

**QUEST PHARMATECH INC.**

**Notice of Annual General Meeting of Shareholders  
to be held July 13, 2023**

**and**

**Management Information Circular**

**June 8, 2023**

## QUEST PHARMATECH INC.

### NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

#### TO THE SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual general meeting (the “**Meeting**”) of the holders of common shares (“**Common Shares**”) of Quest PharmaTech Inc. (the “**Corporation**”) will be held at the office of the Corporation, 4342 – 97 Street NW, Edmonton, Alberta, on Thursday, July 13, 2023 at the hour of 11:00 a.m. (Edmonton time) for the following purposes:

1. to receive and consider the audited consolidated financial statements of the Corporation for the years ended January 31, 2023 and 2022 and the Auditor’s Reports thereon;
2. to appoint Auditors for the ensuing year and authorize the Directors to fix their remuneration;
3. to elect directors for the ensuing year; and
4. to transact such other business as may properly be brought before the Meeting or any adjournment or postponement thereof.

Shareholders are referred to the Management Information Circular for the Meeting for more detailed information with respect to the matters to be considered at the Meeting.

The directors have fixed June 8, 2023 as the record date. Holders of Common Shares of record at the close of business on June 8, 2023 are entitled to notice of the Meeting and to vote thereat or at any adjournment thereof, except to the extent that a person has transferred any Common Shares after that date and the new holder of such Common Shares establishes proper ownership and requests, not later than ten days before the Meeting, to be included on the list of shareholders eligible to vote at the Meeting.

Dated at the City of Edmonton, in the Province of Alberta, this 8th day of June, 2023.

**BY ORDER OF THE BOARD OF DIRECTORS**  
Dr. Ragupathy Madiyalakan  
Chief Executive Officer

**The Corporation is also permitting shareholders to listen to the Meeting via telephone using the following numbers and pass code: Canada: 1 (866) 667 – 8813; USA: 1 (877) 746-4263; China: 4001-742644; South Korea: 00798-8521-7249; Guest pass code: 2253248#. Shareholders are not permitted to vote via telephone and therefore are encouraged to vote their Common Shares via proxy prior to the applicable proxy cut-off times.**

If you are a registered shareholder of the Corporation and are unable to attend the Meeting in person, please date and sign the enclosed form of proxy and return it in the envelope provided or vote in the manner specified in the form of proxy. All proxies to be valid, must be received by Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1 at least 48 hours prior to the Meeting or any adjournment thereof.

If you are not a registered shareholder of the Corporation and receive these materials through your broker or through another intermediary, please complete and return the voting instruction form in accordance with the instructions provided to you by your broker or intermediary.

## QUEST PHARMATECH INC.

### MANAGEMENT INFORMATION CIRCULAR for the Annual General Meeting of Shareholders to be held on July 13, 2023

#### *Solicitation of Proxies*

This management information circular ("Information Circular") dated June 8, 2023 is furnished in connection with the solicitation by Management of Quest PharmaTech Inc. (the "**Corporation**") of proxies from holders ("**Shareholders**") of common shares of the Corporation ("**Common Shares**") for use at the annual general meeting (the "**Meeting**") of the Shareholders to be held on July 13, 2023 at 11:00 a.m. (Edmonton time) at the office of the Corporation, 4342 – 97 Street NW, Edmonton, Alberta and at any adjournment thereof, for the purposes set out in the accompanying notice of the Meeting (the "**Notice of Meeting**").

Any solicitation will be primarily by mail but may also be by telephone, internet, facsimile or in person by directors and officers of the Corporation (who will not be additionally compensated therefor). In accordance with National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), arrangements have been made with brokerage houses and clearing agencies, custodians, nominees, fiduciaries or other intermediaries to send the Corporation's proxy solicitation materials to the beneficial owners of the Common Shares held of record by such parties. The Corporation may reimburse such parties for reasonable fees and disbursements incurred by them in doing so. The cost of any solicitation will be borne by the Corporation.

#### *Appointment and Revocation of Proxies*

The persons named in the accompanying Form of Proxy are directors and/or officers of the Corporation. **Shareholders desiring to appoint some other person (who is not required to be a Shareholder) to represent them at the Meeting may do so either by inserting such person's name in the blank space provided in the Form of Proxy and deleting the names printed thereon or by completing another proper form of proxy.** Such Shareholder should notify the nominee of their appointment, obtain their consent to act as proxy and should instruct them on how the Shareholder's shares are to be voted.

A proxy will not be valid for the Meeting or any adjournment thereof unless it is signed by the Shareholder or by their attorney authorized in writing or, if the Shareholder is a corporation, it must be executed under corporate seal by a duly authorized officer or attorney of the corporation and delivered to the Corporation c/o Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1 at least 48 hours prior to the Meeting or any adjournment thereof.

A Shareholder who has given a proxy may revoke it, in any manner permitted by law, including by instrument in writing, including a proxy bearing a later date executed by the Shareholder or by his attorney authorized in writing or, if the Shareholder is a corporation, executed by a duly authorized officer or attorney of such corporation and deposited with the Corporation c/o Computershare Investor Services Inc. at the address stated above at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof or with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof.

#### *Advice to Beneficial Holders of Common Shares*

**The information set forth in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold shares in their own name.** Shareholders who do not hold shares in their own name (referred to in this Information Circular as "**Beneficial Shareholders**") should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Common Shares will not be registered in the Shareholder's name on the records of the Corporation. Such Common Shares will more likely be registered under the names of the Shareholder's broker or an agent of that broker. In Canada, the majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc.,

which acts as nominee for many Canadian brokerage firms). Shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person.**

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is similar to the form of proxy provided to registered Shareholders by the Corporation. However, its purpose is limited to instructing the registered shareholder (the broker or agent of the broker) on how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. Beneficial Shareholders will typically receive a machine-readable voting instruction form with a request that the Beneficial Shareholders return the form to the address specified or otherwise communicate voting instructions by way of the Internet, facsimile or telephone. The results of all of the voting instructions received are tabulated and appropriate instructions respecting the voting of shares to be represented at the Meeting are provided to the Corporation. **A Beneficial Shareholder receiving a voting instruction form cannot use that form to vote Common Shares directly at the Meeting - the voting instruction form must be returned (or voting instructions communicated in the manner specified) well in advance of the Meeting in order to have the Common Shares voted.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for purposes of voting Common Shares registered in the name of his broker (or agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the registered Shareholder and vote the Common Shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered Shareholder should contact their broker or other intermediary, well in advance of the Meeting.**

#### *Voting of Proxies*

All shares represented at the Meeting by a properly executed Proxy will be voted on any ballot that may be called for and, where a choice with respect to any matter to be acted upon has been specified in the form of Proxy, the shares represented by the Proxy will be voted in accordance with such specification. **In the absence of any such specification or instruction, the persons whose names appear on the Proxy, if named as proxies, will vote in favour of all of the matters set out in the Notice of Meeting.**

**The enclosed form of Proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting and any other matters which may properly come before the Meeting.** As of the date hereof, Management is not aware of any amendments to, variations of or other matters to be presented for action at the Meeting. If, however, amendments, variations or other matters properly come before the Meeting, the persons designated in the proxy will vote thereon in accordance with their judgment pursuant to the discretionary authority conferred by such proxy with respect to such matters.

### **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

The record date for the purpose of determining holders of Common Shares is June 8, 2023. Shareholders of record on that date are entitled to receive notice of and attend the Meeting and vote thereat on the basis of one vote for each Common Share held, except to the extent that a registered Shareholder has transferred the ownership of any shares, subsequent to June 8, 2023 and the transferee of those shares produces properly endorsed share certificates, or otherwise establishes that he owns the shares and demands, not later than 10 days before the Meeting, that his name be included on the shareholder list before the Meeting, in which case, the transferee shall be entitled to vote his shares at the Meeting.

The Corporation's authorized share capital consists of an unlimited number of Common Shares, an unlimited number of First Preferred Shares and an unlimited number of Second Preferred Shares. As at the date hereof, no Preferred Shares and 169,129,247 Common Shares are issued and outstanding as fully paid and non-assessable.

As at the date hereof, to the knowledge of the directors and senior officers of the Corporation, the following sets out the only persons, firms or corporations owning of record or beneficially, directly or indirectly, or exercising control or direction over 10% or more of the issued and outstanding Common Shares.

Name and Municipality	Type of Ownership	Number of Common Shares	Percentage of Shares Owned
Hepalink USA, Inc.	Beneficially	25,000,000	14.78%

## EXECUTIVE COMPENSATION

During the most recently completed financial year ended January 31, 2023 the Corporation had two executive officers for which the Corporation paid or accrued aggregate cash compensation of \$289,167 (2022 - \$110,000). See “Interest of Informed Persons in Material Transactions”.

### Compensation Discussion and Analysis

The objectives of the Corporation’s compensation strategy are to employ, retain and reward employees for employment services rendered to the Corporation. The strategy is designed to reward employees for services that benefit the Corporation and assist the Corporation to realize its goals and objectives. Executive compensation is determined through discussion by the Corporation’s Compensation Committee and its Board of Directors in consultation with the Corporation’s executive officers and reviewed annually. The Corporation compensates its employees with cash and by stock option grants. The amount of cash paid, and the number of options granted are dependent upon market conditions and the Corporation’s finances. Previous options granted to executive officers are taken into account when considering new grants.

The Corporation has entered into employment agreements with each of its executive officers. Dr. Ragupathy Madiyalakan has been the Chief Executive Officer since August 2006. Mr. Pierre Vermette has been the Chief Financial Officer since January 2005.

### Summary Compensation Table

Securities legislation requires the disclosure of compensation received by each “Named Executive Officer” of the Corporation for the three most recently completed financial years. “Named Executive Officer” is defined by the legislation to mean (i) each Chief Executive Officer and Chief Financial Officer of the Corporation, (ii) each of the Corporation’s three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the Chief Executive Officer and Chief Financial Officer, at the end of the most recently completed financial year and whose total compensation exceeded C\$150,000, and (iii) any additional individual for whom disclosure would have been provided under (ii) but for the fact that the individual was not serving as an executive officer of the Corporation at the end of the most recently completed financial year end of the Corporation.

The following table sets forth information concerning all annual compensation earned for services rendered by the executive officers of the Corporation, namely, the Chief Executive Officer and the Chief Financial Officer (the “**Named Executive Officers**”), in each of the three most recently completed financial years. [Executive compensation must be reported for three years if using Form 51-102F6 (and not 51-102F6V for venture issuers)]

Name and Principal Position	Year	Salary (\$)	Share-based Awards (\$)	Option-based Awards (\$)	Non-equity Incentive Plan Compensation (\$)		All Other Compensation (\$)	Total Compensation (\$)
					Annual incentive plans	Long-term incentive plans		
Dr. Ragupathy Madiyalakan <sup>(5)(6)</sup> CEO	2023	215,000	Nil	54,000 <sup>(2)</sup>	Nil	Nil	Nil	269,000
	2022	40,000	Nil	121,000 <sup>(3)</sup>	Nil	Nil	28,318	189,318
	2021	40,000	Nil	230,000 <sup>(4)</sup>	Nil	Nil	Nil	270,000
Pierre Vermette <sup>(6)</sup> CFO	2023	74,167	Nil	27,000 <sup>(2)</sup>	Nil	Nil	Nil	101,167
	2022	70,000	Nil	16,500 <sup>(3)</sup>	Nil	Nil	Nil	86,500
	2021	70,000	Nil	115,000 <sup>(4)</sup>	Nil	Nil	Nil	185,000

NOTES:

- (1) The Corporation does not maintain any defined benefit or defined contribution pension plans.
- (2) Options to acquire Common Shares. The closing price of the Common Shares on April 11, 2022 and on July 21, 2022 was \$0.09, the date of the grant. Each of the options has an estimated grant date fair value of \$0.09 per option calculated using the Black Scholes option valuation model, using the following grant date assumptions: expected life of option, 10 years; volatility 265%; risk free interest rate 2.81%; dividend yield, 0%.
- (3) Options to acquire Common Shares. The closing price of the Common Shares on May 26, 2021, the date of the grant, was \$0.115. Each of the options has an estimated grant date fair value of \$0.11 per option calculated using the Black Scholes option valuation model, using the following grant date assumptions: expected life of option, 10 years; volatility 293%; risk free interest rate 1.45%; dividend yield, 0%.
- (4) Options to acquire Common Shares. The closing price of the Common Shares on January 5, 2021, the date of the grant, was \$0.23. Each of the options has an estimated grant date fair value of \$0.23 per option calculated using the Black Scholes option valuation model, using the following grant date assumptions: expected life of option, 10 years; volatility 299%; risk free interest rate 0.70%; dividend yield, 0%.
- (5) Dr. Madiyalakan is also a Director of the Corporation. He does not receive compensation for his services as a Director. The grant of incentive stock options is based on his services as an Executive Officer of the Corporation.
- (6) Effective January 1, 2020, the annual salaries for the Officers of the Corporation were as follows: Mr. Vermette - \$70,000; Dr. Madiyalakan – \$40,000. On July 31, 2021, as part of Dr. Madiyalakan’s remuneration, the Corporation paid to Dr. Madiyalakan a bonus of a 3% ownership interest in the Corporation’s 11% ownership of OncoVent Co., Ltd. This 0.33% ownership interest in OncoVent, a private China-based company, had an approximate FMV estimated to be \$28,318, based on OncoVent’s shareholders’ equity in its December 31 2020 unaudited financial statements. On April 1, 2022, Dr. Madiyalakan’s annual salary increased to \$250,000 and Mr. Vermette’s annual salary increased to \$75,000.

**Incentive Plan Awards - Outstanding Option-based Awards**

The following table sets forth for each Named Executive Officer, all option-based awards outstanding at the end of the most recently completed financial year, including awards granted before the most recently completed financial year.

Name	Number of securities underlying unexercised options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>
Dr. Ragupathy Madiyalakan	1,000,000	0.10	July 24, 2023	Nil
	1,000,000	0.10	November 7, 2024	Nil
	350,000	0.15	February 17, 2027	Nil
	500,000	0.15	January 2, 2028	Nil
	500,000	0.18	January 29, 2029	Nil
	1,000,000	0.23	January 5, 2031	Nil
	1,100,000	0.115	May 26, 2031	Nil
	300,000	0.10	April 11, 2032	Nil
	300,000	0.09	July 21, 2032	Nil
Pierre Vermette	250,000	0.10	July 24, 2023	Nil
	250,000	0.10	November 7, 2024	Nil
	150,000	0.15	February 17, 2027	Nil
	150,000	0.15	January 2, 2028	Nil
	100,000	0.18	January 29, 2029	Nil
	500,000	0.23	January 5, 2031	Nil
	150,000	0.115	May 26, 2031	Nil
	300,000	0.09	July 21, 2032	Nil

NOTES:

(1) Based on the closing price of the Common Shares on the TSX Venture Exchange on January 31, 2023 of \$0.07 less the exercise price in respect of such options.

***Incentive Plan Awards – Value Vested or Earned During the Year***

The following table sets forth for each Named Executive Officer, the value of vested stock options during the most recently completed financial year.

Name	Value Vested During 2023
Dr. Ragupathy Madiyalakan	Nil <sup>(1)</sup>
Pierre Vermette	Nil <sup>(1)</sup>

NOTES:

(1) All of the stock options vested on the date of the grant and were granted with an exercise price at or above the market price of the Common Shares on the date they were granted, therefore none had any intrinsic value on the vesting date.

All share options granted to Named Executive Officers are pursuant to the terms of the Corporation’s stock option plan and the policies of the TSX Venture Exchange. See “Securities Authorized for Issuance Under Equity Compensation Plans”.

There were no share-based awards and no non-equity incentive plan compensation during the years ended January 31, 2023 and 2022.

**Termination and Change of Control Benefits**

The Corporation has entered into an employment agreement with each of the Named Executive Officers which provides for termination by the Corporation for just cause or without cause by either the Corporation or the Named Executive Officer on written notice.

Dr. Madiyalakan’s employment agreement with the Corporation requires 90 days’ written notice by the Corporation if terminated for just cause. If terminated without cause by the Corporation, in addition to compensation earned up to and including the date of termination, the Corporation is required to pay Dr. Madiyalakan 2 years’ salary. In the event of a successful hostile take-over of the Corporation, Dr. Madiyalakan will be entitled to a severance amount

equal to two years' annual salary. Dr. Madiyalakan's employment agreement contains provisions relating to non-competition, non-solicitation and confidentiality.

Mr. Vermette's employment agreement provides that either he or the Corporation may terminate without cause on 30 days' written notice. If terminated by the Corporation without cause after 1 year of service, in addition to compensation earned up to and including the date of termination, the Corporation is required to pay Mr. Vermette 2 months of salary plus 2 months for each additional year of service greater than 1 year to a maximum of 6 months. Mr. Vermette's employment agreement contains provisions relating to confidentiality.

#### **Termination Without Cause**

For illustrative purposes, if these Named Executive Officer had been terminated without cause on January 31, 2023, the following amounts would have been payable:

<b>Name</b>	<b>Aggregate amount payable for base salary</b>	<b>Aggregate amount payable for bonus</b>	<b>Aggregate amount payable for perquisites and benefits</b>	<b>Option-based awards – Value vested</b>	<b>Total</b>
Dr. Ragupathy Madiyalakan <sup>(1)</sup>	\$500,000	Nil	Nil	Nil	\$500,000
Pierre Vermette <sup>(2)</sup>	\$37,500	Nil	Nil	Nil	\$37,500

Notes:

- (1) Equal to 24 months salary.
- (2) Equal to 6 months salary.

#### **Termination Without Cause Following a Successful Hostile Take-Over**

For illustrative purposes, if these Named Executive Officer had been terminated without cause on January 31, 2023 following a successful hostile take-over bid of the Corporation, the following amounts would have been payable:

<b>Name</b>	<b>Aggregate amount payable for base salary</b>	<b>Aggregate amount payable for bonus</b>	<b>Aggregate amount payable for perquisites and benefits</b>	<b>Option-based awards – Value vested</b>	<b>Total</b>
Dr. Ragupathy Madiyalakan <sup>(1)</sup>	\$500,000	Nil	Nil	Nil	\$500,000
Pierre Vermette <sup>(2)</sup>	\$37,500	Nil	Nil	Nil	\$37,500

Notes:

- (1) Equal to 24 months salary.
- (2) Equal to 6 months salary.

#### **Director Compensation**

During the most recently completed financial year, the Corporation had three Directors who were not also Named Executive Officers. The Directors are eligible to receive cash compensation for their services as such based on an annual retainer and are also compensated by incentive stock options and entitled to reimbursement for out-of-pocket expenses incurred while serving in such capacity.

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

The following table sets forth compensation provided to the Directors who are not also Named Executive Officers in the most recently completed financial year.

For the Year Ended January 31, 2023						
Name	Fees Earned (\$)	Share-based Awards (\$)	Option-based Awards (\$)	Non-equity Incentive Plan Compensation (\$)	All Other Compensation (\$)	Total Compensation (\$)
J. Mark Lievonon	20,000	N/A	27,000	N/A	Nil	47,000
Jeffrey Shon	10,000	N/A	18,000	N/A	Nil	28,000
Shawn Lu	Nil	N/A	18,000	N/A	Nil	18,000

All share options granted to Directors are pursuant to the terms of the Corporation's stock option plan and the policies of the TSX Venture Exchange. See "Securities Authorized for Issuance Under Equity Compensation Plans".

***Outstanding Option-based Awards***

The following table sets forth for each Director who is not also a Named Executive Officer, all option-based awards outstanding at the end of the most recently completed financial year, including awards granted before the most recently completed financial year.

Name	Number of securities underlying unexercised options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of unexercised in-the-money options (\$)
J. Mark Lievonon	150,000	0.15	July 19, 2027	Nil
	50,000	0.15	January 2, 2028	Nil
	100,000	0.18	January 29, 2029	Nil
	150,000	0.10	July 5, 2031	Nil
	300,000	0.09	July 21, 2032	Nil
Shawn Lu	150,000	0.15	February 17, 2027	Nil
	150,000	0.15	January 2, 2028	Nil
	100,000	0.18	January 29, 2029	Nil
	100,000	0.10	July 5, 2031	Nil
	200,000	0.09	July 21, 2032	Nil
Jeffrey Shon	100,000	0.10	July 5, 2031	Nil
	200,000	0.09	July 21, 2032	Nil

NOTES:

(1) Based on the closing price of the Common Shares on the TSX Venture Exchange on January 31, 2023 of \$0.07 less the exercise price in respect of such options.

***Incentive Plan Awards – Value Vested or Earned During the Year***

The following table sets forth for each Director who is not also a Named Executive Officer, the value of vested stock options during the most recently completed financial year.

Name	Value Vested During 2023
J. Mark Lievonon	Nil <sup>(1)</sup>
Jeffery Shon	Nil <sup>(1)</sup>
Shawn Lu	Nil <sup>(1)</sup>

NOTE:

- (1) All of the share options vested on the date of the grant with an exercise price at or above the market price of the Common Shares on the date they were granted, therefore none had any intrinsic value on the vesting date.

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

The Corporation does not operate any plans which pay or distribute cash or non-cash compensation to executive officers other than a stock option plan (the “**Plan**”) which is subject to the policies of the TSX Venture Exchange (the “**Exchange**”). The Plan permits the Board of Directors of the Corporation to grant incentive stock options to directors, officers, employees and consultants of the Corporation and its subsidiaries. Pursuant to the Plan and policies of the Exchange, options may be granted to acquire a fixed number of Common Shares (currently up to 25,000,000 of the issued and outstanding Common Shares), set aside and made available for issuance in accordance with the Plan provided that in no event shall options:

- (a) be granted entitling any single individual to purchase in excess of 2-1/2% of the issued and outstanding Common Shares in any 12-month period and five percent in the aggregate;
- (b) be granted entitling any one Consultant to purchase in excess of 2% of the then issued and outstanding Common Shares in any 12-month period, and
- (c) be granted to employees and consultants conducting Investor Relations Activities to purchase in the aggregate, in excess of 2% of the then issued and outstanding Common Shares.

The options are non-transferable and will expire, if not exercised, after a reasonable period of time as determined by the board following the date the optionee ceases to be a director, officer, consultant or employee of the Corporation for reasons other than death, one year after the death of an optionee and no later than the tenth anniversary of the date the option was granted.

The Plan was last approved and ratified by Shareholders at the annual general and special meeting held on November 27, 2015.

The following table sets forth information with respect to the Plan as at the Corporation’s most recently completed financial year ended January 31, 2023.

<b>Equity Compensation Plan Information For the Year Ended January 31, 2022</b>			
	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</b>
<b>Plan Category</b>	<b>(a)</b>	<b>(b)</b>	<b>(c)</b>
<b>Equity compensation plans approved by shareholders</b>	18,530,000	\$0.15	6,470,000
<b>Equity compensation plans not approved by shareholders</b>	N/A	N/A	N/A

NOTES:

- (1) Reference should be made to the Corporation’s audited consolidated financial statements for the year ended January 31, 2023 for more detailed disclosure relating to the stock options granted, exercised and outstanding.

#### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the current or former executive officers, Directors, proposed nominee for election as a Director or employees of the Corporation, nor any associates or affiliates of such persons, have been indebted to the Corporation at any time since the beginning of the January 31, 2022 financial year.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No director or officer of the Corporation, proposed nominee for election as a director of the Corporation, principal shareholder of the Corporation nor any associate or affiliate of any of the foregoing had any material interest, direct or indirect, in any transaction since the commencement of the Corporation's financial year ended January 31, 2023, or in any proposed transaction that has materially affected or that would materially affect the Corporation, except for the payment of compensation for management services provided to the Corporation. See "Executive Compensation".

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

There is no material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, by any Director or Executive Officer of the Corporation, proposed nominee for election as a Director of the Corporation, or any associate or affiliate of such persons, in any matter to be acted on other than the election of Directors at the Meeting or as otherwise set forth in this Information Circular.

## ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information is contained in the Corporation's audited comparative consolidated financial statements for the financial years ended January 31, 2023 and 2022. Copies of the Corporation's financial statements and MD&A may be obtained upon written request made to the Corporation at its principal office at 8123 Roper Road NW, Edmonton, Alberta T6E 6S4, Attention: Pierre Vermette, CFO, by email to [pierre@questpharmatech.com](mailto:pierre@questpharmatech.com). The Corporation may require payment of a reasonable charge if the request for information is made by a person or company that is not a security holder of the Corporation.

## AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITORS

National Instrument 52-110 *Audit Committees* ("NI 52-110") requires the Corporation to disclose annually in its management information circular certain information relating to the Corporation's Audit Committee and its relationship with the Corporation's Auditors. The following is the disclosure required in Form 52-110F2 applicable to Venture Issuers.

### 1. The Audit Committee's Charter

The Corporation has adopted an Audit Committee Charter which is attached as Appendix A to this Information Circular.

### 2. Composition of the Audit Committee

The Audit Committee consists of J. Mark Lievonen (Chair), Jeffrey Shon and Shawn Lu. All of the committee members are considered by the Corporation to be "independent" and all are considered to be "financially literate" (as such terms are defined in NI 52-110). Dr. Madiyalakan is an ex-officio non-voting member of the Audit Committee.

### 3. Relevant Education and Experience

For the education and experience of each Audit Committee member that is relevant to the performance of his/her responsibilities as an Audit Committee member, please refer to the biographical information that is contained for each below under the heading "Business of the Meeting – Election of Directors" in this Information Circular.

#### **J. Mark Lievonen, C.M., FCPA, FCA, LLD**

Mr. Lievonen has over 30 years' experience in the biopharmaceutical industry. From 1999 to 2016, Mr. Lievonen was the President of Sanofi Pasteur Limited, the Canadian vaccine division of Sanofi, a global

pharmaceutical company. He is a Director of Sano Nanotech Inc., Biome Grow Inc. and the Gairdner Foundation. Mr. Lievonen holds a BBA and an MBA from the Schulich School of Business and an Honorary Doctor of Laws from York University. He was elected as a Fellow of the Institute of Chartered Accountants of Ontario in 2007.

**Jeffrey Shon, JD**

Mr. Shon is the General Partner and Chief Operating Officer of REDDS Capital, a venture capital group focused on emerging technologies, since 2015. Mr. Shon was an analyst, Listed Issuer Services and 2012 to 2015, Senior Manager, Compliance and Disclosure, with the TSX Venture Exchange. Mr. Shon received his Juris Doctor (business law) from the University of British Columbia, Vancouver and has an Honours BA degree (political science) from York University, Toronto.

**Shawn Lu, CIM, MFin**

Mr. Lu is currently the chief financial officer of Hepalink USA Inc. and has served in this capacity since 2014. From 2013 to 2014, Mr. Lu was employed as the Area Manager for BMO Bank of Montreal in the central Greater Toronto area. From 2005 to 2013, Mr. Lu worked with the TD Bank as a Residential Mortgage Manager in North York, Toronto. From 2001 to 2005, Mr. Lu worked as a senior financial advisor for TD Bank in Toronto. From 1999 to 2000, Mr. Lu was employed with ShenZhen Hepalink Biopharmaceutical Co., Ltd as the CFO and VP of Corporate Finance. From 1998 to 1999, Mr. Lu was employed as the VP of Investment and Corporate Finance with ShenZhen FuTianXin Investment Co., Ltd. From 1992 to 1998, Mr. Lu worked as the General Manager, Corporate finance department, and Manager, Investment and Finance department for China Merchant Shekou Port Co. Ltd. (a ShenZhen Stock Exchange listed company). Mr. Lu has extensive experience in the areas of corporate finance, capital markets and investment financing. Mr. Lu has a Canadian Investment Manager (CIM, Canada) designation and also a Master of Finance Management from Queens University, School of Business, Kingston, Ontario. Mr. Lu also holds a Certified Accountant and Certified Corporate Economist designation in China and has a Master of Corporate Economics and Business Administration from ZhongNan University, Wuhan, China.

**4. Audit Committee Oversight**

Since the commencement of the Corporation’s most recently completed financial year, no recommendation of the Audit Committee to nominate or compensate an external auditor was not adopted by the Board.

**5. Reliance on Certain Exemptions**

Since the commencement of the Corporation’s most recently completed financial year, it has not relied on the exemption in section 2.4 (*De Minimus Non-Audit Services*) or an exemption granted under Part 8 (*Exemptions*) from NI 52-110.

**6. Pre-Approval Policies and Procedures**

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. All non-audit services must be pre-approved by the Audit Committee. See Appendix A – “Audit Committee Charter - Duties, External Audit, Non-Audit/Audit Services”.

**7. External Auditor Service Fees**

The fees paid to the Corporation’s external Auditor in each of the last two financial years are as follows:

Year ended Jan. 31	Audit Fees	Audit-Related Fees	Tax Fees	All Other Fees
2023	\$65,500	Nil	Nil	Nil
2022	\$70,000	Nil	Nil	Nil

## 8. Exemption

The Corporation is a “venture issuer” as defined in NI 52-110 and is relying on the exemption contained in section 6.1 of NI 52-110, which exempts it from the requirements of Part 3 (*Composition of Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

## CORPORATE GOVERNANCE

National Instrument 58-101 *Disclosure of Corporate Governance Practices* requires the Corporation to disclose in its management information circular certain information relating to the Corporation’s corporate governance practices. The following is the disclosure required in Form 58-101F2 applicable to Venture Issuers.

### 1. Board of Directors

The Board of Directors of the Corporation (“**Board**”) is presently comprised of four Directors, three of whom are independent pursuant to the definition of independence used by the Canadian Securities Administrators, which is set out in section 1.4 of NI 52-110. A Director is considered to be independent if they have no direct or indirect material relationship with the Corporation. A “material relationship” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director’s independent judgment. Certain types of relationships are by their very nature considered to be material relationships and are specified in section 1.4 of NI 52-110.

Mr. Lievonen, Mr. Lu, and Mr. Shon are considered to be independent directors. Dr. Madiyalakan is not considered to be independent as he is the Chief Executive Officer of the Corporation.

The Board facilitates its exercise of independent supervision over management by holding Board meetings on a regular basis and by requiring that management update the Board on a regular basis regarding the operational and financial affairs of the Corporation (please refer to the summary of the Board Charter under the heading “Other Board Committees” below for further details).

### 2. Directorships

None of the Corporation’s directors are currently directors of any other reporting issuers (or the equivalent), except for Mr. Lu who is a director of Resverlogix Corp. (TSX) and Mr. Lievonen who is a director of Sona Nanotech Inc. and Biome Grow Inc.

### 3. Orientation and Continuing Education

The Chairman orients Board members by providing them with the Corporation’s policies and charters which serve as a basis for informed decision making. Board members are also provided with complete access to all information requested regarding the Corporation.

### 4. Ethical Business Conduct

The Board has adopted a Board Code of Conduct (which may be viewed at [www.sedar.com](http://www.sedar.com)) and an Employee Code of Conduct. Under the Board Code of Conduct, the Board’s objective is to uphold ethical standards in all of its corporate activities and foster a climate of honesty, truthfulness and integrity.

The Corporation’s Governance Committee is responsible for setting the standards of business conduct to be contained in the Board Code and updating such standards as it deems appropriate to reflect changes in the legal and regulatory framework applicable to the Corporation, the business practices of the Corporation and those within the Corporation’s industry and the prevailing ethical standards of the communities in which the Corporation operates. While the Corporation’s Governance Committee will oversee and monitor compliance with the Board Code, it is the individual responsibility of each Director of the Corporation to comply with the Board Code.

The Board Code requires Directors to:

- (a) act honestly and in good faith with a view to the best interests of the Corporation;
- (b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances;
- (c) exercise his Director's powers for the purpose for which they were intended;
- (d) ensure that the Director's personal interest and his duty to the Corporation are not brought into conflict; and
- (e) ensure that the Director does not obtain or receive, directly or indirectly, a personal profit, gain or benefit as a result of his relationship with the Corporation, other than compensation for the services they provide to the Corporation.

Every Director of the Corporation shall comply in all respects with the Corporation's Timely Disclosure, Confidentiality and Insider Trading Policy.

5. **Nomination of Directors**

New candidates for nomination to the Board are identified by the existing Board members through their business networks.

6. **Compensation**

Compensation for the CEO is determined by the Compensation Committee and approved by the Board. The Compensation Committee is comprised of Mr. Shon, Mr. Lu and Mr. Lievonen. Dr. Madiyalakan is an ex-officio non-voting member of the Compensation Committee. At present, independent Directors are eligible to receive an honorarium per year and the grant of stock options to acquire Common Shares.

7. **Other Board Committees**

In addition to the Audit Committee and Compensation Committee, the Board has a Corporate Governance Committee, whose function includes the promotion of good corporate governance within the Corporation. The Board has adopted a Board Charter and a Corporate Governance Committee Charter.

The following is a summary of the Board Charter and the Corporate Governance Charter.

**Board Charter** - The primary responsibility of the Board is to provide governance and stewardship to the Corporation. The Board will appoint a competent executive management team to run the day-to-day operations of the Corporation. It will oversee and supervise the management of the business as well as the Corporation's systems of corporate governance and financial reporting and controls to ensure that the Corporation reports adequate and fair financial information to Shareholders and engages in ethical and legal corporate conduct. The Board carries out its mandate directly and through committees of the Board. Presently, the Board has the following committees: The Audit Committee, the Compensation Committee and Corporate Governance Committee.

**Corporate Governance Charter** - The Board has established a Corporate Governance Committee for the purpose of providing the Board with recommendations relating to corporate governance in general, including, without limitation: (a) all matters relating to the stewardship role of the Board in respect of the management of the Corporation; (b) Board size and composition, including the candidate selection process and the orientation of new Directors; (c) Board compensation recommendations; and (d) such procedures as may be necessary to allow the Board to function independently of Management. The Corporate Governance Committee will also oversee compliance with policies associated with an efficient system of corporate governance.

8. **Assessments**

The Board is satisfied that the Board, its committees, and its individual Directors are performing effectively. This determination is based on the number of Board and Committee meetings the Directors participate in during the year.

**BUSINESS OF THE MEETING**

***FINANCIAL STATEMENTS AND AUDITOR'S REPORT***

The audited financial statements of the Corporation for the year ended January 31, 2022 and for the year ended January 31, 2023, and the Auditor's Reports thereon, will be placed before Shareholders at the Meeting for their consideration.

The Corporation is providing concurrent with this Information Circular, a request form to all registered and beneficial shareholders of the Corporation for use to request a copy of the Corporation's audited annual financial statements and annual MD&A and/or unaudited interim financial reports and interim MD&A. Shareholders must complete and return the request form or provide a written request to the Corporation in order to receive financial statements and MD&A from the Corporation. Shareholders are encouraged to complete and return the request form with their proxy.

***APPOINTMENT OF AUDITORS***

Kingston Ross Pasnak LLP, Chartered Professional Accountants have been the Auditors of the Corporation since November 2016. Shareholders will be asked to vote for the appointment of Kingston Ross Pasnak as Auditors of the Corporation, to hold office until the next annual meeting of Shareholders of the Corporation or until a successor is duly elected or appointed, at a remuneration to be fixed by the Board of Directors.

Approval of the ordinary resolution requires the affirmative vote of a majority of the votes cast in respect thereof by holders of Common Shares represented at the Meeting. **The person designated in the enclosed Form of Proxy intends to vote FOR the appointment of Kingston Ross Pasnak LLP, Chartered Accountants as Auditors of the Corporation, unless instructed otherwise.**

***ELECTION OF DIRECTORS***

The Articles of the Corporation provide that the Corporation shall have a minimum of 3 and a maximum of 12 Directors. There are currently 4 members of the Board of Directors of the Corporation, whose term of office expires at the Meeting. It is proposed that all of the current Directors be reelected as Directors of the Corporation at the Meeting, to serve until the next annual meeting of Shareholders or until their successors are duly elected or appointed.

The following table sets forth, for all persons proposed to be nominated for election as Directors, all positions and offices with the Corporation now held by them, their principal occupations (in the case of nominees that were not previously elected, for the previous 5 years), periods during which they have served as Directors of the Corporation and the number of voting shares of the Corporation beneficially owned, directly or indirectly, by each of them, or over which they exercise control or direction.

<b>Name and Municipality of Residence</b>	<b>Position with the Corporation and Present Occupation</b>	<b>Director Since</b>	<b>Number of Common Shares</b>
Dr. Ragupathy Madiyalakan, Ph.D. <sup>(5)</sup> Edmonton, Alberta	Director and CEO of the Corporation.	June 17, 2004 Nov. 2001 to Dec. 2002	3,496,710 <sup>(5)</sup>

Name and Municipality of Residence	Position with the Corporation and Present Occupation	Director Since	Number of Common Shares
Mr. Shawn Lu, CIM, MFin <sup>(2)(3)(4)</sup> Toronto, Ontario	Director of the Corporation. Chief Financial Officer, Hepalink USA Inc., a pharmaceutical company.	Nov. 27, 2015	nil
Mr. J. Mark Lievonen, C.M., FCPA, FCA, LLD <sup>(1)(2)(3)(4)</sup> Stouffville, Ontario	Director of the Corporation and President of Sanofi Pasteur Limited, a pharmaceutical company, from March 1999 to December 2016.	July 5, 2021, and former Director of the Corporation from July 2017 to April 2020	nil
Mr. Jeffrey Shon, JD <sup>(2)(3)(4)</sup>	Director of the Corporation and General Partner and Chief Operating Officer of REDDS Capital, an early-stage venture capital fund, focused on emerging technologies, from 2015 to the Present	July 5, 2021	350,000

NOTES:

- (1) Mr. Lievonen is the Chairman of the Board.
- (2) Member of Audit Committee. Mr. Lievonen is the Chair of the Audit Committee.
- (3) Member of the Compensation Committee. Mr. Shon is the Chair of the Compensation Committee.
- (4) Member of the Corporate Governance Committee. Mr. Lu is the Chair of the Corporate Governance Committee.
- (5) Dr. Madiyalakan is an ex-officio non-voting member of each of the Committees.

The following is a more detailed summary of the qualifications and related experience of the proposed Directors, including the principal occupation business or employment for the five preceding years:

**Ragupathy (“Madi”) Madiyalakan, Ph.D.**

Dr. Madiyalakan is the CEO of the Corporation and has served in this capacity since August 2006. Prior to joining the Corporation, he was one of the founders of SonoLight Pharmaceuticals Corp. (served as its CEO and Director), CanBiocin Inc. (served as President, CEO and Director) and AltaRex Corp. (served as Vice-President, Planning and Chief Scientific Officer). Between 1987 and 1995 Dr. Madiyalakan served in various senior positions at Biomira Inc. Dr. Madiyalakan was previously Executive Vice-President, Research and Development of the Corporation. Dr. Madiyalakan holds a Masters (Chemistry) and Ph.D. (Biochemistry) and a Certificate in Management Development. In addition, he has over 40 years of academic and industrial research experience on an international basis. He has published extensively and been an inventor of a number of patents.

**Shawn Lu, CIM, MFin**

Mr. Lu is currently the Chief Financial Officer of Hepalink USA Inc. and has served in this capacity since 2014. From 2013 to 2014, Mr. Lu was employed as the Area Manager for BMO Bank of Montreal in the central Greater Toronto area. From 2005 to 2013, Mr. Lu worked with the TD Bank as a Residential Mortgage Manager in North York, Toronto. From 2001 to 2005, Mr. Lu worked as a senior financial advisor for TD Bank in Toronto. From 1999 to 2000, Mr. Lu was employed with ShenZhen Hepalink Biopharmaceutical Co., Ltd as the CFO and VP of Corporate Finance. From 1998 to 1999, Mr. Lu was employed as the VP of Investment and Corporate Finance with ShenZhen FuTianXin Investment Co., Ltd. From 1992 to 1998, Mr. Lu worked as the General Manager, Corporate finance department, and Manager, Investment and Finance department for China Merchant Shekou Port Co. Ltd. (a ShenZhen Stock Exchange listed company). Mr. Lu has extensive experience in the areas of corporate finance, capital markets and investment financing. Mr. Lu has a Canadian Investment Manager (CIM, Canada) designation and also a Master of Finance Management from Queens University, School of Business, Kingston, Ontario. Mr. Lu also holds a Certified Accountant and Certified Corporate Economist designation in China and has a Master of Corporate Economics and Business Administration from ZhongNan University, Wuhan, China.

**J. Mark Lievonen, C.M., FCPA, FCA, LLD**

Mr. Lievonen has over 30 years' experience in the biopharmaceutical industry. From 1999 to 2016, Mr. Lievonen was the President of Sanofi Pasteur Limited, the Canadian vaccine division of Sanofi, a global pharmaceutical company. He is a Director of Sano Nanotech Inc., Biome Grow Inc. and the Gairdner Foundation. Mr. Lievonen has served on a number of industry and not-for-profit boards including as the Chair of R&D (now Innovative Medicines Canada), BIOTECanada, the Markham Stouffville Hospital Foundation, and the Ontario Genomics Institute, Vice-Chair of the Ontario Institute for Cancer Research, as a Director of the Public Policy Forum and as a Governor of York University. Mr. Lievonen was appointed to the Order of Canada in 2015, named a Chevalier de l'Ordre National de Mérite by the government of France in 2007, and was inducted into the Canadian Healthcare Marketing Hall of Fame in 2013. Mr. Lievonen holds a BBA and an MBA from the Schulich School of Business and an Honorary Doctor of Laws from York University. He was elected as a Fellow of the Institute of Chartered Accountants of Ontario in 2007.

#### **Jeffrey Shon, JD**

Mr. Shon is the General Partner and Chief Operating Officer of REDDS Capital, a venture capital group focused on emerging technologies, since 2015. Since 2020 he has been an advisor to LOK360, a Thai-domiciled company providing legal advisory services to Thai based enterprises. From 2015 to 2020, Mr. Shon served as General Counsel to KNOWPIA, an online knowledge platform. During 2018 and 2019, Mr. Shon served as General Counsel to Futurama Blockchain Innovators Summit, an initiative comprised of a series of conferences with a dedicated cryptocurrency fund. From 2011 to 2012, Mr. Shon was an analyst, Listed Issuer Services and 2012 to 2015, Senior Manager, Compliance and Disclosure, with the TSX Venture Exchange. Mr. Shon received his Juris Doctor (business law) from the University of British Columbia, Vancouver and has an Honours BA degree (political science) from York University, Toronto.

**The persons designated in the enclosed Form of Proxy, unless instructed otherwise, intend to vote FOR the election of the nominees set forth above.** Management does not contemplate that any of the nominees will be unable to serve as a Director. However, if that should occur for any reason prior to the Meeting, the persons designated in the enclosed Form of Proxy reserve the right to vote for other nominees in their discretion.

None of the nominees is as at the date of the Information Circular, or has been within the 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company, including any personal holding company of such director, chief executive officer or chief financial officer, that was subject to an order that was issued while that person was acting in that capacity, or was subject to an order, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in such capacity.

None of the nominees is as at the date of this circular, or has been within the 10 years before the date of this Information Circular, a director or executive officer of any company, including any personal holding company of such director or executive officer, 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 the assets of such company.

No nominee 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 such individual.

No nominee has been the subject of any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or has 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 in making an investment decision.

### **OTHER BUSINESS**

Management is not aware of any other business to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if any other matter properly comes before the Meeting, the accompanying Form of Proxy confers discretionary authority to vote with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters that properly may come before the Meeting.

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

The contents of this Information Circular have been approved by the Board of Directors of the Corporation.

### **BY ORDER OF THE BOARD OF DIRECTORS**

Dr. Ragupathy Madiyalakan  
Chief Executive Officer

## APPENDIX A

### QUEST PHARMATECH INC. AUDIT COMMITTEE CHARTER

#### 1. The Audit Committee's Charter

##### (i) General

The Board of Directors of the Corporation (the "**Board**") has established an Audit Committee (the "**Committee**") to take steps on its behalf as are necessary to assist the Board in fulfilling its oversight responsibilities regarding:

- (a) the integrity of the Corporation's financial statements;
- (b) the internal control systems of the Corporation;
- (c) the external audit process;
- (d) the internal audit and assurance process;
- (e) risk management;
- (f) investment opportunities and the raising of funds by the Corporation;
- (g) the Corporation's compliance with legal and regulatory requirements, and
- (h) any additional duties set out in this Charter or otherwise delegated to the Committee by the Board.

##### (ii) Members

The Board will in each year appoint a minimum of three (3) directors as members of the Committee. All members of the Committee shall be non-management directors. In addition, the Committee will have an appropriate representation of independent directors, as required by law, and all rules and regulations orders as issued by applicable securities regulatory authorities.

All members of the Committee shall be financially literate. While the Board shall determine the definition of and criteria for financial literacy, this shall, at a minimum, include the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

The Chief Executive Officer ("**CEO**") of the Corporation and, to the extent the Chair of the Board is not otherwise a member of the Committee, the Chair, and all other directors who are not members of the Committee may be invited to attend all meetings of the Committee in an ex-officio capacity and shall not vote. The CEO shall not attend in-camera sessions.

##### (iii) Duties

The Committee shall have the following duties:

##### (a) **Financial Reporting and Disclosure**

1. Audited Annual Financial Statements: Review the audited annual financial statements, all related MD&A, and earnings press releases for submission to the Board for approval.
2. Quarterly Review: Review the quarterly financial statements, the related management discussion and analysis ("MD&A"), and earnings press releases for submission to the Board for approval.
3. Significant Accounting Principles and Disclosure Issues: Review with management and the external auditor, significant accounting principles and disclosure issues, including complex or unusual transactions, highly judgmental areas such as reserves or estimates, significant changes to accounting principles, and alternative treatments under International Financial Reporting Standards ("IFRS") for material transactions.

This shall be undertaken with a view to understanding their impact on the financial statements, and to gaining reasonable assurance that the statements are accurate, complete, do not contain any misrepresentations, and present fairly the Corporation's financial position and the results of its operations in accordance with IFRS.

4. **Compliance:** Confirm through discussions with management that IFRS and all applicable laws or regulations related to financial reporting and disclosure have been complied with.
5. **Legal Events:** Review any actual or anticipated litigation or other events, including tax assessments, which could have a material current or future effect on the Corporation's financial statements, and the manner in which these have been disclosed in the financial statements.
6. **Off-Balance-Sheet Transactions:** Discuss with management the effect of any off-balance sheet transactions, arrangements, obligations and other relationships with unconsolidated entities or other persons that may have a material current or future effect on the Corporation's financial condition, changes in financial condition, results of operations, liquidity, capital expenditures, capital resources, or significant components or revenues and expenses.
7. **Other Disclosures:** Satisfy itself that adequate procedures are in place for the review of the Corporation's public disclosure of financial information, other than the public disclosure of the information referred to in sections 1 and 2 above and periodically assess the adequacy of those procedures.

**(b) Oversight of Internal Controls**

1. **Review and Assessment:** Review and assess the adequacy and effectiveness of the Corporation's system of internal control and management information systems through discussions with management, the Chief Financial Officer, ("CFO"), and the external auditor.
2. **Oversight:** Oversee system of internal control, by:
  - (i) monitoring and reviewing policies and procedures for internal accounting, internal audit, financial control and management information;
  - (ii) consulting with the external auditor regarding the adequacy of the Corporation's internal controls;
  - (iii) reviewing with management its philosophy with respect to internal controls and, on a regular basis, all significant control-related findings together with management's response; and
  - (iv) obtaining from management adequate assurances that all statutory payments and withholdings have been made.
3. **Fraud:** Oversee investigations of alleged fraud and illegality relating to the Corporation's finances.
4. **Complaints:** Review with management that appropriate procedures exist for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters, the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters, and for the protection from retaliation of those who report such complaints in good faith.

**(c) External Audit**

1. **Appointment or Replacement:** Recommend the appointment or replacement of the external auditor to the Board, who will consider the recommendation prior to submitting the nomination to the shareholders for their approval.
2. **Compensation:** Review with management, and make recommendations to the Board, regarding the compensation of the external auditor. In making a recommendation with respect to compensation, the Committee shall consider the number and nature of reports issued by the external auditor, the quality of internal controls, the size, complexity and financial condition of the Corporation, and the extent of internal audit and other support provided by the Corporation to the external auditor.

3. Reporting Relationships: The external auditor will report directly to the Committee.
4. Performance: Review with management, on a regular basis, the terms of the external auditor's engagement, accountability, experience, qualifications and performance. Evaluate the performance of the external auditor.
5. Transition: Review management's plans for an orderly transition to a new external auditor, if required.
6. Audit Plan: Review the audit plan and scope of the external audit with the external auditor and management and consider whether the nature and scope of the planned audit procedures can be relied upon to detect weaknesses in internal controls, frauds or other illegal acts.
7. Audit Plan Changes: Discuss with the external auditor any significant changes required in the approach or scope of their audit plan, management's handling of any proposed adjustments identified by the external auditor, and any actions or inactions by management that limited or restricted the scope of their work.
8. Review of Results: Review, in the absence of management, the results of the annual external audit, the audit report thereon and the auditor's review of the related MD&A, and discuss with the external auditor the quality (not just the acceptability) of accounting principles used, any alternative treatments of financial information that have been discussed with management, the ramifications of their use and the auditor's preferred treatment, and any other material communications with management.
9. Disagreements with Management: Resolve any disagreements between management and the external auditor regarding financial reporting.
10. Material Written Communications: Review all other material written communications between the external auditor and management, including the post-audit management letter containing the recommendations of the external auditor, management's response and, subsequently, follow up identified weaknesses.
11. Interim Financial Statements: Review all interim financial statements and the related MD&A and discuss with management the appropriateness of the disclosures made.
12. Other audit matters: Review any other matters related to the external audit that are to be communicated to the Committee under generally accepted auditing standards.
13. Meeting with External Auditor: Meet with the external auditor in the absence of management at least annually to discuss and review specific issues as appropriate as well as any significant matters that the auditor may wish to bring to the Committee for its consideration.
14. Correspondence: Review with management and the external auditor any correspondence with regulators or governmental agencies, employee complaints or published reports that raise material issues regarding the Corporation's financial statements or accounting policies.
15. Independence: At least annually, and before the external auditor issues its report on the annual financial statements, review and confirm the independence of the external auditor through discussions with the auditor on their relationship with the Corporation, including details of all non-audit services provided. Consider the safeguards implemented by the external auditor to minimize any threats to their independence and take action to eliminate all factors that might impair, or be perceived to impair, the independence of the external auditor. Consider the number of years the lead audit partner has been assigned to the Corporation and consider whether it is appropriate to recommend to the Board a policy of rotating the lead audit partner more frequently than every five years, as is required under the rules of the Canadian Public Accountability Board.
16. Non-Audit/Audit Services: Pre-approve any non-audit services to be provided to the Corporation by the external auditor, with reference to compatibility of the service with the external auditor's independence.
17. Hiring Policies: Review and approve the hiring policies regarding partners, employees and former partners and employees of the present and former external auditor.

**(d) Risk Management**

1. Adequacy of Policies and Procedures: Review and assess the adequacy of the Corporation's risk management policies and procedures with regard to identification of the Corporation's principal risks

annually and review quarterly updates on these risks from management. Review and assess the adequacy of the implementation of appropriate systems to mitigate and manage the risks, and report regularly to the Board.

**(e) Financial Planning and Investments**

1. Business Plan: Review and recommend the Business Plan, including the annual Operating and Capital Budgets for submission to the Board for approval. Review periodic financial forecasts.
2. Investment Opportunities: Review and assess investment opportunities of a value exceeding management's authority, in accordance with procedures established by the Board from time to time.
3. Guidelines and Policies: Review and approve guidelines and policies for the investing of cash and marketable securities and review reports from management on the results of such investments against established benchmarks.
4. Additional Funds for Investment: Review and assess management's plans with respect to raising additional funds whether through debt or capital, in accordance with procedures established by the Board from time to time.

**(f) Compliance**

1. Filings with Regulatory Authorities: Review with management the Corporation's relationship with regulators, and the timeliness and accuracy of Corporation filings with regulatory authorities.
2. Employee Code of Conduct: Review the Corporation's Employee Code of Conduct and confirm that adequate and effective systems are in place to enforce compliance. Every employee is expected to have read and become familiar with the Employee Code of Conduct. The committee may from time to time require employees to affirm in writing their compliance with the code. Alternatively, confirm with management that an up-to-date version of the Employee Code of Conduct is disclosed on the Corporation's website.

**(g) Communication**

1. Communication Channels: Establish and maintain direct communication channels with management, the external auditor and the Board to discuss and review specific issues as appropriate.
2. Coordination with Management: The Committee will coordinate with management on audit and financial matters, and will:
  - (i) meet privately with management at least quarterly to discuss any areas of concern to the Committee or management; and
  - (ii) review expenses incurred by the Chair of the Board and CEO of the Corporation. Ensure that the CEO reviews all expenses incurred by management employees.

**(h) Related Party Transactions**

1. Related Party Transactions: Review with management all related party transactions and the development of policies and procedures related to those transactions.

**(i) Board Relationship and Reporting**

1. Adequacy of Charter: Review and assess the adequacy of the Committee Charter annually and submit such amendments as the Committee proposes to the Governance Committee.
2. Disclosure: Oversee appropriate disclosure of the Committee's Charter, and other information required to be disclosed by applicable legislation, in the Corporation's Annual Information Form and all other applicable disclosure documents.
3. Reporting: Report regularly to the Board on Committee activities, issues and related recommendations.

**(iv) Chair**

The Board will in each year appoint the Chair of the Committee. The Chair shall have accounting or related financial expertise. In the Chair's absence, or if the position is vacant, the Committee may select another member as Chair. The Chair will have the right to exercise all powers of the Committee between meetings but will attempt to involve all other members as appropriate prior to the exercise of any powers and will, in any event, advise all other members of any decisions made or powers exercised.

**(v) Meetings**

The Committee shall meet at the request of its Chair, but in any event, it will meet at least four times a year. Notices calling meetings shall be sent to all Committee members, to the CEO of the Corporation, to the Chair of the Board and to all other directors. The external auditor or any member of the Committee may call a meeting of the Committee.

**(vi) Quorum**

A majority of members of the Committee, present in person, by teleconferencing or by videoconferencing will constitute a quorum.

**(vii) Removal and Vacancy**

A member may resign from the Committee and may be removed and replaced at any time by the Board and will automatically cease to be a member as soon as the member ceases to be a director. The Board will fill vacancies in the Committee by appointment from among the directors of the Board in accordance with Section 2 of this Charter. Subject to quorum requirements, if a vacancy exists on the Committee, the remaining members will exercise all its powers.

**(viii) Experts and Advisors**

The Committee may retain or appoint, at the Corporation's expense, such experts and advisors as it deems necessary to carry out its duties, and to set and pay their compensation. The Committee shall provide notice to the Governance Committee of its actions in this regard.

**(ix) Secretary and Minutes**

The Chief Financial Officer of the Corporation, or such other person as may be appointed by the Chair of the Committee, will act as Secretary of the Committee. The minutes of the Committee will be in writing and duly entered into the books of the Corporation. The minutes of the Committee will be circulated to all members of the Board.

