

# **BRAILLE ENERGY SYSTEMS INC.**

**(Formerly Mincom Capital Inc.**

**(the “Corporation”)**

## **INFORMATION CIRCULAR**

(Containing information as at October 2, 2018 unless indicated otherwise)

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### **SOLICITATION OF PROXIES BY MANAGEMENT**

**This Management Information Circular (the “Circular”) is furnished in connection with the solicitation by the management of the Corporation of proxies to be used at the annual and special meeting of shareholders (the “Meeting”) of the Corporation to be held at the time and place and for the purposes set out in the Notice of Meeting.** It is expected that the solicitation will be made primarily by mail. However, officers and employees of the Corporation may also solicit proxies by telephone, telecopier, e-mail or in person. The total cost of solicitation of proxies will be borne by the Corporation.

### **INTERNET AVAILABILITY OF PROXY-RELATED MATERIALS**

#### **Notice-and-Access**

The Corporation has elected to use “notice-and-access” rules (“**Notice-and-Access**”) under National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) for distribution of Proxy-Related Materials (as defined below) to shareholders who do not hold shares of the Corporation in their own names (referred to herein as “**Beneficial Shareholders**”). Notice-and-Access is a set of rules that allows issuers to post electronic versions of proxy-related materials on SEDAR and on one additional website, rather than mailing paper copies. “**Proxy-Related Materials**” refers to this Circular, the Notice of Meeting, a voting instruction form (“**VIF**”), the Corporation’s 2017 annual report containing the Corporation’s annual audited financial statements for the year ended September 30, 2017 and the related Management’s Discussion and Analysis.

The use of the Notice-and-Access is more environmentally friendly as it will help reduce paper use. It will also reduce the Corporation’s printing and mailing costs. Beneficial Shareholders may obtain further information about Notice-and-Access by contacting Broadridge Financial Solutions, Inc. toll free at 1-855-887-2244.

The Corporation is not using Notice-and-Access for delivery to shareholders who hold their shares directly in their respective names (referred to herein as “**Registered Shareholders**”). Registered Shareholders will receive paper copies of this Circular, related materials and the Corporation’s 2017 annual report via prepaid mail.

#### **Websites Where Proxy-Related Materials are Posted**

The Proxy-Related Materials are available on the Corporation’s website at [www.brailleenergysystemsinc.com](http://www.brailleenergysystemsinc.com) and under the Corporation’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

## **Notice Package**

Although the Proxy-Related Materials have been posted on-line as noted above, Beneficial Shareholders will receive paper copies of a notice package (“**Notice Package**”) via prepaid mail containing information and documents prescribed by NI 54-101 such as: the date, time and location of the Meeting, the website addresses where the Proxy-Related Materials are posted, a VIF, and supplemental mail list return card for Beneficial Shareholders to request they be included in the Corporation’s supplementary mailing list for receipt of the Corporation’s interim financial statements for the 2018 fiscal year.

## **How to Obtain Paper Copies of Proxy-Related Materials**

Beneficial Shareholders may obtain paper copies of the Circular and the Corporation’s 2017 annual report free of charge by contacting Broadridge Financial Solutions, Inc. toll free at 1-877-907-7643. Any request for paper copies which are required in advance of the Meeting should be sent so that the request is received by the Corporation by 5:00 p.m. (eastern time) on October 31, 2018 in order to allow sufficient time for Beneficial Shareholders to receive their paper copies and to return their VIFs by the due date. After the Meeting date, Beneficial Shareholders may obtain paper copies of the Circular free of charge by contacting the Secretary of the Corporation at 613-241- 4040.

## **APPOINTMENT AND REVOCATION OF PROXIES**

### **Appointment of Proxy**

A Registered Shareholder who is unable to attend the Meeting in person is requested to complete and sign the enclosed form of proxy and to deliver it to Computershare Investor Services Inc. (i) by mail or hand delivery to Proxy Department, 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1, or (ii) by facsimile to 416-263-9524 or 1-866-249-7775. A Registered Shareholder may also vote using the internet at [www.investorvote.com](http://www.investorvote.com) or telephone at 1-866-732-8683. In order to be valid and acted upon at the Meeting, the form of proxy must be received no later than 5:00 p.m. (eastern time) on November 9, 2018 or be deposited with the Secretary of the Corporation before the commencement of the Meeting or any adjournment thereof.

The document appointing a proxy must be in writing and executed by the Registered Shareholder or his attorney authorized in writing or, if the Registered Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

**A Registered Shareholder submitting a form of proxy has the right to appoint a person (who need not be a shareholder) to represent him or her at the Meeting other than the persons designated in the form of proxy furnished by the Corporation. To exercise that right, the name of the Registered Shareholder’s appointee should be legibly printed in the blank space provided. In addition, the Registered Shareholder should notify the appointee of his or her appointment, obtain his or her consent to act as appointee and instruct the appointee on how the Registered Shareholder’s shares are to be voted.**

Shareholders who are not Registered Shareholders should refer to “Notice to Beneficial Shareholders” below.

### **Revocation of Proxy**

A Registered Shareholder who has submitted a form of proxy as directed hereunder may revoke it at any time prior to the exercise thereof. If a Registered Shareholder who has given a proxy personally attends

the Meeting at which that proxy is to be voted, that Registered Shareholder may revoke the proxy and vote in person. In addition to the revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Registered Shareholder or his attorney or authorized agent and deposited with (i) Computershare Investor Services Inc. at any time up to 5:00 p.m. (eastern time) on November 9, 2018 by mail or by hand delivery to Proxy Department, 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1, or by facsimile to 416-263-9524 or 1-866-249-7775, (ii) at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or (iii) with the chairman of the Meeting on the day of the Meeting before the commencement thereof, or any adjournment thereof, and upon any such deposit, the proxy will be revoked.

### **Notice to Beneficial Shareholders**

The information set out in this section is of importance to many shareholders, as a substantial number of shareholders are Beneficial Shareholders and do not hold shares of the Corporation in their own names. Beneficial Shareholders should note that only proxies deposited by Registered Shareholders (shareholders whose names appear on the records of the Corporation as the registered holders of shares) can be recognized and acted upon at the Meeting or any adjournment(s) thereof. If shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those shares will not be registered in the shareholder's name on the records of the Corporation. Those shares will more likely be registered under 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 CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Shares held by brokers or their nominees can be voted (for or against resolutions or withheld from voting) only upon the instructions of the Beneficial Shareholder. Without specific instructions, the broker/nominees are prohibited from voting shares for their clients. Subject to the following discussion in relation to NOBOs (as defined below), the Corporation does not know for whose benefit the shares of the Corporation registered in the name of CDS & Co., a broker or another nominee, are held.

There are two categories of Beneficial Shareholders for the purposes of applicable securities regulatory policy in relation to the mechanism of dissemination to Beneficial Shareholders of proxy-related materials and other securityholder materials and the request for voting instructions from such Beneficial Shareholders. Non-objecting beneficial owners (“**NOBOs**”) are Beneficial Shareholders who have advised their intermediary (such as brokers or other nominees) that they do not object to their intermediary disclosing ownership information to the Corporation, consisting of their name, address, e-mail address, securities holdings and preferred language of communication. Securities legislation restricts the use of that information to matters strictly relating to the affairs of the Corporation. Objecting beneficial owners (“**OBOs**”) are Beneficial Shareholders who have advised their intermediary that they object to their intermediary disclosing such ownership information to the Corporation.

NI 54-101 permits the Corporation, in its discretion, to obtain a list of its NOBOs from intermediaries and use such NOBO list for the purpose of distributing the Notice Package directly to, and seeking voting instructions directly from, such NOBOs. As a result, the Corporation is entitled to deliver the Notice Package to Beneficial Shareholders in two manners: (a) directly to NOBOs and indirectly through intermediaries to OBOs; or (b) indirectly to all Beneficial Shareholders through intermediaries. In accordance with the requirements of NI 54-101, the Corporation is sending the Notice Package directly to NOBOs and indirectly through intermediaries to OBOs. The cost of the delivery of the Notice Package by intermediaries to Beneficial Shareholders will be borne by the Corporation.

The Corporation has used a NOBO list to send the Notice Package directly to NOBOs whose names appear on that list. If the Corporation's transfer agent, Computershare Investor Services Inc., has sent these materials directly to a NOBO at the request of the Corporation, such NOBO's name and address and

information about its holdings of shares of the Corporation have been obtained from the intermediary holding such shares on the NOBO's behalf in accordance with applicable securities regulatory requirements. As a result, any NOBO of the Corporation can expect to receive a VIF from Computershare Investor Services Inc. NOBOs should complete and return the VIF to Computershare Investor Services Inc. in the envelope provided. In addition, telephone voting and internet voting are available; instructions in respect of the procedure for telephone and internet voting can be found in the VIF. Computershare Investor Services Inc. will tabulate the results of VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by such VIFs.

Applicable securities regulatory policy requires intermediaries, on receipt of Notice Packages that seek voting instructions from Beneficial Shareholders indirectly, to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings on Form 54-101F7 (Request for Voting Instructions Made by Intermediary). Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their shares are voted at the Meeting or any adjournment(s) thereof. Often, the form of request for voting instructions supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided to Registered Shareholders; however, its purpose is limited to instructing the Registered Shareholder how to vote on behalf of the Beneficial Shareholder. Beneficial Shareholders who wish to appear in person and vote at the Meeting should be appointed as their own representatives at the Meeting in accordance with the directions of their intermediaries and Form 54-101F7. Beneficial Shareholders can also write the name of someone else whom they wish to appoint to attend at the Meeting and vote on their behalf. Unless prohibited by law, the person whose name is written in the space provided in Form 54-101F7 will have full authority to present matters to the Meeting and vote on all matters that are presented at the Meeting, even if those matters are not set out in Form 54-101F7 or this Circular.

The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). In forwarding the Notice Package to Beneficial Shareholders, Broadridge typically includes a VIF in lieu of the form of proxy that some intermediaries employ. Beneficial Shareholders are requested to complete and return the VIF to Broadridge by mail or facsimile. Alternatively, Beneficial Shareholders can call a toll-free telephone number to vote the shares held by them or access Broadridge's dedicated voting website at <https://central-online.proxyvote.com> to deliver their voting instructions. Broadridge will then provide aggregate voting instructions to the Corporation's transfer agent and registrar, which will tabulate the results and provide appropriate instructions respecting the voting of shares to be represented at the Meeting or any adjournment(s) thereof.

**All references to shareholders in this Circular, the enclosed form of proxy, and the Notice of Meeting are to the Registered Shareholders unless specifically stated otherwise.**

#### **EXERCISE OF DISCRETION BY PROXIES**

**Shares represented by properly-executed proxies or VIFs in favour of the persons designated in the enclosed form of proxy or voting information forms, in the absence of any direction to the contrary, will be voted for the: (i) election of directors; (ii) appointment of the auditor; and (iii) resolution approving and confirming the stock option plan of the Corporation, as stated under such headings in this Circular.** The shares represented by the proxy or VIF will be voted or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for, and if a shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly. With respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting, such shares will be voted by the persons so designated in their discretion. At the time of printing this Circular, management of the Corporation knows of no such amendments, variations or other matters.

## VOTING SHARES

As at October 2, 2018, there were 47,012,257 issued and outstanding common shares of the Corporation. Each common share entitles the holder thereof to one vote. The Corporation has fixed October 1, 2018 as the record date (the “**Record Date**”) for the purpose of determining shareholders entitled to receive notice of the Meeting. Pursuant to the *Canada Business Corporations Act*, the Corporation is required to prepare, no later than ten days after the Record Date, an alphabetical list of shareholders entitled to vote as of the Record Date that shows the number of shares held by each shareholder. A shareholder whose name appears on the list referred to above is entitled to vote the shares shown opposite his or her name at the Meeting. The list of shareholders is available for inspection during usual business hours at the head office of the Corporation, 945 Princess Street, Box 117, Kingston, Ontario, K7L 0E9 and at the Meeting. Only shareholders of record as at the close of business on the Record Date will receive notice of, and be entitled to attend and vote at, the Meeting. A shareholder of record on the Record Date will be entitled to vote those shares included in the list of shareholders entitled to vote at the Meeting prepared as at the Record Date, even though the shareholder may subsequently dispose of his or her shares. No shareholder who has become a shareholder after the Record Date will be entitled to vote his or her shares at the Meeting or any adjournment(s) thereof.

## QUORUM FOR THE TRANSACTION OF BUSINESS

The Corporation’s By-Laws provide that the quorum at a meeting of the shareholders of the Corporation shall be constituted by the attendance of two individuals, present in person or represented by proxy, holding at least 5% of the votes attached to outstanding voting shares.

## PRINCIPAL SHAREHOLDERS

As at September 30, 2017, to the best knowledge of the Corporation, no one beneficially owned, directly or indirectly, or exercised control or direction over, common shares carrying 10% or more of the voting rights attached to all outstanding shares of the Corporation as of the date hereof other than:

NAME OF SHAREHOLDER	NUMBER OF SHARES	PERCENTAGE OF ISSUED AND OUTSTANDING
Gary Economo	2,083,333	11.57%
Jeffrey York	1,900,000	10.55%
Focus Graphite Inc.	2,500,000	13.88%

As at October 2, 2018, to the best knowledge of the Corporation, no one beneficially owned, directly or indirectly, or exercised control or direction over, common shares carrying 10% or more of the voting rights attached to all outstanding shares of the Corporation as of the date hereof other than:

NAME OF SHAREHOLDER	NUMBER OF SHARES	PERCENTAGE OF ISSUED AND OUTSTANDING
Grafoid Inc.	14,700,000	31.27%
Classic Agriculture Holdings Limited	6,000,000	12.76%

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

The Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any of the following persons in any matter to be acted upon at the Meeting:

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

## MATTERS FOR CONSIDERATION AT THE MEETING

### PRESENTATION OF FINANCIAL STATEMENTS

The audited consolidated financial statements of the Corporation for the fiscal year ended September 30, 2017 and the report of the auditors thereon will be tabled at the Meeting but will not be subject to a vote. These audited consolidated financial statements form part of the 2017 Annual Report of the Corporation. Copies of the 2017 Annual Report may be obtained from the Secretary of the Corporation upon request and will be available at the Meeting.

### ELECTION OF DIRECTORS

The By-laws of the Corporation provide that the members of the Board of Directors of the Corporation (the "Board") are elected annually. Each director holds office until the next annual meeting of shareholders or until his successor is elected or appointed, unless he resigns or his office becomes vacant by removal, death or other cause.

The mandates of Messrs. Gary Economo, Jeffrey York, Chester Burt, Lindsay Weatherdon, and James Greenberger will expire at the Meeting of November 14, 2018. Management does not contemplate that any of the nominees will be unable to serve on the Board but, if this should occur for any reason prior to the Meeting, the person named in the enclosed form of proxy reserves the right to vote for another nominee at his or her discretion unless the shareholder has indicated in the form of proxy his or her wish to abstain from exercising the voting rights attached to his or her shares at the time of the election of the directors.

The following table sets out the names of all individuals proposed to be nominated by the management of the Corporation as directors together with related information:

Name and municipality of residence	Director Since	Office Held	Number of shares beneficially owned or over which control is exercised	Principal Occupation
Gary Economo Ontario, Canada	November 8, 2011	Chief Executive Officer and Director	2,083,333	CEO of Focus Graphite Inc. CEO & President of Stria Lithium Inc.
Lindsay Weatherdon <sup>(1)</sup> Ontario, Canada	November 8, 2011	Director	400,000	President of Concord National Inc.
Jeffrey York <sup>(1)</sup> Ontario, Canada	November 8, 2011	Director, Chairman of the Board	1,900,000	Chairman of Focus Graphite Inc. CEO of Farm Boy Inc. Chairman of Stria Lithium Inc.
Chester Burt <sup>(1)</sup> Ontario, Canada	November 8, 2011	Director	100,000	President of Chester Burt & Associates Ltd.
James J. Greenberger	October 5, 2017	Director	N/A	Executive Director of the National Alliance for Advanced Technology Batteries Principal at Private Equity Law Advisors

(1) Members of the Audit Committee.

The information as to shares beneficially owned or over which the above-named individuals exercise control or direction is not within the knowledge of the Corporation and has been furnished by the respective nominees individually. Other than the Audit Committee, the Corporation does not have any other committee.

### **Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

To the knowledge of the Corporation, except as disclosed below, none of the foregoing nominees for election as a director of the Corporation:

- (a) is, or within the last ten years has been, a director, chief executive officer or chief financial officer of any company that:
  - (i) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under applicable securities legislation, and which in all cases was in effect for a period of more than 30 consecutive days (an “**Order**”), which Order was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer of such company, with the exception of: (A) Gary Economo, Chief Executive Officer and a Director of the Corporation, is a director and the Chief Executive Officer of Focus Graphite Inc. (“**Focus Graphite**”) (formerly Focus Metals Inc.), a company listed on the TSX Venture Exchange (the “**TSX-V**”). On September 24, 2012 the Ontario Securities Commission issued a management cease trade order against the management of Focus Graphite following the release by Focus Graphite of number of disclosure documents that contained the outcomes of a study that was including the economic analysis of the potential viability of mineral resources on the Lac Knife project that was not supported by a technical report as required by *National Instrument 43-101 - Standards of Disclosure for Mineral Projects*. Focus Graphite filed the required documents on October 30, 2012 and the management cease trade order was lifted on October 31, 2012 by the Ontario Securities Commission; or
  - (ii) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer, or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer, or chief financial officer of such company; or
- (b) is, or within the last ten years has been, a director or executive officer of any company that, while the proposed director was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the last ten years, 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 his assets.

To the knowledge of the Corporation, none of the nominees for election as director of the Corporation 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 a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

**You can vote for the election of all the nominees described above, vote for the election of some of them and withhold from voting for others, or withhold from voting for all of them. Unless otherwise instructed, the persons named in the accompanying form of proxy will vote FOR the election of each of the nominees described above as director of the Corporation.**

## **COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS**

### **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 Corporation, 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 Gary Economo, CEO, and Judith Mazvihwa-MacLean, CFO.

#### **Compensation Program Objectives**

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

- to attract, retain and motivate talented executives who create and sustain the Corporation’s continued success;
- to align the interests of the Corporation’s executives with the interests of the Corporation’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 that meet executive compensation packages for executives with similar talents, qualifications and responsibilities at companies with similar financial, operating and industrial characteristics. The Corporation is a mining company involved in exploration and will not be generating significant revenues from operations for a significant period of time. As a result, the use of traditional performance standards, such as corporate profitability, is not considered by the Corporation to be appropriate in the evaluation of the performance of the NEOs.

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

The Corporation’s executive compensation program has been designed to reward executives for reinforcing the Corporation’s business objectives and values.

## **Elements of Compensation Program**

The executive compensation program consists of a combination of base salary, performance bonus and stock option incentives.

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

The base salary of an NEO is intended to attract and retain executives by providing a reasonable amount of non-contingent remuneration.

In addition to a fixed base salary, each NEO is eligible to receive a bonus meant to motivate the NEO and is determined on a case by case basis. Awards under this plan are made by way of cash payments only, which payment are made at the end of the fiscal year.

Stock options are generally awarded to NEOs on an annual basis. The granting of stock options upon hire aligns NEOs' rewards with an increase in shareholder value over the long term. The use of stock options encourages and rewards performance by aligning an increase in each NEO's compensation with increases in the Corporation's performance and in the value of the shareholders' investments.

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

#### *Intervention of the Board of Directors*

Compensation of the NEOs of the Corporation is reviewed annually by the Board.

#### *Base Salary*

The base salary review of each NEO takes into consideration the current competitive market conditions, experience, performance, and the particular skills of the NEO. Base salary is not evaluated against a formal "peer group". The Board relies on the general experience of its members in setting base salary amounts.

#### *Performance Bonuses*

The bonus for each individual NEO is determined on a case by case basis. The factors considered in assessing the bonus amounts include, but are not limited to, the position of the NEO and expense control.

#### *Stock Options*

The Corporation has established a formal plan (the "**Stock Option Plan**") under which stock options are granted to directors, officers, employees, and consultants as an incentive to serve the Corporation in attaining its goal of improved shareholder value. The Board determines which NEOs (and other persons) are entitled to participate in the Stock Option Plan; determines the number of options granted to such individuals; and determines the date on which each option is granted and the corresponding exercise price and expiry date. For further information regarding the Stock Option Plan refer to section "*Securities Authorized for Issuance Under Equity Compensation Plans*".

The Board makes these determinations subject to the provisions of the existing Stock Option Plan and, where applicable, the policies of the TSX-V.

### **Assessment of Risks Associated with the Corporation's Compensation Policies and Practices**

The Board has not proceeded to an evaluation of the implications of the risks associated with the Corporation's compensation policies and practices. The Corporation has not adopted a policy forbidding directors or officers from purchasing financial instruments that are designed to hedge or offset a decrease in market value of the Corporation's securities granted as compensation or held, directly or indirectly, by

directors or officers. The Corporation is not, however, aware of any directors or officers having entered into this type of transaction.

### External Compensation Consultants

During the fiscal years ended September 30, 2017 and 2016, the Corporation did not retain the services of executive compensation consultants to assist the Board in determining compensation for any of the Corporation's NEOs or directors.

### Link to Overall Compensation Objectives

Each element of the executive compensation program has been designed to meet one or more objectives of the overall program.

The fixed base salary of each NEO, combined with the performance bonuses and granting of stock options, has been designed to provide total compensation which the Board believes is competitive with that paid by other companies of comparable size engaged in similar business in appropriate regions.

### A - COMPENSATION OF EXECUTIVE OFFICERS

The following table presents information concerning all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, to NEOs by the Corporation and its subsidiaries for services in all capacities to the Corporation during the three (3) most recently completed financial years:

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Gary Economo CEO	2017	36,000	-	-	-	-	-	-	36,000
	2016	36,000	-	-	-	-	-	-	36,000
	2015	65,000	-	-	-	-	-	-	65,000
Judith Mazvihwa-MacLean CFO	2017	-	-	-	-	-	-	-	-
	2016	-	-	-	-	-	-	-	-
	2015	-	-	-	-	-	-	-	-

### 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 NEOs of the Corporation:

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Gary Economo	117,424	0.10	February 6, 2022	-	-	-	-
Judith Mazvihwa-MacLean	89,057	0.10	February 6, 2022	-	-	-	-

(1) This column contains the aggregate value of in-the-money unexercised options as at September 30, 2017, calculated based on the difference between the market price of the common shares underlying the options as at September 29, 2017 (\$0.04), the last trading day in the 2017 fiscal year, and the exercise price of the options.

## 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:

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 (\$)
Gary Economo	-	-	-
Judith Mazvihwa-MacLean	-	-	-

### Pension Plan Benefits

The Corporation does not have a defined benefits pension plan or a defined contribution pension plan.

### Termination and Change of Control Benefits

During the most recently completed financial year there were no employment contracts, agreement, plans or arrangements for payments to an NEO, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Corporation or a change in an NEO's responsibilities.

## B - DIRECTORS COMPENSATION

### Director Compensation Table

The following table sets forth information with respect to all amounts of compensation provided to the directors of the Corporation for the most recently completed financial year:

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Jeffrey York	-	-	-	-	-	-	-
Chester Burt	-	-	-	-	-	-	-
Lindsay Weatherdon	-	-	-	-	-	-	-
James J. Greenberger	-	-	-	-	-	-	-

### 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 Corporation:

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Jeffrey York	117,424	0.10	February 6, 2022	-	-	-	-
Chester Burt	234,849	0.10	February 6, 2022	-	-	-	-
Lindsay Weatherdon	234,849	0.10	February 6, 2022	-	-	-	-
James J. Greenberger	-	-	-	-	-	-	-

(1) This column contains the aggregate value of in-the-money unexercised options as at September 30, 2017, calculated based on the difference between the market price of the common shares underlying the options as at September 29, 2017 (\$0.04), the last trading day in the 2017 fiscal year, and the exercise price of the options.

### 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 Corporation 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 (\$)
Jeffrey York	-	-	-
Chester Burt	-	-	-
Lindsay Weatherdon	-	-	-
James J. Greenberger	-	-	-

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

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

Plan Category	Number of securities to be issued upon exercise of outstanding options (a)	Weighted-average exercise price of outstanding options (b)	Number of securities available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	1,028,451	\$0.10	772,774
Equity compensation plans not approved by security holders	-	-	-

### Stock Option Plan

The Corporation's stock option plan (the "Plan") was adopted by the Board on November 8, 2011 and revised February 17, 2014 and amended September 3, 2015. On May 8, 2014, the Corporation completed its qualifying transaction and the stock option plan was converted to a rolling stock option plan. Pursuant to the Plan:

- The maximum number of Common Shares which may be issued for all purposes under the Plan shall

be equal to 10% of the issued and outstanding shares of the corporation at the time of the grant of the options;

- The maximum number of common shares which may be reserved for issuance in favour of any individual director or officer, in any twelve (12) month period, is limited to 5% of the shares issued and outstanding;
- The maximum number of common shares which may be reserved for issuance in favour of a technical consultant, in any twelve (12) month period, is limited to 2% of the shares issued and outstanding;
- The total number of common shares which may be reserved for issuance to people employed to provide investor relations activities may not exceed, in any twelve (12) month period, 2% of the shares issued and outstanding and options granted to such people must vest in stages over 12 months with no more than 25% of the options vesting in any three (3) month period;
- The exercise price per common share shall in all cases be not less than the discounted market price subject to a minimum exercise price of \$0.05;
- Options are exercisable for a maximum period of ten (10) years;
- If an optionee ceases to be an eligible person for any other reason whatsoever other than death, each option held by the optionee will cease to be exercisable on the expiry date or 12 months from the termination date, whichever comes first. If an optionee who is engaged in investor relations activities ceases to be employed for such activities, each option held by the optionee will cease to be exercisable on the expiry date or 30 days after the termination date, whichever comes first. If an optionee dies, each option held by the optionee at the time of his death will cease to be exercisable by the optionee's heirs or administrators on the expiry date or 12 months after the termination date, whichever comes first; and
- The options are non-assignable and not-transferable.

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

During the fiscal year ended September 30, 2017, and as at the date of this Circular, none of the directors, executive officers, employees, (or previous directors, executive officers, or employees of the Corporation), each proposed nominee for election as a director of the Corporation (or any associate of a director, executive officer or proposed nominee) was or is indebted to the Corporation with respect to the purchase of securities of the Corporation and for any other reason pursuant to a loan.

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

The Management of the Corporation is not aware of any material interest, direct or indirect, that any director, proposed director, officer, shareholder of the Corporation holding, directly or indirectly, as beneficial owner, more than 10% of the outstanding common shares of the Corporation or any associate or affiliate of any such person would have in any material transaction concluded since the beginning of the last financial year of the Corporation or in any proposed transaction which had or could have a material effect on the Corporation.

#### **APPOINTMENT OF AUDITORS**

Management of the Corporation proposes that MNP LLP Chartered Professional Accountants be appointed as auditors of the Corporation for the fiscal year ending September 30, 2018. Except where authorization to vote with respect to the appointment of auditors is withheld, the persons named in the accompanying

form of proxy intend to vote **FOR** the appointment of MNP LLP Chartered Professional Accountants, as the auditors of the Corporation, at such remuneration as may be determined by the Board. MNP LLP, Chartered Professional Accountants, have been the auditor of the Corporation since August 10, 2016.

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

### **Approval of the Stock Option Plan**

The material terms and conditions of the Stock Option Plan are set out under the heading “*Stock Option Plan*” in this Circular.

Under the Stock Option Plan, the Board may, from time to time and at its discretion, grant to directors, officers, employees or consultants of the Corporation options to acquire common shares of the Corporation, provided that the number of options granted does not exceed a maximum of 10% of the aggregate number of common shares of the Corporation issued and outstanding at the time of grant.

Consequently, the number of common shares that are reserved under the Stock Option Plan is automatically increased or decreased as the number of issued and outstanding common shares of the Corporation increases or decreases.

This is known as a “rolling” stock option plan.

Under the rules of the TSX-V, a “rolling” stock option plan must receive shareholder approval yearly, at the annual meeting of shareholders.

Accordingly, the Corporation’s shareholders will be asked to adopt the following resolution at the Meeting:

#### **“IT IS RESOLVED;**

1. **THAT** the Stock Option Plan of the Corporation, as described in the Circular dated October 2, 2018, be and it is hereby approved and confirmed; and
2. **To** authorize any one director or officer of the Corporation to do all acts and things, to execute and to deliver all agreements, documents and instruments, to give all notices and to deliver file and distribute all documents and information with such person determined to be necessary or desirable in connection with or to give effect to and carry out the foregoing resolution.”

In order to be adopted, the resolution must be approved by a majority of the votes cast by the shareholders, either present in person or represented by proxy at the Meeting.

**Unless otherwise specified, the persons named in the accompanying form of proxy intend to vote FOR the resolution approving and confirming the Stock Option Plan.**

## **AUDIT COMMITTEE**

### **Charter of the Audit Committee**

The text of the audit committee’s charter is attached hereto as Schedule “A”.

## **Composition of the Audit Committee**

The members of the Audit Committee of the Corporation are Jeffrey York, Chester Burt, and Lindsay Weatherdon. All such members are financially literate and independent members of the Audit Committee, except for Jeffrey York who is the Chairman of the Board, as such terms are defined in *National Instrument 52-110 - Audit Committees* (“NI 52-110”).

## **Education and Relevant Experience**

The education and related experience of each of the members of the Audit Committee that is relevant to the performance of his responsibilities as a member of the Audit Committee is set out below:

### **Jeffrey York**

Mr. York was appointed as a Director on May 24, 2011. Mr. York is currently CEO of Farm Boy, an Ontario based food store chain known for its quality products and farm fresh produce. Farm Boy was named one of the best-managed companies in Canada in 2011. He also serves as chairman of Focus Graphite. A chartered accountant, Mr. York began his professional career with Ward Mallett, Chartered Accountants, before joining Giant Tiger Stores, a regional retail chain that grew under his leadership into a national, billion-dollar company. During his 20-years with Giant Tiger, he served as President and CEO of the company for 10 years. Mr. York is an active member of the Young Presidents Organization and has been involved in that executive network since 2002. As co-founder and Chairman of the Board of Focus Graphite, Mr. York is an active director in terms of shaping the company's business growth and development. He graduated from Princeton in 1986 with a degree in Economics and obtained his Chartered Accountant designation in 1989.

### **Chester Burt**

Mr. Burt was appointed as a Director on May 24, 2011. Mr. Burt is President of Chester Burt & Associates Ltd. (“CBAL”), a corporate and public affairs advisory firm that specializes in connecting private and public companies with domestic and international opportunities. CBAL also arranges for the provision and supply of financial services in mergers, acquisitions and joint ventures. Working through an international network and associate firms, CBAL has a 25-year history of offering a full range of services to assist companies with strategy development and decisions to best suit their investor and corporate relations. Mr. Burt graduated with a B.A. (Hons.) from Waterloo Lutheran University and M.A. from Wilfrid Laurier University in Political Science. He also sits on the Board of Directors of Focus Graphite.

### **Lindsay Weatherdon**

Mr. Weatherdon was appointed as a Director on May 24, 2011. Mr. Weatherdon is the President and owner of Premcorp Sales & Marketing operating as “Concord National, Ontario Division” as well as Mitchell-Kennedy operating as “Concord National, Quebec Division”. Concord National is a Canadian based consumer and packaged goods sales and marketing agency. He has held this position since 2002. Mr. Weatherdon studied from 1983-1986 at Algonquin College in Business & Marketing.

## **Audit Committee Oversight**

At no time since the commencement of the Corporation’s financial year ended September 30, 2017 was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

## Reliance on Certain Exemptions

At no time since the commencement of the Corporation's financial year ended September 30, 2017 has the Corporation relied on the exemption provided under Section 2.4 of NI 52-110 (*De minimis Non-audit Services*) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110 (*Exemptions*).

However, the Corporation is not required to comply with Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*) of NI 52-110 given that it is a venture issuer as defined in NI 52-110.

## Pre-Approval Policies and Procedures

The Audit Committee of the Corporation has adopted specific policies and procedures for the engagement of non-audit services as described in the Audit Committee's charter attached hereto as Schedule "A".

## External Auditor Service Fees

The aggregate fees billed by the Corporation's external auditors in each of the last two (2) fiscal years for audit fees are as follows:

Financial Year Ending	Audit Fees	Audit-Related Fees	Tax Fees	All Other Fees
September 30, 2017 <sup>(2)</sup>	\$9,000	-	-	-
September 30, 2016	\$6,500	\$455	-	400 <sup>(1)</sup>

(1) CPAB Fee.

(2) MNP incurred \$25,650 fees related to consent procedures for the Company's transaction with Grafoid Inc.

## CORPORATE GOVERNANCE PRACTICES

*National Instrument 58-101 Disclosure of Corporate Governance Practices* and *National Policy 58-201 Corporate Governance Guidelines* set out a series of guidelines for effective corporate governance. The guidelines address matters such as the composition and independence of corporate boards, the functions to be performed by boards and their committees, and the effectiveness and education of board members. Each reporting issuer, such as the Corporation, must disclose on an annual basis and in prescribed form, the corporate governance practices that it has adopted. The following is the Corporation's required annual disclosure of its corporate governance practices.

### Board of Directors

#### 1. Independent Directors

The independent directors of the Corporation are Chester Burt, Lindsay Weatherdon, and James J. Greenberger

#### 2. Non Independent Directors

The non-independent directors of the Corporation are Mr. Gary Economo in light of his position as CEO of the Corporation and Jeffrey York in light of his position as Chairman of the Board.

Three of the current five directors are independent; the Board is thus composed of a majority of independent directors. Meetings of the Board are chaired by Jeffrey York. If necessary, the independent members of the Board can meet without non-independent directors and members of management present. Important matters are discussed with the Audit Committee of the Board, which is comprised for the most part of independent

directors. These factors allow the Board to preserve its independence with respect to management of the Corporation and to exercise its independent supervision over management.

### **Directorships**

The following directors are currently directors of other issuers that are reporting issuers (or the equivalent) in a jurisdiction of Canada or a foreign jurisdiction:

<b>Name of Director</b>	<b>Issuer</b>
Gary Economo	Stria Lithium Inc. Focus Graphite Inc.
Jeffrey York	Stria Lithium Inc. Focus Graphite Inc.
Chester Burt	Stria Lithium Inc. Focus Graphite Inc.
Lindsay Weatherdon	Stria Lithium Inc.

### **Orientation and Continuing Education**

The Corporation does not currently have a formal orientation program for new directors. The Board has not at this time taken any measures to provide continuing education for the directors. However, the directors of the Corporation are encouraged to attend, at the Corporation's expense, any seminar given by the TSX-V or the Canadian Securities Administrators relating to the management of a public company or relating to their responsibilities as a director of a public company. Furthermore, the directors are given access to the Corporation's legal advisors for any questions they may have relating to such responsibilities.

### **Ethical Business Conduct**

In light of the Corporation's stage of development and its limited number of employees, the Board has not taken formal steps to encourage and promote a culture of ethical business conduct.

### **Nomination of Directors**

The Board does not have a nominating committee. The current size and composition of the Board allows the entire Board to take the responsibility for finding and nominating new directors, taking into consideration the competencies, skills, experiences, and ability to devote the required time.

### **Compensation**

The process of compensation is described in the above section "Compensation of Executive Officers and Directors".

### **Other Board Committees**

The Board does not have any standing committee other than the Audit Committee.

### **Assessments**

To date, no formal evaluation has been put in place to evaluate the effectiveness of the directors, the descriptions of the positions held or the competence and qualifications that each director is required to bring to the Board. This task is the responsibility of the Board who punctually reviews its operations as well as

its directors' role, and its members are encouraged to give feedback regarding the effectiveness of the Board as a whole, its practices and individual directors will, when necessary, make recommendations to the Board.

### **SHAREHOLDER PROPOSALS**

The *Canada Business Corporations Act* provides, in effect, that a registered holder or beneficial owner of shares that is entitled to vote at an annual meeting of the Corporation may submit to the Corporation notice of any matter that the person proposes to raise at the meeting (referred to as a “**Proposal**”) and discuss at the meeting any matter in respect of which the person would have been entitled to submit a Proposal. The *Canada Business Corporations Act* further provides, in effect, that the Corporation must set out the Proposal in its management information circular along with, if so requested by the person who makes the Proposal, a statement in support of the Proposal by such person. However, the Corporation will not be required to set out the Proposal in its management information circular or include a supporting statement if, among other things, the Proposal is not submitted to the Corporation at least 90 days before the anniversary date of the notice of meeting that was sent to the shareholders in connection with the previous annual meeting of shareholders of the Corporation. As the notice in connection with the Meeting is dated October 2, 2018, the deadline for submitting a proposal to the Corporation in connection with the next annual meeting of shareholders is July 4, 2019.

The foregoing is a summary only; shareholders should carefully review the provisions of the *Canada Business Corporations Act* relating to Proposals and consult with a legal advisor.

### **OTHER MATTERS**

Management knows of no other matter to come before the Meeting. However, if any other matters which are known to the management should properly come before the Meeting, the accompanying form of proxy confers discretionary authority upon the person's name therein to vote on such matters in accordance with their best judgement.

### **ADDITIONAL INFORMATION**

Financial information about the Corporation is contained in its financial statements and Management's Discussion and Analysis for the fiscal year ended September 30, 2017, and additional information about the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com).

If you would like to obtain, at no cost to you, a copy of any of the following documents:

- (a) The financial statements of the Corporation for the fiscal year ended September 30, 2017 together with the accompanying report of the auditors thereon and any interim financial statements of the Corporation for periods subsequent to September 30, 2017 and Management's Discussion and Analysis with respect thereto; and
- (b) this Circular,

please send your request to:

945 Princess Street, Box 117,  
Kingston, Ontario, K7L 0E9  
Telephone: (613) 241-4040  
Facsimile: (613) 241-8632  
Email: [jmazvihwa@mincomcapital.com](mailto:jmazvihwa@mincomcapital.com)

**APPROVAL OF CIRCULAR**

The contents and the mailing of the Circular have been approved by the directors of the Corporation.

Ottawa, October 2, 2018

**By order of the Board of Directors**

*(s) Gary Economo*

**Gary Economo**

Chief Executive Officer

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

The following charter is adopted in compliance with *National Instrument 52-110 Audit Committees* (“**NI 52-110**”).

**1. MANDATE AND OBJECTIVES**

The mandate of the audit committee of the Corporation (the “**Committee**”) is to assist the board of directors of the Corporation (the “**Board**”) in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Corporation to regulatory authorities and shareholders, the Corporation’s systems of internal controls regarding finance and accounting and the Corporation’s auditing, accounting and financial reporting processes.

The objectives of the Committee are to:

- a) serve as an independent and objective party to monitor the Corporation’s financial reporting and internal control system and review the Corporation’s financial statements;
- b) ensure the independence of the Corporation’s external auditors; and
- c) provide better communication among the Corporation’s auditors, the management and the Board.

**2. COMPOSITION**

The Committee shall be comprised of at least three (3) directors as determined by the Board. The majority of the members of the Committee shall be independent, within the meaning of NI 52-110.

At least one (1) member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices.

For the purposes of this Charter, the definition of “financially literate” is 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 presumably be expected to be raised by the Corporation’s financial statements.

The members of the Committee shall be elected by the Board at its first meeting following each annual shareholders’ meeting. Unless a Chairman is elected by the Board, the members of the Committee may designate a Chairman by a majority vote of all the Committee members.

**3. MEETINGS AND PROCEDURES**

- 3.1 The Committee shall meet at least four (4) times a year or more frequently if required.
- 3.2 At all meetings of the Committee, every question shall be decided by a majority of the votes cast. In the case of an equality of votes, the Chairman shall not be entitled to a second vote.

- 3.3 A quorum for meetings of the Committee shall be a majority of its members and the rules for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those governing meetings of the Board.

#### **4. DUTIES AND RESPONSIBILITIES**

The following are the general duties and responsibilities of the Committee:

##### **4.1 Financial Statements and Disclosure Matters**

- a) review the Corporation's financial statements, MD&A and any press releases regarding annual and interim earnings, before the Corporation publicly discloses such information, and any reports or other financial information which are submitted to any governmental body or to the public;
- b) must be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure referred to in subsection a) above, and must periodically assess the adequacy of those procedures.

##### **4.2 External Auditors**

- a) recommend to the Board the selection and, where applicable, the replacement of the external auditors to be nominated annually as well the compensation of such external auditors;
- b) oversee the work and review annually the performance and independence of the external auditors who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Corporation;
- c) on an annual basis, review and discuss with the external auditors all significant relationships they may have with the Corporation that may impact their objectivity and independence;
- d) consult with the external auditors about the quality of the Corporation's accounting principles, internal controls and the completeness and accuracy of the Corporation's financial statements;
- e) review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation;
- f) review the audit plan for the year-end financial statements and intended template for such statements;
- g) review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, as well as any non-audit services provided by the external auditors to the Corporation or its subsidiary entities. The pre-approval requirement is satisfied with respect to the provision of non-audit services if:

- i) the aggregate amount of all such non-audit services provided to the Corporation constitutes no more than 5% of the total amount of fees paid by the Corporation and its subsidiary entities to its external auditors during the fiscal year in which the non-audit services are provided;
- ii) such services were not recognized by the Corporation or its subsidiary entities as non-audited services at the time of the engagement; and
- iii) such services are promptly brought to the attention of the Committee by the Corporation and approved, prior to the completion of the audit, by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee.

The Committee may delegate to one or more independent members of the Committee the aforementioned authority to pre-approve non-audited services, provided the pre-approval of the non-audit services is presented to the Committee at its first scheduled meeting following such approval.

#### **4.3 Financial Reporting Processes**

- a) in consultation with the external auditors, review with management the integrity of the Corporation's financial reporting process, both internal and external;
- b) consider the external auditor's judgments about the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting;
- c) consider and approve, if appropriate, changes to the Corporation's auditing and accounting principles and practices as suggested by the external auditors and management;
- d) review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements;
- e) review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented;
- f) establish procedures for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters and the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters.