



AirIQ Inc.

NOTICE OF MEETING  
AND MANAGEMENT INFORMATION CIRCULAR  
FOR THE ANNUAL AND SPECIAL MEETING OF  
SHAREHOLDERS TO BE HELD ON

**Wednesday, September 14, 2022  
at 10:00 A.M. EST**

TO BE HELD AT

**AirIQ Inc.  
1815 Ironstone Manor, Unit 9 (Second Floor)  
Pickering, Ontario  
L1W 3W9**



## AIRIQ INC.

### Notice of Annual and Special Meeting of Shareholders

Notice is hereby given that the annual and special meeting (the “**Meeting**”) of the holders of common shares of AirIQ Inc. (“**AirIQ**” or the “**Corporation**”) will be held on Wednesday, September 14, 2022, at 10:00 A.M. EST (Toronto time) at the office of AirIQ, 1815 Ironstone Manor, Unit 9, Second Floor, Pickering, Ontario, L1W 3W9, Canada, and virtually pursuant to the instructions below.

The Meeting will be held for the following purposes:

1. to receive the Corporation’s audited annual comparative consolidated financial statements of the Corporation as at and for the years ended March 31, 2022 and 2021 and the auditors’ report thereon;
2. to elect directors for the ensuing year;
3. to re-appoint McGovern Hurley LLP as auditors for the ensuing year and to authorize the board of directors of the Corporation to fix their remuneration;
4. to consider, and if deemed appropriate, adopt a resolution to re-approve the Corporation’s employee stock option plan, as more fully described in the information circular in respect of the Meeting (the “**Circular**”); and
5. to transact such further and other business as may properly come before the Meeting or any adjournment thereof.

The specific details of the foregoing matters to be put before the meeting are set forth in the Circular accompanying this Notice of Meeting.

Only shareholders of record of common shares of the Corporation at the close of business on August 11, 2022 are entitled to notice of and to attend the Meeting or any adjournments thereof and to vote thereat.

*Registered shareholders* who are unable to attend the Meeting in person are requested to complete, date and sign the enclosed form of proxy and send it in the enclosed envelope or otherwise (including by fax) to the Corporation’s transfer agent, Computershare Trust Company of Canada, at 510 Burrard Street, 3rd Floor, Vancouver, British Columbia V6C 3B9, fax number (604) 661- 9401. Voting may also be done via the Internet or by telephone. Please refer to instructions on the enclosed form of proxy.

*Beneficial shareholders* who receive these materials through their broker or other intermediary should complete and send the form of proxy in accordance with the instructions provided by their broker or intermediary.

To be effective, a proxy must be received by Computershare Trust Company of Canada not later than Monday, September 12, 2022, at 10:00 A.M. (Toronto time), or in the case of any adjournment of the meeting, not less than 48 hours, Saturdays, Sundays and holidays excepted, prior to the time of the adjournment.

Shareholders who are unable to attend the Meeting in person may join the Meeting virtually via Zoom. Shareholders who access the Meeting via Zoom will be able listen to the Meeting and ask questions in an informal question and answer period. However, registered shareholders, and duly appointed proxyholders will not be able to vote via Zoom.

In order to access the Meeting through Zoom, shareholders will need to download the application onto their computer or smartphone and then once the application is loaded, enter the Meeting ID and Password below or open the following link:

**<https://us06web.zoom.us/j/81604604554?pwd=VnRpZUN2cytVOS9zTmNYTmlrUDZOZz09>**

**Meeting ID: 816 0460 4554**

**Password: 674688**

Shareholders will have the option through the application to join the video and audio or simply view and listen to the Meeting.

It is the shareholders' responsibility to ensure connectivity during the meeting and the Corporation encourages its shareholders to allow sufficient time to log in to the Meeting before it begins.

DATED the 16th day of August, 2022.

By Order of the Board of Directors

*"Michael Robb"*

Michael Robb  
President and Chief Executive Officer



**AirIQ Inc.**

**Management Information Circular for the Annual and Special Meeting of Shareholders to be held on September 14, 2022**

**PERSONS MAKING THE SOLICITATION**

This management information circular (the “**Circular**”) is furnished in connection with the solicitation, by or on behalf of the management of AirIQ Inc. (“**AirIQ**” or the “**Corporation**”), of proxies to be used at the Corporation’s annual and special meeting (the “**Meeting**”) of the holders of common shares of the Corporation (the “**Common Shares**”) to be held on Wednesday, September 14, 2022 or at any adjournment thereof. All dollar amounts in this Circular are expressed in Canadian dollars unless otherwise indicated.

It is expected that the solicitation will be primarily by mail, but proxies may also be solicited personally, by advertisement or by telephone, by directors, officers or employees of the Corporation without special compensation, or by the Corporation’s transfer agent, Computershare Trust Company of Canada (“**Computershare**”), at nominal cost. The cost of solicitation will be borne by the Corporation.

It is desirable that as many Common Shares as possible be represented at the Meeting. If a shareholder does not expect to attend in person and would like his, her, or its shares represented, it is requested that the shareholder complete the enclosed instrument of proxy and return it as soon as possible in the envelope provided for that purpose. To be valid, all instruments of proxy must be deposited with Computershare, at 510 Burrard Street, 3<sup>rd</sup> Floor, Vancouver, British Columbia V6C 3B9, fax number (604) 689-8144, not later than Monday, September 12, 2022 at 10:00 AM EST (Toronto time), or in the case of any adjournment of the Meeting, not less than 48 hours, Saturdays, Sundays and holidays excepted, prior to the time of the adjournment. Late instruments of proxy may be accepted or rejected by the Chairperson of the Meeting in his or her discretion and the Chairperson is under no obligation to accept or reject any particular late instruments of proxy.

**PARTICIPATING AT THE MEETING**

The Meeting will begin at 10:00 AM EST (Toronto time) on Wednesday, September 14, 2022. Shareholders and duly appointed proxyholders can attend the Meeting in person at the office of AirIQ, located at 1815 Ironstone Manor, Unit 9, Second Floor, Pickering, Ontario, L1W 3W9, Canada.

Shareholders who are unable to attend the Meeting in person may also join the Meeting via Zoom. Shareholders who access the Meeting via Zoom will be able listen to the Meeting and ask questions in an informal question and answer period. However, registered shareholders, and duly appointed proxyholders will not be able to vote via Zoom.

In order to access the Meeting, shareholders will have two options, being via teleconference or through the Zoom application, which requires internet connectivity.

In order to access the Meeting through Zoom, shareholders will need to download the application onto their computer or smartphone and then once the application is loaded, enter the Meeting ID and Password below or open the following link:

<https://us06web.zoom.us/j/81604604554?pwd=VnRpZUN2cytVOS9zTmNYTmlrUDZOZz09>

**Meeting ID: 816 0460 4554**

**Password: 674688**

Shareholders will have the option through the application to join the video and audio or simply view and listen to the Meeting.

It is the shareholders' responsibility to ensure connectivity during the Meeting and the Corporation encourages its shareholders to allow sufficient time to log in to the Meeting before it begins.

## PROXY INSTRUCTIONS

The person(s) designated by management of the Corporation in the enclosed form of proxy are directors and/or officers of the Corporation. **A shareholder has the right to appoint as proxyholder some other person (who need not be a shareholder of the Corporation) to attend and act on the shareholder's behalf at the Meeting or at any adjournment thereof.** A shareholder may exercise such right by inserting the name of the person in the blank space provided in the enclosed form of proxy or by completing another form of proxy.

In the case of *registered shareholders*, the completed, dated and signed form of proxy should be sent in the enclosed envelope, or otherwise, to the Corporation's transfer agent, Computershare Trust Company of Canada, at 510 Burrard Street, 3<sup>rd</sup> Floor, Vancouver, British Columbia V6C 3B9, fax number (604) 689- 8144. Voting may also be done via the Internet or by telephone. Please refer to instructions on the enclosed form of proxy.

In the case of *beneficial shareholders* (as defined below) who receive these materials through their broker or other intermediary, the shareholder should complete and send the form of proxy in accordance with the instructions provided by their broker or other intermediary. To be effective, a proxy must be received by Computershare Trust Company of Canada, 510 Burrard Street, 3<sup>rd</sup> Floor, Vancouver, British Columbia V6C 3B9 not later than Monday, September 12, 2022 at 10:00 AM EST (Toronto time), or in the case of any adjournment of the Meeting, not less than 48 hours, Saturdays, Sundays and holidays excepted, prior to the time of the adjournment. The Corporation may waive compliance with the preceding requirement and accept proxies after applicable deposit deadline prior to the commencement of the Meeting or any adjournment thereof. Late instruments of proxy may be accepted or rejected by the Chairperson of the Meeting in his or her discretion and the Chairperson is under no obligation to accept or reject any particular late instruments of proxy.

## Voting of Proxies

On any ballot that may be called for, the Common Shares represented by a properly executed proxy given in favour of the person(s) designated by management of the Corporation in the enclosed form of proxy will be voted for or against or withheld from voting in accordance with the instructions given on the ballot, and if the shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly. **If no choice is specified in the proxy, the person designated in the accompanying form of proxy will vote in favour of the election of directors to the board of directors of the Corporation (the "Board" or the "Board of Directors"), the re-appointment of auditors of the Corporation, and the approval of the Stock Option Plan (as defined herein), and in favour of all other matters proposed by management at the Meeting, as more particularly described in this Circular.**

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments to matters identified in the accompanying Notice of Meeting and with respect to other matters which may properly come before the Meeting or any adjournment thereof. As of the date of this Circular, management of the Corporation is not aware of any such amendment or other matter to come before the Meeting. However, if any amendments to matters identified in the accompanying Notice of Meeting or any other matters which are not now known to management of the Corporation should properly come before the Meeting or any adjournment thereof, the Common Shares represented by properly executed proxies given in favour of the person(s) designated by management of the Corporation in the enclosed form of proxy will be voted on such matters pursuant to such discretionary authority.

Any matter that is submitted to a vote of shareholders by ordinary resolution at the Meeting must be approved, unless otherwise indicated in this Circular, by a simple majority (affirmative vote of at least 50% plus one) of the votes cast thereon.

## **REVOCABILITY OF PROXY**

A shareholder who has given a proxy may revoke it by depositing an instrument in writing signed by the shareholder or by the shareholder's attorney, who is authorized in writing, or, if the shareholder is a corporation, by a document signed by an officer or an attorney duly authorized, at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or in the case of any adjournment of the Meeting, the last business day preceding the day of the adjournment, or with the Chairman of the Meeting on the day of, and prior to the start of, the Meeting or any adjournment thereof. A shareholder may also revoke a proxy in any other manner permitted by law.

## **ADVICE TO BENEFICIAL SHAREHOLDERS**

**The information set forth in this section should be reviewed carefully by beneficial shareholders of the Corporation. Shareholders who do not hold their Common Shares in their own name should note that only proxies deposited by shareholders who appear on the records maintained by the Corporation's registrar and transfer agent as registered holders of Common Shares, or the persons they appoint as their proxies, will be recognized and acted upon at the Meeting.**

The information set forth in this section is of significant importance to many shareholders of the Corporation, as a substantial number of shareholders do not hold Common Shares in their own name. Shareholders who do not hold their Common Shares 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 Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in the shareholder's name on the records of the Corporation. Such Common Shares will more likely be registered under the names of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of "CDS & Co." (the registration name for CDS Clearing and Depository Services Inc., which acts as its nominee for many Canadian brokerage firms). Common Shares held by brokers or their agents or nominees can only be voted upon the instructions of the beneficial shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting Common Shares for the broker's clients. Therefore, beneficial shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from beneficial shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions which should be carefully followed by beneficial shareholders in order to ensure that their Common Shares are voted at the Meeting. 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.

Although a beneficial shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his or her broker (or agent of the broker), a beneficial shareholder may attend at the Meeting as proxyholder for a registered shareholder and vote the Common Shares in that capacity. Beneficial shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for a registered shareholder should enter their own names in the blank space on the instrument of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

**All references to “shareholders” in this Circular and the accompanying form of proxy and Notice of Meeting are to registered shareholders unless specifically stated otherwise.**

**NON-OBJECTING BENEFICIAL OWNERS**

The Meeting materials are being sent to both registered and beneficial shareholders of the securities. If a shareholder is a beneficial shareholder, and the Corporation or its agent has sent these materials directly to the beneficial shareholder, the beneficial shareholder’s name and address and information about the beneficial shareholder’s holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on the beneficial shareholder’s behalf. By choosing to send these materials to the beneficial shareholder directly, the Corporation (and not the intermediary holding on the beneficial shareholder’s behalf) has assumed responsibility for: (a) delivering these materials to the beneficial shareholder; and (b) executing the beneficial shareholder’s proper voting instructions. Beneficial shareholders are requested to return their voting instructions as specified in the request for voting delivered to them.

**VOTING SHARES, RECORD DATE AND PRINCIPAL SHAREHOLDERS**

**Voting Shares**

The authorized share capital of the Corporation consists of an unlimited number of Common Shares. As at August 16, 2022, the Corporation had 29,570,074 Common Shares issued and outstanding. Each Common Share entitles the holder thereof to one (1) vote at all meetings of shareholders of the Corporation. Except as otherwise noted in this Circular, a simple majority of the votes cast at the Meeting, whether in person, by proxy or otherwise, will constitute approval of any matter submitted to a vote.

**Record Date**

The Board of Directors has fixed August 11, 2022 as the record date (the “**Record Date**”) for the purpose of determining holders of Common Shares entitled to receive notice of and to vote at the Meeting. The failure of any shareholder to receive a copy of the Notice of Meeting does not deprive the shareholder of the right to vote at the Meeting. Only holders of Common Shares of record at the close of business on the Record Date are entitled to vote the Common Shares registered in such shareholders’ names at that date on each matter to be acted upon at the Meeting.

**Principal Shareholders**

To the knowledge of the directors and executive officers of the Corporation, as at August 16, 2022, based on publicly available information, no person or entity beneficially owns, controls or directs, directly or indirectly, more than 10% of the voting rights attached to the outstanding Common Shares, other than as indicated below:

<b>Shareholder</b>	<b>No. of Common Shares Held <sup>(1)</sup></b>	<b>Percentage Interest in Issued and Outstanding Common Shares</b>
Mosaic Capital Partners, LP	5,949,999 <sup>(2)</sup>	20.12

(1) *The information as to shares beneficially owned, directly or indirectly, or over which control is exercised is not within the knowledge of the Corporation and has been furnished by the respective shareholders and/or via publicly available information.*

(2) *Vernon Lobo is the managing director of Mosaic Capital Partners, LP and Mr. Lobo holds 2,321,275 Common Shares.*

## **NORMAL COURSE ISSUER BID**

The Corporation filed a Notice of Intention to Make a Normal Course Issuer Bid (the “**Bid**”) with the TSX Venture Exchange (“**TSXV**”) commencing June 6, 2022 and ending on June 5, 2023 or the earlier of the date all shares which are subject to the Bid are purchased. Pursuant to the Bid, the Corporation proposed to purchase through the facilities of the TSXV up to 1,486,403 Common Shares, representing approximately 5% of the then issued and outstanding Common Shares of the Corporation. As of the date hereof, 158,000 Common Shares have been repurchased by the Corporation for cancellation pursuant to the Bid. Further purchases may be made on the open market through the facilities of the Corporation.

A similar bid was filed by the Corporation for the period from April 13, 2021 and ending on April 12, 2021. A total of 198,500 Common Shares were repurchased for cancellation by the Corporation pursuant to this earlier bid. Another similar bid was filed by the Corporation for the period from March 27, 2020 to March 26, 2021, and this bid expired on March 26, 2021. A total of 507,000 Common Shares were repurchased for cancellation by the Corporation pursuant to this earlier bid.

Shareholders may obtain, without charge, a copy of the “Notice of Intention to Make a Normal Course Issuer Bid” filed by the Corporation with the TSXV by contacting the Corporation as shown under “Additional Information” below.

## **AUDITED FINANCIAL STATEMENTS**

The financial statements of the Corporation for the fiscal year ended March 31, 2022, together with the auditors’ report thereon, will be submitted to the Meeting. Receipt at the Meeting of the auditors’ report and the Corporation’s financial statements for its last completed financial year will not constitute approval or disapproval of any matters referred to therein. Shareholder approval of the financial statements is not required.

## **BUSINESS BEFORE THE MEETING**

### **Item One: Election of Directors**

The Board of Directors is currently comprised of three persons, and the Board has nominated the following current directors for re-election as directors of the Corporation to hold office until the next annual meeting of shareholders or until their successors are duly elected or appointed: Vernon Lobo, Geoffrey Rotstein and Michael Robb. The Corporation does not have an executive committee of the Board of Directors to which the powers of the Board have been delegated.

**In the absence of a contrary instruction, the person(s) designated by management of the Corporation in the enclosed form of proxy intend to vote FOR the election as directors of the proposed nominees whose names are set forth below, each of whom has been a director since the date indicated below the proposed nominee’s name.** Management of the Corporation does not contemplate that any of the proposed nominees will be unable or, for any reason, unwilling to serve as a director, but if that should occur for any reason prior to the Meeting, the Common Shares represented by properly executed proxies given in favour of such nominee(s) may be voted by the person(s) designated by management of the Corporation in the enclosed form of proxy, in their discretion, in favour of another nominee.

**In order for the resolution regarding the election of the proposed nominees to serve as directors of the Corporation to be passed, approval by at least a majority of the Common Shares voted in respect thereof at the Meeting, whether present in person or by proxy, is required.**

At any meeting where shareholders vote on the election of directors, any individual nominee who receives a greater number of votes “withheld” than votes “for” will be required by the Corporation to tender his resignation to the Board of Directors promptly following the meeting. The resignation will be effective when accepted by the



Board of Directors. The Board of Directors expects that resignations will be accepted unless extenuating circumstances warrant a contrary decision. The Corporation will announce the Board of Directors' decision (including the reason for not accepting any resignation) by news release within ninety (90) days following the date of the Meeting. Any director who tenders his or her resignation in this situation will not participate in any meeting of the Board of Directors where his or her resignation is considered. Management of the Corporation has been informed that each of the proposed nominees listed below is willing to serve as a director if elected.

The following table sets forth information with respect to each person proposed to be nominated for election as a director, including the principal occupation of each of the nominees, their place of residence, whether or not each nominee is an independent member of the Board, the date each nominee first became a director of the Corporation, number of Common Shares beneficially owned, directly or indirectly, or over which control or direction was exercised, by such person or the person's associates or affiliates (but does not include the number of Common Shares issuable upon exercise of any outstanding options or warrants), and the number of options to purchase Common Shares held by such director, in each case, as at August 16, 2022.

The information as to shares beneficially owned or over which control or direction is exercised, not being within the knowledge of the Corporation, has been furnished by the respective proposed nominees individually.

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**VERNON LOBO**

Toronto, Ontario, Canada

Director since December 2, 2009

*Committees:*

Chairman of the Board and member of the audit committee (the "**Audit Committee**"), the compensation committee (the "**Compensation Committee**") and the governance committee (the "**Governance Committee**") of the Corporation

*Shareholdings:*

Common Shares: 2,321,275<sup>(1)</sup>  
 Stock Options: 450,000

*Principal Occupation:*

Managing Director, Mosaic Capital Partners, LP, a private investment firm, since 1997;

*Other Directorships:*

EQ Inc. (TSX-V: EQ)  
 Pivotree Inc. (TSX-V: PVT)  
 TECSYS Inc. (TSX: TCS)  
 Flow Capital Corp. (formerly: LOGiQ Asset Management Inc., formerly Grenville Strategic Royalty Corp.) (TSX-V: FW)  
 MiniLuxe Holding Corp. (formerly Rise Capital Corp.) (TSX-V: MNLX)

*Independent*

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**GEOFFREY ROTSTEIN**

Toronto, Ontario, Canada

Director since November 29, 2017

*Committees:*

Chairman of the Audit Committee, member of the Compensation Committee and the Governance Committee

*Shareholdings:*

Common Shares: nil  
 Stock Options: nil

*Principal Occupation:*

Chief Executive Officer of EQ Inc., a data intelligence company that uses location behavioural data and intelligence, since January 2006; President of EQ Inc. (TSX-V: EQ) since August 2012, and a director of EQ Inc. since 1997; and Chief Financial Officer of EQ Inc. from March 1997 to December 2005.

*Other Directorships:*

Titan Capital Inc.  
 Cann-Is Capital Corp. (TSX-V: NISP)

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*Independent*

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**MICHAEL ROBB**

Brantford, Ontario, Canada

Director since July 14, 2014

*Committees:* Member of the Audit Committee, the Compensation Committee and the Governance Committee.

*Shareholdings:*Common Shares: 816,000 <sup>(2)</sup>

Stock Options: 790,000

*Principal Occupation:*

President and Chief Executive Officer of the Corporation since August 2014.

Interim President and Chief Executive Officer of the Corporation from April 2014 to August 2014.

Chief Financial Officer of the Corporation from February 2010 to November 2016 and from December 2016 to April 2017.

*Other Directorships:*

MR Accounting &amp; Bookkeeping Inc.

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*Not Independent*

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(1) Includes shares over which Mr. Lobo has control or direction. In addition, Mr. Lobo is the managing director of Mosaic Capital Partners, LP, a company which holds 5,949,999 Common Shares.

(2) These Common Shares are registered in the name of MR Accounting & Bookkeeping Inc.

There are no contracts, arrangements or understandings between any nominee and any other person (other than the directors and officers of the Corporation acting solely in such capacity) pursuant to which the nominee has been or is to be elected as a director.

As at August 16, 2022, the proposed directors of the Corporation as a group (three persons) owned beneficially or exercised control or direction over 3,137,275 Common Shares, or approximately 10.6% of the outstanding Common Shares.

The following are brief biographies of each of the proposed director nominees:

**Vernon Lobo.** *Director and Chairman of the Board.* Mr. Lobo is a founding and Managing Director of Mosaic Capital, a private investment fund. Through 27 years in the investment industry, Mr. Lobo has built several companies from start-up to acquisition or public listing, eight of which achieved valuations in excess of \$100 million. Mr. Lobo also serves/has served on the board of directors of several private companies as well as the following public offering companies: MiniLuxe Holding Corp. (formerly Rise Capital Corp.) (TSX-V: MNLX), EQ Inc. (TSX-V: EQ), TECSYS Inc. (TSX: TCS), Flow Capital Corp. (formerly LOGiQ Asset Management Inc. and formerly Grenville Strategic Royalty Corp.) (TSX-V: FW), and Pivotree, Inc. (TSX-V: PVT). Earlier in his career, Mr. Lobo was a consultant with McKinsey & Company and a software engineer at Nortel Networks. Mr. Lobo holds a BAsC in Engineering from the University of Waterloo and a Master of Business Administration from Harvard Business School, where he was a Baker Scholar.

**Geoffrey Rotstein.** *Director.* Mr. Rotstein is the President and Chief Executive Officer and a director of EQ Inc. (TSX-V: EQ), a data software company that targets customers using location behaviour data and intelligence. He previously served as the Chief Financial Officer of EQ Inc. from March 1997 to December 2005. Mr. Rotstein is the Chair of the Programmatic Committee for the Interactive Advertising Bureau of Canada, a member of the Young Presidents' Organization, and a member of the board of directors and advisory committees for various other private and not-for-profit organizations including, without limitation, Titan Capital Inc. Mr. Rotstein received his Chartered Accountant designation at PricewaterhouseCoopers in Toronto, Ontario – a major global accounting firm – and received his Master of Business Administration from Schulich School of Business in Toronto, Ontario.

**Michael Robb.** *Director.* Mr. Robb is a Chartered Public Accountant, a Certified Management Accountant, the President and Chief Executive Officer (and former Chief Financial Officer) of the Corporation. Mr. Robb has held various senior positions in publicly traded technology companies during his career. Most notably, he previously served as Chief Financial Officer for Northcore Technologies Inc. (NEX: NTI.H; OTCBB: NTLNF) and Viking Gold Exploration Inc. (TSX-V: VGC). Mr. Robb also served as the Chief Financial Officer for Futura Awards Inc.

### **Corporate Cease Trade Orders or Bankruptcies**

As at the date of this Circular and within ten (10) years before the date of this Circular, to the knowledge of management of the Corporation and based on the information provided to it by the nominees, none of the nominees was a director, chief executive officer or chief financial officer of any company (including the Corporation) that was subject to an order that was issued while the nominee was acting in the capacity as director, chief executive officer or chief financial officer, or was subject to such an order that was issued after the nominee ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while the nominee was acting in the capacity as director, chief executive officer or chief financial officer, except as set out below.

For the purposes of the foregoing paragraph, “order” means:

- (a) a cease trade order;
- (b) an order similar to a cease trade order; or
- (c) an order that denied the relevant company access to any exemption under securities legislation,

that was in effect for a period of more than thirty (30) consecutive days.

On April 8, 2015, the Ontario Securities Commission issued a management cease trade order (“**MCTO**”) against Geoffrey Rotstein for failure of EQ Inc. (TSXV: EQ) to file its annual audited financial statements, accompanying management’s discussion and analysis, related chief executive officer and chief financial officer certifications and annual information form for the year ended December 31, 2014, within the time prescribed by the *Securities Act* (Ontario). EQ Inc. completed the required filings by April 30, 2015 and subsequently had the MCTO revoked by the Ontario Securities Commission.

As at the date of this Circular and within ten (10) years prior to the date of this Circular, to the knowledge of management of the Corporation and based on the information provided to it by the nominees, none of the nominees are or have been, a director or executive officer of any company (including the Corporation) that, while the nominee was acting in that capacity, or within a year of the nominee 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.

As at the date of this Circular and within ten (10) years prior to the date of this Circular, to the knowledge of management of the Corporation and based on the information provided to it by the nominees, none of the nominees 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.

As at the date of this Circular and within ten (10) years prior to the date of this Circular, to the knowledge of management of the Corporation and based on the information provided to it by the nominees, none of the nominees 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 investor in deciding whether to vote for the nominee or when making an investment decision.

### Director Resolution

At the Meeting, shareholders of the Corporation will be asked to consider, and if deemed advisable, to pass, with or without variation, the following ordinary resolution (the “**Director Resolution**”):

**"BE IT RESOLVED THAT** the election of Vernon Lobo, Geoffrey Rotstein, and Michael Robb to hold office until the next annual meeting of the shareholders of the Corporation, or until their successors are elected or appointed, is hereby approved."

**In order to be passed, the Director Resolution requires the approval of a majority of the votes cast thereon by holders of Common Shares present in person or represented by proxy at the Meeting.**

**THE BOARD UNANIMOUSLY RECOMMENDS THAT EACH SHAREHOLDER VOTE "FOR" THE DIRECTOR RESOLUTION. Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote "FOR" the Director Resolution.**

#### **Item Two: Appointment of Auditor**

At the Meeting, shareholders of the Corporation will be asked to re-appoint McGovern Hurley LLP as auditors of the Corporation to hold office until the next annual meeting of shareholders or until a successor is appointed, and to authorize the Board of Directors to fix the auditors' remuneration. McGovern Hurley LLP were first appointed as the auditors of the Corporation on May 1, 2013.

**In the absence of a contrary instruction, the person(s) designated by management of the Corporation in the enclosed form of proxy intend to vote FOR the appointment of McGovern Hurley LLP as auditors of the Corporation to hold office until the next annual meeting of shareholders or until a successor is appointed and the authorization of the Board of Directors to fix the remuneration of the auditors.**

In order for the resolution to be passed, approval by a majority of the Common Shares voted in respect thereof at the Meeting is required.

The fees paid to the auditors of the Corporation are reviewed by the Audit Committee. The following is a summary of billings of McGovern Hurley LLP during the last two financial years of the Corporation:

<b>Year</b>	<b>Audit Fees</b>	<b>Audit-Related Fees</b>	<b>Tax Fees</b>	<b>All Other Fees</b>
2022	\$50,000	nil	nil	\$2,684
2021	\$36,000	nil	nil	nil

#### Auditor Resolution

At the Meeting, shareholders of the Corporation will be asked to consider, and if deemed advisable, to pass, with or without variation, the following ordinary resolution (the "**Auditor Resolution**"):

**"BE IT RESOLVED THAT:**

1. the appointment of McGovern Hurley LLP as auditor of the Corporation to hold office until the next annual meeting of the shareholders of the Corporation is hereby approved; and
2. the board of directors of the Corporation (the "**Board**") is hereby authorized to fix the remuneration of the auditor so appointed."

**In order to be passed, the Auditor Resolution requires the approval of a majority of the votes cast thereon by holders of Common Shares present in person or represented by proxy at the Meeting.**

**THE BOARD UNANIMOUSLY RECOMMENDS THAT EACH SHAREHOLDER VOTE "FOR" THE AUDITOR RESOLUTION. Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote "FOR" the Auditor Resolution.**

### **Item Three: Re-Approval of the Employee Stock Option Plan**

The Corporation has an employee stock option plan (the “**Stock Option Plan**”), a copy of which is attached hereto in Appendix “A”, that authorizes the Board of Directors to issue stock options to directors, officers, employees and consultants of the Corporation. The Stock Option Plan was approved by the shareholders of the Corporation on September 23, 2020 and amendments to the Plan were made on November 3, 2020. The November 3, 2020 amendments were required by the TSXV in order to bring the Plan into conformity with the policies of the TSXV Corporate Finance Manual. The Stock Option Plan is a rolling stock option plan in that it provides that the aggregate number of Common Shares issuable upon exercise of stock options granted thereunder may not exceed 10% of the total number of outstanding Common Shares of the Corporation at the time the stock options are granted. In accordance with Policy 4.4 of the TSXV Corporate Finance Manual, a corporation that has a rolling stock option plan must have its shareholders re-approve the plan on an annual basis.

**Shareholders are being asked to consider and, if deemed advisable, re-approve the Stock Option Plan. This approval is required to satisfy the requirements of the TSXV. The re-approval of the Stock Option Plan is conditional upon receipt of any required approval from the TSXV. In connection with such re-approval, the TSXV may require further amendments to the Stock Option Plan. As such, the shareholders are also being asked to authorize any amendments to the Stock Option Plan that may be required by the TSXV as a condition of such approval.**

#### Stock Option Plan Resolution

At the Meeting, shareholders of the Corporation will be asked to consider, and if deemed advisable, to pass, with or without variation, the following ordinary resolution (the “**Stock Option Plan Resolution**”):

#### **“BE IT RESOLVED THAT:**

1. the employee stock option plan of the Corporation (the “**Stock Option Plan**”) as amended and restated effective November 3, 2020, a copy of which is annexed to the management information circular dated August 16, 2022, is hereby approved, ratified and confirmed, in accordance with the policies of the TSX Venture Exchange (“**TSXV**”);
2. the Stock Option Plan remains subject to final approval from the TSXV and the directors of the Corporation are hereby authorized and empowered to amend the Stock Option Plan as may be required by the TSXV as a condition of such approval; and
3. any one director or officer of the Corporation is authorized, on behalf of the Corporation, to execute and deliver all documents and do all things as such person may determine to be necessary or advisable to give effect to this resolution.”

**In order to be passed, the Stock Option Plan Resolution requires the approval of a majority of the votes cast thereon by holders of Common Shares present in person or represented by proxy at the Meeting.**

**THE BOARD UNANIMOUSLY RECOMMENDS THAT EACH SHAREHOLDER VOTE "FOR" THE STOCK OPTION PLAN RESOLUTION. Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote "FOR" the Stock Option Plan Resolution.**

## STATEMENT OF EXECUTIVE COMPENSATION

This section has been prepared in accordance with the requirements of Form 51-1026V – *Statement of Executive Compensation*.

### Compensation Discussion and Analysis

The purpose of this Compensation Discussion and Analysis is to provide information about the Corporation's philosophy, objectives and processes regarding compensation of the individuals who carried out the roles of the Chief Executive Officer and the Chief Financial Officer of the Corporation at any point during the year ended March 31, 2022 and each of the three most highly compensated executive officers of the Corporation, other than the Chief Executive Officer and Chief Financial Officer, whose total compensation was, individually, more than \$150,000 for the 12 months ended March 31, 2022 (a "**Named Executive Officer**").

The objective of the Corporation's compensation program is to attract and retain experienced and qualified executives while at the same time keeping in mind that the Corporation has limited financial resources.

The Compensation Committee is responsible for determining the compensation to be paid to each of the executive officers of the Corporation, and the granting of any options under the Corporation's Stock Option Plan. The compensation package for each executive officer is contractually negotiated at the time of engagement or hire, however, the Compensation Committee may review compensation from time to time as deemed necessary or appropriate. In general, the Corporation's policies on executive compensation are intended to provide appropriate compensation for executive officers that is internally equitable, externally competitive and reflects individual achievements.

The Corporation's compensation program for executive officers consists of: (i) salary and benefits, (ii) the granting of options under the Corporation's Stock Option Plan; and (iii) a discretionary performance-based Profit Sharing Plan (as defined herein). In addition, the Board may consider the payment of bonuses from time to time.

The Compensation Committee uses discretion and judgement when determining actual compensation levels. Base salaries are typically based on factors particular to the individual, such as experience and level of responsibility, however, other criteria may be used as deemed important by the Compensation Committee. The Corporation offers a group benefit plan to its executives, as well as all full-time employees, which includes life insurance, short and long-term disability, accidental death and dismemberment, dental and extended health coverage. The Corporation pays 100% of the premiums under its benefit plan with the exception of long-term disability (paid by the employee) and dental (the Corporation pays 50% of the premium).

The Corporation also utilizes grants of stock options under the Stock Option Plan as the long-term incentive portion of its overall compensation for executive officers. Stock options are granted to new executive officers typically upon their commencement of employment with the Corporation. Additional grants are made periodically, consistent with the individual's level of responsibility and performance within the Corporation. Previous grants of option-based awards are taken into account when considering new grants to any executive officer. Stock options are priced in accordance with the terms of the Corporation's Stock Option Plan, and are typically priced at the average of the closing prices of the Common Shares on the then applicable securities exchange for the 10 trading days preceding the grant. The Board of Directors has the discretion to set the term, vesting and any other terms and conditions for options granted under the Stock Option Plan, subject to the requirements of any applicable securities regulatory authorities.

On April 1, 2021, the Board of Directors implemented an amended discretionary employee profit-sharing plan (the "**Profit-Sharing Plan**") to provide a performance-based mechanism for the Corporation to incentivize employees, officers and designated consultants of the Corporation to meet specific goals and objectives. The Profit-Sharing Plan approved by the Board includes a profit-sharing pool subject to meeting certain criteria related to recurring revenue growth and net income profit margin calculated annually commencing April 1, 2021.

Payments under the Profit-Sharing Plan are determined annually by the Chief Executive Officer and the Board of Directors following release of the Corporation’s March 31st fiscal year end results. The Chief Executive Officer of the Corporation is entitled to participate in the Profit-Sharing Plan. Refer to the “*Summary of Employment Agreements for each Named Executive Officer*” below for individual compensation.

### Composition of the Compensation Committee

As of August 16, 2022, all of the directors of the Corporation are members of the Compensation Committee.

### Summary Compensation Table

The following table sets out information concerning the compensation earned from the Corporation and any of the Corporation’s subsidiaries during the three most recently completed annual financial periods ended on March 31, 2022, March 31, 2021 and March 31, 2020 by the Named Executive Officers of the Corporation. There are no other executive officers of the Corporation whose total compensation exceeds \$150,000.

Name and Principal Position	Year Ended	Salary and Fees <sup>(2)</sup> (\$)	Share-based awards (\$)	Option Based Awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Michael Robb <sup>(1)</sup> President and Chief Executive Officer	2022	170,386	nil	nil	70,000 <sup>(3)</sup>	nil	nil	nil	240,386
	2021	156,250	nil	nil	68,888 <sup>(3)</sup>	nil	nil	nil	225,138
	2020	126,500	nil	nil	62,039 <sup>(3)</sup>	nil	nil	nil	188,539
Andrea Felstead <sup>(4)</sup> Former Chief Financial Officer	2022	85,000	nil	nil	nil	nil	nil	3,392 <sup>(5)</sup>	88,392
	2021	85,000	nil	nil	7,500 <sup>(3)</sup>	nil	nil	3,617 <sup>(5)</sup>	96,117
	2020	85,000	nil	nil	8,500 <sup>(3)</sup>	nil	nil	3,988 <sup>(5)</sup>	97,488
Saleem Khan <sup>(6)</sup> Interim Chief Financial Officer	2022	nil	nil	nil	nil	nil	nil	nil	nil

- (1) Mr. Robb was appointed President and Chief Executive Officer on August 20, 2014. Payments to Mr. Robb are made to his consulting company, MR Accounting & Bookkeeping Inc.
- (2) Reflects employee compensation and consulting compensation and fees invoiced during the fiscal year. Refer to “*Summary of Employment Agreement for the Named Executive Officers*” below for contracted base compensation.
- (3) Represents amounts earned in respect of each financial year end in connection with the Profit Sharing Plan, however such amounts are not paid until after the financial year end (see “*Executive Compensation – Compensation Discussion and Analysis*”).
- (4) Ms. Felstead was appointed as Chief Financial Officer of the Corporation on September 1, 2018 and resigned her position effective March 31, 2022. Refer to “*Summary of Employment Agreement for the Named Executive Officer*” below for contracted base compensation.
- (5) Represents employee benefit premiums (health, dental, life insurance, etc.) paid by the Corporation
- (6) Mr. Khan was appointed as Interim Chief Financial Officer effective August 31, 2022 and therefore no compensation was paid to him during the fiscal year ended March 31, 2022.

### Summary of Employment Agreements for the Named Executive Officers

The significant terms of the Named Executive Officer’s employment arrangement are described below. In addition, for a description of the termination and change of control benefits payable by the Corporation for the Named Executive Officers see below under the heading “*Termination and Change of Control Benefits*”.

#### Michael Robb – President and Chief Executive Officer

On April 1 2020, the Corporation entered into an amended and restated independent consultant services agreement (the “**Consulting Agreement**”) with MR Accounting & Bookkeeping Inc. for the services of Michael Robb acting as President and Chief Executive Officer of the Corporation at a rate of \$12,500 per month plus reasonable out of pocket expenses. On April 1, 2020 the agreement was amended to increase the monthly compensation to \$13,750, and, subsequent to the year end, the agreement was further amended to increase the compensation to an annual

rate of \$175,000. The term of Mr. Robb's agreement is for a period of twelve (12) months with automatic one (1) year renewal terms unless otherwise terminated (a) by either party upon the giving of ninety (90) days prior written notice, (b) immediately upon insolvency or bankruptcy of either party, or (c) in the event of a breach by either party following notice and a fifteen (15) day period to cure such breach. The Corporation also agreed to provide Mr. Robb with benefits consistent with the Corporation's employee benefit plan including health, dental, life, disability and accidental death and dismemberment. Mr. Robb's consulting company reimburses the Corporation for the amount of the benefit premiums paid on Mr. Robb's behalf. The agreement also includes an additional one-time payment of \$100,000 to Mr. Robb's consulting firm in the event that (i) the Corporation terminates the agreement prior to the end of the term for any reason other than breach, insolvency or bankruptcy, or (ii) in the event that a "**change of control**", as defined in the Consulting Agreement, occurs; provided however that in no event shall the Corporation be required to pay more than \$100,000 if both events described in (i) and (ii) above shall occur simultaneously. Mr. Robb is also entitled to participate in the Corporation's Profit-Sharing Plan.

***Andrea Felstead – Former Chief Financial Officer***

Effective September 1, 2018, the Corporation entered into an employment agreement with Andrea Felstead for the position of Chief Financial Officer of the Corporation. Pursuant to the terms of the employment agreement, Ms. Felstead is entitled to an annual base salary of \$85,000, plus standard employee benefits and entitlement to participate in the Stock Option Plan as and when determined by the Board, and any profit sharing or bonus plans, as and when determined by the Corporation. The employment agreement may be terminated without cause by the Corporation upon the giving of two (2) weeks' notice or pay in lieu of notice, or with cause at any time without notice, pay in lieu of notice, severance pay or other liability. Ms. Felstead may resign her employment at any time upon giving not less than four (4) weeks prior written notice, which notice period may be waived by the Corporation. The employment agreement also includes an additional one-time payment equal to six (6) months' base salary upon termination of employment by the Corporation other than for cause within one (1) year following a "Change of Control", as defined in the employment agreement. Ms. Felstead gave notice and resigned her position with the Corporation effective as of March 31, 2022, and no termination payments were made.

***Saleem Khan – Interim Chief Financial Officer***

On May 30, 2022, the Corporation entered into a temporary employment with Saleem Khan to act as Interim Chief Financial Officer of the Corporation for a three month period commencing June 1, 2022 and ending August 31, 2022. Pursuant to the terms of the employment agreement, Mr. Khan is entitled to a semi-monthly base salary of approximately \$4,167, and no additional benefits, vacation or other payments will apply during the term or at the end of the term.



## Incentive Plan Awards

### Outstanding Share-based Awards and Option-based Awards

The following table sets out information concerning share-based and option-based awards for the Named Executive Officers as at March 31, 2022. The Corporation does not have any share-based incentive award plans.

Name	Option-based Awards				Share-based Awards		
	No. of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>	No. of shares or units of shares that have not vested (#)	Market or pay-out value of share-based awards that have not vested (\$)	Market or pay-out value of vested share-based awards not paid out or distributed (\$)
Michael Robb	490,000	\$0.11	24-Mar-2026	88,200	nil	nil	nil
	300,000	\$0.06	04-Feb-2025	69,000	nil	nil	nil
Andrea Felstead <sup>(2)</sup>	nil	n/a	n/a	n/a	nil	nil	nil
Saleem Khan <sup>(3)</sup>	nil	n/a	n/a	n/a	nil	nil	nil

(1) Based on the difference between the exercise price of the option and the closing price of the Common Shares of the Corporation on the TSXV on March 31, 2022 of \$0.29 per Common Share.

(2) Ms. Felstead resigned as Chief Financial Officer of the Corporation effective March 31, 2022.

(3) Mr. Khan was appointed as Interim Chief Financial Officer effective August 31, 2022 and therefore no compensation was paid to him during the fiscal year ended March 31, 2022.

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

Name	Option-based awards Value vested during the year (\$) <sup>(1)</sup>	Share-based awards Value vested during the year (\$)	Non-equity incentive plan compensation Value earned during the year (\$)
Michael Robb	nil	n/a	70,000 <sup>(2)</sup>
Andrea Felstead <sup>(3)</sup>	nil	n/a	nil
Saleem Khan <sup>(4)</sup>	nil	n/a	nil

(1) Based on the difference between the exercise price of the options and the closing price of the Common Shares of the Corporation on the TSXV on March 31, 2022 of \$0.29 per Common Share, multiplied by the number of options that have vested during the year ended March 31, 2022.

(2) Represents amounts earned in connection with the Profit-Sharing Plan for the fiscal year ended March 31, 2022 (see “Executive Compensation – Compensation Discussion and Analysis”), but not paid until after the year end.

(3) Ms. Felstead resigned as Chief Financial Officer of the Corporation effective March 31, 2022.

(4) Mr. Khan was appointed as Interim Chief Financial Officer effective August 31, 2022 and therefore no compensation was paid to him during the fiscal year ended March 31, 2022.

## Pension Plan Benefits

The Corporation has no defined pension plan and does not provide benefits at, following, or in connection with retirement.

## Termination and Change of Control Benefits

The following sets out the termination and change of control benefit terms between the Corporation and the Named Executive Officers as set out in their respective consulting and employment agreements:

### Michael Robb – President and Chief Executive Officer

The Consulting Agreement includes a one-time payment of \$100,000 in the event of termination of the Consulting Agreement without cause or a “change of control” as defined in the Consulting Agreement (see “Summary of Employment Agreements for the Named Executive Officers”). In addition, the stock option agreements for options granted to Mr. Robb also include a change of control provision whereby any unvested options automatically vest

and are exercisable in the event of a change of control of the Corporation.

**Andrea Felstead – Chief Financial Officer**

The employment agreement between the Corporation and Andrea Felstead included a one-time payment equal to six (6) months’ base salary upon termination of employment by the Corporation other than for cause within one (1) year following a “Change of Control”, as defined in the employment agreement (see “*Summary of Employment Agreements for the Named Executive Officers*”). Ms. Felstead resigned effective March 31, 2022 and no termination payments were made.

**Saleem Khan – Interim Chief Financial Officer**

There are no termination or change of control provisions included in Mr. Khan’s employment agreement.

**Director Compensation**

Non-executive Board members may receive either cash or stock options under the Stock Option Plan as compensation for serving on the Board, as determined unanimously by the Board. Executive directors do not receive any compensation in connection with serving on the Board.

During the fiscal year ended March 31, 2022, the following amounts of compensation were earned by non-executive directors of the Corporation:

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Vernon Lobo	25,000	nil	nil	nil	nil	nil	25,000
Geoffrey Rotstein	10,000	nil	nil	nil	nil	nil	10,000

The following table sets out information concerning share-based and option-based awards previously granted to non-executive directors of the Corporation as at March 31, 2022. The Corporation does not have any share-based incentive award plans.

Name	Option-based Awards				Share-based Awards <sup>(2)</sup>		
	No. of securities underlying unexercised options (#)	Option exercise Price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	No. of shares or units of shares that have not vested (#)	Market or pay-out value of share-based awards that have not vested (\$)	Market or pay-out value of vested share-based awards not paid out or distributed (\$)
Vernon Lobo	150,000	0.07	16-Sep-2025	33,000	nil	n/a	n/a
	150,000	0.08	17-Sep-2024	31,500	nil	n/a	n/a
	150,000	0.05	28-Nov-2023	36,000	nil	n/a	n/a
Geoffrey Rotstein	nil	n/a	n/a	n/a	nil	n/a	n/a

(1) Based on the difference between the exercise price of the option and the closing price of the Common Shares of the Corporation on the TSXV on March 31, 2022 of \$0.29 per Common Share.

(2) The Corporation does not have a share-based incentive plan.

The following table sets out information concerning share-based awards, option-based awards and non-equity incentive plan compensation for each of the non-executive directors as at March 31, 2022.

<b>Name</b>	<b>Option-based awards Value vested during the year <sup>(1)</sup></b> <b>(\$)</b>	<b>Share-based awards Value vested during the year <sup>(2)</sup></b> <b>(\$)</b>	<b>Non-equity incentive plan compensation Value earned during the year</b> <b>(\$)</b>
Vernon Lobo	nil	n/a	25,000
Geoffrey Rotstein	nil	n/a	10,000

(1) No options were granted to non-executive directors during the year, and all options previously granted to non-executive directors were fully vested prior to the fiscal year ended March 31, 2022.

(2) The Corporation does not have a share-based incentive plan.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

### Equity Compensation Plan Information

The following chart details the number of securities to be issued upon the exercise of outstanding stock options issued under the Corporation's Stock Option Plan, the weighted average exercise price of such options and the number of common shares remaining available for issuance under equity compensation plans of the Corporation as at March 31, 2022.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options as at March 31, 2022</b> <b>(a)</b>	<b>Weighted-average exercise price of outstanding Options <sup>(1)</sup></b> <b>(b)</b>	<b>Number of securities remaining available for future issuance under option-based award incentive plans (excluding securities reflected in column (a)) as at March 31, 2022 <sup>(2)</sup></b> <b>(c)</b>
Equity compensation plans approved by the securityholders	1,540,000	\$0.10	1,432,707
Equity compensation plans not approved by securityholders	nil	nil	nil
<b>TOTAL</b>	<b>1,540,000</b>	<b>\$0.10</b>	<b>1,432,707</b>

(1) The closing price of the Common Shares of the Corporation on the TSXV on March 31, 2022 was \$0.29 per Common Share.

(2) The maximum number of securities which may be issued under options granted and outstanding pursuant to the Stock Option Plan to all participants shall not exceed in the aggregate ten percent (10%) of the number of shares issued and outstanding from time to time. Any increase in the issued and outstanding shares will result in an increase in the available number of shares issuable under the Stock Option Plan, and any exercises of options will make new grants available under the Stock Option Plan effectively resulting in a re-loading of the number of options available to grant under the Stock Option Plan. The number of securities remaining available for future issuance is based on an aggregate of 29,728,074 Common Shares of the Corporation issued and outstanding as at March 31, 2022.

### Stock Option Plan

The Stock Option Plan authorizes the granting of options to directors, officers, employees and consultants of the Corporation to purchase Common Shares of the Corporation from treasury. Pursuant to the Stock Option Plan, the option pool is comprised of a floating number equal to 10% of the number of Common Shares of the Corporation outstanding from time to time. Any increase in the issued and outstanding Common Shares will result in an increase in the available number of Common Shares issuable under the Stock Option Plan, and any exercises of options will make new grants available under the Stock Option Plan effectively resulting in a re-loading of the number of options available to grant under the Stock Option Plan.

The Board of Directors administers the Stock Option Plan, designates the recipients of options and determines the number of Common Shares to be granted, the vesting provisions, the exercise price, the expiry date and any other terms relating thereto, in each case in accordance with the terms set out in the Stock Option Plan and applicable securities legislation. The exercise price for Common Shares granted under the Stock Option Plan must be not

less than the average closing price of the Common Shares on the TSXV for the 10 trading days immediately preceding the date of grant, and in no event shall be less than \$0.05 per option, or such other minimum price as from time to time accepted by the TSXV. Although the expiry date of an option grant is fixed by the Board of Directors, the term must not exceed 10 years from the date of the grant.

The aggregate number of options for Common Shares granted to any one person in a 12-month period, may not exceed 5% of the total number of issued and outstanding Common Shares of the Corporation at the time of grant.

As of August 16, 2022, options to purchase 1,540,000 Common Shares remain issued and outstanding under the Stock Option Plan, representing approximately 5.21% of the Common Shares outstanding as of August 16, 2022 on a non-diluted basis. Options to purchase 1,417,002 Common Shares, representing approximately 4.79% of the Common Shares outstanding as of August 16, 2022, on an undiluted basis, remain available for issuance under the Stock Option Plan as of August 16, 2022.

Grants under the Stock Option Plan are subject to early termination in the event that a participant ceases to be an employee, director, officer or consultant of the Corporation. Employees are not permitted to assign option grants under the Stock Option Plan. The Board may amend or discontinue the Stock Option Plan at any time, subject to any required approvals of the TSXV. The Stock Option Plan provides that the aggregate number of shares reserved for issuance to any single participant under any share compensation arrangement cannot exceed 5% of the then issued and outstanding Common Shares.

#### **AGGREGATE INDEBTEDNESS**

The following table outlines the aggregate indebtedness outstanding as at August 16, 2022 in connection with a purchase of securities and all other indebtedness of all executive officers, directors, employees and former executive officers, directors and employees of the Corporation to the Corporation or any of its subsidiaries:

<b>Aggregate Indebtedness</b>		
<b>Purpose</b>	<b>To the Corporation or its Subsidiaries</b>	<b>To Another Entity</b>
Share purchases	nil	nil
Other	\$36,000	nil

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

Other than as set forth elsewhere in this Circular, management of the Corporation is not aware of any material interest, directly or indirectly, in any transaction or proposed transaction that has materially affected or would materially affect the Corporation or any of its subsidiaries held by any “**informed person**” (as such term is defined in National Instrument 51-102 - *Continuous Disclosure Obligations*) or any proposed director of the Corporation or any associate or affiliate of any informed person or proposed director has or has had, at any time since the beginning of the last financial year.

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

Management of the Corporation is not aware of any material interest of any director or executive officer or any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting other than the election of directors and the approval of the Stock Option Plan.

## MANAGEMENT CONTRACTS

Michael Robb, a director of the Corporation, serves as President and Chief Executive Officer of the Corporation pursuant to the terms of the Consulting Agreement, as more particularly described in the “*Executive Compensation*” section above.

Andrea Felstead served as Chief Financial Officer of the Corporation pursuant to the terms of an employment agreement with the Corporation as more particularly described in the “*Executive Compensation*” section above. Ms. Felstead resigned her employment with the Corporation effective March 31, 2022.

Saleem Khan serves as Interim Chief Financial Officer of the Corporation pursuant to the terms of an employment agreement with the Corporation as more particularly described in the “*Executive Compensation*” section above.

## DIRECTORS’ AND OFFICERS’ LIABILITY INSURANCE AND INDEMNIFICATION

The Corporation maintains directors’ and officers’ liability insurance in an amount of \$4,000,000, subject to a \$100,000 retention for all ‘Securities Claims’ and a \$100,000 retention for all other claims. The total premium charged to the Corporation for this coverage during the financial year ended March 31, 2022 was approximately \$33,000.

## STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Board is committed to a high standard of corporate governance practices. The Board believes that this commitment is not only in the best interest of shareholders, but that it also promotes effective decision-making at the Board level.

Effective June 30, 2005, the Canadian Securities Administrators adopted National Policy 58-201 - *Corporate Governance Guidelines* (the “**Guidelines**”) and National Instrument 58-101 - *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) which requires that each reporting issuer annually disclose its corporate governance practices.

The following disclosure is based on the disclosure requirements of the Guidelines and NI 58-101.

### Composition of the Board

The articles of the Corporation (the “**Articles**”) provide that the Board of Directors shall consist of not less than three and not more than twenty directors. Under the by-laws of the Corporation, the election of directors shall take place at each annual meeting of shareholders. The number of directors to be elected at any such meeting shall be the number of directors then in office, unless the directors have determined a different number within the range permitted by the Articles. Each director will hold office until the next annual meeting or until the successor of such director is duly elected or appointed, unless such office is earlier vacated in accordance with the by-laws.

### Nomination of Directors

The Governance Committee is responsible for recommending qualified candidates for nominees to the Board of Directors. In making this decision, various factors are taken into consideration including the operations of the Corporation and the qualifications and skills of the nominees. Since the current Board members have agreed to stand for re-election, it has been determined that it is unnecessary to take active steps to identify new candidates for nomination to the Board at this time.

### Independence of the Board of Directors

The Guidelines recommend that a majority of directors of a listed corporation be “**independent**” as defined by National Instrument 52-110 - *Audit Committees* (“**NI 52-110**”). An independent director is a director who does not have any direct or indirect material relationship with the issuer. “**Material relationship**” is defined as a relationship which could, in the view of the Corporation’s Board, be reasonably expected to interfere with the

exercise of a director's independent judgment. NI 52-110 further sets out certain relationships which are deemed to be material relationships.

The Board of Directors currently has three members. In the opinion of the Board of Directors, as of the date of this Circular, two of three Board nominees are considered independent. Michael Robb is not considered to be an independent director on the basis that he is the President and Chief Executive Officer of the Corporation. The director nominees considered to be independent are Vernon Lobo and Geoffrey Rotstein.

Mr. Lobo is Chairman of the Board of Directors and is considered to be an independent director as he is not a member of management of the Corporation. The Chairman of the Board of Directors is responsible for providing overall direction to the Board of Directors and is responsible for carrying out its overall mandate. Individual directors may, with the approval of the Chairman of the Board of Directors or of the entire Board of Directors, engage outside advisers at the expense of the Corporation.

### **Independence from Management**

The Corporation has in place appropriate structures and procedures to ensure that the Board can function independently of management. A majority of the current Board members are independent directors. In addition, the Board endeavors to maintain a majority of independent directors on all committees of the Board. Further, the independent directors of the Corporation have direct access to the Corporation's executives and external auditors and may meet without the presence of the non-independent directors and may meet separately with management of the Corporation.

### **Meetings of Independent Directors**

The Board holds regularly-scheduled quarterly meetings as well as *ad hoc* meetings from time to time. In the course of meetings of the Board or of committees of the Board, the independent directors holds meetings, or portions of such meetings, at which neither non-independent directors nor officers of Pivotree are in attendance.

If a director or officer holds an interest in a transaction or agreement under consideration at a Board meeting or a meeting of a committee of the Board, that director or officer shall not be present at the time the Board or committee deliberates such transaction or agreement and shall abstain from voting on the matter, subject to certain limited exceptions provided for in the *Business Corporations Act* (Ontario).

### **Directorships**

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

<b>Name of Director</b>	<b>Issuer</b>
Vernon Lobo	EQ Inc. (TSX-V: EQ) TECSYS Inc. (TSX: TCS) Flow Capital Corp. (formerly LOGiQ Asset Management Inc. and formerly Grenville Strategic Royalty Corp.) (TSX-V: FW) Pivotree Inc. (TSX-V: PVT) MiniLuxe Holding Corp. (formerly Rise Capital Corp.) (TSX-V: MNLX)
Geoffrey Rotstein	Cann-Is Capital Corp. (TSX-V: NISP) EQ Inc. (TSX-V: EQ)

### **Committees of the Board**

The Corporation has three committees of the Board, namely, the Audit Committee, the Governance Committee and the Compensation Committee. The Board does not have any other standing committees.

## *Audit Committee*

### Audit Committee Charter

The roles and responsibilities of the Audit Committee are set out in the Audit Committee Charter, a copy of which is set out in Appendix “B” attached hereto, which was amended and approved by the Board of Directors on January 12, 2010. The Audit Committee assists the Board of Directors in fulfilling its responsibilities for the Corporation’s accounting and financial reporting practices by reviewing the quarterly and annual consolidated financial statements, reviewing the adequacy of the system of internal controls, reviewing any relevant accounting, financial and security regulatory matters, reviewing the management of corporate risks and recommending the appointment of external auditors. The Audit Committee also facilitates communication between the Board of Directors and the Corporation’s external auditors. The Audit Committee meets quarterly with management and separately, with or without external auditors, as required.

### Composition of the Audit Committee

As at the date of this Circular, all of the current directors of the Corporation are members of the Audit Committee, namely, Vernon Lobo, Geoffrey Rotstein and Michael Robb. All of the members of the Audit Committee are considered independent with the exception of Mr. Robb.

All of the members of the Audit Committee are considered “financially literate”, in each case, as defined under NI 52-110. The following is a description of the education and experience for each current member of the Audit Committee as of the date of this Circular relative to their responsibilities as members of the Audit Committee:

<b>Member</b>	<b>Relevant Education and Experience</b>
Geoffrey Rotstein <i>Chairman</i>	<ul style="list-style-type: none"><li>• Received his Chartered Accountant (CA) designation at PricewaterhouseCoopers in Toronto, a major global accounting firm.</li><li>• Master of Business Administration from Schulich School of Business in Toronto</li><li>• President and Chief Executive Officer and a director of EQ Inc. (TSX-V: EQ)</li><li>• Chief Financial Officer of EQ Inc. (TSX-V: EQ) from March 1997 to December 2005.</li><li>• Chair of the Programmatic Committee for IAB Canada.</li><li>• Member of the Young Presidents’ Organization.</li><li>• Member of the board and advisory committees for various private and not-for-profit organizations, including, without limitation, Titan Capital Inc.</li></ul>
Vernon Lobo	<ul style="list-style-type: none"><li>• BAsC in Engineering from the University of Waterloo.</li><li>• Master of Business Administration from Harvard University, Graduate School of Business where he was a Baker Scholar.</li><li>• Managing Director of Mosaic Capital Partners, LP.</li><li>• Member of the board of directors of several private companies as well as the following public offering companies: EQ Inc. (TSX-V: EQ), MiniLuxe Holding Corp. (TSX-V: MNLX), TECSYS Inc. (TSX: TCS), Flow Capital Corp., (formerly LOGiQ Asset Management Inc. and formerly Grenville Strategic Royalty Corp.) (TSX-V: FW), and Pivotree, Inc. (TSX-V: PVT)</li></ul>
Michael Robb	<ul style="list-style-type: none"><li>• Chartered Public Accountant and Certified Management Accountant (CPA, CMA).</li><li>• Former Chief Financial Officer of the Corporation</li><li>• Former Chief Financial Officer of Northcore Technologies Inc. (NEX: NTI.H; OTCBB: NTLNF)</li><li>• Former Chief Financial Officer of Viking Gold Exploration Inc. (TSX-V: VGC)</li><li>• Former Chief Financial Officer of Futura Awards Inc.</li></ul>

Such education and experience has provided the Audit Committee members with an understanding of the accounting principles used by the Corporation to prepare its financial statements, the ability to assess the general application of such accounting principles in connection with the Corporation’s accounting for estimates, accruals and reserves, experience preparing, auditing, analyzing or evaluating financial statements that present a breadth

and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that are raised by the Corporation's financial statements, and an understanding of internal controls and procedures for financial reporting.

#### Audit Committee Oversight

At no time has a recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by the Board.

#### Pre-Approval Procedures for Non-Audit Services

The Audit Committee is responsible for the pre-approval of all non-audit services to be provided to the Corporation by its independent auditor. The approval of the appointment of the auditor for any non-audit service to be provided to the Corporation must be obtained from the Audit Committee in advance; provided that it will not approve any service that is prohibited under the rules of the Canadian Public Accountability Board or the Independence Standards of the Canadian Institute of Chartered Accountants. At least annually, the Audit Committee reviews and confirms the independence of the independent auditor by obtaining statements from the independent auditor describing all relationships with the Corporation, including with respect to any non-audit services. Before the appointment of the auditor for any non-audit service, the Audit Committee will consider the compatibility of the service with the auditor's independence. The Audit Committee may pre-approve the appointment of the auditor for any non-audit services by adopting specific policies and procedures, from time to time, for the engagement of the auditor for non-audit services.

#### Exemption

The Corporation is a "venture issuer" as defined in NI 52-110 and is relying on the exemption in section 6.1 of NI 52-110 relating to Parts 3 (Composition of Audit Committee) and 5 (Reporting Obligations) of NI 52-110.

#### ***Governance Committee***

The Governance Committee of the Board of Directors is responsible for oversight of the Corporation's activities related to corporate governance, legislation and regulatory compliance. The Governance Committee also determines the size of the Board of Directors to ensure that it is compliant with regulatory authorities and that it is optimum for decision-making. In making this decision, various factors are taken into consideration including the operations of the Corporation, the size of boards of directors of similar companies, the qualifications and skills of the nominees, and the financial condition of the Corporation.

As of the date of this Circular, Messrs. Lobo, Rotstein and Robb are members of the Governance Committee and all of the members, with the exception of Mr. Robb, are considered independent.

#### ***Compensation Committee***

The amount and form of director and executive officer compensation is reviewed as and when deemed necessary and appropriate by the Compensation Committee, with any resultant recommendations made to the full Board of Directors, to ensure that such compensation realistically reflects the responsibilities and risks of being an effective director.

As of the date of this Circular, Messrs. Lobo, Rotstein and Robb are members of the Compensation Committee and all of the members, with the exception of Mr. Robb, are considered independent.

The role of the Compensation Committee is discussed in this Circular under the headings "*Composition of the Compensation Committee*" and "*Report on Executive Compensation*".

#### **Orientation and Continuing Education**

The Corporation does not have a formal orientation program for new members of the Board. When a new member is elected to the Board, the Board of Directors and the Corporation's executive officers are available to discuss the Corporation's business and operations, and to assist in the orientation and education of the new Board member as required.



The Board does not formally provide continuing education to its directors, as the directors are generally experienced members and have previously been or are directors of other reporting issuers. The Board of Directors relies on professional assistance when necessary in order to be educated or updated on a particular topic and encourages directors to take relevant training programs offered by different regulatory bodies and educational service providers and industry associations.

### **Ethical Business Conduct**

The Board of Directors has not adopted a formal written code of ethics or conduct. The Board of Directors believes that the fiduciary duties placed upon individual directors and the restrictions placed on directors by applicable common law and the laws governing the Corporation are sufficient to ensure that each director operates in an ethical business manner and in the best interests of the Corporation.

### **Interests of Directors**

A director who has a material interest in a matter before the Board or any committee on which he or she serves is required to disclose such interest as soon as the director becomes aware of it. In situations where a director has a material interest in a matter to be considered by the Board or any committee on which he or she serves, such director may be required to excuse himself or herself from the meeting while discussions and voting with respect to the matter are taking place. Directors will also be required to comply with the relevant provisions of the *Business Corporations Act* (Ontario) regarding conflicts of interest.

On an annual basis, each of the directors of the Corporation confirm to each other and to the executive management of the Corporation, in writing, the full extent of their relationship (a) with the Corporation, (b) with any other organization, and (c) in any current or proposed material contract with the Corporation.

### **Diversity**

In assessing potential directors and members of the executive or senior management, the Corporation focuses on the skills, expertise, experience and independence which the Corporation requires to be effective. While the Corporation respects the value of diversity, and recognizes that diversity supports balanced debate and discussion which, in turn, enhances decision-making, due to the small size of the Board and the management team, and the stage of development of the Corporation's business, the Board believes that the qualifications and experience of proposed new directors and members of senior management should remain the primary consideration in the selection process and that setting of targets would not be efficient. The Corporation therefore does not have a written diversity policy relating to the identification and nomination of directors who are part of designated groups, and the Corporation has not adopted a target number or percentage (or range) for members of the designated groups to hold positions on the Board or to be members of management by a specific date. The *Employment Equity Act* (Canada) defines "designated groups" to include women, Aboriginal peoples, persons with disabilities and members of visible minorities. There is currently one director on the Board who is a member of visible minorities (representing 33% of the Board) and one member of management who is a member of visible minorities (representing 50% of management). There are currently no other members of the designated groups who hold positions on the Board or who are members of management.

### **Compensation**

The Compensation Committee is responsible for determining the compensation for Board members, the Chief Executive Officer and the Chief Financial Officer. The Compensation Committee then makes its recommendations to the Board of Directors for determination as a whole. Compensation for Board members and the Chief Executive Officer and Chief Financial Officer is determined by taking into account such matters as responsibilities, compensation provided by comparable organizations, and the financial condition of the Corporation.

### **Assessments**

Assessments are not currently conducted on a regular basis. The Board of Directors from time to time examines and comments on its effectiveness and that of its committees and makes adjustments when warranted.

## **TRANSFER AGENT**

The transfer agent and registrar of the Corporation is Computershare Trust Company of Canada, at 510 Burrard Street, 3<sup>rd</sup> Floor, Vancouver, British Columbia, V6C 3B9.

## **OTHER MATTERS WHICH MAY COME BEFORE THE MEETING**

Management of the Corporation knows of no matters to come before the Meeting other than as set forth in this Circular.

**HOWEVER, IF OTHER MATTERS WHICH ARE NOT KNOWN TO THE MANAGEMENT OF THE CORPORATION SHOULD PROPERLY COME BEFORE THE MEETING, THE ENCLOSED FORM OF PROXY WILL BE USED TO VOTE ON SUCH MATTERS IN ACCORDANCE WITH THE BEST JUDGMENT OF THE PERSONS VOTING THE PROXY.**

## **ADDITIONAL FINANCIAL INFORMATION**

Additional financial information relating to the Corporation, including the Corporation's audited financial statements, the notes thereto, the auditor's report, and related management's discussion and analysis for the most recently completed financial year ended March 31, 2022, is available on the Corporation's profile on the Canadian Securities Administrators System for Electronic Document Analysis and Retrieval ("**SEDAR**"), which can be accessed at [www.sedar.com](http://www.sedar.com).

Securityholders may obtain copies of this Circular, as well as the Corporation's previously filed annual and quarterly financial statements and management's discussion and analysis by contacting Investor Relations by e-mail at [investors@airiq.com](mailto:investors@airiq.com) or by telephone at 905-831-6444. These documents are also available on the Corporation's website at [www.airiq.com](http://www.airiq.com) or on the Corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com).

## **APPROVAL OF BOARD**

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

The foregoing constitutes full, true and plain disclosure of all material facts relating to the particular matters to be acted upon by the shareholders of the Corporation.

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it is made.

Dated the 16<sup>th</sup> day of August, 2022.

"Michael Robb"

Michael Robb  
President and Chief Executive Officer

## **APPENDIX “A”**

### **AirIQ INC. (the “Corporation”)**

#### **AMENDED AND RESTATED EMPLOYEE STOCK OPTION PLAN**

##### **1. PURPOSE**

0.1 This Employee Stock Option Plan (the “Plan”) has been established by AirIQ in order to attract, encourage and increase the incentive for continued service of directors, officers, employees of and consultants to AirIQ by facilitating their purchase of an equity interest in AirIQ. This Plan is based on the Amended and Restated Employee Stock Option Plan re-approved by the Shareholders of the Corporation on September 23, 2020 and incorporates amendments to the Plan made effective November 3, 2020.

##### **1. DEFINITIONS**

1.1 In this Plan, the following terms have the following meanings:

(a) “AirIQ” means AirIQ Inc., its subsidiaries and their successors and assigns, and any reference in the Plan to action by AirIQ means action by or under the authority of the Board of Directors of AirIQ or any person or committee that has been designated for the purpose by AirIQ including, without limitation, the Compensation Committee;

(b) “Compensation Committee” means the committee, as constituted from time to time, which may be appointed by the Board of Directors to, among other things, interpret, administer and implement the Plan, and includes any successor committee appointed by the Board of Directors for such purposes;

(c) “Date of Grant” of an Option means the date the Option is granted to a Participant under the Plan;

(d) “Designated Amount” in respect of a Participant’s Option has the meaning ascribed to it in clause 3.4(a);

(e) “Designated Percentage” in respect of an Option has the meaning ascribed to in clause 3.4(d);

(f) “Earliest Exercise Date” in respect of an Option has the meaning ascribed to it in clause 3.4(b);

(g) “Early Expiry Date” means 4:00 pm local time in Toronto on: (i) the date fixed by AirIQ for early expiry of each Option, which date will be no more than twelve months from the date on which the Participant ceases to be an Eligible Employee, an Eligible Director or an Eligible Consultant, as applicable, for any reason other than death, disability or any matter contemplated by section 4.2(b); or (ii) the date that is twelve months from the date on which the Participant ceases to be an Eligible Employee, an Eligible Director or an Eligible Consultant, as applicable, for any reason other than death, disability or any matter contemplated by section 4.2(b), if no date is fixed by AirIQ under (i) above;

(h) “Eligible Consultant” has the meaning ascribed to it in section 3.3;

(i) “Eligible Director” has the meaning ascribed to it in section 3.2;

(j) “Eligible Employee” has the meaning ascribed to it in section 3.1;

(k) “insiders” has the meaning ascribed to it under the rules of the TSX Venture Exchange

(l) “Latest Exercise Date” has the meaning ascribed to it in clause 3.4(c);

- (m) “Option” means a right granted under the Plan to a Participant to purchase Shares in accordance with the Plan;
- (n) “Option Price” in respect of an Option means the price designated by AirIQ at which the Participant may purchase Shares under the Option;
- (o) “Participant” means an Eligible Employee, an Eligible Director or an Eligible Consultant who has agreed to participate in the Plan on such terms as AirIQ may specify at the time he is designated as an Eligible Employee, an Eligible Director or an Eligible Consultant;
- (p) “Plan” means this Employee Stock Option Plan, as amended and restated from time to time;
- (q) “security-based compensation arrangement” has the meaning ascribed to it under the rules of the TSX Venture Exchange; and
- (r) “Shares” means the common shares in the capital of AirIQ as constituted at the date hereof and any shares to which a Participant may be entitled as a result of a redesignation or other change in the common shares of AirIQ or any reorganization as defined in section 10.1.

1.2 In this Plan, unless the context requires otherwise, words importing gender include the masculine and feminine and words importing the singular number include the plural and vice versa.

## **2. GRANTING OF OPTIONS AND DETERMINATION OF THE OPTION PRICE**

2.1 From time to time, AirIQ may designate one or more *bona fide* employees of AirIQ, as “Eligible Employees” for the purposes of the Plan. If an Eligible Employee agrees to participate in the Plan on such terms as AirIQ may specify at the time he is designated as an Eligible Employee, he shall become a Participant in the Plan.

2.2 From time to time, AirIQ may designate one or more members of the Board of Directors of AirIQ not otherwise able to be designated as Eligible Employees, as “Eligible Directors” for the purposes of the Plan. If an Eligible Director agrees to participate in the Plan on such terms as AirIQ may specify at the time he is designated as an Eligible Director, he shall become a Participant in the Plan. AirIQ represents that for any Options granted to an Eligible Director, such Participant is a *bona fide* director of the Corporation.

2.3 From time to time, AirIQ may designate one or more persons providing consulting services to AirIQ, as “Eligible Consultants” for the purposes of the Plan. If an Eligible Consultant agrees to participate in the Plan on such terms as AirIQ may specify at the time he is designated an Eligible Consultant, he shall become a Participant in the Plan. AirIQ represents that for any Options granted to an Eligible Consultant, such Participant is a *bona fide* consultant of the Corporation.

2.4 From time to time AirIQ may grant an Option to a Participant to acquire Shares in accordance with the Plan. In granting such Option, AirIQ shall designate:

- (a) the maximum number (“Designated Amount”) of Shares which the Participant may purchase under the Option;
- (b) the earliest date on which the Option may be exercised (“Earliest Exercise Date”), which may be the Date of Grant;
- (c) the latest date on which the Option may be exercised (“Latest Exercise Date”), which shall be no later than ten years after the Date of Grant;

(d) a percentage of the Designated Amount representing the maximum number of Shares which the Participant may purchase under the Option immediately following the specified time period or periods (“Designated Percentage”); and

(e) the price (“Option Price”) at which the Participant may purchase his Shares under the Option, which price shall be determined by AirIQ in accordance with section 3.5.

2.5 The Option Price per Share in respect of an Option shall be determined by AirIQ, but shall be not less than the average closing price of the Shares on the TSX Venture Exchange (“TSXV”) for the ten trading days immediately preceding the Date of Grant (or if the Shares are not listed on the TSXV or are listed or quoted on any other exchange or quotation system in addition to the TSXV, the exchange or quotation system on which the greatest volume of trading of Shares has occurred in the six month period preceding the Date of Grant) on the trading day immediately preceding the Date of Grant of the Option; provided however in no event shall the Option Price per Share in respect of an Option be less than \$0.05 per Option, or such other minimum price as from time to time accepted by the TSXV.

2.6 Subject to the terms of the Plan, AirIQ shall determine the terms of all Options and if no specific determination is made at the time of the grant of an Option with respect to the Earliest Exercise Date, the Latest Exercise Date and/or the Designated Percentage then each Option shall, subject to any other specific provisions of the Plan, contain the following terms and conditions:

(a) the Earliest Exercise Date shall be one year following the Date of the Grant;

(b) the Latest Exercise Date shall be ten years following the Date of the Grant; and

(c) the Designated Percentage shall be 25% immediately following the Earliest Exercise Date and shall be increased by 2.0833% following the expiry of each one-month period following the Earliest Exercise Date such that the Option shall be vested in full 48 months after the Date of the Grant.

2.7 Participation in the Plan shall be entirely voluntary and any decision not to participate shall not affect the employment of any Eligible Employee.

2.8 AirIQ may, in accordance with the provisions of the Plan and subject to the rules of the Exchange from time to time, set the Early Expiry Date for an Option, whether contemporaneously with or at any time following the granting of such Option.

### **3. EXERCISE OF PARTICIPANT’S OPTIONS**

3.1 Subject to the provisions of the Plan, an Option may be exercised by the Participant, in whole or in part, only on or after the Earliest Exercise Date and thereafter from time to time at his discretion to purchase in the aggregate a number of Shares equal to the aggregate of the previously unexercised portion of the Designated Amount of Shares, provided that, unless AirIQ otherwise agrees or indicates in writing,

(a) subject to paragraph (b) below, the maximum number of Shares which the Participant may purchase under the Option following the Earliest Exercise Date of the Option shall be equal to the Designated Percentage of the Designated Amount of the Option, and

(b) if the number of Shares, if any, purchased under the Option during any period subsequent to the Earliest Exercise Date is less than the maximum number which could have been purchased under the Option during such period, the difference shall be carried forward and added to the maximum number of Shares which may be purchased under the Option during the period in question, and so on from time to time (such maximum number of Shares which may be purchased from time to time being hereinafter referred to as the “Vested Number”).

3.2 Unless AirIQ otherwise determines, if a Participant ceases to be an Eligible Employee, Eligible Consultant or Eligible Director prior to the Latest Exercise Date, then the Participant's Options (whether vested or unvested, in full or in part) shall terminate and may not be exercised after the Early Expiry Date, unless:

(a) for those Participants designated as Eligible Employees before becoming Participants, the Participant ceases to be an Eligible Employee as a result of his disability or his retirement at age 65 or early retirement with AirIQ's consent, in which case the Options will terminate twelve-months after the termination of the Participant's employment with AirIQ, provided that the Participant has not died prior to the expiry of such twelve-month period;

(b) for those Participants designated as Eligible Employees, Eligible Consultants or Eligible Directors before becoming Participants, the Participant resigns or terminates his or her employment, consulting agreement or directorship, as applicable, with AirIQ, in which case the Options will terminate 30 days following the date of such resignation or termination of employment, consulting agreement or directorship, as applicable, unless such termination of employment, consulting agreement or directorship occurs by reason of the Participant's death, disability, retirement or early retirement as contemplated in (a) above or (c) below or, in the case of Eligible Employees, unless such termination of employment is for just cause, or, in the case of Eligible Consultants, such termination results from breach of the consulting agreement by the Eligible Consultant (in each case, as determined by AirIQ in its sole discretion), or, in the case of Eligible Directors, such termination results from (i) an order of the Ontario Securities Commission, the TSXV or any other regulatory body having jurisdiction to so order, (ii) a conviction of an offence involving fraud or (iii) where the Eligible Director ceases to meet the director qualifications specified in the *Canada Business Corporations Act*, in which case the unexercised portion of any Option shall terminate on the date of such Participant's termination of employment, consulting agreement or directorship, as applicable; and

(c) the Participant ceases to be an Eligible Employee, Eligible Consultant or Eligible Director, as applicable, as a result of the death of the Participant, in which case the Options will terminate twelve months after the Participant's death.

The maximum number of shares that may be purchased under (a), (b), or (c) above shall be limited to the Vested Number as at the date of termination of employment or resignation or, in the case of a consulting agreement, the date that notice of termination of the consulting agreement is provided by AirIQ or the Participant.

For the purposes of this Article 4, all references to termination of employment shall mean the date on which notice of termination is provided by AirIQ to the Participant.

3.3 The exercise of an Option under the Plan shall be made by notice to AirIQ in writing specifying and subscribing for the number of Shares in respect of which the Option is being exercised at that time and accompanied by a certified cheque or bank draft payable to AirIQ in the amount of the aggregate Option Price for such number of Shares. As of the day AirIQ receives such notice and such payment, the Participant (or the person claiming through him, as the case may be) shall be entitled to be entered on the share register of AirIQ as the holder of the number of Shares in respect of which the Option was exercised and as promptly as possible thereafter shall be delivered a certificate representing the said number of Shares.

#### **4. MAXIMUM NUMBER OF SHARES TO BE ISSUED UNDER THE PLAN**

4.1 The maximum number of Shares which may be issued under Options granted and outstanding pursuant to this Plan to all Participants shall not exceed in the aggregate ten percent (10%) of the number of Shares issued and outstanding from time to time. Any increase in the issued and outstanding Shares will result in an increase in the available number of Shares issuable under the Plan, and any exercises of Options will make new grants available under the Plan effectively resulting in a re-loading of the number of Options available to grant under the Plan.

In addition, the following provisions shall apply:

(a) The number of Shares which may be issued under Options issued and outstanding pursuant to this Plan together with Shares which may be issued pursuant to any other employee-related plan of AirIQ to any one person shall not exceed 5% of the issued and outstanding Shares.

(b) The aggregate number of Options issued to insiders of the Corporation within any 12-month period, or issuable to insiders of the Corporation at any time, under the Plan and any other security-based compensation arrangement of the Corporation, may not exceed 10% of the total number of issued and outstanding Shares of the Corporation at such time.

(c) The aggregate number of Options granted to any one person (and companies wholly owned by that person) in a 12-month period must not exceed 5% of the issued and outstanding Shares of the Corporation calculated on the date an option is granted to the person (unless the Corporation has obtained the requisite disinterested shareholder approval).

(d) The aggregate number of Options granted to any one Eligible Consultant in a 12-month period must not exceed 2% of the issued shares of the Corporation, calculated at the date an option is granted to the Eligible Consultant.

(e) The aggregate number of options granted to all persons retained to provide Investor Relations Activities (as defined in the TSXV Company Manual) to the Corporation must not exceed 2% of the issued Shares of the Corporation in any 12-month period, calculated at the date an option is granted to any such person.

4.2 If any Option has terminated or expired without being fully exercised, any unissued Shares which have been reserved to be issued upon the exercise of the Option shall become available to be issued upon the exercise of Options subsequently granted under the Plan.

## **5. ANTI-DILUTION PROVISIONS**

5.1 If the number of outstanding Shares of AirIQ shall be increased or decreased as a result of a stock split, consolidation or recapitalization and not as a result of the issuance of Shares for additional consideration or by way of stock dividend, AirIQ shall make appropriate adjustments to the Designated Amount of any Option which has previously been granted under the Plan, the maximum number of Shares which the Participant may thereafter purchase under such Option, the Option Price in respect of such Option and the maximum number of Shares which may be issued under the Plan in accordance with Section 5.1.

5.2 No fractional shares shall be issued upon the exercise of an Option nor shall any scrip certificates in lieu thereof be issuable at any time. Accordingly, if as a result of any adjustment under Section 6.1 a Participant would otherwise have become entitled to a fractional share upon the exercise of an Option, he shall have the right to purchase only the next lower whole number of Shares and no payment or other adjustment will be made with respect to any fractional interests so disregarded.

## **6. INTENTIONALLY DELETED**

## **7. ACCOUNTS AND STATEMENTS**

7.1 Options shall be evidenced by a Certificate and/or Agreement in the form attached hereto or such other form approved by AirIQ.

7.2 AirIQ shall maintain records of the details of each Option granted to each Participant under the Plan, including the Date of Grant, Designated Amount and the Option Price of each Option, the number of Shares in respect of which the Option has been exercised and the maximum number of Shares which the Participant may still purchase under the Option. Upon request therefor from a Participant and at such other time as AirIQ shall

determine, AirIQ shall furnish the Participant with a statement setting forth the details of his Options. Such statement shall be deemed to have been accepted by the Participant as correct unless written notice to the contrary is given to AirIQ within 30 days after such statement is given to the Participant.

## **9. OPTIONS GRANTED TO U.S. RESIDENTS OR CITIZENS**

9.1 Any Option granted under this Plan to a Participant who is a citizen or resident of the United States (including its territories, possessions and all areas subject to the jurisdiction) (a "U.S. Optionee") may be an incentive stock option (an "ISO") within the meaning of Section 422 of the *Internal Revenue Code of 1986*, as amended, of the United States (the "Code"), but only if so designated by AirIQ in the agreement evidencing such Option. No provision of this Plan, as it may be applied to a U.S. Optionee, shall be construed so as to be inconsistent with any provision of Section 422 of the Code. Grants of Options to U.S. Optionees which are not ISO's may be granted pursuant to Section 3 hereof. Notwithstanding anything in this Plan contained to the contrary, the following provisions shall apply to ISO's granted to each U.S. Optionee:

(a) ISO's shall only be granted to U.S. Optionees who are, at the time of grant, officers, key employees or directors (provided, for purposes of this Section 9.1 only, such directors are then also officers or key employees of AirIQ). Any director of AirIQ who is a U.S. Optionee shall be ineligible to vote upon the granting of such Option;

(b) the aggregate fair market value (determined as of the time an ISO is granted) of the Shares subject to ISO's exercisable for the first time by a U.S. Optionee during any calendar year under this Plan and all other stock option plans, within the meaning of Section 422 of the Code, of AirIQ shall not exceed One Hundred Thousand Dollars in U.S. funds (U.S. \$100,000);

(c) the Option Price for Shares under each ISO granted to a U.S. Optionee pursuant to this Plan shall be not less than the fair market value of such Shares at the time the Option is granted, as determined in good faith by the directors at such time;

(d) if any U.S. Optionee to whom an ISO is to be granted under the Plan at the time of the grant of such ISO is the owner of shares possessing more than ten percent (10%) of the total combined voting power of all classes of shares of AirIQ, then the following special provisions shall be applicable to the ISO granted to such individual:

(i) the Option Price (per Share) subject to such ISO shall not be less than one hundred ten percent (110%) of the fair market value of one Share at the time of grant; and

(ii) for the purposes of this Section 9.1 only, the option exercise period shall not exceed five (5) years from the Date of Grant;

(e) no Option may be granted hereunder to a U.S. Optionee following the expiration of ten (10) years after the date on which this Plan is adopted by AirIQ or the date on which the Plan is approved by the shareholders of AirIQ, whichever is earlier; and

(f) no Option granted to a U.S. Optionee under the Plan shall become exercisable unless and until the Plan shall have been approved by the shareholders of AirIQ.

9.2 In addition to the foregoing and notwithstanding anything in this Plan contained to the contrary, the following provisions shall apply to the grants of Options to U.S. Optionees who are residents of the state of California (each a "California Optionee," and together the "California Optionees"), and no provision of this Plan, as it may be applied to a California Optionee, shall be construed so as to be inconsistent with any provision of Section 25102(o) of the California Corporate Securities Law of 1968:



(a) A person who owns securities possessing more than ten percent (10%) of the total combined voting power of all classes of shares of AirIQ shall not be eligible for designation as a California Optionee unless the Option Price (per Share) subject to such grant is at least one hundred ten percent (110%) of the fair market value of one Share at the time the Option is granted, as determined in good faith by the Board of Directors at such time;

(b) In the case of a California Optionee who is not an officer, director, manager or consultant of AirIQ, an Option granted to a California Optionee shall become exercisable at least as rapidly as twenty percent (20%) per year over the five-year period commencing on the Date of Grant, subject to the conditions provided by section 4.2 and otherwise under this Plan;

(c) In the event of a stock split, reverse stock split, stock dividend, recapitalization, combination, reclassification or other distribution of AirIQ's Shares without the receipt of consideration by AirIQ, the Board of Directors shall make appropriate proportionate adjustments in one or more of (i) the Designated Amount of any outstanding Option granted to a California Optionee or (ii) the Option Price per Share under each outstanding Option granted to a California Optionee;

(d) AirIQ each year shall furnish to California Optionees who have received Shares under the Plan its balance sheet and income statement, unless such California Optionees are key employees whose duties with AirIQ assure them access to equivalent information. Such balance sheet and income statement need not be audited;

(e) The Plan, as set forth herein, shall become effective on the date of its adoption by the Board of Directors, subject to the approval of AirIQ's shareholders. In the event that the shareholders fail to approve the Plan within twelve months after its adoption by the Board of Directors, any grants of Options to California Optionees of Shares that have already occurred shall be rescinded, and no additional grants, sales or awards shall be made thereafter under the Plan. Unless terminated earlier pursuant to the terms of section 12.1 or otherwise, the Plan shall terminate automatically ten years after the earlier of (i) its adoption by the Board of Directors or (ii) its approval by AirIQ's shareholders; and

(f) At no time shall the total number of Shares issuable upon exercise of all outstanding Options and the total number of shares provided for under any stock bonus or similar plan or agreement of AirIQ exceed the applicable percentage as calculated in accordance with the conditions and exclusions of Section 260.140.45 of Title 10 of the California Code of Regulations, based on the securities of AirIQ which are outstanding at the time the calculation is made; provided however, that the applicable percentage shall not apply if a higher percentage is approved by at least two-thirds of the outstanding securities entitled to vote.

## **10. REORGANIZATION**

10.1 In this Article 10, "reorganization" means any (i) capital reorganization, (ii) merger, (iii) amalgamation, (iv) offer for Shares which if successful would entitle the offeror to acquire all of the Shares, or (v) arrangement or other scheme of reorganization.

10.2 In the event of a reorganization or proposed reorganization, AirIQ, at its option, may do any of the following:

(a) AirIQ may cancel any Option that is still capable of being exercised, upon giving to the Participant to whom such Option has been granted at least 30 days written notice of its intention to cancel such Option, and during such period of notice, the Option, to the extent that it has not been exercised, may be exercised by the Participant up to the Designated Amount of Shares which may be purchased under the Option, without regard to the limitations contained in subsection 4.1(a), and on the expiry of such period of notice, the unexercised portion of the Option shall lapse and be cancelled,

(b) AirIQ or any corporation which is or would be the successor to AirIQ or which may issue securities in exchange for Shares upon the reorganization becoming effective may offer any Participant the opportunity to obtain a new or replacement option over any securities into which the Shares are changed or are convertible or exchangeable, on a basis proportionate to the number of Shares under option and the Option Price (and otherwise substantially upon the terms of the Option being replaced, or upon terms no less favourable to the Participant) including but not limited to the periods during which the Option may be exercised and expiry dates; in such event, the Participant shall, if he accepts such offer, be deemed to have released his Option over Shares and such Option shall be deemed to have lapsed and be cancelled; or

(c) AirIQ may commute for or into any other security or any other property or cash, any Option that is still capable of being exercised, upon giving to the Participant to whom such Option has been granted at least 30 days written notice of its intention to commute such Option, and during such period of notice, the Option, to the extent it has not been exercised, may be exercised by the Participant up to the Designated Amount of Shares which may be purchased under the Option, without regard to the limitations contained in subsection 4.1(a), and on the expiry of such period of notice, the unexercised portion of the Option shall lapse and be cancelled.

10.3 Subsections (a), (b) and (c) of section 10.2 are intended to be permissive and may be utilized independently or successively in combination or otherwise, and nothing therein contained shall be construed as limiting or affecting the ability of AirIQ to deal with Options in any other manner.

## **11. NOTICES**

11.1 Any payment, notice, statement, certificate or other instrument required or permitted to be given to a Participant or any person claiming or deriving any rights through him shall be given by:

- (a) delivering it personally to the Participant or to the person claiming or deriving rights through him, as the case may be, or
- (b) mailing it postage paid (provided that the postal service is then in operation) or delivering it to the address which is maintained for the Participant in AirIQ's personal records.

11.2 Any payment, notice, statement, certificate or instrument required or permitted to be given to AirIQ shall be given by mailing it postage prepaid (provided that the postal service is then in operation) or delivering it to AirIQ at its principal address to the attention of AirIQ's Secretary.

11.3 Any payment, notice, statement, certificate or other instrument referred to in Section 11.1 and 11.2, if delivered, shall be deemed to have been given or delivered on the date on which it was delivered or, if mailed (provided that the postal service is then in operation), shall be deemed to have been given or delivered on the second business day following the date on which it was mailed.

## **12. GENERAL**

12.1 From time to time the Board of Directors of AirIQ may add to or amend any of the provisions of the Plan or terminate the Plan; provided however that the following amendments to the Plan shall require approval of the shareholders of the Corporation in accordance with the rules of the TSXV:

- (i) any increase in the maximum number of Common Shares in respect of which the Options may be granted under the Plan;
- (ii) any amendment that would reduce the Option Price below the minimum price currently provided for in the Plan;

- (iii) any amendment that would increase the limits on the total number of Shares issuable to any one individual under the Plan or to any one insider of the Corporation and the insider's associates;
- (iv) any amendment that would increase the limits on the total number of Shares reserved for issuance pursuant to Options granted to insiders of the Corporation or for issuance to insiders within a one-year period;
- (v) any amendment that would increase the maximum term of an Option granted under the Plan;
- (vi) any amendment that would extend the term of any outstanding Option to a date beyond the latest exercise date currently stipulated in the Plan;
- (vii) any amendment that would reduce the Option Price of an outstanding Option (other than as may result from adjustments pursuant to Article 6 in the Plan);
- (viii) any amendment that would allow an Option to be cancelled and re-issued to the same person at a lower Option Price;
- (ix) any amendment that would reduce the Option price of an outstanding Option;
- (x) any amendment that would permit assignments to persons not currently permitted under the Plan;  
and
- (xi) any amendment that would expand the scope of those persons defined to be Participants under the Plan.

For the purposes of **Section 12.1 (ii)** above, disinterested shareholder approval shall be obtained for any reduction in the Option Price if the Optionee is an Insider of the Corporation at the time of the proposed amendment.

12.2 The determination by AirIQ of any questions which may arise as to the interpretation or implementation of the Plan or any of the Options granted hereunder shall be final and binding on all Eligible Employees, Eligible Directors, Eligible Consultants, Participants and other persons claiming or deriving rights through any of them.

12.3 The Plan shall enure to the benefit of and be binding upon AirIQ, its successors and assigns. The interest of any Eligible Employee, Eligible Director, Eligible Consultant or Participant under the Plan or in any Option shall be not transferable or alienable by him either by pledge, assignment or in any other manner whatsoever and, during his lifetime, shall be vested only in him, but shall thereafter enure to the benefit of and be binding upon the legal personal representatives of the Eligible Employee, Eligible Director, Eligible Consultant or the Participant, as the case may be.

12.4 AirIQ's obligation to issue Shares in accordance with the terms of this Plan and any Options granted hereunder is subject to compliance with the laws, rules and regulations of all public agencies and authorities applicable to the issuance and distribution of such Shares and to the listing of such Shares on any stock exchange or similar network on or through which any of the Shares may be listed. As a condition of participating in the Plan, each Eligible Employee, each Eligible Director and each Eligible Consultant agrees to comply with all such laws, rules and regulations and agrees to furnish to AirIQ all information and undertakings as may be required to permit compliance with such laws, rules and regulations.

12.5 A Participant shall not have any rights as a shareholder in respect of Shares that are subject to an Option, until such Shares have been paid for in full and issued.

12.6 No Participant or other person shall have any claim or right to be granted Options under the Plan. Neither the Plan nor any action taken thereunder shall interfere with the right of the employer of a Participant to terminate that Participant's employment at any time. Neither any period of notice nor any payment in lieu thereof upon termination of employment shall be considered as extending the period of employment for the purposes of the Plan.

12.7 This Plan and any Options granted hereunder shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

12.8 This Plan is hereby amended and restated with effect as of November 3, 2020.

## **APPENDIX "B"**

### **AirIO INC. AUDIT COMMITTEE CHARTER**

January 12, 2010

The Audit Committee shall be appointed by the Board of Directors of the Corporation to assist the Board in monitoring (1) the integrity of the financial statements of the Corporation, (2) the compliance by the Corporation with legal and regulatory requirements and (3) the independence and performance of the Corporation's internal and external auditors.

#### **Composition:**

The Audit Committee shall be composed of at least three (3) persons who are: (i.) directors of the Corporation; and  
(ii.) a majority of who are not officers, employees or control persons of the Corporation.

The members of the Audit Committee shall be appointed annually by the Board of Directors of the Corporation, and the Board shall designate a chair from such appointed members.

Any member of the Audit Committee may be removed or replaced at any time by resolution of the Board. A member of the Audit Committee shall *ipso facto* cease to be a member of the Audit Committee upon ceasing to be a director of the Corporation.

The Chair shall be responsible for leadership of the Committee, including overseeing the scheduling and preparation of meetings, presiding over meetings, and making regular reports to the Board. The Chair will also regularly liaise with the Chief Executive Officer and Chief Financial Officer of the Corporation and the lead partner of the Corporation's external auditors.

#### **Meetings:**

1. Meetings of the Committee shall be held at least once in each fiscal quarter, or more frequently as circumstances dictate.
2. The time and the place of the meetings of the Committee, the calling of meetings and the procedure in respect of such meetings shall be determined by the Chair of the Committee, in consultation with the Committee members, unless otherwise provided for in the by-laws of the Corporation or otherwise determined by resolution of the Board.
3. The Committee shall meet separately and periodically with management, legal counsel and the external auditors, and shall be entitled to meet separately with the external auditors at their discretion.
4. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present (in person or by means of telephone conference) or by a resolution in writing signed by all the members of the Committee. For the purposes of this section, a quorum shall be a majority of the members.
5. The Committee may invite to a meeting any directors, officers or employees of the Corporation, legal counsel, advisors and other persons whom attendance it considers necessary or desirable in order to carry out its responsibilities.

## **Responsibilities:**

Management of the Corporation is responsible for preparing the Corporation's financial statements and the external auditors are responsible for auditing those financial statements. The Committee is responsible for overseeing the conduct of those activities by the Corporation's management and external auditors. The specific responsibilities of the Committee shall include those listed below, provided however that the enumerated responsibilities are not meant to restrict the Committee from examining any matters related to its purpose.

The Audit Committee shall:

1. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
2. Be 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.
3. Review the Corporation's annual and interim financial statements, annual and interim management's discussion and analysis thereon, annual and interim earnings press releases and any other press releases containing financial information relating to earnings before the Corporation publicly discloses such information.
4. Review financial statements and financial information of the Corporation appearing in a prospectus or other offering document or any document incorporated therein by reference.
5. Periodically review with management the procedures in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements to ensure that they are adequate.
6. Review the annual and interim audited financial statements with management, including major issues regarding accounting and auditing principles and practices as well as the adequacy of internal controls that could significantly affect the Corporation's financial statements and recommend to the Board whether the annual and interim financial statements should be approved.
7. Review an analysis prepared by management and the external auditor of significant financial reporting issues and judgments made in connection with the preparation of the Corporation's financial statements, including an analysis of the effect of alternative IFRS methods on the Corporation's financial statements.
8. Review with management and the external auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Corporation's financial statements.
9. The Committee shall review and discuss with management the nature and appropriateness of the Corporation's systems of internal control over financial reporting and internal control for compliance with legal, regulatory and ethical requirements.
10. The Committee shall review and discuss with management and the external auditor the nature and appropriateness of the Corporation's systems to identify, assess and mitigate significant business risks and shall discuss with the external auditor management's responses to the external auditor's advice regarding management and internal controls.

11. The Committee shall review and discuss with management the appointment of the Chief Financial Officer of the Corporation and any other key financial executives of the Corporation and recommend qualified candidates to the Board, as appropriate.
12. Review major changes to the Corporation's auditing and accounting principles and practices as suggested by the external auditor or management.
13. Recommend to the Board the appointment of the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation; which firm shall report to the Audit Committee and shall be ultimately accountable to the Audit Committee and the Board.
14. Recommend to the Board the compensation for the external auditor.
15. Review the experience and qualifications of the senior members of the external auditor team and the quality control procedures of the external auditor.
16. Pre-approve the retention of the external auditor for any non-audit service and the fee for such service.
17. Establish procedures for the receipt and treatment of (i) complaints received by the Corporation regarding accounting, controls or auditing matters and (ii) confidential, anonymous submissions by the Corporation's employees of concerns regarding questionable accounting or auditing.
18. Receive periodic reports from the external auditor regarding the auditor's independence, discuss such reports with the auditor, consider whether the provision of non-audit services is compatible with maintaining the auditor's independence and, if so determined by the Audit Committee, recommend that the Board take appropriate action to satisfy itself of the independence of the auditor.
19. Evaluate together with the Board the performance of the external auditor and whether it is appropriate to adopt a policy of rotating external auditors on a regular basis. If so determined by the Audit Committee, recommend that the Board replace the external auditor.
20. Review and approve the Corporation's policy for the Corporation's hiring of partners and employees and former partners and employees of the external auditor.
21. Discuss with the national office of the external auditor issues on which it was consulted by the Corporation's audit team and matters of audit quality and consistency.
22. Meet with the external auditor prior to the audit to review the planning and staffing of the audit.
23. Obtain reports from management and the external auditor that the Corporation's subsidiary/foreign affiliated entities are in conformity with applicable legal requirements, including disclosures of insider and affiliated party transactions.
24. Discuss with the external auditor any issues arising from the audit.
25. Review with management and the external auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports which raise material issues regarding the Corporation's financial statements or accounting policies.
26. Review with the external auditor any problems or difficulties the auditor may have encountered and any management letter provided by the auditor and the Corporation's response to that letter. Such review should include:

- (a) Any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to required information, and any disagreements with management.
- (b) Any changes required in the planned scope of the audit.

27. Review with the Corporation's internal or external counsel legal matters that may have a material impact on the financial statements, the Corporation's compliance policies and any material reports or inquiries received from regulators or governmental agencies.

**Authority:**

The Audit Committee shall have the authority to:

- (i.) Engage independent counsel and other advisors as it deems necessary to perform its duties;
- (ii.) Set and pay the compensation for any such advisors engaged by the Audit Committee; and
- (iii.) Communicate directly with the auditors of the Corporation.

The Audit Committee shall have full access to all books, records, facilities and personnel of the Corporation in connection with the performance of its duties.

Nothing in this Charter is intended or construed to impose on any member of the Audit Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which all members of the Board of Directors of the Corporation are subject. Each member of the Audit Committee shall be entitled, to the fullest extent permitted by law, to rely on the integrity of those persons and organizations within and outside the Corporation from whom he or she receives financial and other information, and the accuracy of the information provided to the Corporation by such persons or organizations.

While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Corporation's financial statements and disclosures are complete and accurate and in accordance with IFRS in Canada and applicable rules and regulations, which duties are the responsibility of management and the external auditors.