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## ARWAY CORPORATION

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### Management Information Circular

#### SOLICITATION OF PROXIES

This management information circular (the "**Information Circular**") is furnished in connection with the solicitation by management of Arway Corporation (the "**Company**") of proxies to be used at the annual and special meeting of shareholders of the Company (the "**Meeting**") referred to in the accompanying Notice of Annual and Special Meeting of Shareholders (the "**Notice**") to be held on Monday, January 22, 2024, at the time and place and for the purposes set forth in the Notice. **The solicitation is made by the management of the Company and will be made primarily by mail, but proxies may also be solicited personally or by telephone by employees of the Company at nominal cost. The cost of solicitation by management will be borne by the Company. The information contained herein is given as of December 5, 2023, unless indicated otherwise.**

#### APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are directors and/or officers of the Company. **Each shareholder has the right to appoint a person or company, who need not be a shareholder of the Company, other than the persons named in the enclosed form of proxy, to represent such shareholder at the Meeting or any adjournment thereof. Such right may be exercised by inserting such person's name in the blank space provided and striking out the names of management's nominees in the enclosed form of proxy or by completing another proper form of proxy. All proxies must be executed by the shareholder or his or her attorney duly authorized in writing or, if the shareholder is a company, by an officer or attorney thereof duly authorized. The completed form of proxy must be deposited at the office of Computershare Trust Company of Canada, 510 Burrard Street, 3<sup>rd</sup> floor, Vancouver, British Columbia V6C 3B9, before 12:00 p.m. (Toronto time) on January 18, 2024.**

A shareholder who has given a proxy has the power to revoke it as to any matter on which a vote has not already been cast pursuant to the authority conferred by such proxy and may do so either:

1. not later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of holding the Meeting or adjournment thereof at which the proxy is to be used, by delivering another properly executed form of proxy bearing a later date and depositing it as aforesaid;
2. by depositing an instrument in writing revoking the proxy executed by him or her:
  - (a) with Computershare Trust Company of Canada at its office denoted herein at any time up to and including 4:00 p.m. (Dallas time) on the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used; or
  - (b) with the Chairman of the Meeting on the day of the Meeting, prior to the commencement of the Meeting or any adjournment thereof; or
3. in any other manner permitted by law.

## EXERCISE OF DISCRETION BY PROXIES

Shares represented by properly executed proxies in favour of the persons named in the enclosed form of proxy **will be voted or withheld from voting in accordance with the instructions of the securityholder on any ballot that may be called for** and, where the person whose proxy is solicited specifies a choice with respect to the matters identified in the proxy, **the shares will be voted or withheld from voting in accordance with the specifications so made. Where shareholders have properly executed proxies in favour of the persons named in the enclosed form of proxy and have not specified in the form of proxy the manner in which the named proxies are required to vote the shares represented thereby, such shares will be voted in favour of the passing of the matters set forth in the Notice.** The enclosed form of proxy confers discretionary authority with respect to amendments or variations to the matters identified in the Notice and with respect to other matters that may properly come before the Meeting. At the date hereof, management of the Company knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters which at present are not known to management of the Company should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxies.

## VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

Each holder of common shares in the capital of the Company ("**Common Shares**") of record at the close of business on December 5, 2023 (the "**record date**") will be entitled to vote at the Meeting or at any adjournment thereof, either in person or by proxy. As of December 5, 2023, the Company had 27,291,026 issued and outstanding Common Shares. Each Common Share carries the right to one vote per share. The outstanding Common Shares are listed on the Canadian Securities Exchange (the "**CSE**") under the symbol "ARWY".

To the knowledge of the directors and executive officers of the Company as of December 5, 2023, no person beneficially owns, controls or directs, directly or indirectly, 10% or more of the outstanding Common Shares other than as set forth below:

Name <sup>(1)</sup>	Number of Common Shares at December 5, 2023	Percentage of Issued and Outstanding Common Shares at December 5, 2023
Nextech3D.AI Corporation <sup>(1)</sup>	12,999,693	47.6%
Evan Gappelberg	2,881,344	10.6%

Notes:

(1) The above information is based upon the disclosure provided by the securityholder.

## NON-REGISTERED HOLDERS AND DELIVERY MATTERS

Only registered Shareholders, or the persons they appoint as their proxies, are permitted to vote at the Meeting. Non-Objecting Beneficial Owners ("**NOBOs**") may also vote at a meeting when the Company chooses to mail to NOBOs directly.

These securityholder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary ("**Intermediary**") holding on your behalf.

By choosing to send these materials to you directly, the Company (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions.

If you have received the Company's form of proxy, you may return it to Computershare Trust Company of Canada: (i) by regular mail in the return envelope provided, or (ii) in accordance with the alternative submission instructions set forth on the proxy.

Objecting Beneficial Owners ("**OBOs**") and other beneficial holders receive a Voting Instruction Form ("**VIF**") from an Intermediary by way of instructions of their financial institution. Detailed instructions of how to submit your vote will be on the VIF.

**In either case, the purpose of this procedure is to permit non-registered holders to direct the voting of the Common Shares they beneficially own. Should a non-registered holder who receives either form of proxy wish to vote at the Meeting in person, the non-registered holder should strike out the persons named in the form of proxy and insert the non-registered holder's name in the blank space provided.** Non-registered holders should carefully follow the instructions of their Intermediary including those regarding when and where the form of proxy or VIF is to be delivered.

The Company is using the "notice-and-access" provisions of National Instrument 54-101 ("**NI 54-101**") in connection with the delivery of the meeting materials in respect of the Meeting, and it is sending such meeting materials directly to "non-objecting beneficial owners" in accordance with NI 54-101. The Company intends to pay for intermediaries to deliver such meeting materials to "objecting beneficial owners" as defined in NI 54-101.

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

The following table provides a summary of compensation for services rendered in all capacities to the Company for the fiscal year ended August 31, 2022 and 2023 in respect of the individuals who served as (i) the Chief Executive Officer and Chief Financial Officer of the Company during the fiscal years ended August 31, 2022 and 2023 (the "**Named Executive Officers**"); and (ii) the independent directors of the Company for the fiscal years ended August 31, 2022 and 2023. See also "Stock Options and Other Compensation Securities" below. The Company had no other executive officers whose total compensation during the fiscal years ended August 31, 2022 and 2023 exceeded \$150,000.

## TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES

Name and Position	Fiscal Year Ended August 31,	Salary, Consulting Fee, Retainer or Commission	Bonus	Committee or Meeting Fees	Value of Perquisites	Value of All Other Compensation	Total Compensation
Evan Gappelberg <sup>(6)</sup> , Chief Executive Officer and Director	2023	\$94,500	Nil	Nil	Nil	Nil	\$94,500
	2022 <sup>(1)</sup>	Nil	Nil	Nil	Nil	Nil	Nil
Andrew Chan <sup>(6)</sup> , Chief Financial Officer	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022 <sup>(1)</sup>	Nil	Nil	Nil	Nil	Nil	Nil
Belinda Tyldesley <sup>(5)</sup> , Corporate Secretary and Director	2023	\$4,547	Nil	Nil	Nil	Nil	\$4,547
	2022 <sup>(1)</sup>	Nil	Nil	Nil	Nil	Nil	Nil
Jeff Dawley <sup>(2)</sup> Former Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022 <sup>(1)</sup>	Nil	Nil	Nil	Nil	Nil	Nil
Nidhi Kumra <sup>(3)</sup> Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022 <sup>(1)</sup>	Nil	Nil	Nil	Nil	Nil	Nil
Anthony Pizzonia <sup>(4)</sup> Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022 <sup>(1)</sup>	Nil	Nil	Nil	Nil	Nil	Nil

**Note(s):**

- (1) Represents the fiscal period from incorporation on July 15, 2022 to August 31, 2022.
- (2) Mr. Dawley resigned as a director of the Company effective June 30, 2023.
- (3) Mr. Kumra was appointed as a director of the Company effective July 1, 2023.
- (4) Mr. Pizzonia was appointed as a director of the Company effective August 1, 2023.
- (5) Belinda Tyldesley also serves as the corporate secretary of the Company and for the period, was compensated for such services through her company, Closing Bell Services.
- (6) Both Evan Gappelberg and Andrew Chan are primarily remunerated for their services to the Company by Nextech3D.ai Corporation (“Nextech”), which is a significant shareholder of the Company. CEO and CFO services for the Company are recognized as management fee expenses paid to Nextech under the management fee agreement between the Company and Nextech as more fully described under the heading “Interest of Informed Persons in Material Transactions”.

## STOCK OPTIONS AND OTHER COMPENSATION SECURITIES

Set forth in the table below is a summary of all compensation securities granted to each Named Executive Officer and director of the Company during the fiscal years ended August 31, 2022 and 2023.

Compensation Securities							
Name and Position <sup>(2)(6)(7)(8)</sup>	Type of Compensation Security	Number of Compensation Securities	Date of Issue or Grant	Issue, Conversion or Exercise Price	Closing Price of Security or Underlying Security on Date of Grant	Closing Price of Security or Underlying Security at Year End Following Grant Date	Expiry Date
Evan Gappelberg, Chief Executive Officer and Director <sup>(1)</sup>	Stock options	500,000	Nov 3, 2022	\$0.91	\$1.16	\$0.60	Nov 3, 2025
Andrew Chan, Chief Financial Officer <sup>(2)</sup>	Stock options	200,000	Nov 3, 2022	\$0.91	\$1.16	\$0.60	Nov 3, 2025
Belinda Tyldesley, Corporate Secretary and Director <sup>(3)</sup>	Stock options	50,000	Nov 3, 2022	\$0.91	\$1.16	\$0.60	Nov 3, 2025
Jeff Dawley, Former Director <sup>(4)</sup>	Stock options	25,000	Nov 3, 2022	\$0.91	\$1.16	\$0.60	Nov 3, 2025
Nidhi Kumra, Director <sup>(5)</sup>	Stock options	Nil	N/A	N/A	N/A	N/A	N/A
Anthony Pizzonia, Director <sup>(6)</sup>	Stock options	Nil	N/A	N/A	N/A	N/A	N/A

**Note(s):**

- (1) As of August 31, 2023, Mr. Gappelberg held an aggregate of 500,000 stock options, each entitling him to acquire one Common Share in accordance with the terms and conditions thereof (Nil stock options at August 31, 2022).
- (2) As of August 31, 2023, Mr. Chan held an aggregate of 200,000 stock options, each entitling him to acquire one Common Share in accordance with the terms and conditions thereof (Nil stock options at August 31, 2022).
- (3) As of August 31, 2023, Ms. Tyldesley held an aggregate of 50,000 stock options, each entitling her to acquire one Common Share in accordance with the terms and conditions thereof (Nil stock options at August 31, 2022).
- (4) As of August 31, 2023, Mr. Dawley held an aggregate of 25,000 stock options, each entitling him to acquire one Common Share in accordance with the terms and conditions thereof (Nil stock options at August 31, 2022).
- (5) As of August 31, 2023, Ms. Kumra held Nil stock options of the Company (Nil stock options at August 31, 2022).
- (6) As of August 31, 2023, Mr. Pizzonia held Nil stock options of the Company (Nil stock options at August 31, 2022).

**EXERCISE OF COMPENSATION SECURITIES BY DIRECTORS AND NAMED EXECUTIVE OFFICERS**

Set forth below is a summary of all compensation securities exercised by Named Executive Officers and directors of the Company during the fiscal years ended August 31, 2022 and 2023.

Name and Position	Type of Compensation Security	Number of Underlying Securities Exercised	Exercise Price per Security	Date of Exercise	Closing Price per Security on Date of Exercise	Difference between Exercise Price and Closing Price on Date of Exercise	Total Value on Exercise Date
Evan Gappelberg, Chief Executive Officer and Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Andrew Chan, Chief Financial Officer	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Belinda Tyldesley, Corporate Secretary and Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Jeff Dawley, Former Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Nidhi Kumra, Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Anthony Pizzonia, Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A

For further details on the stock option plan of the Company (the "**Option Plan**"), please refer to "*Summary of Securities Compensation Plan*" below.

### **COMPENSATION DISCUSSION AND ANALYSIS**

The Company's approach to executive compensation has been to provide suitable compensation for executives that is internally equitable, externally competitive and reflects individual achievements. The Company attempts to maintain compensation arrangements that will attract and retain highly qualified individuals.

The Company's compensation arrangements for the Named Executive Officers may, in addition to salary, include compensation in the form of bonuses and, over a longer term, benefits arising from the grant of stock options. Given the stage of development of the Company, compensation of the Named Executive Officers to date has primarily emphasized salary and stock options to attract and retain Named Executive Officers and, to a certain extent, to conserve cash. This policy may be re-evaluated from time to time depending upon the future development of the Company and other factors which may be considered relevant by the board of directors of the Company (the "**Board**").

During fiscal 2023, (i) the current Chief Executive Officer of the Company was paid cash compensation of \$94,500 from the Company (2022 – \$Nil); and (ii) the Chief Financial Officer of the Company was not paid any cash compensation by the Company (2022 – \$Nil). Both the Chief Executive Officer and the Chief Financial Officer of the Company are primarily remunerated for their services to the Company by Nextech which is a

significant shareholder of the Company. CEO and CFO services for the Company are recognized as management fee expenses paid to Nextech under the management fee agreement between the Company and Nextech as more fully described under the heading "Interest of Informed Persons in Material Transactions".

The Company's objective in determining the compensation of its Named Executive Officers is to reward performance, while seeking to maintain sufficient cash to satisfy ongoing commitments. The Board establishes and reviews the Company's overall compensation philosophy and its general compensation policies with respect to the Named Executive Officers, and approves the salary, bonus, stock options, and other benefits for such officers. In determining compensation matters, the Board may consider a number of factors, including the Company's performance, the value of similar incentive awards to officers performing similar functions at comparable companies, the awards given in past years and other factors it considers relevant. With respect to any bonuses or stock options which may be awarded to executive officers in the future, the Company has not established any objective criteria and will instead rely upon discussions at the Board level with respect to the above-noted considerations and any other matters which the Board may consider relevant on a going-forward basis, including the cash position of the Company.

Existing stock options held by the Named Executive Officers at the time of subsequent grants are taken into consideration in determining the quantum and terms of any such subsequent grants. Stock options have been granted to directors, management, employees and certain service providers as long-term incentives to align the individual's interests with those of the Company. The size of the awards is in proportion to the deemed ability of the individual to have an impact on the Company's success.

## **COMPENSATION OF DIRECTORS**

Currently, no annual fees are paid to any director of the Company who is not also an executive officer. Directors are reimbursed for travel and other out of pocket expenses incurred in attending directors' and shareholders' meetings, and are entitled to receive compensation to the extent that they provide other services to the Company at rates that would be charged by such directors for such services to arm's length parties. During the year ending August 31, 2023, no such compensation was paid to any director other than fees of \$4,547 which were paid to Belinda Tyldesley in consideration of corporate secretarial services (\$Nil for the fiscal period from incorporation on July 15, 2022 to August 31, 2022). See "*Compensation of Executive Officers and Directors*".

Directors have also historically been entitled to participate in the Option Plan. As of December 5, 2023, the Company had outstanding stock options to purchase 2,928,000 Common Shares under the Option Plan, of which 775,000 such stock options have been granted to directors. See "*Summary of Securities Compensation Plan*". In addition, an aggregate of 3,195,540 stock options have been granted to Mr. Evan Gappelberg, an officer and director of the Company, outside of the Option Plan, subject to approval by the shareholders of the Company. See "*Particulars of Matters to be Acted Upon - Approval of Stand-Alone Stock Options*" for further information.

## **AUDIT COMMITTEE**

Multilateral Instrument 52-110 - *Audit Committees* ("**MI 52-110**") requires the Company to disclose annually in its management information circular certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor, as set forth below.

### **Audit Committee Charter**

The Company's Audit Committee is governed by an Audit Committee charter, the text of which is attached as Schedule "A" to this Information Circular.

## **Composition of the Audit Committee**

The Company's Audit Committee is currently comprised of Mr. Pizzonia, Ms. Kumra and Mr. Gappelberg, each of whom is considered to be "independent" within the meaning of MI 52-110 other than Mr. Gappelberg as a result of his role as an officer of the Company. Each member of the Audit Committee is considered to be "financially literate" which includes the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues of the Company.

## **Relevant Education and Experience**

Ms. Kumra is an accounting and finance professional with over 15 years of experience in audit, finance & business operations. Ms. Kumra graduated with a Bachelor of Business Administration from the Schulich School of Business. She has a Chartered Professional Accountant / Chartered Accountant (CPA, CA) designation. She started her career at KPMG where she worked for over 9 years and quickly rose to become a senior manager in the audit and assurance practice, working as a team leader of large private and public client engagements. She also served as VP Finance for a global marketing agency, and helped to lead a national implementation of an end-to-end ERP system across the enterprise. Previous to that, Ms. Kumra led the finance team at Labatt Breweries, a subsidiary of AB InBev – a Fortune 500 Company. She was a key strategic partner working on the transformation of the business through system implementations, designing corporate budgets, and leading acquisition integrations. Most recently, Ms. Kumra has served as CFO of entrepreneurial start up companies in CPG, technology and marketing sectors. She has served as a public company CFO where she helped the company grow through evaluation, analysis & acquisition of strategic investments. As a CFO, Ms. Kumra has helped aid companies through strategic acquisitions, obtaining debt and equity investments, liquidation process, and sale process as well. She is focused on growing companies by applying her strengths in strategy, accounting, finance and tax.

Mr. Pizzonia has over 30 years of experience in operating, financing, and business development within the public markets and has a demonstrated ability to manage financial and operational challenges within dynamic and growing businesses. Mr. Pizzonia currently serves as Senior Director of Finance for GS1, a global standards organization. Previously, Mr. Pizzonia held a variety of positions with increasing responsibility for over 24 years, at AlarmForce Industries, one of the largest residential security companies in North America. He ultimately served as Director and Chief Financial Officer from 1992 to 2016, and eventually President before the company was acquired by Bell Canada (BCE) in Sept 2017. Mr. Pizzonia was also CFO of ImaginAR, a publicly traded technology company that provides a self-publishing platform that integrates with a mobile app to instantly create augmented reality campaigns. Mr. Pizzonia is Chartered Public Accountant and holds an Honours Bachelor of Administrative Studies degree from York University.

Mr. Gappelberg is an accomplished entrepreneur with an expertise in creating, funding and running start-ups, and he has extensive experience both as a hands-on operating executive and well as a public markets professional. He is founder and currently serves as the Chief Executive Officer and a director of Nextech3D.ai Corporation and Toggle3D.ai Inc., both of which are technology companies listed on the Canadian Securities Exchange. He was also co-founder and CEO of an app development company which created, published and owns over 500 successful apps for both Apple's iTunes store and the Google Play store. Prior to being a successful entrepreneur, Mr. Gappelberg worked on Wall Street and has more than 25 years of extensive experience as both a hedge fund manager and Senior Vice President of Finance. He has extensive capital markets relationships, know-how and

experience in all operational facets of managing a public company. Mr. Gappelberg graduated from CW Post Long Island University.

### **Pre-Approval Policies and Procedures**

The Audit Committee must pre-approve all non-audit services to be provided to the Company or its subsidiaries by the external auditor.

### **Audit Fees**

The following chart summarizes the aggregate fees billed by the external auditor of the Company for professional services rendered to the Company for audit and non-audit related services for the fiscal years ended August 31, 2022 and 2023:

<b>Type of Work</b>	<b>Fiscal Year Ended August 31, 2022</b>	<b>Fiscal Year Ended August 31, 2023</b>
Audit fees <sup>(1)</sup>	\$4,000	\$12,000
Audit-related fees <sup>(2)</sup>	\$8,000	Nil
Tax advisory fees <sup>(3)</sup>	Nil	Nil
All other fees <sup>(4)</sup>	Nil	Nil
Total	\$12,000	\$12,000

#### **Notes:**

- (1) Aggregate fees billed by the Company's external auditor in respect of audit services.
- (2) Aggregate fees billed by the Company's external auditor in respect of assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported as "Audit fees".
- (3) Aggregate fees billed by the Company's external auditor in respect of tax compliance, advice, planning and assistance with tax for specific transactions.
- (4) Aggregate fees billed by the Company's external auditor in respect of any product or service not otherwise disclosed.

### **Exemption**

The Company is relying on the exemption provided by section 6.1 of MI 52-110 which provides that the Company, as a "venture issuer", is not required to comply with Part 5 (*Reporting Obligations*) of MI 52-110.

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

Set forth below is a summary of securities issued and issuable under all equity compensation plans of the Company as at August 31, 2023. See also "*Summary of Securities Compensation Plan*".

Equity Compensation Plan Information at August 31, 2023 Plan Category	Number of securities to be issued upon exercise of outstanding stock options (a)	Weighted-average exercise price of outstanding stock options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) <sup>(1)</sup>
Equity compensation plans approved by securityholders	2,610,000	\$0.91	2,825,574
Total	2,610,000	\$0.91	2,825,574

**Note:**

(1) Based upon an aggregate of 27,177,870 Common Shares issued and outstanding as of August 31, 2023. See "Summary of Securities Compensation Plan".

## SUMMARY OF SECURITIES COMPENSATION PLAN

### *Stock Option Plan*

The shareholders of Nextech3D.ai Corporation approved the Option Plan on October 12, 2022.

The Option Plan provides for the issuance thereunder of a maximum of 20% of the Common Shares issued and outstanding from time to time. The Option Plan is administered by the Board and provide for grants of non-transferable options under the Option Plan at the discretion of the Board, to directors, officers, employees, management company employees, consultants and other specified service providers of the Company (each an "**Eligible Person**"). The exercise price of options granted under the Option Plan is determined by the Board, and must not be lower than the greater of the last closing market price for the Common Shares as quoted on the CSE on (a) the market trading day immediately prior to the date of grant of the option, and (b) the date of grant of the option (subject to a minimum price of C\$0.05). The term of any options granted under the Option Plan is fixed by the Board and may not exceed ten years.

If an Eligible Person who is a service provider shall cease to be an Eligible Person for any reason (whether or not for cause) the optionee may, but only within the period of ninety days (unless such period is extended by the Board, to a maximum of one year next succeeding such cessation, and approval is obtained from the stock exchange on which the Common Shares trade where required), or thirty days if the Eligible Person is an "investor relations person" (unless such period is extended by the Board to a maximum of one year next succeeding such cessation, and approval is obtained from the stock exchange on which the Common Shares trade where required), next succeeding such cessation and in no event after the expiry date of the optionee's option, exercise the optionee's option. If such cessation as an Eligible Person is on account of death, the option granted to the optionee shall be exercisable within, but only within, the period of one year next succeeding the optionee's death.

The Option Plan also provides for adjustments to outstanding options in the event of reorganization, recapitalization, plan of arrangement, stock split, stock dividend, combination of shares, merger, consolidation, rights offering or any other change in the corporate structure or shares of the Company. Moreover, upon an "acceleration event" (as defined in the Option Plan), the Board may permit the optionee to exercise the option granted under the Option Plan regardless of any vesting restrictions during a specified period (but in no event later than the expiry date of the option); and (ii) the Board may require the acceleration of the time for the exercise of the option and of the time for the fulfilment of any conditions or restrictions on such exercise. The directors of the Company may, at their discretion at the time of any grant, impose a schedule over which period of time options will vest and become exercisable by the optionee. Subject to any required approval of the CSE, the Board may

terminate or amend the terms of the Option Plan, provided that where required, the Board must obtain shareholder approval.

At the Meeting, shareholders will be asked to consider and, if deemed fit, pass a resolution confirming the Option Plan. See "*Particulars of Matters to be Acted Upon – Confirmation of Option Plan*".

## STATEMENT OF CORPORATE GOVERNANCE PRACTICES

National Policy 58-201 of the Canadian Securities Administrators has set out a series of guidelines for effective corporate governance (the "**Guidelines**"). The Guidelines address matters such as the constitution and independence of corporate boards, the functions to be performed by boards and their committees and the effectiveness and education of board members. National Instrument 58-101 ("**NI 58-101**") of the Canadian Securities Administrators requires the disclosure by each listed corporation of its approach to corporate governance with reference to the Guidelines as it is recognized that the unique characteristics of individual corporations will result in varying degrees of compliance.

Set out below is a description of the Company's approach to corporate governance in relation to the Guidelines.

### *The Board of Directors*

NI 58-101 defines an "independent director" as a director who has no direct or indirect material relationship with the Company. A "material relationship" is in turn defined as a relationship which could, in the view of the Board, be reasonably expected to interfere with such member's independent judgement. The Board is currently comprised of three members, two of which the Board has determined are "independent directors" within the meaning of NI 58-101.

Mr. Gappelberg is not considered to be "independent" as a result of his role as an executive officer of the Company. Mr. Pizzonia, Ms. Kumra and Ms. Tyldesley are each considered an independent director since they are each independent of management and free from any material relationship with the Company. The basis for this determination is that none of the independent directors has worked for the Company, received remuneration from the Company in excess of \$75,000 in any 12 month period within the last three years, nor does he or she have material contracts with or material interests in the Company which could interfere with their ability to act with a view to the best interests of the Company.

The Board believes that it functions independent of management. To enhance its ability to act independent of management, the Board may meet in the absence of members of management and the non-independent directors or may excuse such persons from all or a portion of any meeting where a potential conflict of interest arises or where otherwise appropriate. The Board did not hold any meetings of the independent directors in the absence of members of management and the non-independent directors during the fiscal years ended August 31, 2022 or 2023.

### *Directorships*

Certain of the current directors of the Company are also directors of other reporting issuers (or equivalent) in a domestic or foreign jurisdiction as follows:

Name of director	Other reporting issuer (or equivalent in a foreign jurisdiction)
Evan Gappelberg	Nextech3D.AI Corporation, Toggle3D.ai Corp.
Belinda Tyldesley	Nextech3D.AI Corporation, Toggle3D.ai Corp.
Nidhi Kumra	Nextech3D.AI Corporation, Toggle3D.ai Corp.
Anthony Pizzonia	Nextech3D.AI Corporation, Toggle3D.ai Corp.

### *Orientation and Continuing Education*

While the Company currently has no formal orientation and education program for new Board members, sufficient information (such as recent annual reports, annual information forms, prospectuses, proxy solicitation materials, and various other operating, property and budget reports and corporate presentations) is provided to each new Board member to ensure that the director is familiarized with the Company's business and the procedures of the Board. In addition, new directors are encouraged to visit and meet with management on a regular basis. The Company also encourages continuing education of its directors and officers, where appropriate, to ensure that they have the necessary skills and knowledge to meet their respective obligations to the Company.

### *Ethical Business Conduct*

The Board has adopted a formal Code of Business Conduct and Ethics for directors, officers and employees. The Board expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. In addition, the Board has adopted an Insider Trading Policy.

### *Nomination of Directors*

The full Board performs the functions of a nominating committee with responsibility for the appointment and assessment of directors. The Board believes that this is a practical approach at this stage of the Company's development and given the small size of the Board.

While there are no specific criteria for Board membership, the Company attempts to attract and maintain directors with business knowledge and a particular knowledge of technology, artificial intelligence or other areas (such as finance) which provide knowledge which would assist in guiding the officers of the Company. As such, nominations tend to be the result of recruitment efforts by management of the Company and discussions among the directors prior to consideration by the Board as a whole.

### *Compensation*

The Board reviews on an annual basis the adequacy and form of compensation of directors to ensure that their compensation reflects the responsibilities, time commitment and risks involved in being an effective director. See "Compensation Discussion and Analysis".

Currently, the Company does not pay any annual fees to non-executive directors for their service on the Board, as described under "Compensation of Directors". All directors also have historically been eligible to participate in the Option Plan. See "*Compensation of Directors*" and "*Summary of Securities Compensation Plan*".

### *Other Board Committees*

The Board currently has no standing committees other than the Audit Committee. See also "*Audit Committee*".

### *Assessments*

The Board has not implemented a formal process or means to regularly assess the effectiveness of the Board, the Audit Committee or individual directors. However, effectiveness is informally assessed on an ongoing basis to confirm that each director continues to have the ability, and time, to fulfill the duties and responsibilities of a director in a timely and efficient manner. The relatively small size of the Board allows for the contributions of an individual director to be informally monitored by the other Board members, in light of the individual's business and governance strengths and the specific purpose, if any, for which the individual was originally nominated to the Board. The Company feels its corporate governance practices are appropriate and effective, given its relatively small size and the nature of its operations. These practices allow the Company to operate efficiently, with simple checks and balances that control and monitor management and corporate functions without excessive administrative burden, cost or delay.

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

Except as otherwise disclosed in this Information Circular, none of the directors or executive officers of the Company, no nominee for election as a director of the Company ("**Nominee**"), none of the persons who have been directors or executive officers of the Company since the commencement of the Company's last completed financial year and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, other than as set out below.

Each of the Nominees has an interest in the confirmation of the Option Plan at the Meeting as in the event of approval of such plan, the directors and executive officers of the Company may be entitled to receive stock option grants thereunder in the future. See "*Particulars of Matters to be Acted Upon – Confirmation of Option Plan*". In addition, Mr. Evan Gappelberg has an interest in the stand-alone stock options which are subject to shareholder approval at the Meeting. See "*Particulars of Matters to be Acted Upon – Approval of Stand-Alone Stock Options*".

### **CEASE TRADE ORDERS OR BANKRUPTCIES**

No director of the Company or proposed director:

1. is, as at the date hereof, or has been, within 10 years before the date hereof, a director or executive officer of any company that,
  - (a) while that person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation (each, an "**Order**"), for a period of more than 30 consecutive days; or
  - (b) was subject to an Order that was issued, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of such Order, that resulted from an event that occurred while that person was acting as a director or executive officer of that company;

2. has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director;
3. is, as at the date hereof, or has been within 10 years before the date hereof, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
4. has been subject to:
  - (a) any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or
  - (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

#### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS TO THE COMPANY**

No individual who is, or at any time during the most recently completed fiscal year of the Company was, a director, executive officer, employee or former director, executive officer or employee of the Company, a Nominee, or any of their associates, is indebted to the Company or any subsidiary of the Company as of December 5, 2023 or was so indebted at any time during either of the last two completed fiscal years of the Company, nor have any such individuals been or are currently indebted to another entity where such indebtedness is or has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement provided by the Company or any subsidiary of the Company.

#### **DIRECTORS' AND OFFICERS' LIABILITY INSURANCE**

The Company maintains liability insurance for the directors and officers of the Company. The Company's policy of insurance is currently in effect until January 15, 2024. An annual premium of approximately \$55,000 plus applicable taxes has been paid by the Company. No portion of the premium is directly paid by any of the directors or officers of the Company. The aggregate insurance coverage under the policy for both directors and officers is limited to \$2,000,000 with no deductible (which is paid by the Company). No claims have been made or paid to date under such policy.

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

Other than as set forth below, no director, executive officer or shareholder beneficially owning or exercising control or direction over (directly or indirectly) more than 10% of the Common Shares, or Nominee, and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the beginning of the Company's last completed fiscal year or in any proposed transaction which, in either such case, has materially affected or will materially affect the Company.

On October 25, 2022, pursuant to the terms of an arrangement agreement between the Company, Nextech and 1373222 BC Ltd. ("**FinanceCo**") dated July 29, 2022, Nextech completed a plan of arrangement pursuant to Section 288 of the *Business Corporations Act* (British Columbia) (the "**Arrangement**") pursuant to which, amongst other matters:

- Nextech transferred all its right, title and interest in and to its all-in-one no code real-world Metaverse creation tool and mobile app ARWay to the Company in exchange for the issuance of an aggregate of 15,999,900 Common Shares to Nextech;
- an aggregate of approximately 4,000,000 Common Shares were distributed to the shareholders of Nextech on a pro rata basis (the "**Pro Rata Share Distribution**");
- Nextech undertook a reorganization of its share capital by: (i) renaming and redesignating all of the issued and unissued common shares as Class A Common Shares; and (ii) creating a new class consisting of an unlimited number of new common shares ("**New Shares**");
- each Nextech shareholder exchanged each Class A Common Share held immediately following the reorganization described above for (A) one New Share, and (B) such shareholder's pro rata share of the aggregate of 4,000,000 Common Shares distributed pursuant to the Pro Rata Share Distribution, and such shareholders ceased to be the holders of the Class A Common Shares so exchanged;
- the authorized share capital of Nextech was amended to delete the Class A Common Shares, none of which were issued and outstanding;
- FinanceCo and 1373221 BC Ltd. ("**Subco**"), a wholly-owned subsidiary of the Company, amalgamated and each common share and share purchase warrant of FinanceCo was exchanged for one Common Share and one share purchase warrant of the Company, respectively; and
- the Common Shares became listed for trading on the CSE.

Pursuant to the Arrangement, (i) Mr. Gappelberg, Ms. Tyldesley and Mr. Dawley were each appointed as directors and/or officers of the Company; (ii) Mr. Gappelberg and Ms. Tyldesley received 415,699 Common Shares and 2,542 Common Shares, respectively, pursuant to the Pro Rata Share Distribution; (iii) all other shareholders of Nextech received their pro rata share of 4,000,000 Common Shares pursuant to the Pro Rata Share Distribution; (iv) an aggregate of 3,000,000 Common Shares were distributed to certain service providers of the Company in consideration of past services and other indebtedness, of which Mr. Gappelberg received 2,475,000 Common Shares; and (v) an aggregate of 13,000,000 Common Shares remained held by the Company. Following the completion of the Arrangement, Nextech entered into a management services agreement with the Company pursuant to which the Company pays management fee expenses in the amount of up to \$100,000 per month to Nextech in consideration of CEO and CFO services provided by Nextech.

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

### 1. Financial Statements

The shareholders will receive and consider the audited consolidated financial statements of the Company for the fiscal year ended August 31, 2023, together with the auditor's report thereon.

## 2. Number of Directors

At the Meeting, the shareholders will be invited to set the number of directors of the Company at four (4).

## 3. Election of Directors

Under the constating documents of the Company, the Board is to consist of a minimum of one and a maximum of seven directors, to be elected annually. Each director holds office until the next annual meeting or until his or her successor is duly elected or appointed unless his or her office is earlier vacated in accordance with the Company's By-Laws. On any ballot that may be called for in the election of directors, the persons named in the enclosed form of proxy intend to cast the votes to which the Common Shares represented by such proxy are entitled for the proposed Nominees whose names are set forth below, unless the shareholder who has given such proxy has directed that the Common Shares be otherwise voted or withheld from voting in respect of the election of directors. Management does not contemplate that any of the Nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for other Nominees at their discretion.

The following table sets out the name of each of the Nominees, all positions and offices in the Company held by each of them, the principal occupation or employment of each of them for the past five years, the year in which each was first elected a director of the Company and the approximate number of Common Shares that each has advised are beneficially owned or subject to his or her control or direction (directly or indirectly):

<b>Name and Jurisdiction of Residence</b>	<b>Position</b>	<b>Principal Occupation</b>	<b>Director Since</b>	<b>Number of Common Shares Held or Controlled<sup>(1)</sup></b>
Evan Gappelberg <sup>(2)</sup> New York, USA	Chief Executive Officer and Director	Chief Executive Officer of the Company  Chief Executive Officer of Nextech, a technology company  Chief Executive Officer of Toggle3D.ai Corp., a technology company	2022	2,881,344
Belinda Tyldesley British Columbia, Canada	Corporate Secretary and Director	President of Closing Bell Services, a corporate secretarial company	2022	2,078
Nidhi Kumra <sup>(2)</sup> Ontario, Canada	Director	CFO of Tradewind Markets, a precious metals digital trading platform	2023	Nil
Anthony Pizzonia <sup>(2)</sup> Ontario, Canada	Director	Senior Director of Finance of GS1, a not-for-profit barcode standard organization	2023	Nil

**Notes:**

- (1) The information as to Common Shares beneficially owned or over which the Nominees exercise control or direction (directly or indirectly) not being within the knowledge of the Company has been furnished by the respective Nominees individually.
- (2) Member of the Audit Committee. The Company does not currently have an Executive Committee.

**The management representatives named in the attached form of proxy intend to vote the Common Shares represented by such proxy in favour of the election of the Nominees set forth in this Information Circular unless a shareholder specifies in the proxy that his or her Common Shares are to be withheld from voting in respect of such resolution.**

#### 4. Appointment of Auditors

The directors propose to nominate Saturna Group Chartered Professional Accountants, the present auditors, as the auditors of the Company to hold office until the close of the next annual meeting of shareholders. Saturna Group Chartered Professional Accountants was first appointed auditors of the Company in 2022.

In the past, the directors have negotiated with the auditors of the Company on an arm's length basis in determining the fees to be paid to the auditors. Such fees have been based on the complexity of the matters in question and the time incurred by the auditors. The directors believe that the fees negotiated in the past with the auditors of the Company were reasonable and in the circumstances would be comparable to fees charged by other auditors providing similar services.

In order to appoint Saturna Group Chartered Professional Accountants as auditors of the Company to hold office until the close of the next annual meeting, and authorize the directors to fix the remuneration thereof, a majority of the votes cast at the Meeting must be voted in favour thereof.

**The management representatives named in the attached form of proxy intend to vote in favour of the appointment of Saturna Group Chartered Professional Accountants as auditors of the Company and in favour of authorizing the directors to fix the remuneration of the auditors, unless a shareholder specifies in the proxy that his or her Common Shares are to be withheld from voting in respect of the appointment of auditors and the fixing of their remuneration.**

#### 5. Confirmation of Option Plan.

The shareholders of Nextech initially approved the Option Plan on October 12, 2022 in connection with the Arrangement. The Option Plan provides for the issuance thereunder of a maximum of 20% of the Common Shares issued and outstanding from time to time. Stock options to purchase 2,928,000 Common Shares are currently outstanding under the Option Plan as of December 5, 2023, and the Company may grant a further 2,530,205 stock options under the Option Plan (calculated as 20% of an aggregate of 27,291,026 Common Shares currently issued and outstanding, less an aggregate of 2,928,000 stock options currently outstanding). See "Summary of Securities Compensation Plan" above.

At the Meeting, shareholders will be invited to consider and, if thought fit, authorize the resolutions substantially in the form attached as Schedule B to this Information Circular (the "**Option Plan Resolutions**") to confirm the Option Plan and the maximum number of Common Shares issuable thereunder being equal to 20% of the aggregate number of Common Shares issued and outstanding from time to time.

If the Option Plan Resolutions are approved, the Option Plan will remain in force, the stock options currently outstanding under the Option Plan will remain outstanding without any amendment to their terms, and the Company will be able to grant a further 2,530,205 stock options thereunder, calculated as 20% of the 27,291,026 Common Shares currently issued and outstanding as of the date hereof, less the 2,928,000 existing stock options

which will remain outstanding thereunder (subject to adjustment based on any change in the number of issued and outstanding Common Shares and stock options from time to time).

Set forth below is a summary of the 2,928,000 outstanding stock options to purchase Common Shares under the Option Plan as at the date hereof:

Holder	Number/Type of Shares Under Option	Date of Grant	Expiry Date	Exercise Price
All executive officers and past executive officers of the Corporation, as a group <sup>(6)</sup>	700,000	November 3, 2022	November 3, 2025	\$0.91
All directors and past directors (who are not also executive officers) of the Corporation, as a group <sup>(3)</sup>	75,000	November 3, 2022	November 3, 2025	\$0.91
All other employees and past employees of the Corporation and all subsidiaries, as a group	1,653,000	November 3, 2022	November 3, 2025	\$0.91
	500,000	October 17, 2023	October 17, 2026	\$0.60
All consultants of the Corporation as a group	Nil	N/A	N/A	N/A

Approval of the Option Plan Resolutions will be obtained if a majority of the votes cast are in favour thereof.

**The management representatives named in the attached form of proxy intend to vote in favour of the Option Plan Resolutions, unless a shareholder specifies in the proxy that his or her Common Shares are to be voted against the Option Plan Resolutions.**

#### 6. Approval of Stand-Alone Stock Options

Effective September 1, 2023, the Company entered into an independent contractor agreement (the "**Gappelberg Agreement**") with Mr. Evan Gappelberg, pursuant to which Mr. Gappelberg agreed to provide his services as Chairman and/or Chief Executive Officer of the Company in accordance with the terms thereof. Pursuant to the Gappelberg Agreement, the Company granted an aggregate of 3,195,540 stand alone stock options (the "**Stand-Alone Options**") to Mr. Gappelberg (calculated as approximately 12% of issued and outstanding shares at the date of the Gappelberg Agreement) effective September 1, 2023, with vesting to occur in twelve (12) equal tranches of 266,295 stock options per tranche, contingent upon the Company achieving the following Market Capitalization milestones:

Tranche	Market Cap	Tranche	Market Cap
1	Cdn\$50million	7	Cdn\$350million
2	Cdn\$100million	8	Cdn\$400million
3	Cdn\$150million	9	Cdn\$450million
4	Cdn\$200million	10	Cdn\$500million
5	Cdn\$250million	11	Cdn\$550million
6	Cdn\$300million	12	Cdn\$600million

For the purpose of the foregoing, (i) “**Market Capitalization**” shall be calculated as the aggregate number of Common Shares outstanding on a non-diluted basis, multiplied by the closing price of the Common Shares on the principal stock exchange upon which the Common Shares trade from time to time; and (ii) in order for vesting to occur, the applicable Market Capitalization milestone must be sustained for twenty (20) consecutive trading days.

The Stand-Alone Options exist outside of, and in addition to, the Stock Option Plan, have a five year term and are exercisable at Cdn\$0.38 per share. The Stand-Alone Options shall not vest (i) unless Mr. Gappelberg is serving as Chief Executive Officer and/or Chairman of the Company at the time that the applicable Market Capitalization milestone is attained; and (ii) shareholder approval of the Stand-Alone Options is obtained (the “**Shareholder Approval Vesting Criteria**”). Accordingly, at the Meeting, shareholders will be invited to consider and, if thought fit, authorize the resolutions substantially in the form attached as Schedule C to this Information Circular (the “**Stand-Alone Option Resolutions**”) to authorize and approve the grant of the Stand-Alone Options.

If the Stand-Alone Option Resolutions are approved, the Stand-Alone Options will remain in force and the Shareholder Approval Vesting Criteria will be met. If the Stand-Alone Option Resolutions are not approved, the Stand-Alone Options will be voided.

Approval of the Stand-Alone Option Resolutions will be obtained if a majority of the votes cast are in favour thereof, excluding votes attached to Common Shares held by Mr. Gappelberg.

**The management representatives named in the attached form of proxy intend to vote in favour of the Stand-Alone Option Resolutions, unless a shareholder specifies in the proxy that his or her Common Shares are to be voted against the Stand-Alone Option Resolutions.**

#### **ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information is provided in the Company's comparative financial statements and management discussion and analysis for the year ended August 31, 2023. Shareholders may contact the Company at its principal office address at Po Box 64039, Toronto RPO Royal Bank Plaza, Toronto, Ontario, M5J 2T6 to request copies of the Company's financial statements and management's discussion and analysis.

## **APPROVAL**

**The contents and the sending of this Information Circular have been approved by the directors of the Company.**

**DATED:** December 5, 2023.

"Evan Gappelberg"

Evan Gappelberg  
Chief Executive Officer

## SCHEDULE A

### Charter of the Audit Committee of the Board of Directors of Arway Corporation

#### I. PURPOSE

The Audit Committee (the "**Committee**") is appointed by the Board of Directors (the "**Board**") of Arway Corporation (the "**Corporation**") to assist the Board in fulfilling its oversight responsibilities relating to financial accounting and reporting process and internal controls for the Corporation. The Committee's primary duties and responsibilities are to:

- conduct such reviews and discussions with management and the independent auditors relating to the audit and financial reporting as are deemed appropriate by the Committee;
- assess the integrity of internal controls and financial reporting procedures of the Corporation and ensure implementation of such controls and procedures;
- ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel;
- review the quarterly and annual financial statements and management's discussion and analysis of the Corporation's financial position and operating results and report thereon to the Board for approval of same;
- select and monitor the independence and performance of the Corporation's outside auditors (the "**Independent Auditors**"), including attending at private meetings with the Independent Auditors and reviewing and approving all renewals or dismissals of the Independent Auditors and their remuneration; and
- provide oversight to related party transactions entered into by the Corporation.

The Committee has the authority to conduct any investigation appropriate to its responsibilities, and it may request the Independent Auditors as well as any officer of the Corporation, or outside counsel for the Corporation, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee. The Committee shall have unrestricted access to the books and records of the Corporation and has the authority to retain, at the expense of the Corporation, special legal, accounting, or other consultants or experts to assist in the performance of the Committee's duties. The Committee shall review and assess the adequacy of this Charter annually and submit any proposed revisions to the Board for approval. In fulfilling its responsibilities, the Committee will carry out the specific duties set out in Part IV of this Charter.

#### II. AUTHORITY OF THE AUDIT COMMITTEE

The Committee shall have the authority to:

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for advisors employed by the Committee; and
- (c) communicate directly with the internal and external auditors.

### III. COMPOSITION AND MEETINGS

1. The Committee and its membership shall meet all applicable legal and listing requirements, including, without limitation, those of the Canadian Securities Exchange ("CSE"), the *Business Corporations Act* (Ontario) and all applicable securities regulatory authorities.
2. The Committee shall be composed of three or more directors as shall be designated by the Board from time to time. The members of the Committee shall appoint from among themselves a member who shall serve as Chair.
3. Each member of the Committee shall be "financially literate" (as defined by applicable securities laws and regulations).
4. The Committee shall meet at least quarterly, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements. A minimum of two of the members of the Committee present either in person or by telephone shall constitute a quorum.
5. If within one hour of the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one hour of the time appointed for such adjourned meeting, such meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the second adjourned meeting a quorum as hereinbefore specified is not present, the quorum for the adjourned meeting shall consist of the members then present.
6. If and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.
7. The time and place at which meetings of the Committee shall be held, and procedures at such meetings, shall be determined from time to time by, the Committee. A meeting of the Committee may be called by letter, telephone, facsimile, email or other communication equipment, by giving at least 48 hours' notice, provided that no notice of a meeting shall be necessary if all of the members are present either in person or by means of conference telephone or if those absent have waived notice or otherwise signified their consent to the holding of such meeting.
8. Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.
9. The Committee shall keep minutes of its meetings which shall be submitted to the Board. The Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at any meeting.
10. The Committee may invite such officers, directors and employees of the Corporation and its subsidiaries as it may see fit, from time to time, to attend at meetings of the Committee.
11. The Board may at any time amend or rescind any of the provisions hereof, or cancel them entirely, with or without substitution.
12. Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had

been decided by a majority of votes cast at a meeting of the Committee called for such purpose. All decisions or recommendations of the Audit Committee shall require the approval of the Board prior to implementation.

#### **IV. RESPONSIBILITIES**

##### *A. Financial Accounting and Reporting Process and Internal Controls*

1. The Committee shall review the annual audited financial statements to satisfy itself that they are presented in accordance with applicable Canadian accounting standards and report thereon to the Board and recommend to the Board whether or not same should be approved prior to their being filed with the appropriate regulatory authorities. The Committee shall also review and approve the interim financial statements. With respect to the annual and interim financial statements, the Committee shall discuss significant issues regarding accounting principles, practices, and judgments of management with management and the Independent Auditors as and when the Committee deems it appropriate to do so. The Committee shall satisfy itself that the information contained in the annual audited financial statements is not significantly erroneous, misleading or incomplete and that the audit function has been effectively carried out.

2. The Committee shall review management's internal control report and the evaluation of such report by the Independent Auditors, together with management's response.

3. The Committee shall review the financial statements, management's discussion and analysis relating to annual and interim financial statements, annual and interim earnings press releases and any other public disclosure documents that are required to be reviewed by the Committee under any applicable laws before the Corporation publicly discloses this information.

4. The Committee shall be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure referred to in subsection IV.A.3, and periodically assess the adequacy of these procedures.

5. The Committee shall meet no less frequently than annually with the Independent Auditors and the Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Corporation in charge of financial matters, to review accounting practices, internal controls and such other matters as the Committee, Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Corporation in charge of financial matters, deems appropriate.

6. The Committee shall inquire of management and the Independent Auditors about significant risks or exposures, both internal and external, to which the Corporation may be subject, and assess the steps management has taken to minimize such risks.

7. The Committee shall review the post-audit or management letter containing the recommendations of the Independent Auditors and management's response and subsequent follow-up to any identified weaknesses.

8. The Committee shall ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel.

9. The Committee shall establish procedures for:

- (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and

- (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

10. The Committee shall provide oversight to related party transactions entered into by the Corporation.

*B. Independent Auditors*

1. The Committee shall be directly responsible for the selection, appointment, compensation and oversight of the Independent Auditors and the Independent Auditors shall report directly to the Committee.

2. The Committee shall be directly responsible for overseeing the work of the external auditors, including the resolution of disagreements between management and the external auditors regarding financial reporting.

3. The Committee shall pre-approve all audit and non-audit services (including, without limitation, the review of any interim financial statements of the Corporation by the Independent Auditors at the discretion of the Committee) not prohibited by law to be provided by the Independent Auditors.

4. The Committee shall monitor and assess the relationship between management and the Independent Auditors and monitor, confirm, support and assure the independence and objectivity of the Independent Auditors. The Committee shall establish procedures to receive and respond to complaints with respect to accounting, internal accounting controls and auditing matters.

5. The Committee shall review the Independent Auditor's audit plan, including scope, procedures and timing of the audit.

6. The Committee shall review the results of the annual audit with the Independent Auditors, including matters related to the conduct of the audit, and receive and review the auditor's interim review reports.

7. The Committee shall obtain timely reports from the Independent Auditors describing critical accounting policies and practices, alternative treatments of information within applicable Canadian accounting principles that were discussed with management, their ramifications, and the Independent Auditors' preferred treatment and material written communications between the Corporation and the Independent Auditors.

8. The Committee shall review fees paid by the Corporation to the Independent Auditors and other professionals in respect of audit and non-audit services on an annual basis.

9. The Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former auditors of the Corporation.

10. The Committee shall monitor and assess the relationship between management and the external auditors, and monitor and support the independence and objectivity of the external auditors.

*C. Other Responsibilities*

1. The Committee shall perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate.

## **SCHEDULE B**

### **OPTION PLAN RESOLUTIONS**

#### **BE IT RESOLVED THAT:**

1. the existing stock option plan of the Company (the "**Option Plan**") and the reservation for issuance thereunder of up to such number of Common Shares as would not exceed 20% of the outstanding Common Shares of the Company from time to time, is hereby authorized and confirmed; and
2. any officer or director of the Company is authorized and directed to execute and deliver, under corporate seal or otherwise, all such documents and instruments and to do all such acts as in the opinion of such officer or director may be necessary or desirable to give effect to this resolution.

## SCHEDULE C

### STAND-ALONE OPTION RESOLUTIONS

#### BE IT RESOLVED THAT:

1. the grant of an aggregate of 3,195,540 stand-alone stock options (the "**Stand-Alone Options**"), each exercisable to acquire one common share of the Company in accordance with the terms and conditions of the independent contractor agreement between the Company and Mr. Evan Gappelberg dated September 1, 2023, is hereby authorized, ratified and confirmed; and
2. any officer or director of the Company is authorized and directed to execute and deliver, under corporate seal or otherwise, all such documents and instruments and to do all such acts as in the opinion of such officer or director may be necessary or desirable to give effect to this resolution.