

## MANAGEMENT PROXY CIRCULAR

### SOLICITATION OF PROXIES BY MANAGEMENT

**This management proxy circular (the “Circular”) is furnished in connection with the solicitation by the management of Meteorite Capital Inc. (the “Corporation”) of proxies to be used at the annual meeting of shareholders (the “Meeting”) of the Corporation to be held at the time and place and for the purposes set forth 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, e-mail or in person. The total cost of solicitation of proxies will be borne by the Corporation. Pursuant to National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“NI 54-101”), arrangements have been made with clearing agencies, brokerage houses and other financial intermediaries to forward proxy-related materials to the beneficial owners of the shares. See “Appointment and Revocation of Proxies – Notice to Beneficial Holders of Shares” below.

### INTERNET AVAILABILITY OF PROXY MATERIALS

Rules recently adopted by the Canadian Securities Administrators, known as the “notice and access” distribution option, allow companies to send to shareholders a notice to the effect that proxy materials are available via the Internet, rather than mailing full sets of proxy materials to them. This year, the Corporation chose to mail full sets of proxy materials to shareholders. In the future, the Corporation may take advantage of the “notice and access” distribution option. If in the future the Corporation chooses to send such notices to shareholders, the notices will contain instructions on how shareholders can gain access to the Corporation’s notice of meeting and management proxy circular via the Internet. The notices will also contain instructions on how shareholders can request that proxy materials be delivered to them electronically or in printed form on a one-time or ongoing basis.

### APPOINTMENT AND REVOCATION OF PROXIES

#### Appointment of Proxy

A 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 TSX Trust Company by mail to Proxy Department, P.O. Box 721, Agincourt, Ontario M1S 0A1 or hand delivery at 1 Toronto Street, Suite 1200, Toronto, ON M5C 2V6 , or by facsimile to 416-368-2502 or 1-866-781-3111. A shareholder may also vote using the internet at [www.tsxtrust.com/vote-proxy](http://www.tsxtrust.com/vote-proxy). In order to be valid and acted upon at the Meeting, the form of proxy must be received no later than 8:30 a.m. (EST) on June 28, 2022 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 shareholder or his attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

**A 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 shareholder’s appointee should be legibly printed in the blank space provided. In addition, the shareholder should notify the appointee of the appointment, obtain his or her consent to act as appointee and instruct the appointee on how the shareholder’s shares are to be voted.**

Shareholders who are not registered shareholders should refer to “Notice to Beneficial Holders of Shares” below.

#### Revocation of Proxy

A shareholder who has submitted a form of proxy as directed hereunder may revoke it at any time prior to the exercise thereof. If a person who has given a proxy personally attends the Meeting at which that proxy is to be voted, that person 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 shareholder or his attorney or authorized agent and

deposited with TSX Trust Company by mail at 1 Toronto Street, Suite 1200, Toronto, ON M5C 2V6 or by facsimile to 416-368-2502 or 1-866-781-3111, Attention: Proxy Department, or deposited with the Secretary of the Corporation before the commencement of the Meeting, or any adjournment thereof, and upon either of those deposits, the proxy will be revoked.

### **Notice to Beneficial Holders of Shares**

The information set out in this section is of importance to many shareholders, as a substantial number of shareholders do not hold shares of the Corporation in their own name. Shareholders who do not hold their shares of the Corporation in their own name (referred to herein as “**Beneficial Shareholders**”) should note that only proxies deposited by 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/nominee 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 under applicable securities regulations for purposes of dissemination to Beneficial Shareholders of proxy-related materials and other securityholder materials and requests 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.

In accordance with the requirements of NI 54-101, the Corporation is sending the Notice of Meeting, this Circular, and a voting instruction form or form of proxy, as applicable (collectively, the “**Meeting Materials**”), indirectly through intermediaries to both NOBOs and OBOs. NI 54-101 allows the Corporation, in its discretion, to obtain a list of its NOBOs from intermediaries and to use such NOBO list for the purpose of distributing the Meeting Materials directly to, and seeking voting instructions directly from, such NOBOs. As a result, the Corporation is entitled to deliver Meeting Materials 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. The cost of the delivery of the Meeting Materials by intermediaries to OBOs will be borne by the Corporation. The Corporation did use a NOBO list to send the Meeting Materials directly to NOBOs whose names appear on that list.

Applicable securities regulations require intermediaries, on receipt of Meeting Materials that seek voting instructions from Beneficial Shareholders indirectly, to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings on Form 54-101F7. 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 proxy 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 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**”). Broadridge typically mails

a voting instruction form in lieu of a form of proxy. Beneficial Shareholders are requested to complete and return the voting instruction form 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.

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

**Shares represented by properly executed proxies in favour of the persons designated in the enclosed form of proxy, in the absence of any direction to the contrary, will be voted in favour of the: (i) election of directors; (ii) appointment of auditors and (iii) approval of the Corporation's stock option plan, as stated under such headings in this Circular.** Instructions with respect to voting will be respected by the persons designated in the enclosed form of proxy. 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 May 30, 2022, there were 7,065,000 issued and outstanding common shares of the Corporation (the "**Common Shares**"). Each Common Share entitles the holder thereof to one vote. The Corporation has fixed May 30, 2022 as the record date (the "**Record Date**") for the purposes of determining shareholders entitled to receive notice of 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 attend or vote at the Meeting or any adjournment(s) thereof.

### **PRINCIPAL HOLDERS**

As of the Record Date, to the knowledge of the Corporation, no person beneficially owned, directly or indirectly, or exercised control or direction over, more than 10% of the Common Shares.

### **ELECTION OF DIRECTORS**

The board of directors of the Corporation (the "**Board**") currently consists of three directors. The persons named in the enclosed form of proxy intend to vote in favour of the election of the three nominees whose names are set forth below. Each director will hold office until the next annual meeting of shareholders or until the election of his successor, unless he resigns or his office becomes vacant by removal, death or other cause.

The following table sets forth the name of each of the persons proposed to be nominated for election as director, all other positions and offices with the Corporation now held by such person, their municipality, province and country of residence, principal occupation, the year in which such person became a director of the Corporation, and the number of Common Shares that such person has advised are beneficially owned or over which control or direction is exercised by such person as at the date indicated below.

<u>Name, municipality of residence and position with the Corporation</u>	<u>Principal occupation</u>	<u>Director since</u>	<u>Number of Common Shares beneficially owned or over which control is exercised as at the Record Date</u>
Charles R. Spector <sup>(1)</sup> ..... Westmount, Québec, Canada Director	Partner at Dentons Canada LLP	2018	413,000
Ivan Spector <sup>(1)</sup> ..... Westmount, Québec, Canada Chief Executive Officer, Secretary and Director	President of Sentinel Alarm Company	2018	413,000
Richard Yanofsky <sup>(1)</sup> ..... Hampstead, Québec, Canada Director	Chief Executive Officer of WowWee Canada Inc.	2018	413,000 <sup>(2)</sup>

**Notes:**

(1) Member of the Audit Committee.

(2) These Common Shares are held by Maner Developments Inc., a corporation controlled by Richard Yanofsky.

The information as to shares owned by the above-named individuals has been provided by the respective nominees individually.

**EXPERIENCE OF THE NOMINEES FOR ELECTION AS DIRECTORS**

**Charles Spector, Director**

Charles Spector is a corporate finance, M&A and securities lawyer with over 30 years of experience. Charles has previously acted as director of a TSX-listed company from 1996 through 2010 and regularly advises public companies on securities, M&A and corporate finance. He is currently a partner in the Montreal office of Dentons Canada LLP. Charles holds a B.A. degree from McGill University, a law degree (L.L.B.) from Université de Sherbrooke and a Masters of Law (L.L.M.) from Columbia University in New York. He has been a member in good standing of the *Barreau du Québec* since 1986.

**Ivan Spector, Chief Executive Officer, Secretary and Director**

Ivan Spector is the founder and President of Sentinel Alarm Company, a provider of alarm monitoring services and equipment as well as home automation services. Ivan has also been involved in other businesses including car alarms, janitorial services and energy conservation products. Ivan holds a B.A. degree from McGill University, which he obtained in 1980. He served as National President of the Canadian Security Association (CANASA), and on the Boards of the Security Industry Association (SIA) and the Security Industry Alarm Coalition (SIAC). He is the immediate past President of the Monitoring Association, a security industry association based in Washington, D.C., and currently serves on its Executive Committee.

## **Richard Yanofsky, Director**

Richard Yanofsky is an entrepreneur and co-founder of WowWee Group Limited, an international toy designer, manufacturer and distributor based in Hong Kong. Richard is currently the Chief Executive Officer of WowWee Canada Inc., a Canadian affiliate of WowWee Group Limited and serves as a director of this company as well. Richard led a 2007 transaction pursuant to which the assets of WowWee Group Limited were sold to Optimal Group Inc. and then proceeded to acquire Optimal Group Inc. including the former business of WowWee in 2010. Richard has previously acted as a trustee for a TSX-listed income fund from 2005 through 2007. Richard holds a B.A. degree from McGill University obtained in 1980 as well as a Management Diploma from McGill University, which he obtained in 1981.

To the knowledge of the Corporation, none of the foregoing nominees for election as 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; 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;
- (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.

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 securityholder in deciding whether to vote for a proposed director.

## **STATEMENT OF EXECUTIVE COMPENSATION**

The following discussion sets out the statement of executive compensation of the Corporation for the financial year ended December 31, 2021, prepared in accordance Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*.

## Interpretation

“named executive officer” (“NEO”) means:

- (a) each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer;
- (b) each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer;
- (c) in respect of the Corporation and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) above at the end of the most recently completed financial year whose total compensation was more than \$150,000, for that financial year;
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the Corporation, and was not acting in a similar capacity, at the end of that financial year.

Mr. Ivan Spector, Chief Executive Officer (“CEO”) and Mr. Lennie Ryer, Chief Financial Officer (“CFO”), are each an NEO of the Corporation for the purposes of the following disclosure.

### Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table sets forth all direct and indirect compensation (excluding compensation securities) paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Corporation to each NEO and each director of the Corporation, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or director for services provided and for services to be provided, directly or indirectly, to the Corporation, for each of the Corporation’s two most recently completed financial years:

Table of compensation, excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Ivan Spector, Chief Executive Officer, Secretary and Director	2021	nil	nil	nil	nil	nil	nil
Lennie Ryer, Chief Financial Officer	2021	nil	nil	nil	nil	nil	nil

### STOCK OPTIONS AND OTHER COMPENSATION SECURITIES

The following table discloses all compensation securities granted or issued to each director and NEO by the Corporation or one of its subsidiaries in the most recently completed financial year for services provided or to be provided, directly or indirectly, to the Corporation or any of its subsidiaries.

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Ivan Spector <sup>(1)</sup> , Chief Executive Officer, Secretary and Director	N/A	nil	N/A	N/A	N/A	N/A	N/A
Charles R. Spector <sup>(2)</sup> , Director	N/A	nil	N/A	N/A	N/A	N/A	N/A
Lennie Ryer <sup>(3)</sup> , Chief Financial Officer	N/A	nil	N/A	N/A	N/A	N/A	N/A
Richard Yanofsky <sup>(4)</sup> , Director	N/A	nil	N/A	N/A	N/A	N/A	N/A

**Notes:**

- (1) As at December 31, 2021, Mr. Ivan Spector held an aggregate of 141,300 compensation securities, comprised of 141,300 incentive stock options, each of which is exercisable into one Common Share; exercisable at \$0.15 per share until September 27, 2023.
- (2) As at December 31, 2021, Mr. Charles Spector held an aggregate of 141,300 compensation securities, comprised of 141,300 incentive stock options, each of which is exercisable into one Common Share; exercisable at \$0.15 per share until September 27, 2023.
- (3) As at December 31, 2021, Mr. Lennie Ryer held an aggregate of 141,300 compensation securities, comprised of 141,300 incentive stock options, each of which is exercisable into one Common Share; exercisable at \$0.15 per share until September 27, 2023.
- (4) As at December 31, 2021, Mr. Richard Yanofsky held an aggregate of 141,300 compensation securities, comprised of 141,300 incentive stock options, each of which is exercisable into one Common Share; exercisable at \$0.15 per share until September 27, 2023.

**Exercise of Compensation Securities by Directors and NEOs**

There were no compensation securities exercised by a director or NEO of the Corporation during the financial year ended December 31, 2021.

**Stock Option Plan**

The Corporation has adopted a “rolling” incentive stock option plan (the “**Stock Option Plan**”) to attract, retain and motivate directors, officers, employees and other persons who provide ongoing services to the Corporation and its affiliates (“**Participants**”), and to closely align their personal interests with those of the Corporation’s shareholders by providing them with the opportunity to acquire Common Shares, and thereby a proprietary interest in the Corporation, through the exercise of Options to acquire Common Shares under the Stock Option Plan.

**Number of Shares under the Existing Plan**

The aggregate number of Common Shares in respect of which Options may be granted (“**Option Shares**”) is equal to 10% of the currently outstanding Common Shares at the time of any stock option grant. If an Option expires or is terminated, the Option Shares allocated to the unexercised portion of that Option may again be subject to an Option.

### ***Exercise Price***

The Board determines the exercise price for each Option Share, which price may not be lower than the closing price of the Common Shares on the business day immediately preceding the date on which the Corporation notifies the stock exchanges of the grant of the Option, less the maximum discount permitted under the rules of the stock exchange on the Common Shares are principally traded.

### ***Vesting***

The Board determines the vesting conditions attached to an Option.

### ***Limitation on Number of Options***

The aggregate number of Options that may be granted to any individual director or officer the Corporation may not exceed 5% of the Common Shares outstanding as at the date of grant. The aggregate number of Options that may be granted to Participants other than a director, officer or employee of the Corporation may not exceed 2% of the Common Shares outstanding as at the date of grant.

### ***Length of Grant***

All Options expire on a date determined by the Board, which date may not be later than a date that is 10 years from the date of grant.

### ***Non Transferability of Options***

All Options are non-transferable and non-assignable.

### ***Termination***

If a Participant is dismissed as an officer or employee by the Corporation or one of its affiliates for cause, all his or her unexercised Options will immediately terminate.

### ***Termination Other Than for Cause***

If a Participant ceases to be a director, officer or employee of the Corporation or one of its affiliates or ceases to provide ongoing services to the Corporation or one of its affiliates for any reason other than:

- (a) as a result of becoming disqualified to act as a director of the Corporation or one of its subsidiaries;
- (b) having been dismissed for cause;
- (c) ceasing to provide ongoing services to the Corporation or one of its affiliates; or
- (d) as a result of his or her death;

he or she may exercise his or her Options for a period of time determined by the Board (the “**Grace Period**”), which period may not exceed 90 days (or until the normal expiry date of the Option, if earlier) from the date of ceasing to be a director, officer, employee or provider of services, to the extent his or her Options were exercisable on the date of ceasing to be a director, officer, employee or provider of services. Upon the expiration of the Grace Period, all of his or her unexercised Options will immediately terminate. Notwithstanding the foregoing, in the case of the Participant’s death the Grace period shall be one year (or until the normal expiry date of the Option, if earlier).

## Oversight and Description of Director and NEO Compensation

The Corporation's executive compensation is reviewed annually by the Board. The Board approves the base salary of each NEO (and any other person).

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out certain details as at December 31, 2021, the end of the Corporation's last financial year, with respect to compensation plans pursuant to which equity securities of the Corporation are authorized for issuance.

<b>Plan Category</b>	<b>Number of shares to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (\$) (b)</b>	<b>Number of shares remaining available for future issuance under the Equity Compensation Plans (excluding securities reflected in column (a)) (c)</b>
Equity compensation plans previously approved by shareholders	706,500	0.15	nil
Equity compensation plans not previously approved by shareholders	nil	nil	nil

The equity compensation plan referred to in the foregoing table is the Stock Option Plan.

### APPROVAL OF THE STOCK OPTION PLAN

Under the Stock Option Plan, the Board may, by resolution, grant options to directors, officers, employees of, and consultants to, the Corporation and of its subsidiaries, provided that the total number of Common Shares issued under the Stock Option Plan shall not, subject to the receipt of shareholder approvals solicited in this Circular, exceed 10% of the number of Common Shares outstanding at the time of the grant of option, which represents 7,065,000 Common Shares as of May 30, 2022. As of the date of this Circular, there are 565,200 stock options issued and outstanding. The Stock Option Plan is described above in the section called "Stock Option Plan". The TSX-V requires annual shareholder approval for a "rolling" stock option plan such as the Stock Option Plan. Shareholders therefore are being asked to consider and, if appropriate, approve the following resolution:

**UNLESS INSTRUCTIONS ARE GIVEN TO DECLINE TO VOTE OR TO VOTE AGAINST THE FOLLOWING RESOLUTION, THE PERSONS WHOSE NAMES APPEAR IN THE PROXY INTEND TO VOTE AT THE MEETING IN FAVOUR OF THE FOLLOWING RESOLUTION.**

*IT IS RESOLVED TO:*

- 1. APPROVE the stock option plan adopted on July 13, 2018, as such plan was amended on June 18, 2021.*
- 2. AUTHORIZE any director or officer of the Corporation to sign and deliver any document or to take any action that is useful to give effect to this resolution.*

The foregoing resolution requires the approval of a majority of the votes cast by shareholders voting thereon.

## INFORMATION ON THE AUDIT COMMITTEE

### Charter of the Audit Committee

The Charter of the Audit Committee is annexed to this Circular as Schedule A.

### Composition of the Audit Committee

The Audit Committee is currently composed of Charles Spector, Ivan Spector and Richard Yanfosky. Under *Regulation 52-110 respecting Audit Committees*, a director of an audit committee is “independent” if he or she has no direct or indirect material relationship with the issuer, that is, a relationship which could, in the view of the Board, reasonably be expected to interfere with the exercise of the member’s independent judgment. The Board has determined that the majority of Audit Committee members are independent.

The Board has determined that each of the three members of the Audit Committee is “financially literate” within the meaning of section 1.6 of *Regulation 52-110 respecting Audit Committees*, that is, each member has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements.

### Relevant Education and Experience

The education and related experience of each of the members of the Audit Committee that is relevant to their responsibilities as members of the Audit Committee is set out below.

Charles Spector is a corporate finance, M&A and securities lawyer with over 30 years of experience. Charles has previously acted as director of a TSX-listed company from 1996 through 2010 and regularly advises public companies on securities, M&A and corporate finance. He is currently a partner in the Montreal office of Dentons Canada LLP. Charles holds a B.A. degree from McGill University, a law degree (L.L.B.) from Université de Sherbrooke and a Masters of Law (L.L.M.) from Columbia University in New York. He has been a member in good standing of the *Barreau du Québec* since 1986.

Ivan Spector is the founder and President of Sentinel Alarm Company, a provider of alarm monitoring services and equipment as well as home automation services. Ivan has also been involved in other businesses including car alarms, janitorial services and energy conservation products. Ivan holds a B.A. degree from McGill University which he obtained in 1980. He served as National President of the Canadian Security Association (CANASA), and on the Boards of the Security Industry Association (SIA) and the Security Industry Alarm Coalition (SIAC). He is the immediate past President of the Monitoring Association, a security industry association based in Washington, D.C., and currently serves on its Executive Committee.

Richard Yanofsky is an entrepreneur and co-founder of WowWee Group Limited, an international toy designer, manufacturer and distributor based in Hong Kong. Richard is currently the Chief Executive Officer of WowWee Canada Inc., a Canadian affiliate of WowWee Group Limited and serves as a director of this company as well. Richard led a 2007 transaction pursuant to which the assets of WowWee Group Limited were sold to Optimal Group Inc. and then proceeded to acquire Optimal Group Inc. including the former business of WowWee in 2010. Richard has previously acted as a trustee for a TSX-listed income fund from 2005 through 2007. Richard holds a B.A. degree from McGill University obtained in 1980 as well as a Management Diploma from McGill University which he obtained in 1981.

## PRE-APPROVAL POLICIES AND PROCEDURES FOR AUDIT SERVICES

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

## **External Auditor Fees**

### ***Audit Fees***

“Audit fees” consist of fees for professional services for the audit of the Corporation’s annual financial statements, assistance with interim financial statements, and related matters. MNP LLP, the Corporation’s external auditors, billed the Corporation \$11,000 in audit fees during the financial year ended December 31, 2021.

### ***Audit-Related Fees***

“Audit-related fees” consist of fees for professional services that are reasonably related to the performance of the audit or review of the Corporation’s financial statements and which are not reported under “Audit Fees” above. MNP LLP, the Corporation’s external auditors, did not bill the Corporation for any audit-related fees during the financial year ended December 31, 2021.

### ***Tax Fees***

“Tax fees” consist of fees for professional services for tax compliance, tax advice and tax planning. MNP LLP, the Corporation’s external auditors, did not bill the Corporation for any tax fees during the financial year ended December 31, 2021.

### ***All Other Fees***

MNP LLP, the Corporation’s external auditors, did not bill the Corporation for any other fees during the financial year ended December 31, 2021.

## **Reliance on Exemption**

The Corporation is relying on the exemption set out in section 6.1 of *Regulation 52-110 respecting Audit Committees* with respect to certain reporting obligations.

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

No person who is, or who was at any time during the financial year ended December 31, 2021, a director, executive officer or senior officer of the Corporation or a subsidiary thereof, and no person who is a nominee for election as a director of the Corporation, and no associate of such persons, is, or was at any time since the beginning of the financial year ended December 31, 2021, indebted to the Corporation or a subsidiary of the Corporation, nor has any such person been indebted at any time since the beginning of the financial year ended December 31, 2021 to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or a subsidiary of the Corporation.

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

No “informed person” of the Corporation, that is: (a) the directors and executive officers of the Corporation; (b) any person who beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of the Corporation’s outstanding voting shares; (c) any director or executive officer of a person referred to in (b) above; or (d) any associate or affiliate of any “informed person” of the Corporation, has any material interest, direct or indirect, in any transaction since April 27, 2018 or in any proposed transaction which has materially affected or would materially affect the Corporation.

## **APPOINTMENT OF AUDITORS**

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 in favour of the appointment of MNP LLP as the auditors of the

Corporation until the next annual general meeting of shareholders. MNP LLP have served as the auditors of the Corporation since 2018.

## **RECEIPT OF MOTIONS FROM SHAREHOLDERS FOR THE NEXT ANNUAL GENERAL MEETING**

Shareholders with voting rights at the Corporation's next annual general meeting who wish to submit a motion regarding any issue to be debated during that meeting must submit their motions to the Corporation's secretary no later than February 22, 2023.

## **CORPORATE GOVERNANCE PRACTICES**

*Policy Statement 58-201 to Corporate Governance Guidelines and Regulation 58-101 respecting Disclosure of Corporate Governance Practices* 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 sets out the Corporation's corporate governance practices, as required.

### **Board of Directors**

*Disclose how the board of directors facilitates its exercise of independent supervision over management, including:*

- (i) *the identity of directors that are independent:*

The Board considers that Charles Spector and Richard Yanofsky are independent within the meaning of *Regulation 52-110 respecting Audit Committees*.

- (ii) *the identity of directors who are not independent, and the basis for that determination:*

The Board considers that Ivan Spector is not independent within the meaning of *Regulation 52-110 respecting Audit Committees* because he is an NEO of the Corporation.

The fact that the majority of members of the Board are independent facilitates the exercise of the independence of the Board in the supervision of the management. The independent directors do not hold regular meetings at which non-independent directors and members of management are not present. However, the Board, under certain circumstances, will hold meetings without the presence of non-independent directors. In these cases, the independent directors will have frank and open discussions between them.

### **Directorships**

*If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer:*

No members of the Board are currently directors of other issuers that are reporting issuers (or the equivalent) in a jurisdiction of Canada or a foreign jurisdiction.

### **Orientation and Continuing Education**

*Describe what steps the board takes to orient new board members and any measures the board takes to provide continuing education for directors:*

The Corporation does not currently have a formal orientation program for new directors.

### ***Ethical Business Conduct***

*Describe steps taken by the board to encourage and promote a culture of ethical business conduct:*

In light of the Corporation's status as a capital pool company, the Board has not taken formal steps to encourage or promote a culture of ethical business conduct. However, the Corporation does take measures to ensure that the directors, officers and employees do not trade in the Corporation's shares at a time when disclosure of material information is pending.

### ***Nomination of Directors***

*Disclose what steps are taken to identify new candidates for board nomination, including:*

- (i) *who identifies new candidates, and*
- (ii) *the process of identifying new candidates.*

The Board is responsible for recommending nominees to the Board of Directors. In this regard, the Board reviews, on a periodic basis, the composition of the Board and works to ensure that an appropriate number of independent directors sit on the Board. There is no formal process to find new candidates. When there is a vacancy on the Board, it is up to each member to propose suitable candidates to fill that vacancy. The directors then make a collective decision as to whose candidacy to retain.

### ***Compensation***

*Disclose what steps are taken to determine compensation for the directors and CEO, including:*

- (i) *who determines compensation, and*
- (ii) *the process of determining compensation.*

The process by which the Corporation currently determines the compensation of the executive officers of the Corporation is described in the section entitled "Statement of Executive Compensation - Oversight and Description of Director and NEO Compensation" above.

### ***Other Board Committees***

*If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.*

The Board does not have any other permanent committee.

### ***Assessments***

*Disclose what steps, if any, that the board takes to satisfy itself that the board, its committees, and its individual directors are performing effectively.*

The Board is responsible for assessing the effectiveness of the Board, its committees and individual directors and the competence and qualifications that each director is required to bring to the Board. Although no formal process has been put in place for such assessment, the Board conducts informal assessments on an as-needed basis. In this regard, the Board from time-to-time examines and comments on its effectiveness and that of its committees, and makes adjustments when warranted.

## **OTHER MATTERS**

Management of the Corporation knows of no other matter to come before the Meeting other than those referred to in the Notice of Meeting. However, if any other matters which are not known to the management should properly come before the Meeting, the accompanying form of proxy confers discretionary authority upon the persons named therein to vote on such matters in accordance with their best judgment.

## **ADDITIONAL INFORMATION**

Financial information about the Corporation is contained in its comparative financial statements and Management's Discussion and Analysis for the financial year ended December 31, 2021, 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 comparative financial statements of the Corporation for the financial year ended December 31, 2021 together with the accompanying report of the auditors thereon and any interim financial statements of the Corporation for periods subsequent to December 31, 2021 and Management's Discussion and Analysis with respect thereto; and
- (b) this Circular,

please send your request to the Secretary of the Corporation at:

Meteorite Capital Inc.  
Attn : Charles R. Spector  
1 Place Ville Marie  
Suite 3900  
Montréal, Québec  
H3B 4M7

Telephone: (514) 878-8833  
Email: [bryan.fuchs@dentons.com](mailto:bryan.fuchs@dentons.com)

**AUTHORIZATION OF THE BOARD OF DIRECTORS**

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

*(s) Ivan Spector*

---

Ivan Spector  
Chief Executive Officer and Director  
DATED at Montréal, Québec  
June 1, 2022

**SCHEDULE A**  
**CHARTER OF THE AUDIT COMMITTEE**

*Members*

Under *Regulation 52-110 – Audit Committees*, the Corporation’s board of directors (the “**Board**”) has created a committee called the audit committee (the “**Committee**”). The Committee is made up of at least three directors who, in the opinion of the Board, are independent and financially literate. Its quorum is a majority of its members, at least one of whom is independent of the Corporation’s management.

*Purpose of the Committee*

The Committee is directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting.

The Committee shall provide assistance to the Board in fulfilling their responsibility to the shareholders, potential shareholders, and investment community relating to corporate accounting, reporting practices of the Corporation and the quality and integrity of its financial reports. As part of this process, the external auditors will report to the Committee. It is the responsibility of the Committee to maintain free and open means of communication among the directors, the external auditors and the financial management of the Corporation.

In carrying out their responsibilities, the members of the Committee have the authority to retain and compensate independent counsel and other advisors who the Committee determines are necessary to carry out its duties and responsibilities.

*Responsibilities*

In carrying out its responsibilities, the Committee should ensure that the corporate accounting and reporting practices of the Corporation are in accordance with all legal requirements and are of the highest quality.

In carrying out these responsibilities, the Committee will:

- Review and recommend to the Board, the external auditors to be selected to audit the financial statements of the Corporation and its subsidiaries, and their compensation.
- Meet with the external auditors and financial management of the Corporation to review the scope of the proposed audit for the current year and the audit procedures to be utilized and, at the conclusion of the audit, any comments or recommendations of the external auditors.
- Pre-approve all non-audit services to be provided by the external auditors.
- Review, with the external auditors and the Corporation’s financial and accounting personnel, the adequacy and effectiveness of the accounting and financial controls of the Corporation and elicit any recommendations for the improvement of such internal control procedures or particular areas where new or more detailed controls or procedures are desirable. Particular emphasis should be given to the adequacy of such internal controls to expose any payments, transactions or procedures that might be deemed illegal or otherwise improper. Further, the committee should periodically review the Corporation’s policies and determine its adherence thereto.

- Review the financial statements, MD&A and press releases concerning the annual and interim results of the Corporation before the Corporation publicly releases this information.
- Ensure that appropriate procedures are in place to review the Corporation's public disclosures extracted or derived from its financial statements and assess the adequacy of these procedures periodically.
- Provide sufficient opportunity for the external auditors to meet with the members of the Committee without the presence of the Corporation's management. Among the items which may be discussed in these meetings are the external auditors' evaluation of the Corporation's financial, accounting and auditing personnel and processes, and the co-operation that the external auditors received during the course of the audit.
- Resolve any disagreements between financial management of the Corporation and the external auditors.
- Review and approve the hiring policies regarding partners, employees and former partners, and employees of the Corporation's present and former external auditors.
- Establish, oversee and periodically review the procedures in place that permit whistle blowing as regards accounting, internal controls or auditing. These procedures will ensure that employees can report concerns on a confidential and anonymous basis.