



**NTG CLARITY NETWORKS INC.**

**NOTICE OF MEETING  
AND  
MANAGEMENT INFORMATION CIRCULAR  
FOR  
THE ANNUAL MEETING OF SHAREHOLDERS  
TO BE HELD ON JULY 9, 2025**

**May 23, 2025**



# **NTG CLARITY NETWORKS INC.**

2820 Fourteenth Avenue, Suite 202  
Markham, Ontario L3R 0S9

## **NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN THAT** the annual meeting (the “Meeting”) of holders of common shares (“Common Shares”) of NTG Clarity Networks Inc. (the “Corporation”) will be held at the offices of the Corporation located at 2820 Fourteenth Avenue, Suite 202, Markham, Ontario on the 9<sup>th</sup> day of July, 2025 at 10:30 a.m. (Toronto time), for the following purposes:

1. To receive the consolidated audited financial statements of the Corporation for the fiscal year ended December 31, 2024 and the unaudited financial statements for the interim period ended March 31, 2025;
2. To fix the number of directors of the Corporation to four (4) directors;
3. To elect the members of the board of directors for the ensuing year;
4. To appoint NVS Chartered Accountants Professional Corporation, of Markham, Ontario, as auditors of the Corporation, at a remuneration to be fixed by the board of directors;
5. To transact such other business as may be properly brought before the Meeting or any adjournment or adjournments thereof.

The details of all matters proposed to be put before shareholders at the Meeting are set forth in the Information Circular accompanying this Notice of Meeting. At the Meeting, shareholders will be asked to approve each of the foregoing items.

Only shareholders of record at the close of business on May 23, 2025 are entitled to notice of and to attend the Meeting or any adjournment or adjournments thereof and to vote thereat.

**DATED** this 23rd day of May, 2025.

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

(signed) “*Ashraf Zaghoul*”

Ashraf Zaghoul

Chairman and Chief Executive Officer

### **IMPORTANT**

It is desirable that as many Common Shares as possible be represented at the Meeting. If you do not expect to attend and would like your Common Shares represented, please complete the enclosed instrument of proxy and return it as soon as possible in the envelope provided for that purpose to Odyssey Trust Company, Proxy Department, 702 - 67 Yonge Street, Toronto ON M5E 1J8 or by transmitting voting instructions online at <https://vote.odysseytrust.com>, no later than 10:30 a.m. (Toronto time) on July 7, 2025 or the second last business day (excluding Saturdays, Sundays and holidays) preceding any adjournment of the Meeting. However, the deadline for the deposit of proxies may be waived by the chairman of the Meeting at his sole discretion without notice. Shareholders who do not hold their Common Shares in their own name are strongly encouraged to complete the voting instruction forms received from their broker as soon as possible and to follow the instructions set out under “Notice to Beneficial Holders of Shares” in the accompanying Management Information Circular.

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**NTG CLARITY NETWORKS INC.**  
**ANNUAL MEETING OF SHAREHOLDERS**  
**TO BE HELD ON JULY 9, 2025**

**MANAGEMENT INFORMATION CIRCULAR**

This Information Circular is furnished in connection with the solicitation of proxies by the management of NTG Clarity Networks Inc. (the “**Corporation**”) for use at the annual meeting of the holders of common shares (the “**Common Shares**”) of the Corporation to be held at the offices of the Corporation located at 2820 Fourteenth Avenue, Suite 202, Markham, Ontario on the 9<sup>th</sup> day of July, 2025 at 10:30 a.m. (Toronto time) (the “**Meeting**”), or at any adjournment thereof, for the purpose set forth in the Notice of Meeting. The information contained herein is given as of the 23<sup>rd</sup> day of May, 2025, except where otherwise indicated. There is enclosed herewith a form of proxy for use at the Meeting. Each shareholder who is entitled to attend at meetings of shareholders is encouraged to participate in the Meeting and shareholders are urged to vote in person or by proxy on matters to be considered.

**APPOINTMENT AND REVOCATION OF PROXIES**

Those shareholders desiring to be represented by proxy must deposit their respective forms of proxy with Odyssey Trust Company (“**Odyssey**”) at Odyssey Trust Company, Proxy Department, 702 - 67 Yonge Street, Toronto ON M5E 1J8 or online at <https://vote.odysseytrust.com>, by no later than 10:30 a.m. (Toronto time) on the second last business day (excluding Saturdays, Sundays and holidays) preceding the Meeting or any adjournment of the Meeting. A proxy must be executed by the shareholder or by his attorney authorized in writing, or if the shareholder is a corporation, under its seal or by an officer or attorney thereof duly authorized. A proxy is valid only at the Meeting in respect of which it is given or any adjournment of the Meeting.

Shareholders may use the internet site at <https://vote.odysseytrust.com> to transmit their voting instructions. Shareholders should have the form of proxy in hand when they access the web site and will be prompted to enter their Control Number, which is located on the form of proxy. The website may be used to appoint a proxy holder to attend and vote on a shareholder’s behalf at the Meeting and to convey a shareholder’s voting instructions. Please note that if a shareholder appoints a proxy holder and submits their voting instructions and subsequently wishes to change their appointment, a shareholder may resubmit their proxy and/or voting direction, prior to the deadline noted above. When resubmitting a proxy, the most recently submitted proxy will be recognized as the only valid one, and all previous proxies submitted will be disregarded and considered as revoked, provided that the last proxy is submitted by the deadline noted above.

**Each shareholder submitting a proxy has the right to appoint a person to represent him or it at the Meeting other than the persons designated in the form of proxy furnished by the Corporation.** The shareholder may exercise this right by striking out the names of the persons so designated and inserting the name of the desired representative in the blank space provided, or by completing another form of proxy and in either case depositing the proxy with Odyssey at the place and within the time specified above for the deposit of proxies.

An instrument of proxy may be revoked by the person giving it at any time prior to the exercise thereof. If a person who has given a proxy attends personally at the Meeting at which such proxy is to be voted, such person may revoke the proxy and vote in person by depositing an instrument in writing executed by the shareholder or its attorney authorized in writing with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the shareholder or its attorney authorized in writing, or if the shareholder is a corporation, under its seal or by an officer or attorney thereof duly authorized, and deposited with Odyssey at the place specified above for the deposit of proxies and at any time up to and including the last business day preceding the Meeting, or any adjournment thereof. The close

of business on May 23, 2025 is the record date for the determination of shareholders who are entitled to notice of, and to attend and vote at, the Meeting (the “**Record Date**”).

### **NOTICE TO BENEFICIAL HOLDERS OF SHARES**

Only registered holders of Common Shares or the persons they validly appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Common Shares beneficially owned by a person (a “**Non-Registered Shareholder**”) are registered either (i) in the name of an intermediary (an “**Intermediary**”) (including banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans) that the Non-Registered Shareholder deals with in respect of the Common Shares, or (ii) in the name of a clearing agency (such as the Canadian Depository for Securities Limited), of which the Intermediary is a participant.

In accordance with the requirements of the Canadian Securities Administrators, the Corporation will distribute copies of the Notice of Meeting, this Information Circular and the enclosed form of proxy (collectively, the “**Meeting Materials**”) to the clearing agencies and Intermediaries for onward distribution to Non-Registered Shareholders.

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Non-Registered Shareholders in advance of shareholder meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Non-Registered Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of proxy supplied to a Non-Registered Shareholder by its broker (or the agent of the broker) is similar to the Instrument of Proxy provided directly to registered shareholders by the Corporation. However, its purpose is limited to instructing the registered shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Non-Registered Shareholder. The vast majority of brokers delegate responsibility for obtaining instructions from clients to Broadridge Financial Services, Inc. (“**Broadridge**”) in Canada. Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Non-Registered Shareholders and asks Non-Registered Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **A Non-Registered Shareholder who receives a Broadridge voting instruction form cannot use that form to vote Common Shares directly at the Meeting. The voting instruction forms must be returned to Broadridge (or instructions respecting the voting of Common Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Common Shares voted. If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

Although a Non-Registered Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his broker, a Non-Registered Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the Common Shares in that capacity. **Non-Registered Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered shareholder, should enter their own names in the blank space on the voting instruction form provided to them and return the same to their broker (or the broker’s agent) in accordance with the instructions provided by such broker.**

## NOTICE-AND-ACCESS

Under the notice-and-access regime adopted by the Canadian Securities Administrators pursuant to National Instrument 54-101–Communications with Beneficial Owners of Securities of a Reporting Issuer, reporting issuers are permitted to deliver the meeting materials by posting them on SEDAR+ as well as a website other than SEDAR+ and sending a notice package to each shareholder receiving the meeting materials under this regime. The notice package must include: (i) the relevant form of proxy or voting instruction form; (ii) basic information about the meeting and the matters to be voted on; (iii) instructions on how to obtain a paper copy of the meeting materials; and (iv) a plain-language explanation of how the new notice-and-access system operates and how the meeting materials can be accessed online. Where prior consent has been obtained, a reporting issuer can send this notice package to shareholders electronically. This notice package must be mailed to shareholders from whom consent to electronic delivery has not been received.

The Corporation has elected to send its meeting materials to beneficial shareholders using the notice-and-access regime. Accordingly, the Corporation will send the above-mentioned notice package to beneficial shareholders which includes instructions on how to access the Corporation’s meeting materials online and how to request a paper copy of these materials. Distribution of the Corporation’s meeting materials pursuant to the notice-and-access regime has the potential to substantially reduce printing and mailing costs. Registered shareholders will be mailed a copy of the meeting materials.

## VOTING OF PROXIES

The persons named in the enclosed form of proxy are directors and/or officers of the Corporation and have indicated their willingness to represent as proxy the shareholders who appoint them. Each shareholder may instruct his proxy how to vote his Common Shares by completing the blanks on the form of proxy.

Common Shares represented by properly executed proxy forms in favour of the persons designated on the enclosed proxy form will be voted or withheld from voting in accordance with the instructions made on the proxy forms, on any ballot that may be called for and, if shareholders specify a choice as to any matters to be acted upon, such shareholders’ Common Shares shall be voted accordingly. In the absence of such instructions or choices, such shares will be voted in favour of all matters identified in the Notice of Meeting accompanying this Information Circular.

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments and variations to matters identified in the Notice of Meeting and with respect to any other matters which may properly come before the Meeting. The Common Shares represented by the proxy will be voted on such matters in accordance with the best judgment of the person voting such Common Shares. At the time of printing of this Information Circular, management knows of no such amendments, variations or other matters to come before the Meeting.

## PERSONS MAKING THE SOLICITATION

This solicitation is made on behalf of the management of the Corporation. The cost incurred in the preparation and mailing of both the proxy and this Information Circular will be borne by the Corporation. In addition to the use of mail, proxies may be solicited by personal interviews, personal delivery, telephone or any form of electronic communication or by directors, officers and employees of the Corporation who will not be directly compensated therefor.

In accordance with National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer*, arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the Common Shares held of record by such persons and the Corporation may

reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by the Corporation.

### VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

As at May 23, 2025, the Corporation had 42,688,408 Common Shares outstanding. Each Common Share confers upon the holder thereof the right to one vote. Only those shareholders of record on the Record Date are entitled to notice of, and to attend and vote at the Meeting. Any transferee or person acquiring Common Shares after the Record Date may, on proof of ownership of Common Shares, demand of Odyssey not later than 10 days before the Meeting that his name be included in the list of persons entitled to attend and vote at the Meeting.

Two or more holders of five (5%) percent of the Common Shares present in person or represented by proxy constitutes a quorum for the Meeting, irrespective of the number of persons actually present at the Meeting.

To the knowledge of the directors and senior officers of the Corporation, as of the date hereof no person or company beneficially owns or controls or directs, directly or indirectly, more than 10% of the voting rights attached to all of the outstanding Common Shares of the Corporation other than as set forth below:

| <u>Name</u>   | <u>No. of Common Shares</u> | <u>Percentage of Common Shares</u> |
|---|-----------------------------|------------------------------------|
| 2729252 Ontario Inc. <sup>(1)</sup><br>Thornhill, Ontario | 5,620,000                   | 13.23%                             |
| Ashraf Zaghoul,<br>Thornhill, Ontario                     | 5,970,146                   | 14.05%                             |
| Kristine Lewis,<br>Thornhill, Ontario                     | 5,477,750                   | 12.89%                             |

**Note:**

(1) Ashraf Zaghoul owns 30% and Kristine Lewis owns 30% of the outstanding shares of 2729252 Ontario Inc.

### EXECUTIVE COMPENSATION

#### Compensation Discussion and Analysis

The Compensation Committee is responsible for setting the overall compensation strategy of the Corporation and administering the Corporation's executive compensation program. As part of its mandate, the Compensation Committee approves the appointment and remuneration of the Corporation's executive officers, including the Named Executive Officers identified in the Summary Compensation Table. The Compensation Committee is also responsible for reviewing the Corporation's compensation policies and guidelines generally.

As at December 31, 2024, the Compensation Committee is comprised entirely of independent directors (being Mr. Saleem Siddiqi and Mr. Zeeshan Hasnain). The skills and experience of each Committee member in executive compensation that is relevant to his responsibilities and the making of decisions on the suitability of the Corporation's compensation policies and practices is as follows:

Saleem Siddiqi is the president and founder of Siddiqi & Company Inc., Registered Professional Accountants and Certified Management Accountants. He is an RPA and a CMA who worked at accounting firms such as Usher and Wineberg, Chartered Accountants and was Director of Finance for the Dictograph Corporation, before starting Siddiqi & Company Inc., in 1984.

Zeeshan Hasnain brings over 25 years of experience in Software and Systems Engineering. He worked with AMD Inc for over 14 years and was managing Software Development Engineering teams. Following that he was Head of Technical Projects and Systems Engineering at Thales, where he worked on multiple large-scale projects in multiple countries in the Middle East including Saudi Arabia, Qatar and UAE.

The objective of the executive compensation program is to attract, motivate, reward and retain management talent that is needed to achieve the Corporation's business objectives. The compensation program is designed to ensure that compensation is competitive with other companies of similar size and is commensurate with the experience, performance and contribution of the individuals involved and the overall performance of the Corporation. In evaluating performance, the Compensation Committee gives consideration to the Corporation's long-term interests and quantitative financial objectives, as well to the qualitative aspects of the individual's performance and achievements. In addition, the Compensation Committee will receive and review recommendations of the Chief Executive Officer relating to the general compensation structure and policies and programs for the Corporation and the salary and benefit levels for the executive officers.

The executive compensation program for the most recently completed financial year was comprised of three principal components: base salaries, a bonus plan and a stock option plan which are designed to provide a combination of cash and equity-based compensation to effectively retain and motivate the executive officers to achieve the corporate goals and objectives. Each component of the executive compensation program is described below.

*Base Salaries* - Named Executive Officers are paid a base salary to compensate them for providing the leadership and specific skills needed to fulfill their responsibilities. The base salaries for the executive officers are reviewed annually by the Compensation Committee and are determined by considering the contributions made by the officers, how their compensation levels related to compensation packages that would be achievable by such officers from other opportunities and commercially available salary survey data. Salaries of the executive officers are not determined based on benchmarks or a specific formula. The Compensation Committee submits its recommendation to the full board of directors to determine the salary of the Chief Executive Officer. The Compensation Committee considers, and if thought appropriate, approves salaries recommended by the Chief Executive Officer for the other executive officers of the Corporation.

*Bonus Plan* - The Board, upon the recommendation of the Compensation Committee, approves bonus payments to reward executive officers for their contribution to the achievement of annual corporate goals and objectives. The payment of bonuses is consistent with the overall objective of the Corporation to reward performance. No bonuses were awarded in 2024.

*Stock Option Plan* - The Corporation adopted an Incentive Stock Option Plan on March 6, 2001 which was amended on July 9, 2024 (the "Option Plan") authorizing the grant of options to designated participants (being directors, officers, employees or consultants of the Corporation) to acquire up to 7,500,000 Common Shares which were reserved for issuance under the Option Plan. The aggregate number of options that may be granted to insiders of the Corporation may not exceed 10% of the total issued and outstanding Common Shares and the aggregate number of options that may be granted to any one individual must not exceed 5% of the total issued and outstanding Common Shares.

The purpose of the Option Plan is to develop the interest of officers, directors, employees and key consultants of the Corporation in the growth and development of the Corporation by providing them with the opportunity to acquire an increased proprietary interest in the Corporation. The Option Plan provides that the terms of the options, the option price and the vesting period shall be fixed by the directors. The option price shall not be less than Discounted Market Price (as defined in TSX Venture Exchange policies). Options are granted based on the assessment of the Corporation's Option Committee of the optionee's past

and present contribution to the Corporation's success and expected contributions of the optionee to the future success of the Corporation.

*Option-Based Rewards* - The process that the Corporation uses to grant option-based awards to executive officers, including the Named Executive Officers, is for the Board to approve option grants based on recommendations made by the Option Committee. In determining the number of options to be granted to the executive officers, the Option Committee considers the amount, terms and vesting levels of existing options held by the officers and also the number of options remaining available for grant by the Corporation in the future to attract and retain qualified technical and administrative staff. Generally, the number of options granted to any optionee is a function of the level of authority and responsibility of the optionee, the contribution that has been made by the optionee to the business and affairs of the Corporation, the number of options that have already been granted to the optionee and such other factors as the Option Committee may consider relevant.

*Risks of Compensation Policies and Practices* - The Compensation Committee reviews the compensation policies and practices on a periodic basis. As part of its review and discussion of executive compensation, the Compensation Committee assesses facts that discourage the Corporation's executives from taking unnecessary or excessive risk: i) the Corporation's operating strategy and related compensation philosophy; ii) financial controls that provide limits and authorities in areas such as capital and operating expenditures to mitigate risk taking that could affect compensation; iii) the effective balance, in each case, between cash and equity mix, near-term, and long-term focus, corporate and individual performance, and financial and non-financial performance; and iv) the Corporation's approach to performance evaluation and compensation provides greater rewards to an executive officer achieving both short-term and long-term agreed upon objectives. Based on this review, the Compensation Committee has determined that there are no policies or practices that could encourage a Named Executive Officer or individual at a principal business unit to take inappropriate or excessive risks and is of the view that the compensation policies and practices are not reasonably likely to have a material adverse effect on the Corporation.

### Summary Compensation Table

The following table sets forth a summary of all compensation for services paid during the three most recently completed financial years for Ashraf Zaghoul, Chief Executive Officer, and Kristine Lewis, President and Chief Financial Officer. No other executive officer received total compensation of more than \$150,000 during the most recently completed financial year.

| Name and principal position                          | Year | Salary (\$) | Option-based awards (\$) | Non-equity incentive plan compensation (\$) |                           | All other compensation (\$) | Total compensation (\$) |
|--|------|-------------|--------------------------|---|---------------------------|-----------------------------|-------------------------|
|  |      |             |                          | Annual incentive plans                      | Long term incentive plans |                             |                         |
| Ashraf Zaghoul<br>Chief Executive Officer            | 2024 | 468,000     | 84,500 <sup>(1)</sup>    | nil   | nil                       | nil                         | 552,500                 |
|  | 2023 | 390,000     | 9,000 <sup>(2)</sup>     | nil   | nil                       | nil                         | 399,000                 |
|  | 2022 | 390,000     | 72,500 <sup>(3)</sup>    | nil   | nil                       | nil                         | 462,500                 |
| Kristine Lewis<br>Chief Financial Officer, President | 2024 | 390,000     | 84,500 <sup>(1)</sup>    | nil   | nil                       | nil                         | 474,500                 |
|  | 2023 | 290,000     | 9,000 <sup>(2)</sup>     | nil   | nil                       | nil                         | 299,000                 |
|  | 2022 | 290,000     | 72,500 <sup>(3)</sup>    | nil   | nil                       | nil                         | 362,500                 |

#### Notes:

- (1) The value of the option-based awards represents the compensation value of options granted on July 29, 2024. The option grant value is based on a share price of \$0.90 and a Black-Scholes volatility factor of 177.89%. The option grant compensation value reflects the full 5-year life of the options as well as assumptions for volatility, risk-free interest rate (4.2%) and dividend yield of zero (0).
- (2) The value of the option-based awards represents the compensation value of options granted on May 29, 2023. The option grant value is based on a share price of \$0.05 and a Black-Scholes volatility factor of 193.8%. The option grant

compensation value reflects the full 5-year life of the options as well as assumptions for volatility, risk-free interest rate (4.49%) and dividend yield of zero (0).

- (3) The value of the option-based awards represents the compensation value of options granted on April 11, 2022 and August 9, 2022. The option grant value is based on a share price of \$0.05 and a Black-Scholes volatility factor of 176.82% and 162.98% respectively. The option grant compensation value reflects the full 5-year life of the options as well as assumptions for volatility, risk-free interest rate (1.59% and 3.14%) and dividend yield of zero (0).

## Incentive Plan Awards

### *Outstanding Option-Based Awards*

The following table sets forth information in respect of all option-based awards outstanding at the end of the financial year ended December 31, 2024 to the Named Executive Officers of the Corporation.

| Name           | Option-Based Awards                                     |                            |                        |   |
|----------------|---|----------------------------|------------------------|---|
|                | Number of securities underlying unexercised options (#) | Option exercise price (\$) | Option expiration date | Value of unexercised in-the-money options (\$) <sup>(1)</sup> |
| Ashraf Zaghoul | 100,000   | \$0.90                     | Jul 29, 2029           | \$79,000  |
|                | 60,000  | \$0.25                     | May29, 2028            | \$86,400  |
|                | 140,000   | \$0.25                     | Aug 9, 2027            | \$201,600   |
| Kristine Lewis | 100,000   | \$0.90                     | Jul 29, 2029           | \$79,000  |
|                | 60,000  | \$0.25                     | May29, 2028            | \$86,400  |
|                | 140,000   | \$0.25                     | Aug 9, 2027            | \$201,600   |

**Note:**

- (1) Value is calculated based on the difference between the exercise price of the options and the closing price of the Corporation's Common Shares on the TSX Venture Exchange ("Exchange") on the last trading day of 2024 of \$1.69.

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

The following table sets forth information relating to the value vested or earned during the Corporation's financial year ended December 31, 2024 in respect of option-based awards and non-equity incentive plan compensation for Named Executive Officers of the Corporation.

| Name           | Option-based awards – Value vested during the year (\$) <sup>(1)</sup> | Non-equity incentive plan compensation – Value earned during the year (\$) |
|----------------|--|--|
| Ashraf Zaghoul | nil  | nil  |
| Kristine Lewis | nil  | nil  |

**Note:**

- (1) Value is calculated based on the difference between the exercise price of the options and the closing price of the Corporation's Common Shares on the Exchange on the vesting date.

## Termination and Change of Control Benefits

Each of the Named Executive Officers has entered into an agreement with the Corporation which entitles the Named Executive Officers to certain payments and benefits in the event that the individual is terminated in connection with a change of control of the Corporation.

At December 31, 2024, in this event, Ms. Kristine Lewis is entitled to payment in an amount equal to three years of salary, bonus and benefits, and severance pay having an estimated value of \$2,092,820. Mr. Ashraf Zaghoul is entitled to payment in an amount equal to three years of salary, bonus and benefits, and severance pay having an estimated value of \$2,873,088.

## Director Compensation

### Director Compensation Table

The following table sets forth information in respect of all amounts of compensation provided to the directors during the Corporation's financial year ended December 31, 2024.

| Name               | Fees earned (\$) | Option-based awards (\$) | Non-equity incentive plan compensation (\$) | All other compensation (\$) | Total (\$) |
|--------------------|------------------|--------------------------|---|-----------------------------|------------|
| M. Saleem Siddiqi  | 11,500           | 63,375 <sup>(1)</sup>    | nil   | nil                         | 74,875     |
| S. Zeeshan Hasnain | 7,500            | 63,375 <sup>(1)</sup>    | nil   | nil                         | 70,875     |

**Note:**

- (1) The value of the option-based awards represents the compensation value of options granted on July 29, 2024. The option grant value is based on a share price of \$0.90 and a Black-Scholes volatility factor of 177.89%. The option grant compensation value reflects the full 5-year life of the options as well as assumptions for volatility, risk-free interest rate (4.2%) and dividend yield of zero (0).

### Outstanding Option-Based Awards

The following table sets forth information in respect of all option-based awards outstanding at the end of the financial year ended December 31, 2024 to the directors of the Corporation.

| Name               | Option-Based Awards                                     |                            |                        |   |
|--------------------|---|----------------------------|------------------------|---|
|                    | Number of securities underlying unexercised options (#) | Option exercise price (\$) | Option expiration date | Value of unexercised in-the-money options (\$) <sup>(1)</sup> |
| M. Saleem Siddiqi  | 75,000  | \$0.90                     | Jul 29, 2029           | \$59,250  |
|                    | 30,000  | \$0.25                     | May 29, 2028           | \$43,200  |
|                    | 70,000  | \$0.25                     | Aug 9, 2027            | \$100,800   |
|                    | 20,000  | \$0.25                     | Apr 11, 2027           | \$28,800  |
| S. Zeeshan Hasnain | 75,000  | \$0.90                     | Jul 29, 2029           | \$59,250  |
|                    | 30,000  | \$0.25                     | May 29, 2028           | \$43,200  |
|                    | 70,000  | \$0.25                     | Aug 9, 2027            | \$100,800   |
|                    | 70,000  | \$0.25                     | Apr 11, 2027           | \$100,800   |

**Note:**

- (1) Value is calculated based on the difference between the exercise price of the options and the closing price of the Corporation's Common Shares on the Exchange on the last trading day of 2024 of \$1.69.

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

The following table sets forth information in respect of the value vested or earned during the Corporation's financial year ended December 31, 2024 of option-based awards and non-equity incentive plan compensation for directors of the Corporation.

| Name               | Option-based awards – Value vested during the year (\$) <sup>(1)</sup> | Non-equity incentive plan compensation – Value earned during the year (\$) |
|--------------------|--|--|
| M. Saleem Siddiqi  | nil  | nil  |
| S. Zeeshan Hasnain | nil  | nil  |

**Note:**

- (1) Value is calculated based on the difference between the exercise price of the options and the closing price of the Corporation's Common Shares on the Exchange on the vesting date.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth information as at December 31, 2024 with respect to the Corporation's compensation plans under which equity securities of the Corporation are authorized for issuance.

| Plan Category  | Number of securities to be issued upon exercise of outstanding options | Weighted-average exercise price of outstanding options | Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column) |
|--|--|--|---|
| Equity compensation plans approved by securityholders <sup>(1)</sup> | 4,072,000  | \$ 0.45  | 3,428,000   |
| Equity compensation plans not approved by securityholders            | n/a  | n/a  | n/a   |
| Total  | 4,072,000  | \$ 0.45  | 3,428,000   |

**Note:**

(1) As of December 31, 2024, the Stock Option Plan of the Corporation reserves a total of 7,500,000 Common Shares for issuance pursuant to incentive stock options. For more information regarding the Stock Option Plan see "Executive Compensation – Compensation Discussion and Analysis."

## DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES

Under National Instrument 58-101 *Disclosure of Corporate Governance Practices* and Policy 3.1 of the TSX Venture Exchange ("Exchange"), as an issuer listed on the Exchange, the Corporation is required to include in this Management Information Circular the disclosure required under Form 58-101F2 with respect to the matters set out under National Policy 58-201 *Corporate Governance Guidelines* (the "Guidelines").

### Board of Directors

The Corporation's Board of Directors (the "Board"), which is responsible for supervising the management of the business and affairs of the Corporation, is currently comprised of four directors, of which two are independent. The independent directors are M. Saleem Siddiqi and S. Zeeshan Hasnain.

The Chair and Chief Executive Officer of the Corporation, Ashraf Zaghloul is not independent by virtue of being an executive officer of the Corporation. Kristine Lewis is not independent as she is the President of the Corporation.

### Directorships

None of the directors of the Corporation serve as directors of other reporting issuers.

### Orientation and Continuing Education

The Corporation has developed an orientation program for new directors that includes a director's manual ("Director's Manual") which contains information regarding the roles and responsibilities of the Board, each Board committee, the Board chair, the chair of each Board committee and the CEO of the Corporation. The Director's Manual contains information regarding the nature and operation of the Corporation's business, its organizational structure, governance policies including the Board Mandate and each Board committee mandate. The Director's Manual is to be updated as the Corporation's business, governance documents and policies change. The Corporation arranges for information to be disseminated to the Board to inform directors regarding corporate developments and changes in legal, regulatory and industry requirements affecting the Corporation. As well, directors are encouraged to visit the Corporation's facilities, to interact with management and employees.

### **Ethical Business Conduct**

The Corporation has not adopted a written code of business conduct and ethics. However, the Board consults regularly with legal, accounting and auditing advisors to ensure compliance with all applicable legal, accounting and other applicable regulatory requirements.

### **Nomination of Directors**

The Board does not have a nominating committee and responsibility for identifying new candidates to join the Board belongs to the Board as a whole. The Board is responsible for identifying qualified candidates, recommending nominees for election as directors and appointing directors to committees. The Board is requested to objectively consider the independence of candidates, financial acumen, skills and available time to devote to the duties of the Board in making their recommendations for nomination to the Board. The Board reviews the composition and size of the Board and tenure of directors in advance of annual general meetings when directors are most commonly elected by the Corporation's shareholders, as well as when individual directors indicate that their terms may end or that their status may change. The Board encourages all directors to participate in considering the need for and in identifying and recruiting new nominees for the Board. In doing so, the directors are requested by the Board to have regard to the skill sets which are deemed, from time to time, to be most desired in proposed nominees for the Board.

### **Compensation**

The Compensation Committee annually determines the compensation to be received by the Corporation's executive officers. The Compensation Committee is comprised entirely of independent directors. Compensation is determined in the context of the Corporation's strategic plan, the Corporation's growth, shareholder returns and other achievements and considered in the context of position descriptions, goals and the performance of each individual officer.

### **Other Board Committees**

Other than the Audit Committee and the Compensation Committee, the only other standing committees of the Board are the Corporate Governance Committee and the Options Committee. The function of the Corporate Governance Committee is to make recommendations to the Board regarding the adoption of governance policies and to ensure compliance with the governance policies of the Corporation. The function of the Options Committee is to recommend and implement the granting of share options.

### **Assessments**

The Corporation has not previously conducted formal assessments of the Board, the committees or individual directors. The effectiveness and contribution of individual directors is informally assessed based on participation in Board and committee activities.

## **AUDIT COMMITTEE**

Under National Instrument 52-110 *Audit Committees*, the Corporation is required to include in its information circular the disclosure required under Form 52-110F2 with respect to its audit committee, including the text of its audit committee charter, the composition of the audit committee and the fees paid to the external auditor. The disclosure required by Form 52-110F2 is set out below.

### **The Audit Committee's Charter**

The Audit Committee Charter is attached hereto as Schedule "A".

## Composition of the Audit Committee

The Audit Committee of the Corporation was composed of the following individuals:

|                    |                                |                                     |
|--------------------|--------------------------------|-------------------------------------|
| Kristine Lewis     | Not Independent <sup>(1)</sup> | Financially literate <sup>(2)</sup> |
| M. Saleem Siddiqi  | Independent <sup>(1)</sup>     | Financially literate <sup>(2)</sup> |
| S. Zeeshan Hasnain | Independent <sup>(1)</sup>     | Financially literate <sup>(2)</sup> |

### Notes:

- (1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Corporation which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.
- (2) An individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth 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

Kristine Lewis holds a B.Sc. from the University of Toronto with accounting and computer science background, and has over 25 years experience in management and operations in the IT and telecom industry. She has been managing the Finance and Administration of the Corporation for over 25 years.

Mr. Siddiqi is the president and founder of Siddiqi & Company Inc., Registered Professional Accountants and Certified Management Accountants. He is an RPA and a CMA who worked at accounting firms such as Usher and Wineberg, Chartered Accountants and was Director of Finance for the Dictograph Corporation, before starting Siddiqi & Company Inc., in 1984.

Mr. Hasnain brings over 25 years of experience in Software and Systems Engineering. He worked with AMD Inc for over 15 years and was managing Software Development Engineering teams. Following that he was Head of Technical Projects and Systems Engineering at Thales, where he worked on multiple large-scale projects in multiple countries in the Middle East including Saudi Arabia, Qatar and UAE.

## Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year has a recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by the Board.

## Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on any exemption in section 2.4 (De Minimus Non-audit Services), an exemption in section 6.1.1 (Composition of the Audit Committee) or an exemption granted under Part 8 (Exemptions) of NI 52-110

## Pre-Approval Policies and Procedures

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

### External Auditor Service Fees (By Category)

The aggregate fees billed by the Corporation's external auditors for the last two fiscal years are as follows:

| Financial Period Ended December 31 | Audit Fees <sup>(1)</sup> | Audit Related Fees | Tax Fees <sup>(2)</sup> | All Other Fees |
|------------------------------------|---------------------------|--------------------|-------------------------|----------------|
| 2024                               | \$142,000                 | \$0                | \$8,000                 | \$0            |
| 2023                               | \$121,000                 | \$8,800            | \$1,000                 | \$7,254        |

**Notes:**

- (1) The aggregate audit fees billed.
- (2) The aggregate fees billed for professional services rendered for tax compliance, tax advice and tax planning.

### Exemption

The Corporation is relying upon the exemption in section 6.1 of NI 52-110.

### MATTERS TO BE CONSIDERED AT THE MEETING

#### 1. Receipt of the Financial Statements and Auditors' Report

At the Meeting, shareholders will receive and consider the financial statements of the Corporation for the year ended December 31, 2024 and the auditors' reports thereon, and the unaudited financial statements for the interim period ended March 31, 2025, but no vote by the shareholders with respect thereto is required or proposed to be taken.

#### 2. Fixing the Number of Directors

The term of office of each of the present directors expires at the Meeting. At the Meeting, shareholders will be asked to consider passing an ordinary resolution fixing the number of directors of the Corporation to be elected at four (4).

The resolution to fix the number of directors of the Corporation for the present time at four (4) must be approved by a simple majority of the aggregate votes cast by Shareholders present in person or by proxy at the Meeting. Unless otherwise directed, it is the intention of the management proxy holders, if named as proxy, to vote "FOR" the resolution.

#### 3. Election of Directors

The Shareholders will be asked to consider a resolution electing the directors of the Corporation to hold office until the next annual meeting of shareholders. The persons nominated are, in the opinion of management, qualified to direct the activities of the Corporation until the next annual meeting of the Shareholders of the Corporation. All nominees have indicated their willingness to stand for election. Each director elected will hold office until the next annual meeting of the Shareholders of the Corporation or until his successor is duly elected or appointed, unless his office is earlier vacated in accordance with the Corporation's articles or by-laws.

The following table sets forth, in respect of each nominee, all positions currently held with the Corporation, their principal occupation (and principal occupation for the preceding five (5) years for nominees not previously elected) and the approximate number of Common Shares of the Corporation beneficially owned or controlled or directed, directly or indirectly as of May 21, 2025. The information contained herein is based upon information furnished by the respective nominees.

| <b>Name and Municipality of Residence</b>                   | <b>Date Since Served as a Director</b> | <b>Office or Position</b>                          | <b>Present Principal Occupation</b>   | <b>Number of Common Shares Owned or Controlled</b> |
|---|--|--|---|--|
| Ashraf Zaghoul <sup>(2)(3)</sup><br>Thornhill, Ontario      | May 15, 2001                           | Chairman, Chief Executive Officer and Director     | Chairman and Chief Executive Officer of the Corporation   | 5,970,146  |
| Kristine Lewis <sup>(1)(2)(3)</sup><br>Thornhill, Ontario   | June 21, 2004                          | President and Chief Financial Officer and Director | President and Chief Financial Officer of the Corporation  | 5,477,750  |
| Mohammed Saleem Siddiqi <sup>(1)</sup><br><sup>(2)(4)</sup> | Aug 15, 2017                           | Director   | Independent management consultant and president and founder of Siddiqi & Company Inc., Registered Professional Accountants and Certified Management Accountants | 100,000  |
| Syed Zeeshan Hasnain <sup>(1)(2)(4)</sup>                   | Nov 26, 2020                           | Director   | Independent management consultant   | 98,000   |

**Notes:**

- (1) Member of the audit committee.
- (2) Member of the corporate governance committee.
- (3) Member of the options committee.
- (4) Member of the compensation committee.

*Cease Trade Orders, Bankruptcies and Penalties or Sanctions*

To the knowledge of the management of the Corporation, no proposed director of the Corporation is, or has been within ten years prior to the date hereof: (a) a director, chief executive officer or chief financial officer of any company, including the Corporation, that while such person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the company access to any exemption under securities legislation, for a period of more than 30 consecutive days (collectively, an “Order”), or 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; or (b) a director or executive officer of any company, including the Corporation, that while 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.

To the knowledge of the management of the Corporation, no proposed director or a holding company of such proposed director, has, within the ten years prior to the date hereof, 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 assets of the proposed director or assets of the proposed director’s holding company.

To the knowledge of the management of the Corporation, no proposed director or a holding company of such proposed director, has been subject to: (i) 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 (ii) 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.

#### **4. Appointment of Auditors**

The persons named in the enclosed form of proxy intend to have nominated and to vote for the appointment of NVS Chartered Accountants Professional Corporation of Markham, Ontario as auditors of the Corporation (the “**Auditors**”) at a remuneration to be fixed by the board of directors and to hold such office until the next annual meeting of the Corporation.

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

Other than as set forth below, none of the Corporation’s informed persons (as defined in NI 51-102), proposed nominees for election as directors of the Corporation or their associates and affiliates, has any material interest in any transaction with the Corporation since the commencement of the Corporation’s last financial year or in any proposed transaction which has materially affected or would materially affect the Corporation.

#### **INTEREST OF DIRECTORS AND OFFICERS IN MATTERS TO BE ACTED UPON**

No director or officer of the Corporation, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any one of them, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting, other than as set forth herein.

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

No directors or officers of the Corporation, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any one of them, is or was indebted to the Corporation or any of its subsidiaries at any time since the beginning of the most recently completed financial year.

#### **ADDITIONAL INFORMATION**

Additional financial information is provided in the Corporation’s comparative consolidated financial statements and management’s discussion and analysis for the most recently completed fiscal year ended December 31, 2024. Copies of the Corporation’s financial statements and related management’s discussion and analysis can be obtained by contacting the President and Chief Financial Officer of the Corporation at 2820 Fourteenth Avenue, Suite 202, Markham, Ontario L3R 0S9, Telephone: (905) 305-1325 x112 or [klewis@ntgclarity.com](mailto:kewis@ntgclarity.com). **Additional information relating to the Corporation is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).**

## **SCHEDULE “A”**

### **NTG CLARITY NETWORKS INC.**

#### **TERMS OF REFERENCE FOR THE AUDIT COMMITTEE**

##### **I. PURPOSE**

The primary function of the Audit Committee (the “Committee”) is to assist the board in fulfilling its oversight responsibilities by reviewing:

- A. the financial information that will be provided publicly;
- B. the systems of internal controls, including controls over public reporting; and
- C. all material financial audit processes.

Primary responsibility for the financial reporting, information systems, risk management and internal controls of NTG Clarity Networks Inc. (“NTG” or the “Corporation”) is vested in management and is overseen by the board.

##### **II. COMPOSITION AND OPERATIONS**

- A. The Committee shall be composed of not fewer than three directors the majority of whom must be independent as defined in Section 1.4 of Multilateral Instrument 52-110 *Audit Committees* (“MI 52-110”) as may be amended from time to time.
- B. All Committee members shall be “financially literate” as defined in MI 52-110.
- C. NTG’s auditors shall be advised of the names of the Committee members and will receive notice of and be invited to attend meetings of the Audit Committee, and to be heard at those meetings on matters relating to the auditor’s duties.
- D. The Committee shall meet with the external auditors as it deems appropriate to consider any matter that the Committee or auditors determine should be brought to the attention of the board or shareholders.
- E. The Committee shall meet at least once (by person or by teleconference) in each fiscal quarter to review NTG’s quarterly financial statements and MD&A and related news releases for the immediately preceding fiscal quarter and to review and recommend approval by the full board of such interim financial statements for the immediately preceding fiscal year.
- F. The Committee shall meet at least once (by person or by teleconference) in each fiscal year to review NTG’s audited financial statements and MD&A and related news releases for the immediately preceding fiscal year and to review and recommend approval by the full board of such audited financial statements for the immediately preceding fiscal year.

##### **III. DUTIES AND RESPONSIBILITIES**

Subject to the powers and duties of the board, the Committee will perform the following duties:

###### **A. Financial Statements and Other Financial Information**

The Committee will review and recommend for approval to the board financial information that will be made publicly available. This includes:

- 1. review and recommend approval of NTG’s annual financial statements, MD&A and related news release and recommend approval to the board of Directors before the statements are provided to the board of Directors;

2. review and approve for release NTG's quarterly financial statements, MD&A and related news release; and
3. review the Annual Information Form and any Prospectus/Private Placement Memorandums and recommend approval of related financial information to the board.

Review and discuss:

4. the appropriateness of accounting policies and financial reporting practices used by NTG;
5. any significant proposed changes in financial reporting and accounting policies and practices to be adopted by NTG; and
6. any new or pending developments in accounting and reporting standards that may affect NTG.

#### **B. Risk Management, Internal Control and Information Systems**

The Audit Committee will review and consider whether the risk management, internal control and public reporting systems are operating effectively to produce accurate, appropriate and timely management and financial information. This includes:

1. review the Corporation's risk management controls and policies;
2. consider whether the information systems are reliable and the systems of internal controls are properly designed and effectively implemented through discussions with and reports from management, and as applicable, the external auditor; and
3. review management steps to implement and maintain appropriate internal control procedures including a review of policies.

#### **C. External Audit**

The Committee will review the planning and results of external audit activities and the ongoing relationship with the external auditor. This includes:

1. review and recommend to the board, for shareholder approval, engagement of the external auditor;
2. review the annual external audit plan, including:
  - (a) engagement letter;
  - (b) objectives and scope of the external audit work;
  - (c) materiality limit;
  - (d) areas of audit risk;
  - (e) staffing;
  - (f) timetable; and
  - (g) proposed fees.
3. meet with the external auditor to discuss the Corporation's annual financial statements and the auditor's report including the appropriateness of accounting policies and underlying estimates and resolve any disagreements between management and the external auditors regarding financial reporting;
4. review and advise the board with respect to the planning, conduct and reporting of the annual audit:

- (a) any difficulties encountered, or restrictions imposed by management, during the annual audit;
  - (b) any significant accounting or financial reporting issue;
  - (c) the auditors' evaluation as applicable of NTG's system of internal controls, procedures and documentation;
  - (d) the post audit or management letter containing any findings or recommendations of the external auditor, including management's response thereto and the subsequent follow-up to any identified internal control weaknesses;
  - (e) any other matters the external auditor brings to the Committee's attention; and
  - (f) assess the performance and consider the annual appointment of external auditors for recommendation to the board.
- 5. review the auditor's reports on all material entities that the Corporation consolidates, proportionately consolidates or equity accounts;
  - 6. review and receive assurances on the independence of the external auditor;
  - 7. review and pre-approve all non-audit services to be provided by the external auditor's firm or its affiliates (including estimated fees), and consider the effect on the independence of the external audit; and
  - 8. meet periodically, and at least annually, with the external auditor without management present.

**D. OTHER**

The Committee will also:

- 1. review insurance coverage of significant business risks;
- 2. review material litigation and its effect on financial reporting;
- 3. review the terms of reference for the Committee annually and make recommendations to the board as required; and
- 4. establish procedures for:
  - (a) the receipt, retention and treatment of complaints received by the Corporation regarding public reporting, accounting, internal accounting controls, or auditing matters; and
  - (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters; and
  - (c) review and approve the Corporation's hiring policies regarding employees and former employees of the present and former external auditors of the Corporation.

**IV. ACCOUNTABILITY**

The Committee chair has the responsibility to make periodic reports to the board, as requested, on financial matters relative to the Corporation. The Committee shall report its discussions to the board by maintaining minutes of its meetings and providing an oral report at the next board meeting.

**V. RELIANCE ON EXPERTS**

In contributing to the Committees' discharging of its duties under this mandate, each member shall be entitled to rely in good faith on:

1. Financial statements of the Corporation represented to the member by an officer of the Corporation, or in a written report of the external auditors, to present the financial position of the Corporation and the results of its operations in accordance with generally accepted accounting principles in all material respect; and
2. Any report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.

The board is of the view that monitoring of the Corporation's financial reporting and disclosure policies and procedures cannot be reasonably met unless the following activities (the "fundamental activities") are, in all material respects, conducted effectively:

1. The Corporation's accounting functions are performed in accordance with a system of internal financial controls designed to capture and record properly and accurately all of the Corporation's financial transactions;
2. The internal financial controls are regularly assessed for effectiveness and efficiency;
3. The Corporation's quarterly and annual financial statements are properly prepared by management in accordance with generally accepted accounting principles in all material respects; and
4. The Corporation's annual financial statements are reported on by an external auditor appointed by the shareholders of the Corporation.

## **VI. LIMITATIONS ON COMMITTEE'S DUTIES**

In contributing to the Committee's discharging of its duties under these terms of reference, each member of the Committee shall be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in these terms of reference is intended, or may be construed, to impose on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which all board members are subject. The essence of the Committee's duties is monitoring and reviewing to endeavour to gain reasonable assurance (but not to ensure) that the fundamental activities are being conducted effectively and that the objectives of the Corporation's financial reporting are being met and to enable the Committee to report thereon to the board.



