

On August 16, 2022, Mr. Walkinshaw entered into an employment agreement under which his base salary equals \$400,000. For 2023, Mr. Walkinshaw was paid \$731,250, including a cash severance of \$654,583, and awarded 200,000 stock options on termination. On February 28, 2023, Mr. Walkinshaw was terminated by the Company without cause and was paid severance in lieu of notice in accordance with the terms of Mr. Walkinshaw's employment agreement.

The base compensation, cash bonus and equity awards will be reviewed on an annual basis by the HR Committee.

Due to the small size of the Company, and the current level of the Company's activity, the Board is able to closely monitor and consider any risks which may be associated with the Company's compensation policies and practices. Risks, if any, may be identified and mitigated through regular Board and Committee meetings during which, financial and other information of the Company are reviewed, and which includes executive compensation. No risks have been identified arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

### ***Equity Incentive Plan***

The Company has an equity incentive plan which was adopted by the Board of Directors on April 27, 2022 and first approved by the shareholders of the Company on June 7, 2022 (the "**Old Equity Incentive Plan**"). At the Meeting, Shareholders will be asked to approve an amended and restated equity incentive plan (the "**Amended and Restated Equity Incentive Plan**") that authorizes 18,744,191 Common Shares to be issuable under the Amended and Restated Equity Incentive Plan, representing 20% of the issued and outstanding Common Shares as of the date hereof (the "**Award Limit**"). Any Additional Shares (as defined below) and New Plan Shares (as defined below) acquired or issued by the Company, as the case may be, under the Employee Share Purchase Plan will count towards the Award Limit under the Amended and Restated Equity Incentive Plan. Other than increasing the fixed component of the equity incentive plan, removing the 10% "rolling" component of plan and making certain other clarifying revisions, the Amended and Restated Equity Incentive Plan will have the same terms and conditions as the Old Equity Incentive Plan. The Amended and Restated Equity Incentive Plan allows the Company to grant incentive stock options ("**Options**"), restricted share units ("**RSUs**"), performance share units ("**PSUs**"), deferred share units ("**DSUs**") and stock appreciation rights ("**SARs**") to eligible participants.

The Amended and Restated Equity Incentive Plan provides the Company with the ability and flexibility to make broader and different forms of equity rewards as part of its need to retain a competitive compensation structure for its directors, officers, employees and consultants. The purpose of the Amended and Restated Equity Incentive Plan is to, among other things: (i) provide the Company with a mechanism to attract, retain and motivate qualified directors, officers, employees and consultants of the Company and its subsidiaries; (ii) reward directors, officers, employees and consultants that have been granted Awards (as defined below) under the Equity Incentive Plan for their contributions toward the long-term goals and success of the Company; and (iii) enable and encourage such directors, officers, employees and consultants to acquire Common Shares of the Company as long-term investments and proprietary interests in the Company.

A summary of certain provisions of the Amended and Restated Equity Incentive Plan is set out below, and a full copy of the Amended and Restated Equity Incentive Plan will be available for review at the Meeting. This summary is qualified in its entirety by the full copy of the Amended and Restated Equity Incentive Plan.

*a. Eligibility*

The Amended and Restated Equity Incentive Plan provides flexibility to the Company to grant equity-based incentive awards in the form of Options, RSUs, PSUs, DSUs and SARs (collectively, the “**Awards**”) to attract, retain and motivate qualified bona fide directors, officers, employees and consultants of the Company and its subsidiaries (collectively, the “**Participants**”).

The Equity Incentive Plan limits persons who perform investor relations activities on behalf of the Company or any of its subsidiaries to only being eligible to receive Options.

*b. Number of Shares Issuable*

The aggregate number of Common Shares issuable to Participants under the Amended and Restated Equity Incentive Plan and the ESPP (as defined below) will be equal to 20% of the issued and outstanding Common Shares as of the date hereof, which totals 18,744,191 Common Shares.

The aggregate number of Common Shares that may be issued to Participants under the share-based compensation component of the Equity Incentive Plan is fixed at a maximum of 9,084,867 Common Shares.

*c. Limits on Participation*

The Amended and Restated Equity Incentive Plan provides for the following limits on Award grants, for so long as the Company is subject to requirements of the TSX Venture Exchange (the “**TSXV**”), unless disinterested Shareholder approval is obtained or unless permitted otherwise pursuant to the policies of the TSXV:

- (a) The maximum number of Common Shares that may be issued to any one Participant (and where permitted pursuant to the policies of the TSXV, any company that is wholly-owned by the Participant) under the Amended and Restated Equity Incentive Plan and the ESPP within a twelve (12) month period, may not exceed 5% of the issued and outstanding Common Shares calculated on the date of grant;
- (b) The maximum number of Common Shares collectively issued to Insiders (as defined under the Amended and Restated Equity Incentive Plan) under the Amended and Restated Equity Incentive Plan and the ESPP within a twelve (12) month period may not exceed 10% of the issued and outstanding Common Shares calculated on the date of grant;
- (c) The maximum number of Common Shares that may be collectively issued to Insiders (as defined under the Amended and Restated Equity Incentive Plan) under the Amended and Restated Equity Incentive Plan and ESPP may not exceed 10% of the issued and outstanding Common Shares at any time;
- (d) The maximum number of Common Shares that may be issued to Consultants under the Amended and Restated Equity Incentive Plan and ESPP (as each term is defined in the Amended and Restated Equity Incentive Plan) may not exceed 2% in aggregate in any twelve (12) month period;
- (e) The maximum number of Common Shares that may be issued to Investor Relations Service Providers under the Amended and Restated Equity Incentive Plan (as each term is defined in the Amended and Restated Equity Incentive Plan) may not exceed 2% in aggregate in any twelve (12) month period;

- (f) The vesting of any Awards issued to Investor Relation Service Providers must be over twelve (12) months with no more than 25% of the Award vesting in any three (3) month period.

*d. Administration*

The plan administrator of the Amended and Restated Equity Incentive Plan (the “**Plan Administrator**”) will be the Board or a committee of the Board, if delegated. The Plan Administrator will, among other things, determine which directors, officers, employees or consultants are eligible to receive Awards under the Amended and Restated Equity Incentive Plan; determine any vesting provisions or other restrictions on Awards; determine conditions under which Awards may be granted, vested or settled, including establishing performance goals; establish the form of Award agreement (the “**Award Agreement**”); interpret the Amended and Restated Equity Incentive Plan; and make all other determinations and take all other actions necessary or advisable for the implementation and administration of the Amended and Restated Equity Incentive Plan.

All of the Awards are subject to the conditions, limitations, restrictions, vesting, settlement and forfeiture provisions determined by the Plan Administrator, in its sole discretion, subject to such limitations provided in the Amended and Restated Equity Incentive Plan, and will be evidenced by an Award Agreement. In addition, subject to the limitations provided in the Amended and Restated Equity Incentive Plan and in accordance with applicable law, the Plan Administrator may, subject to prior TSXV approval, accelerate the vesting or payment of Awards, cancel or modify outstanding Awards and waive any condition imposed with respect to Awards or Common Shares issued pursuant to Awards.

Subject to the terms and conditions of the Amended and Restated Equity Incentive Plan, the Plan Administrator may, in its discretion, credit outstanding Share Units (as defined below) and DSUs with dividend equivalents in the form of additional Share Units and DSUs, respectively, as of each dividend payment date in respect of which normal cash dividends are paid on Common Shares, provided that the dividend equivalents do not contravene the limits for Awards described in Section (c), above, or cause the number of Awards outstanding to exceed the number of Awards available under the Amended and Restated Equity Incentive Plan. Dividend equivalents credited to the Participant’s account shall vest in proportion to the Share Units and DSUs to which they related, and shall be settled in accordance with the terms of the Amended and Restated Equity Incentive Plan. Where the issuance of Common Shares pursuant to the settlement of dividend equivalents will result in the Company having insufficient Common Shares available for issuance or would result in the Company breaching its limits on grants of Awards, as set out above, the Company shall settle such dividend equivalents in cash.

*e. Options*

The Amended and Restated Equity Incentive Plan provides for the grants of Options. Options granted under the Amended and Restated Equity Incentive Plan allow a Participant to acquire a Common Share at an exercise price set by the Plan Administrator at the time of such grant (the “**Exercise Price**”). The Exercise Price cannot be less than 100% of the last closing price of the Common Shares as traded on the TSXV, less the applicable discounts permitted by the TSXV or such other minimum exercise price as may be required by the TSXV. The maximum term that Options can be exercised under the Amended and Restated Equity Incentive Plan is 10 years from the date of grant.

The Amended and Restated Equity Incentive Plan allows the Plan Administrator, in its discretion, to grant Participant the right to exercise an Option on a “cash-less exercise” basis (the “**Cashless Exercise Right**”). If a Participant exercises such Cashless Exercise Right, upon exercise of an Option, the Participant will receive such number of Common Shares, disregarding fractions, equal to (a) the product of the number of Common Shares subject to exercised Option multiplied by the difference between the fair market value of the Common Shares on the trading day immediately prior to the exercise of the Cashless Exercise Right and the Exercise Price; and (b) such product divided by the fair

market value of the Common Shares on the trading day immediately prior to the exercise of the Cashless Exercise Right. At the discretion of the Plan Administrator, Participants can also receive a cash payment in lieu of Common Shares upon election of the Cashless Exercise Right, such cash payment to be equal to the product of the number of Options being exercised multiplied by the difference between the fair market value of the Common Shares on the trading day immediately prior to the exercise of the Cashless Exercise Right and the Exercise Price of such exercised Option.

*f. Settlement of Vested Share Units*

The Amended and Restated Equity Incentive Plan provides for the grant of RSUs. A RSU is a unit equivalent in value to a Common Share which entitles the holder to receive one Common Share, or cash, or a combination thereof for each vested RSU. RSUs shall, unless otherwise determined by the Board, and as specifically set out in the Award Agreement, vest, if at all, following a period of continuous employment of the Participant with the Company or a subsidiary.

The Amended and Restated Equity Incentive Plan also provides for the grant of PSUs. A PSU (together with a RSU, a “**Share Unit**”) entitles the holder to receive one Common Share, or cash, or a combination thereof, for each vested PSU. PSUs shall, unless otherwise determined by the Board, and as specifically set out in the Award Agreement, vest, if at all, subject to the attainment of certain performance goals and satisfaction of such other conditions to vesting, if any, as may be determined by the Board.

Except for when a Participant dies or ceases to be a Participant under the Amended and Restated Equity Incentive Plan due to a change of control of the Company, no Share Unit shall vest prior to the first anniversary of its date of issuance. Upon settlement of the Share Units, which shall be within thirty (30) days of the date that the applicable vesting criteria are met, deemed to have been met or waived, holders will receive any, or a combination of, the following (as determined solely at the discretion of the Board):

- (a) One (1) fully paid and non-assessable Common Share issued from treasury in respect of each vested Share Unit; or
- (b) A cash payment, which shall be determined by multiplying the number of Share Units redeemed for cash by the Fair Market Value (as defined in the Amended and Restated Equity Incentive Plan) of a Common Share on the date of settlement.

The Company reserves the right to change its allocation of Common Shares and/or cash payment in respect of a Share Unit settlement at any time up until payment is actually made. If a settlement date for a Share Unit occurs during a trading black-out period imposed by the Company to restrict trades in its securities, then, notwithstanding any other provision of the Amended and Restated Equity Incentive Plan, the Share Unit shall be settled after the trading black-out period is lifted by the Company, subject to certain exceptions.

*g. Settlement of Vested DSUs*

The Amended and Restated Equity Incentive Plan provides for the grant of DSUs. A DSU is a unit equivalent in value to a Common Share which entitles the holder to receive one Common Share, or cash, or a combination thereof, for each vested DSU on a future date following the Participant's separation of services from the Company or its subsidiaries. Except where a Participant dies or otherwise ceases to be a Participant due to a change of control in the Company and as set out below, no DSU shall vest prior to the first anniversary of its date of grant. Upon settlement of DSUs, which shall be no earlier than the date of the Participant's termination of services with the Company or its

subsidiaries and no later than one year after such date, holders of DSUs will receive any or a combination of the following (as determined solely at the discretion of the Board):

- (a) One fully paid and non-assessable Common Share issued from treasury in respect of each vested DSU; or
- (b) A cash payment, determined by multiplying the number of DSUs redeemed for cash by the Fair Market Value of a Common Share on the date of settlement.

The Company reserves the right to change its allocation of Common Shares and/or cash payment in respect of a DSU settlement at any time up until payment is actually made. If a settlement date for a DSU occurs during a trading black-out period imposed by the Company to restrict trades in its securities, then, notwithstanding any other provision of the Amended and Restated Equity Incentive Plan, the DSU shall be settled after the trading black-out period is lifted by the Company, subject to certain exceptions.

*h. Settlement of Vested SARs*

The Amended and Restated Equity Incentive Plan provides for the grant of SARs. A SAR represents a right to a payment of cash or Common Shares (or a combination thereof) equal to the Market Price (as defined in the Amended and Restated Equity Incentive Plan) of a Common Share on the date the SAR is exercised, less the base value of the Share Appreciation Right (the “**Appreciation Value**”). The base value of a SAR set by the Board must not be less than the Market Price of a Common Share on the date of grant.

On the exercise of any vested SAR, an amount equal to the Appreciation Value will be paid in cash or Common Shares (or a combination thereof) at the election of the Board, after deduction of applicable withholding taxes. No SAR may vest before the date that is one year from the original grant date of such SAR.

*i. Termination of Employment or Services and Change of Control*

The following describes the impact of certain events that may, unless otherwise determined by the Board or as set forth in an Award Agreement, lead to the early expiry of Awards granted under the Amended and Restated Equity Incentive Plan.

Termination by the Company for Cause (as defined in the Amended and Restated Equity Incentive Plan):	Forfeit all vested and unvested Awards immediately as of date of termination.
Voluntary Resignation of an Amended and Restated Equity Incentive Plan Participant:	Forfeiture of all unvested Awards. Settlement of all vested Awards in accordance with the Amended and Restated Equity Incentive Plan. Vested awards will be exercisable for a maximum period of 90 days from the date of resignation.
Termination of Employment by the Company other than for Cause:	Immediate vesting of all unvested Awards and such Awards will remain exercisable for a maximum period ending 90 days from the date of termination; however, no Award can vest less than 12 months from the date of grant.

Termination by Reason of Disability:	All vested Awards may be exercised for a maximum period of 90 days from the date of Disability or Death (as each is defined in the Amended and Restated Equity Incentive Plan).
Termination by Reason of Death:	For Options and SARs, they fully vest and can be exercised for a period of 12 months from the date of death. PSUs, RSUs and DSUs vest on date of death, subject to satisfaction of conditions in the Award Agreement and are settled in accordance with the Amended and Restated Equity Incentive Plan.
Termination by Reason of Retirement:	Awards continue to vest and remain exercisable for 12 months following retirement of a Participant. If the Participant starts new employment with a competitor, the Awards will only be exercisable for 90 days from the date of new employment. No Awards other than Options may vest less than 12 months from the date of grant by reason of retirement.

Any Award granted to a Director under the Amended and Restated Equity Incentive Plan shall terminate at a date no later than twelve (12) months from the date such Director ceases to hold office.

Upon or in anticipation of any Change of Control (as defined in the Amended and Restated Equity Incentive Plan) of the Company, the Board may, in its sole and absolute discretion and without the need for consent of any Participant, cancel any Award in exchange for a substitute Award with respect to the successor entity of the Company. The Company may also decide to cause all outstanding Awards to vest and be immediately exercisable by any Participant under the Amended and Restated Equity Incentive Plan provided that such Participant will be terminated without cause upon completion of a Change of Control.

*j. Amendment or Termination of Amended and Restated Equity Incentive Plan*

Subject to the approval of the TSXV, where required, the Board may from time to time, without notice to or approval of the Amended and Restated Equity Incentive Plan Participants or Common Shareholders, terminate the Amended and Restated Equity Incentive Plan. Amendments made to the Amended and Restated Equity Incentive Plan shall require regulatory and Common Shareholder approval, except for the following: (i) amendments of a technical or 'housekeeping' nature or to clarify any provision of the Amended and Restated Equity Incentive Plan; (ii) to terminate the Amended and Restated Equity Incentive Plan; (iii) amend the Amended and Restated Equity Incentive Plan to respond to changes in legislation, regulations, stock exchange rules or accounting or auditing requirements; (iv) amendments in respect of the vesting provisions of any Award; and (v) amendments to the termination provisions of Awards issued under the Amended and Restated Equity Incentive Plan that do not entail an extension beyond the original expiry date.

If any amendment to an Award issued under the Amended and Restated Equity Incentive Plan reduces the exercise price of stock options or extends the expiry date of Awards granted to Insiders (as defined under the Amended and Restated Equity Incentive Plan), disinterested shareholder approval of such amendments would be required before they become effective.

## Employee Share Purchase Plan

At the Meeting, the Company will seek shareholder approval for a new Employee Share Purchase Plan, which is designed to advance the interests of the Company by facilitating and encouraging directors, officers, employees and consultants of the Company and its affiliates (the “**Participants**”) to purchase Shares and allow them to have a direct interest in the Company’s success. The material terms under which Participants may purchase Shares under the Employee Share Purchase Plan are summarized under “Particulars of Other Matters to be Acted Upon” – Approval of Employee Share Purchase Plan”.

## Compensation Governance

The Directors’ and NEOs’ compensation is determined and reviewed by the Board and the HR Committee.

## Summary Compensation Table

The following table presents information concerning all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, to NEOs by the Company and its subsidiaries for services in all capacities to the Company during the Company’s three most recent financial years ended:

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards \$(1)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other comp (6) (\$)	Total comp (\$)
					Annual incentive plans	Long-term incentive plans			
Ken Thomson, CEO and Director (2)	2023	350,000	892	23,824	nil	nil	nil	88,000	462,716
	2022	199,013	4,039	12,890	nil	nil	nil	105,050	320,993
	2021	55,229	nil	6,155	nil	nil	nil	0	61,384
Andrew Abouchar, former CEO and former Director (3)	2023	350,000	296,398	23,123	nil	nil	nil	88,000	757,522
	2022	325,978	10,615	18,439	nil	nil	nil	48,200	403,231
	2021	200,816	nil	14,487	nil	nil	nil	33,000	248,303
Blake Albright, Chief Capital Officer and Director	2023	350,000	892	8,923	nil	nil	nil	88,000	447,815
	2022	131,250	nil	nil	nil	nil	nil	48,038	179,288
	2021	nil	nil	nil	nil	nil	nil	nil	nil
Mike Walkinshaw, former CEO and former director (4)	2023	76,667	17,425	0	nil	nil	nil	654,583	748,675
	2022	362,358	10,615	18,727	nil	nil	nil	53,500	445,200
	2021	231,943	nil	16,926	nil	nil	nil	33,000	281,869
Brooke Jutzi, Interim CFO (5)	2023	227,500	69,521	14,198	nil	nil	nil	60,000	371,218
	2022	130,022	0	21,939	nil	nil	nil	10,800	162,762
	2021	81,811	0	14,925	nil	nil	nil	17,500	114,236

**Note:**

- (1) Option-based and share-based awards awarded in 2023 are calculated as the proportion of the share-based expense for each grant that was allocated to each NEO or director.
- (2) On February 22, 2024, Mr. Thomson became CEO of Montfort. Prior to becoming CEO, Mr. Thomson was Chief Strategy Officer of the Company.
- (3) On February 28, 2023, Mr. Abouchar was appointed as Interim CEO. On February 22, 2024, Mr. Abouchar resigned as CEO.
- (4) On February 28, 2023, the Company terminated Mr. Walkinshaw without cause.
- (5) On February 28, 2023, Ms. Jutzi replaced Mr. Abouchar as CFO of the Company.
- (6) Other compensation amounts include cash bonus and severance payments.

## Incentive Plan Awards - Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information in respect of all share-based awards and option-based awards outstanding at the end of the most recently completed financial year to the NEOs of the Company:

NEO	Option-Based Compensation					Share-based Compensation		
	Number of securities underlying unexercised options (#)	Number of unvested options (#)	Option exercise price (\$)	Option expiration date (1)	Value of unexercised in-the-money vested options(2) (\$)	Number of unvested shares or units of shares (#)	Market or payout value of unvested share-based awards (\$) (3)(4)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Ken Thomson, CEO and Director	-	-	-	-	-	80,350	11,161	0
	100,000	24,018	0.3	2026-09-20	0	N/A	nil	nil
	80,000	29,078	0.42	2027-02-02				
160,125	117,717	0.35	2028-03-15					
Andrew Abouchar, Former CEO and Former Director	-	-	-	-	-	1,130,350	83,079	0
	90,000	0	0.22	2024-05-13	0	N/A	nil	nil
	90,000	0	0.2	2025-03-09				
	100,000	1,735	0.19	2026-01-18				
	80,000	29,078	0.42	2027-02-02				
160,125	117,717	0.35	2028-03-15					
Blake Albright, Chief Capital Officer and Director	-	-	-	-	-	80,350	11,161	0
	160,125	117,717	0.35	2028-03-15	0	N/A	nil	nil
Mike Walkinshaw, Former CEO and Former Director	-	-	-	-	-	50,000	17,425	-
	110,000	0	0.22	2024-05-13	0	N/A	nil	nil
	90,000	0	0.20	2024-05-28				
	100,000	0	0.19	2024-05-28				
	80,000	0	0.42	2024-05-28				
200,000	0	0.50	2024-05-16					
Brooke Jutzi, Interim CFO	-	-	-	-	-	250,000	17,979	0
	220,000	0	0.2	2025-03-09	0	N/A	nil	nil
	75,000	1,301	0.19	2026-01-18				
	55,000	19,991	0.42	2027-02-02				
55,000	39,680	0.40	2028-02-28					

- (1) In accordance the terms of the Company's Amended and Restated Equity Incentive Plan, (i) if expiration date of an option falls during, or within 10 days following the expiration of a Blackout period, such expiration date shall automatically be extended for a period of 10 days following the end of the Blackout Period, (ii) upon retirement or termination without cause, any unvested options will immediately vest and all vested options will remain exercisable for a maximum period of 90 days following the date of termination. The "date of termination" refers to the later of: (1) the actual last day worked by the Employee or Consultant, and (ii) the last date of the period that the participant is in eligible receipt of or is eligible to receive any statutory, contractual or common law notice or pay in lieu thereof.
- (2) The value of the unexercised in-the-money options as of December 31, 2023 is the difference between the closing price of the underlying shares as of that date and the exercise price, based on the closing price of the Common Shares of \$0.135 as of December 31, 2023, multiplied by the number of securities underlying unexercised options. These options have not been, and may never be, exercised, and actual gains if any, on exercise will depend on the value of the Common Shares on the date of exercise.
- (3) Based on the closing price of the Common Shares on December 31, 2023 of \$0.135.
- (4) The vesting of all PSU grants on the attainment of the applicable performance objectives. The PSUs may also vest at 0%. These estimates do not take into consideration future dividend payments.

## Incentive Plan Awards – Value Vested or Earned During the Most Recently Completed Financial Year

The following table presents information concerning value vested with respect to option-based awards and share-based awards for each NEO during the most recently completed financial year:

NEO	Option-based awards – Value vested during the year (\$) <sup>(1)</sup>	Share-based awards – Value vested during the year (\$) <sup>(2)</sup>	Non-equity incentive plan compensation – Value earned during the year (\$) <sup>(3)</sup>
Ken Thomson	23,824	892	n/a
Andrew Abouchar	23,123	296,398	n/a
Blake Albright	8,923	892	n/a
Mike Walkinshaw	0	17,425	n/a
Brooke Jutzi	14,198	69,521	n/a

**Note:**

- (1) The value is determined assuming the stock options would have been exercised on the vesting date of each relevant grant, based on the difference between the closing price of the Common Shares as of that date and the exercise price. Some of these options have not been, and may never be, exercised, and actual gains, if any, on exercise will depend on the value of the Common Shares on the date of exercise.
- (2) Given the decline in the share price over the year, the PSUs granted to Ken Thomson and Blake Albright were deemed to be less likely to mature in the money, as such a previously recognized expense has been reversed.
- (3) The value is the amount of the short-term incentive plan payout earned in the financial year ended December 31, 2023 as disclosed in the “Summary Compensation Table” of this Circular.

### Pension Plan Benefits – Defined Benefits Plan

The Company does not have a Defined Benefits Pension Plan.

### Pension Plan Benefits – Defined Contribution

The Company does not have a Defined Contribution Pension Plan.

### Termination and Change of Control Benefits

The Company’s policy is to request the inclusion of non-solicitation, non-disclosure and non-compete provisions in any termination or severance agreements or arrangements with NEOs, and, subject to any individual agreement or arrangement which may be entered into between the Company and any of the NEOs, a separation allowance is paid only if the employment is terminated by the Corporation for any reason other than just cause.

In the case of Andrew Abouchar, there is an agreement pursuant to which he would be entitled to receive a separation allowance in an amount equal to 12 months of his base salary and target bonus if his employment was terminated by the Company without cause. After voluntarily resigning as Interim CEO on February 22, 2024, Mr. Abouchar continues to serve the Company as a consultant.

In the case of Ken Thomson, there is an agreement pursuant to which he would be entitled to receive a separation allowance in an amount equal to 12 months of his base salary and target bonus if his employment was terminated by the Company without cause.

In the case of Blake Albright, there is an agreement pursuant to which he would be entitled to receive a separation allowance in an amount equal to 12 months of his base salary and target bonus if his employment was terminated by the Company without cause.

## Director Compensation

### Director Compensation Table

The following table sets forth information with respect to all amounts of compensation provided to the directors of the Company (other than those directors who are also NEOs) for the most recently completed financial year.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards <sup>(1)</sup> (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Howard Atkinson <sup>(2)</sup>	76,500	31,123	0	N/A	N/A	Nil	107,623
David Demers	51,000	31,123	0	N/A	N/A	Nil	82,123
Paul Geyer	43,000	31,123	0	N/A	N/A	N/A	74,123
Jan Lederman	46,000	31,123	0	N/A	N/A	N/A	77,123
Thealzel Lee	51,000	31,123	0	N/A	N/A	N/A	82,123
Robert Napoli	46,000	31,123	0	N/A	N/A	N/A	77,123

**Notes:**

- (1) Option-based and share-based awards in 2023 are calculated as the proportion of the share-based expense for each grant that was allocated to each NEO or director.
- (2) Audit committee chair.

### Share-Based Awards, Options-Based Awards and Non-Equity Incentive Plan Compensation

#### Incentive Plan Awards - Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information in respect of all share-based awards and option-based awards outstanding at the end of the most recently completed financial year to the directors of the Company (other than the NEOs):

Name	Option-based Awards					Share-based Awards		
	Number of securities underlying unexercised options (#)	Number of unvested options (#)	Option exercise price (\$)	Option expiration date <sup>(1)</sup>	Value of unexercised in-the-money vested options <sup>(2)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$) <sup>(3)(4)</sup>	Market or payout value of vested share-based awards not paid out or distributed (\$)
Howard Atkinson	-	-	-	-	-	160,000	19,792	31,123
	100,000	0	0.22	2024-05-13	0	N/A	nil	nil
	100,000	0	0.17	2025-03-09				
	100,000	0	0.435	2025-06-02				
David Demers	-	-	-	-	-	160,000	19,792	31,123
	100,000	0	0.22	2024-05-13	0	N/A	nil	nil
	100,000	0	0.17	2025-06-02				
	100,000	0	0.435	2027-02-02				

Paul Geyer	-	-	-	-	-	160,000	19,792	31,123
	100,000	0	0.22	2024-05-13	0	N/A	nil	nil
	100,000	0	0.17	2025-06-02				
	100,000	0	0.435	2026-10-26				
Jan Lederman	-	-	-	-	-	160,000	19,792	31,123
	100,000	0	0.435	2026-10-26	0	N/A	nil	nil
Thealzel Lee	-	-	-	-	-	160,000	19,792	31,123
	100,000	0	0.22	2024-05-13	0	N/A	nil	nil
	100,000	0	0.17	2025-06-02				
	100,000	0	0.435	2026-10-26				
Robert Napoli	-	-	-	-	-	160,000	19,792	31,123
	100,000	0	0.22	2024-05-13	0	N/A	nil	nil
	100,000	0	0.17	2025-06-02				
	100,000	0	0.435	2026-10-26				

**Note:**

- (1) In accordance the terms of the Company's Amended and Restated Equity Incentive Plan, (i) if expiration date of an option falls during, or within 10 days following the expiration of a Blackout period, such expiration date shall automatically be extended for a period of 10 days following the end of the Blackout Period, (ii) upon retirement or termination without cause, any unvested options will immediately vest and all vested options will remain exercisable for a maximum period of 90 days following the date of termination. The "date of termination" refers to the later of: (1) the actual last day worked by the Employee or Consultant, and (ii) the last date of the period that the participant is in eligible receipt of or is eligible to receive any statutory, contractual or common law notice or pay in lieu thereof.
- (2) The value of the unexercised in-the-money options as of December 31, 2023 is the difference between the closing price of the underlying shares as of that date and the exercise price, based on the closing price of the Common Shares of \$0.135 as of December 31, 2023, multiplied by the number of securities underlying unexercised options. All other options have not been, and may never be, exercised, and actual gains if any, on exercise will depend on the value of the Common Shares on the date of exercise.
- (3) Based on the closing price of the Common Shares on December 31, 2022 of \$0.135.
- (4) The vesting of all PSU grants on the attainment of the applicable performance objectives. The PSUs may also vest at 0%. These estimates do not take into consideration future dividend payments.

## Incentive Plan Awards – Value Vested or Earned During the Most Recently Completed Financial Year

The following table presents information concerning value vested with respect to option-based awards and share-based awards for the directors of the Company (other than the NEOs) during the most recently completed financial year:

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Howard Atkinson	0	N/A	N/A
David Demers	0	N/A	N/A
Paul Geyer	0	N/A	N/A
Jan Lederman	0	N/A	N/A
Thealzel Lee	0	N/A	N/A
Robert Napoli	0	N/A	N/A

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLAN

The following table sets out, as of the end of the most recently completed financial year, all required information with respect to compensation plans under which equity securities of the Company are authorized for issuance:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Option plans approved by security holders(1)	8,015,001	\$0.34	1,242,095
Share based plans approved by security holders (2)	8,551,050	N/A	533,817
Option plans not approved by security holders	Nil	N/A	Nil
Total	16,566,051	-	1,775,912

**Note:**

- (1) As at December 31, 2023, the total number of Common Shares that may be reserved and authorized for issuance pursuant to the option component of the Amended and Restated Equity Incentive Plan will be equal to 10% of the issued and outstanding Common Shares.
- (2) As at December 31, 2023, the total number of Common Shares that may be reserved and authorized for issuance pursuant to share based compensation granted under the Amended and Restated Equity Incentive Plan is fixed to a maximum of 10% of the issued and outstanding Common Shares following completion of the Brightpath acquisition, being 9,084,867 Common Shares as at December 31, 2023

## CORPORATE GOVERNANCE

### ***Board of Directors***

The Board believes that the principal objective of the Company is to generate economic returns with the goal of maximizing shareholder value, and that this is to be accomplished by the Board through its stewardship of the Company. In fulfilling its stewardship function, the responsibilities of the Board include strategic planning, appointing and overseeing management, succession planning, risk identification and management, environmental oversight, communications with other parties and overseeing financial and corporate issues. The Board believes that good corporate governance practices provide an important framework for timely response by the Board to situations that may directly affect shareholder value. The Board is committed to practicing good corporate governance, and has adopted a corporate governance manual which contains numerous guidelines to help it practice good corporate governance.

### ***Board Independence***

The Board must have the capacity, independently of management, to fulfill its responsibilities. Independence is based upon the absence of relationships and interests that could compromise the ability of a director to exercise judgment with a view to the best interests of the Company. To facilitate independence, the Company is committed to the following practices:

1. The recruitment of strong, independent directors.
2. At least two of the directors being independent.
3. All active committees of the Board being constituted of at least two independent directors.

Of the nine existing directors of the Company, Andrew Abouchar, Ken Thomson and Blake Albright are not independent because each is deemed to have a material relationship with the Company, by virtue of being the Chief Executive Officer, Chief Strategy Officer of the Company and Chief Credit Officer of the Company, respectively. Mr. Abouchar is stepping down as a director. Mike McKenna, a director nominee, will be considered independent.

### ***Other Directorships***

The directors of the Company and the nominee directors are also directors of the following other reporting issuers:

<b>Director/Proposed Director</b>	<b>Other Reporting Issuer</b>
Howard Atkinson	Hamilton Capital Partners
David Demers	Greenlane Renewables Inc., Endurance Capital Corp
Paul Geyer	Eupraxia Pharmaceuticals
Jan Lederman	None
Ken Thomson	None
Blake Albright	None
Mike McKenna	None

### *Orientation and Continuing Education*

New directors of the Company are provided with an orientation and education program which includes written information about the duties and obligations of directors, the business and operations of the Company, documents from recent Board meetings and opportunities for meetings and discussion with senior management and other directors. Specific details of the orientation of each new director are tailored to that director's individual needs and areas of interest.

The Company also provides continuing education opportunities to directors so that they may maintain or enhance their skills and abilities as directors and ensure that their knowledge and understanding of the Company's business remains current.

### *Ethical Business Conduct*

The Board follows a general code of business conduct and ethics which are intended to establish the principles of conduct and ethics to be followed by the Company's directors, officers and employees, the purpose of which is to:

1. Promote integrity and deter wrongdoing.
2. Promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest.
3. Promote avoidance or absence of conflicts of interest.
4. Promote full, fair, accurate, timely and understandable disclosure in public communications made by the Company.
5. Promote compliance with applicable governmental laws, rules and regulations.
6. Provide guidance to the Company's directors, officers and employees to help them recognize and deal with ethical issues.
7. To help foster a culture of integrity, honesty and accountability throughout the Company.

### *Nomination of Directors*

The Nominating and Governance Committee is responsible for identifying and evaluating qualified candidates for nomination to the Board. The Nominating and Governance Committee recommends appropriate candidates to the Board for approval.

In identifying candidates, the Nominating and Governance Committee considers the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess, the competencies and skills that the Board considers each existing director to possess, previous public and private company board experience, the competencies and skills each new nominee will bring to the Board and the ability of each new nominee to devote sufficient time and resources to his or her duties as a director.

### *Human Resources (HR) Committee*

The HR Committee along with the Board is responsible for reviewing the adequacy and form of compensation paid to the Company's executives and key employees, and ensuring that such compensation realistically reflects the responsibilities and risks of such positions. In fulfilling its responsibilities, the Board and the HR Committee evaluate the performance of the Chief Executive Officer and other senior management in light of corporate goals and objectives, and make recommendations with respect to compensation levels based on such evaluations.

### *Other Board Committees*

The Board has not established any committees other than the Audit Committee, HR Committee and the Nominating and Governance Committee.

### *Assessments*

The Board as a whole is responsible for carrying out a review and assessment of the overall performance and effectiveness of the Board, its committees and contributions of individual directors on an annual basis. The objective of this annual review will be to facilitate a continuous improvement in the execution of the responsibilities of the Board.

### **AUDIT COMMITTEE**

#### *General*

The Audit Committee is a standing committee of the Board, the primary function of which is to assist the Board in fulfilling its financial oversight responsibilities, which will include monitoring the quality and integrity of the Company's financial statements and the independence and performance of the Company's external auditor, acting as a liaison between the Board and the Company's external auditor, reviewing the financial information that will be publicly disclosed and reviewing all audit processes and the systems of internal controls that management and the Board have established.

#### *Audit Committee Charter*

The Board has adopted a Charter for the Audit Committee, which sets out the Audit Committee's mandate, organization, powers and responsibilities. The Audit Committee Charter is attached as Schedule "A" to this Information Circular.

#### *Composition*

The Audit Committee consists of the following four directors. Also indicated is whether they are 'independent' and 'financially literate'.

<b>Name of Member</b>	<b>Independent <sup>(1)</sup></b>	<b>Financially Literate <sup>(2)</sup></b>
David Demers	Yes	Yes
Howard Atkinson <sup>(3)</sup>	Yes	Yes
Robert Napoli	Yes	Yes
Paul Geyer	Yes	Yes

#### Notes:

<sup>(1)</sup> A member of the Audit Committee is independent if he or she has no direct or indirect 'material relationship' with the Company. A material relationship is a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment. An executive officer of the Company, such as the President, is deemed to have a material relationship with the Company.

<sup>(2)</sup> A member of the Audit Committee 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 Company's financial statements.

<sup>(3)</sup> Chair of the Audit Committee

The majority of the Audit Committee is currently independent.

### *Audit Committee Oversight*

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

### *Reliance on Certain Exemptions*

Since the commencement of the Company's most recently completed financial year, the Company has not relied on the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110 *Audit Committees* ("NI 52-110") in exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*) of NI 52-110.

### *Pre-Approval Policies and Procedures*

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services; however, as provided for in NI 52-110 the Audit Committee must pre-approve all non-audit services to be provided to the Company or its subsidiaries, unless otherwise permitted by NI 52-110.

### External Auditor Service Fees (By Category)

<b>Financial Year Ending</b>	<b>Audit Fees <sup>(1)</sup></b>	<b>Audit Related Fees <sup>(2)</sup></b>	<b>Tax Fees<sup>(3)</sup></b>	<b>All Other Fees <sup>(4)</sup></b>
December 31, 2021	\$171,950	Nil	\$30,000	Nil
December 31, 2022	\$270,113	Nil	\$43,260	Nil
December 31, 2023	\$781,258	Nil	\$224,543	\$79,220

#### **Notes:**

- <sup>(1)</sup> *The aggregate fees billed by the Company's auditor for audit fees.*
- <sup>(2)</sup> *The aggregate fees billed for assurance and related services by the Company's auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and are not disclosed in the 'Audit Fees' column.*
- <sup>(3)</sup> *The aggregate fees billed for professional services rendered by the Company's auditor for tax compliance, tax advice and tax planning.*
- <sup>(4)</sup> *The aggregate fees billed for professional services other than those listed in the other three columns.*

### *Exemption*

The Company is relying upon the exemption in section 6.1 of NI 52-110 which exempts "venture issuers" from the requirements of Part 3 *Composition of the Audit Committee* and Part 5 *Reporting Obligations* of NI 52-110.

### **INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS**

As of the date hereof and at any time during the most recently completed financial year, none of the directors or executive officers of the Company or any subsidiary thereof, has more than "routine indebtedness" to the Company or any subsidiary thereof.

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

Unless otherwise disclosed herein, no informed person or proposed nominee for election as a director, or any associate or affiliate of any of the foregoing, has or has had any material interest, direct or indirect, in any transaction or proposed transaction since the commencement of the Company's most

recently completed financial year, which has materially affected or will materially affect the Company or any of its subsidiaries, other than as disclosed by the Company during the course of the year or as disclosed herein.

## PARTICULARS OF MATTERS TO BE ACTED UPON

### Election of Directors

The Board will consist of seven (7) directors, all of whom are elected annually. Between annual general meetings and in accordance with the articles of the Company, the Board can appoint up to two additional directors. Since the last annual meeting, no additional directors have been appointed.

Each director elected at the Meeting will hold office until the next annual meeting of shareholders or until his or her successor is duly elected or appointed pursuant to the articles of the Company, unless his or her office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (British Columbia) (the “Act”) or the Company’s articles. **It is the intention of the management designees, if named as proxy, to vote FOR the election of the persons listed in the table below to the Board of Directors.** Only Common Shareholders are entitled to vote on this resolution.

Management has no reason to believe that any of such nominees will be unable to serve as directors; however, if, for any reason one or more of the proposed nominees do not stand for election or are unable to serve as directors, the management designees named in the enclosed form of proxy intend to vote for another nominee or nominees, as the case may be, in their discretion, unless the shareholder has specified in his or her proxy that his or her Common Shares are to be withheld from voting in the election of directors. No additional nominees were presented to management in accordance with the advance notice provisions of the Company’s articles.

The following table sets out information in respect of each of the nominees for director of the Company as of the Record Date, and is based on information received by the Company from said nominees.

Name, Municipality of Residence and Position	Present and Past Principal Occupations	Director Since	Number of Common Shares and Preferred Shares Owned Directly or Indirectly(2)
Howard Atkinson <sup>(1)(3)(4)</sup> Toronto, Ont. Director	Director, Hamilton Capital Partners Past Director, 3iQ Corp. Past Director, Yangaroo Inc. Past President, TMFD Financial Past President, Horizons ETFs	May 10, 2017	1,680,500 Common shares 1.79%  0 Preferred Shares 0%
David Demers <sup>(1)(3)</sup> Vancouver, BC Director	President, Crocus Advisors Ltd. Director, Greenlane Renewables Inc. Director, Endurance Capital Corp (CPC) Director, Augurex Life Sciences Corp. Past Director, Primero Mining Corp. CEO, Director, Westport Fuel Systems Inc.	May 10, 2017	2,061,000 Common shares 2.20%  50,000 Preferred Shares 0.17%
Paul Geyer <sup>(1)(3)</sup> Vancouver, BC Director	CEO, Discovery Parks CEO, Nimbus Synergies CEO, Quimby Investments Director, Arbutus Medical Director, Clarius Mobile Health Chair of the Board, Stoko Design Director, Eupraxia Pharmaceuticals	May 14, 2019	2,739,500 Common shares 2.92%  661,000 Preferred Shares 2.28%

Jan Lederman <sup>(3)(4)</sup> Winnipeg, Manitoba Director	Director and Board Chair, RocketRez Inc. Director and Board Chair, VastCon Inc. and subsidiary Oncodrex Inc. Retired Partner, Thompson Dorfman Sweatman LLP	May 14, 2019	578,200 Common shares 0.62%  0 Preferred Shares 0%
Kenneth Thomson Toronto, Ont. Director	Director, Pivot Financial GP Inc. Director, Pivot Financial Services Inc. Director, CEO, Nuvo Financial Inc. Director, Langhaus Financial Corp. Director, Brightpath Capital Corp. Director, Durham Furniture Inc. Director, President, Universal Financial Corp. Past Director, Contract Capital Inc. Past Director, TD Split Inc., 5Bank Split Inc., Big 8 Split Inc	September 21, 2021	17,569,000 Common shares 18.75%  7,501,100 Preferred Shares 25.88%
Blake Albright	Brightpath Capital Corporation Brightpath Servicing Corporation Brightpath Opportunity Corporation Brightpath II Servicing Corporation Nuvo Financial GP Inc. Nuvo Financial Inc. BestLife Corp. Tailwind Corp. GreatWhitney Commons Inc. Duke of Wellington Commons Inc. REAP Equity Corp. 8699747 Canada Inc. Good Jeans Consulting Inc. Clearpath Advisory Ltd. GreatBlake Holdings Inc. 2716652 Ontario Inc. 2716496 Ontario Inc.	August 16, 2022	17,500,000 Common shares 18.67%  8,000,000 Preferred Shares 27.60%
Mike McKenna	CFO, LifeSpeak Inc. CFO, Mobile Klinik Founder, 25th Mile Capital Partners Director, Waypoint Investment Partners	Nominee	0,000 Common shares 0.00%  0,000 Preferred Shares 0.00%

**Notes:**

- (1) Members of the Audit Committee
- (2) In addition, an aggregate of 1,500,250 Common Shares are issuable to directors upon the exercise of outstanding stock options, as at December 31, 2023. See "Executive Compensation".
- (3) Members of the HR Committee
- (4) Member of Nominating and Governance Committee

The above information, including information as to common shares beneficially owned, has been provided by the respective directors individually. As at the Record Date, the directors and proposed directors of the Company beneficially own, directly or indirectly, 42,128,200 Common Shares, being 44.95% of the issued and outstanding Common Shares.

No proposed director of the Company:

- (a) is, as at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director, Chief Executive Officer or Chief Financial Officer of any company (including the Company) that:

- (i) was the subject:
  - (A) of a cease trade order;
  - (B) an order similar to a cease trade order; or
  - (C) an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days, while the proposed director was acting in the capacity as director, Chief Executive Officer or Chief Financial Officer; or
- (ii) was subject to:
  - (A) a cease trade order;
  - (B) an order similar to a cease trade order; or
  - (C) an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days, after the proposed director was acting in the capacity as director, Chief Executive Officer or Chief Financial Officer and which resulted from an event that occurred while that person was acting in the capacity as director, Chief Executive Officer or Chief Financial Officer;
- (b) is, as at the date of this Information Circular, or has been within 10 years before the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- (c) has, within the 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; or
- (d) has been subject to: (A) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with securities regulatory authority; or (B) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

### **Appointment of Auditor**

The Company recommends that PricewaterhouseCoopers LLP of 18 York Street, Suite 2600, Toronto, Ontario, M5J 0B2 (“PwC”) be appointed as auditors of the Company for the ensuing year until the next annual meeting of shareholders. PwC was first appointed auditors of the Company on October 15, 2022.

**The management designees, if named as proxy, intend to vote the Common Shares represented by any such proxy FOR the appointment of PwC as auditors of the Company, at a remuneration to be fixed by the Board, unless a shareholder has specified in his or her proxy that his or her Common Shares are to be withheld from voting on the appointment of auditors.**

### **PARTICULARS OF OTHER MATTERS TO BE ACTED UPON**

#### **Approval of Amended and Restated Equity Incentive Plan**

Pursuant to the TSXV's Policy 4.4 entitled "Security Based Compensation", the Company's Amended and Restated Equity Incentive Plan has to be approved by the shareholders of the Company on an annual basis. The Amended and Restated Equity Incentive Plan allows the Company to grant Options, RSUs, PSUs, DSUs and SARs to eligible participants. The Amended and Restated Equity Incentive Plan was approved by the Board on May 9, 2024. For a summary of the Amended and Restated Equity Incentive Plan, please refer to "Executive Compensation - Compensation Discussion and Analysis - Equity Incentive Plan".

The text of the proposed resolution to approve and confirm the Amended and Restated Equity Incentive Plan (the "**Equity Incentive Plan Resolution**") is as follows:

"BE IT RESOLVED, AS AN ORDINARY RESOLUTION, THAT the Company's Amended and Restated Equity Incentive Plan is hereby approved and confirmed and that the Board of Directors of the Company may be authorized to make any changes thereto as may be required by the TSX Venture Exchange."

A simple majority of the votes cast at the Meeting (in person or by proxy) is required in order to pass the Equity Incentive Plan Resolution.

The Board has determined that the Amended and Restated Equity Incentive Plan is in the best interests of the Company and its shareholders and unanimously recommends that the Common Shareholders vote in favour of approving the Equity Incentive Plan Resolution. **It is the intention of the management designees, if named as proxy, to vote FOR approving the Equity Incentive Plan Resolution.**

#### ***Approval of Employee Share Purchase Plan***

At the Meeting, Shareholders will be asked to consider and, if thought fit, pass a resolution to approve the Company's Employee Share Purchase Plan (for the purposes of this section, the "**ESPP**"). The ESPP will allow Participants (as defined below) of the ESPP to purchase Common Shares in registered or non-registered investment accounts (the "**Participant Shares**") and the Company will match such purchases up to 5% of the Participant's annual salary (the "**Additional Shares**" and together with the Participant Shares, the "**Plan Shares**"). The maximum number of Additional Shares that may be acquired by the Company on behalf of Participants (as defined below), together with Common Shares issuable under the Amended and Restated Equity Incentive Plan cannot exceed 18,744,191, which reflects 20% of the issued and outstanding Common Shares as of the date hereof. In the event that the Company cannot acquire enough Plan Shares on the open market, the Company may issue Common Shares from treasury ("**New Plan Shares**") to ensure Participants' contributions and the Company's matched contributions can be converted into Common Shares.

The material terms under which Participants may purchase Common Shares under the ESPP are as follows:

1. only persons who are directors, officers or bona fide permanent full-time employees or consultants of the Company or its affiliates who reside in Canada are eligible to participate in the ESPP (each, a "**Participant**"), provided that for full-time employees and consultants, they have completed six full calendar months of service. For greater clarity, Investor Relations Consultants (as such term is defined by the TSXV) shall not be eligible to participate in the ESPP;
2. the aggregate number of Additional Shares and New Plan Shares that may be issued by the Corporation under the ESPP together with Awards granted or issued under the Amended and Restated Equity Incentive Plan Shares must not exceed 20% of the issued and outstanding Shares, calculated as at the date hereof, which totals 18,744,191;

3. no one Participant may acquire Additional Shares or New Plan Shares pursuant to the ESPP which exceed more than 1% of the issued and outstanding Shares of the Company in any 12 month period and the insiders of the Company, as a group, may not acquire Additional Shares or New Plan Shares pursuant to the ESPP which exceed, collectively and in the aggregate, more than 2% of the issued and outstanding Shares of the Company in any 12 month period;
4. Participants may only designate up to 5% of their salary (in increments of 1%), on an annual basis, to contribute to the ESPP (the "**Payroll Contributions**") and the Company will match the Payroll Contributions (the "**Company Contributions**" and together with the Payroll Contributions, the "**Plan Contributions**");
5. the Plan Contributions will be used to acquire the Plan Shares and Additional Shares in the open market through the facilities of the TSXV. In the event that the Administrative Agent is unable to acquire enough Plan Shares or Additional Shares on the open market, the Company may, in its sole discretion, issue New Plan Shares to ensure all Plan Contributions are used to acquire Shares for the Participants;
6. all Shares purchased by Administrative Agent on behalf of each Participant will be deposited into accounts in the names of the Participants opened with the Administrative Agent (each a "**Plan Share Account**"). Each Plan Share Account may have a non-registered account component, an RRSP component and a TFSA component;
7. any dividend paid on Shares held in a Plan Share Account will be reinvested to acquire Shares in the open market through the facilities of the TSXV;
8. all fees associated with withdrawing Shares from a Plan Share Account will be borne by the Participant;
9. upon a Participant ceasing to be eligible for the Plan, which includes the Participant voluntarily resigning or retiring or the Participant being terminated by the Company (a "**Participant Termination Event**"), the Company will, unless otherwise instructed within 60 days of the Participation Termination Event, return all Payroll Contributions that have not yet been delivered to the Administrative Agent and all Shares held in a Plan Share Account held in a non-registered account will be certificated and the Administrative Agent will sell all other Shares and forward the proceeds to the former Participant;
10. the board of directors of the Company (the "**Board**") may terminate the ESPP at any time in their absolute discretion;
11. from time to time the Board may (without approval of the Shareholders of the Company, unless required by applicable regulatory authorities) amend any provision of the ESPP and, with the consent of Plan Administrator, any provisions of an administration agreement (the "**Administration Agreement**"), provided that no amendment to the ESPP or the Administration Agreement or any termination of the ESPP shall affect the entitlement of any Participant to receive Shares for Plan Contributions made up to the date of termination or have the effect of altering the terms of any outstanding right of a Participant without the prior written consent of the Participant, and provided further that regulatory approval (including TSXV approval) and, if required by such regulatory authorities, Shareholder approval, of the amended form of the ESPP is received prior to the acquisition of any Additional Shares under the provisions of the amended form of the ESPP. Any further amendments to the ESPP, including an increase in the number of Shares to be purchased under the Plan, may be subject to Shareholder approval, if required by the TSXV; and

12. the Shares purchased pursuant to the ESPP will be paid for in cash.

The form of ESPP is subject to approval by the TSXV and will be available at the Meeting and to any Shareholder that requests it from the Company. Accordingly, Shareholders will be asked to pass an ordinary resolution to approve the ESPP, in substantially the following form (the "**ESPP Resolution**"):

"BE IT RESOLVED, as an ordinary resolution, that:

1. the ESPP, as described in this Information Circular dated May 9, 2024 and as available for review at the Meeting or upon request, be and it is hereby ratified and approved;
2. the number of Common Shares that can be acquired or issued under the ESPP, together with Shares issuable under the Company's Amended and Restated Equity Incentive Plan, cannot exceed 18,744,191 Shares; and
3. the Board be authorized to make any changes to the ESPP if required by the TSXV."

A simple majority of the votes cast at the Meeting (in person or by proxy) is required in order to pass the ESPP Resolution.

The Board has determined that the ESPP is in the best interests of the Company and its shareholders and unanimously recommends that the Common Shareholders vote in favour of approving the ESPP Resolution. **It is the intention of the management designees, if named as proxy, to vote FOR approving ESPP Resolution.**

#### **OTHER MATTERS**

It is not known whether any other matters will come before the Meeting other than those set forth above and in the notice of meeting, but if any other matters do arise, the persons named in the proxy intend to vote on any poll, in accordance with their best judgment, exercising discretionary authority with respect to amendments or variations of matters ratified in the notice of meeting and other matters which may properly come before the Meeting or any adjournment.

#### **ADDITIONAL INFORMATION**

Additional information on the Company is available on the internet on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information is provided in the Company's comparative annual financial statements and Management Discussion & Analysis which are available on SEDAR. The audited financial statements for the year ending December 31, 2023 together with the auditor's report will be presented at the Meeting. You may request copies of the Company's financial statements and Management Discussion & Analysis by completing the request card included with this Information Circular, in accordance to the instructions therein.

DATED May 9, 2024

BY THE MANAGEMENT OF  
MONTFORT CAPITAL CORP.

*"Ken Thomson"*

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Ken Thomson  
Chief Executive Officer

**SCHEDULE A**  
**CHARTER OF THE AUDIT COMMITTEE OF**  
**MONTFORT CAPITAL CORP.**  
**(“CHARTER”)**

**MEMBERSHIP**

The audit committee (the “**Committee**”) of the board of directors (the “**Board**”) of Montfort Capital Corp. (the “**Company**”) shall consist of three directors. The composition of the Committee shall comply with all of the independence requirements applicable pursuant to corporate laws, securities laws, and the policies of the stock exchange upon which shares of the Company are listed.

Each member of the Committee must be financially literate, as this term is defined under National Instrument 52-110 - Audit Committees (the “**Instrument**”).

The Board shall appoint members to the Committee. Each Committee member shall be appointed for a one-year term/shall serve until a successor is duly appointed or until the member’s earlier death, resignation, disqualification or removal. The Board may remove any member from the Committee at any time with or without cause. The Board shall fill Committee member vacancies by appointing a member from the Board. If a vacancy on the Committee exists, the remaining members shall exercise all the Committee’s powers so long as a quorum exists.

New Committee members shall be provided with an orientation program to educate them on the Company, their roles and responsibilities on the Committee, and the Company’s financial reporting and accounting practices. In addition, Committee members shall receive training as necessary to increase their understanding of financial, accounting, auditing and industry issues applicable to the Company.

The Board shall appoint the chairperson of the Committee (“**Chairperson**”) from the Committee members. The Chairperson must be a non-executive Director. Subject to Section 1.04, the Board shall determine the Chairperson’s term of office.

A quorum for decisions of the Committee shall be two members.

**COMMITTEE MEETINGS**

The Committee shall meet at least quarterly at such times and places as determined by the Committee. The Committee is governed by the same rules regarding meetings (including the procedure used to call meetings, and conducting meetings electronically, in person or by telephone), Notice of meetings and waiver of notice by committee members, written resolutions in lieu of a meeting, and voting at meetings that apply to the Board.

The Chairman shall seek input from Committee members, the Company’s management, the Auditor and Board members when setting each Committee meeting’s agenda.

Any written material to be provided to Committee members for a meeting must be distributed in advance of the meeting to give Committee members time to review and understand the information. All material provided to Committee members shall be relevant and concise.

The chairperson of the Board, the chief executive officer of the Company (“**CEO**”), and chief financial officer of the Company (“**CFO**”) may, if invited by the Chairperson, attend and speak at Committee meetings. Other Board members may also, if invited by the Chairperson, attend and speak at Committee meetings.

The Chairperson, on the Committee's recommendation, may invite members of the Company's management to attend meetings and give presentations relating to their responsibilities.

The Committee may appoint a Committee member or any other attendee to be the secretary of a meeting. The Chairperson shall circulate minutes of all Committee meetings to the Company's Board members and its Auditor (defined below). The Committee shall report its decisions and recommendations to the Board promptly after each Committee meeting.

The Committee shall meet for a private session, excluding management and the Auditor, following each Committee meeting.

#### **PURPOSE, ROLE AND AUTHORITY**

*The purpose of the Committee is to oversee the Company's accounting and financial reporting processes and the preparation and auditing of the Company's financial statements.*

*The Committee is authorized by the Board to investigate any matter set out in this Charter or otherwise delegated to the Committee by the Board.*

#### **DUTIES AND RESPONSIBILITIES**

The Committee has the duties and responsibilities set out in sections 5 to 14 of this Charter, as may be amended, supplemented or restated from time to time.

#### **EXTERNAL AUDITOR - APPOINTMENT AND REMOVAL**

To consider and recommend to the Board, to put forward for shareholder approval at the annual meeting, an Auditor that will be appointed or reappointed to prepare or issue an auditor's report as well as perform audit, review, attest or other services for the Company in compliance with the Instrument, and to recommend to the Board the Auditor's removal, if necessary.

To set the terms of the Auditor's engagement and its remuneration, including reviewing and negotiating the Auditor's engagement letter.

To review and monitor the independence of the Auditor.

To, at least once per fiscal year, review the qualifications and performance of the Auditor and the Auditor's lead partners and consider and decide if the Company should adopt or maintain a policy of rotating the accounting firm serving as the Company's external auditor.

#### **AUDITOR OVERSIGHT - AUDIT SERVICES**

To require the Auditor to report directly to the Committee.

To discuss with the Auditor, before an audit commences, the nature and scope of the audit, the Auditor's responsibilities in relation to the audit, the overall audit strategy, the timing of the audit, the processes used by the Auditor to identify risks and reporting such risks to the Committee. To discuss with the Auditor any other matters relevant to the audit, including the coordination of services and processes, where more than one audit firm is involved.

To review and discuss with the Auditor all critical accounting policies and practices to be used in the audit, all alternative treatments of financial information within International Financial Reporting Standards ("IFRS") that have been discussed with management, the ramifications of the use of such alternative treatments and the treatment preferred by the Auditor.

To review any major issues regarding accounting principles, including IFRS, and financial statement presentation with the Auditor and Company's management, including any significant changes in the Company's selection or application of accounting principles; any significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including the effect of regulatory and accounting initiatives and off-balance sheet structures on the Company's financial statements.

To review and discuss with the Auditor and management any problems or difficulties encountered during the audit, including restrictions on the scope of activities or access to information, and any significant disagreements between the Auditor and management in relation to financial reporting. The Committee may meet with the Auditor and management (together or separately) to discuss and resolve such disagreements.

To review all material communications between management and the Auditor, including reviewing the Auditor's management letter and management's response.

To create (if required), review, and approve the Company's policies respecting the hiring of any (former or current) Auditor's past or present employees or past or present partners that participated in any capacity in any Company audit.

To oversee any other matters relating to the Auditor and the performance of audit services on the Company's behalf.

#### **AUDITOR OVERSIGHT - NON-AUDIT SERVICES**

To pre-approve all non-audit services to be provided by the Auditor to the Company or its subsidiaries in accordance with the Instrument.

Notwithstanding section 7.1, the Committee may delegate the pre-approval of non-audit services to a member or certain members of the Committee. Such member or members shall notify the Committee at each Committee meeting of the non-audit services they approved since the last Committee meeting.

#### **INTERNAL CONTROLS**

To oversee an effective system of internal controls and procedures for the Company relating to the financial reporting process and disclosure of the financial results ("**Internal Controls**").

To review with management the adequacy and effectiveness of the Company's Internal Controls, including any significant deficiencies or material weaknesses in the design or operation of the Internal Controls, and to determine if any special steps must be adopted by the Auditor during its audit in light of any such deficiencies or weaknesses.

To review management's roles, responsibilities, and performance in relation to the Internal Controls.

To review, discuss and investigate any alleged fraud involving the Company's management or employees in relation to the Internal Controls, including management's response to any allegations of fraud. To implement corrective and disciplinary action in cases of proven fraud, and to determine if any special steps must be adopted by the Auditor during its audit in light of any proven fraud or any allegations of fraud.

To establish and monitor the procedures for: (a) the receipt, retention, and treatment of complaints the Company receives relating to its Internal Controls; (b) the anonymous submission of employees' concerns relating to questionable accounting or audited matters engaged in by the Company; and (c) the independent investigation of the matters set out in (a) and (b), including the appropriate follow up action for each.

To review and discuss with the CEO and CFO, or those officers who perform the duties similar to a CEO or CFO, the steps taken to complete the required certifications of the annual and interim filings with the securities commissions.

## **FINANCIAL STATEMENTS**

To review and discuss with the Auditor and management the Company's annual audited financial statements as well as the accompanying Auditor's report and management discussion and analysis ("MD&A"). The Committee's review of the annual audited financial statements will include a review of the notes contained in the financial statements, in particular the notes on: (a) significant accounting policies, including any changes made to them and the effect this may have on the Company; (b) significant estimates and assumptions; (c) significant adjustments resulting from the an audit; (d) the going concern assumption; (e) compliance with accounting standards; (f) investigations and litigation undertaken by regulatory authorities; (g) the impact of unusual transactions; and (h) off-balance sheet and contingent asset and liabilities, and related disclosures.

To assess: (a) the quality of the accounting principles applied to the financial statements; (b) the clarity of disclosure in the financial statements; and (c) whether the audited annual financial statements present fairly, in all material respects, in accordance with IFRS, the Company's financial condition, operational results and cash flows.

Upon satisfactory completion of its review, to recommend the annual audited financial statements, Auditor's report and annual MD&A for Board approval.

To review the interim financial statements and related MD&A with the Auditor (if the interim financial statements are audited) and management, and if satisfied that the interim financial statements meet the criteria set out in subsection 9.2 to recommend to the Board that it approve the interim financial statements and accompanying MD&A.

## **DISCLOSURE OF OTHER FINANCIAL INFORMATION**

To review and discuss with management the design, implementation and maintenance of effective procedures relating to the Committee's prior review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements ("**Disclosure Procedures**"). To ensure that the Disclosure Procedures put in place are followed by the Company's management and employees, and to periodically assess the adequacy of the Disclosure Procedures.

To review the Company's profit and loss press releases and other related press releases before they are released to the public and to review the nature of any financial information and ratings information provided to agencies and analysts per the Company's disclosure policy.

To monitor and review the Company's policy on confidentiality and disclosure on a yearly basis.

## **RISK MANAGEMENT**

To review and discuss with management policies and guidelines to govern the processes by which management assesses and manages the Company's risks, including the Company's major financial risk exposures and fraud, and the steps management has taken to monitor and control such exposures.

## **LEGAL COMPLIANCE**

To review with legal counsel any legal matters, including inquiries received from regulators and governmental agencies, that may have a significant impact on the Company's financial statements,

cash flows or operations, to review and oversee any policies, procedures and programs designed by the Company to promote legal compliance.

#### **RELATED PARTY TRANSACTIONS**

To review all proposed related party transactions, other than those reviewed by a special committee of disinterested directors in accordance with Canadian corporate or securities laws.

#### **OTHER DUTIES AND RESPONSIBILITIES**

To complete any other duties and responsibilities delegated by the Board to the Committee from time to time.

#### **MEETINGS WITH THE AUDITOR**

Notwithstanding anything set out in this Charter to the contrary, the Committee may meet privately with the Auditor as frequently as the Committee deems appropriate for the Committee to fulfil its responsibilities and to discuss any concerns of the Committee or Auditor in relation to the matters covered by the Committee's Charter, including the effectiveness of the Company's financial recording procedures and systems, and management's cooperation and responsiveness to matters arising from the audit and non-audit services performed by the Auditor.

#### **MEETINGS WITH MANAGEMENT**

The Committee may meet privately with management as frequently as the Committee deems appropriate for the Committee to fulfil its responsibilities, and to discuss any concerns of the Committee or management.

#### **OUTSIDE ADVISORS**

The Committee shall have the authority, in its sole discretion, to retain and obtain the advice and assistance of independent outside counsel and such other advisors as it deems necessary to fulfil its duties and responsibilities under this Charter. The Committee shall set the compensation and oversee the work of any outside counsel and other advisors to be paid by the Company.

#### **REPORTING**

The Committee shall report to the Board on all matters set out in this Charter and other matters assigned to the Committee by the Board, including: (a) the Auditor's independence; (b) the Auditor's performance and the Committee's recommendation to reappoint or terminate the Auditor; (c) the adequacy of the Internal Controls; (d) the Committee's review of the Company's annual and interim financial statements, and any IFRS reconciliation, including any issues respecting the quality and integrity of financial statements, along with the MD&A; (e) the Company's compliance with legal and regulatory matters and such matters impact on the financial statements; and (f) the Company's risk management programs and any risks identified in accordance with this program.

#### **CHARTER REVIEW**

The Committee shall review this Charter at least annually and recommend any proposed changes to the Board for approval.

#### **PERFORMANCE EVALUATION**

The Committee shall conduct an annual evaluation of the performance of its duties and responsibilities under this Charter and shall present the results of the evaluation to the Board. The Committee shall conduct this evaluation in such manner as it deems appropriate.

**NO RIGHTS CREATED**

This Charter is a broad policy statement and is intended to be part of the Committee's flexible governance framework. While this Charter should comply with all applicable laws, regulations and listing requirements, as well as the Company's articles and by-laws, this Charter does not create any legally binding obligations on the Committee, the Board or the Company.

**EFFECTIVE DATE**

This Charter was implemented by the Board on December 1, 2015.