



**ANNUAL GENERAL MEETING  
OF THE SHAREHOLDERS  
OF  
PHARMALA BIOTECH HOLDINGS INC.  
TO BE HELD ON FRIDAY, MARCH 28, 2025  
NOTICE OF MEETING  
AND  
MANAGEMENT INFORMATION CIRCULAR**

*THIS NOTICE OF MEETING AND MANAGEMENT INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF PHARMALA BIOTECH HOLDINGS INC. OF PROXIES TO BE VOTED AT THE ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON FRIDAY, MARCH 28, 2025.*

**TO BE HELD AT:  
1 ADELAIDE STREET EAST, UNIT 801, TORONTO, ONTARIO M5C 2V9  
AT 11:00 A.M. (TORONTO TIME)**

**DATED: FEBRUARY 11, 2025**

**PHARMALA BIOTECH HOLDINGS INC.**  
**1 Adelaide Street East, Suite 801**  
**Toronto, Ontario M5C 2V9**

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN** that an annual general meeting (the “**Meeting**”) of the holders (“**Shareholders**”) of common shares in the capital of PharmAla Biotech Holdings Inc. (the “**Company**”) will be held at the offices of the Company, located at 1 Adelaide Street East, Unit 801, Toronto, Ontario M5C 2V9 on Friday, March 28, 2025, at 11:00 a.m. (Toronto time) for the following purposes:

1. to receive and consider the consolidated audited financial statements of the Company for the financial years ended August 31, 2024, and 2023, together with the auditor’s report thereon (together, the “**Annual Financial Statements**”);
2. to elect the directors of the Company for the ensuing year, as more particularly set forth in the accompanying form of proxy (the “**Proxy**”) and management information circular dated February 11, 2025 (the “**Circular**”), each prepared for the purpose of the Meeting;
3. to re-appoint Clearhouse LLP, Chartered Professional Accountants, as the auditor of the Company until the earlier of the close of the next annual meeting of Shareholders or their earlier resignation or replacement, and to authorize the audit committee of the board of directors of the Company (the “**Board**”) to fix the auditor’s remuneration; and
4. to transact such other business as may be properly brought before the Meeting or any adjournment(s) and postponement(s) thereof.

This notice of Meeting (this “**Notice of Meeting**”) should be read together with the Circular. The specific details of the foregoing matters to be put before the Meeting are set forth in Circular accompanying this Notice of Meeting.

In this Notice of Meeting, (i) “**Registered Shareholders**” means Shareholders who hold Common Shares in their own name and (ii) “**Beneficial Shareholders**” means Shareholders who do not hold Common Shares in their own name.

The Board has fixed the close of business on February 11, 2025, as the record date (the “**Record Date**”) for the determination of the Shareholders entitled to notice of, and to vote at, the Meeting, and any adjournment(s) or postponement(s) thereof. Only Shareholders of record at the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting. Late proxies may be accepted or rejected by the Chairman of the Meeting at their discretion. The Chairman is under no obligation to accept or reject any late Proxy. Beneficial Shareholders who receive these materials through their broker or other intermediary are requested to follow the instructions for voting provided by their broker or intermediary, which may include the completion and delivery of a voting instruction form (“**VIF**”).

The Company reserves the right to take any additional measures that it deems necessary or advisable in relation to the Meeting, including changing the time, date or location of the Meeting. Changes to the Meeting time, date or location and/or means of holding the Meeting may be announced by way of press release. Please monitor the Company’s press releases, website at [www.pharmala.ca](http://www.pharmala.ca) and SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca) for more information. The Company does not intend to prepare or mail an amended Circular in the event of changes to the Meeting format.

The Company has elected to use the “notice-and-access” mechanism provided for under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* and National Instrument 51-102 – *Continuous Disclosure Obligations* to deliver the Meeting materials to Shareholders, which includes this Notice of Meeting, the Circular, Annual Financial Statements and

accompanying management's discussion and analysis (the "Annual MD&A"). This means that, rather than receiving paper copies of the Meeting materials in the mail, Shareholders as of the Record Date will have access to electronic copies of the Meeting materials at [www.pharmala.ca](http://www.pharmala.ca) and under the Company's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca). The Meeting materials will remain on the Company's website for a period of one year.

Registered shareholders may attend the Meeting in person or may be represented by Proxy. Registered Shareholders unable to attend the Meeting or any adjournment(s) thereof should complete, date, and sign a Proxy in advance of the Meeting and return it in the envelope provided for that purpose to Marrelli Trust Company Limited ("Marrelli Trust") (i) by mail at: Attention: Proxy Department, Marrelli Trust, C/O Marrelli Transfer Services Corp., 82 Richmond Street East Toronto, ON M5C 1P1; (ii) on [www.voteproxy.ca](http://www.voteproxy.ca); (iii) by fax: 416.360.7812; or (iv) by email: [info@marrellitrust.ca](mailto:info@marrellitrust.ca), by 11:00 a.m. (Toronto time) on Wednesday, March 26, 2025, or 48 hours before any adjournment(s) or postponement(s) of the Meeting at which the Proxy is to be used (excluding Saturdays, Sundays and holidays). Votes cast electronically are in all respects equivalent to and will be treated in the exact same manner as, votes cast via a paper Proxy. Further details on the electronic voting process are provided in the Proxy.

Beneficial Shareholders will receive a package in the mail containing information explaining how to access and review the Meeting materials electronically and how to request a paper copy of such materials free of charge, and a VIF so that Beneficial Shareholders can vote their Common Shares. In addition, the package will include a place to request copies of the Annual Financial Statements, Annual MD&A and a consent for electronic delivery. Beneficial Shareholders who receive the Meeting materials through their broker or other intermediary should complete and return their VIF in accordance with the instructions provided by their broker or intermediary. Beneficial Shareholders may only be represented by Proxy.

Shareholders may choose to receive paper copies of the Meeting materials by mail at no cost. In order for such Shareholders to receive the paper copies of the Meeting materials in advance of any deadline for the submission of Proxy or VIF, as applicable, and the date of the Meeting, it is recommended that requests be made as soon as possible but not later than Friday, March 14, 2025. If you do request the current materials, please note that another Proxy nor VIF will be sent; please retain your current one for voting purposes.

For Beneficial Shareholders to request paper copies of the Circular before the Meeting, please call 1-888-290-1175 (toll-free within North America) or 1-587-885-0960 (direct from outside North America) and enter your control number, as indicated on your VIF. The Meeting materials will be sent to you within three business days of receiving your request. To obtain paper copies of the Meeting materials after the Meeting, please call 1-888-290-1175 (toll-free within North America) or 1-587-885-0960 (direct from outside North America). The Meeting materials will be sent to you within 10 calendar days of receiving your request.

For Registered Shareholders to request paper copies of the Meeting materials before or after the Meeting, please call 1-844-682-5888 or email [info@marrellitrust.ca](mailto:info@marrellitrust.ca). The Meeting materials will be sent to you within two business days of receiving your request.

**The Company strongly encourages each Shareholder to submit a Proxy or VIF, as applicable, in advance of the Meeting using one of the methods described below and in the Circular. Shareholders are reminded to carefully review the Circular and any additional materials prior to voting on the matters being transacted at the Meeting.**

Copies of: (i) this Notice of Meeting; (ii) the Circular; (iii) Proxy and VIF; and (iv) Annual Financial Statements and Annual MD&A, may be obtained free of charge by contacting Marrelli Trust at: (a) 82 Richmond Street East Toronto, ON M5C 1P1; (b) by phone 1-844-682-5888 (toll-free); or (c) by accessing their website at [www.marrellitrust.ca](http://www.marrellitrust.ca).

**DATED** at Toronto, Ontario on the 11<sup>th</sup> day of February 2025.

**BY ORDER OF THE BOARD**

*/s/ Nicholas Kadysh*

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**Nicholas Kadysh**  
President, CEO, and Director

**PHARMALA BIOTECH HOLDINGS INC.**  
**1 Adelaide Street East, Suite 801**  
**Toronto, Ontario M5C 2V9**

**MANAGEMENT INFORMATION CIRCULAR**

**SOLICITATION OF PROXIES**

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This management information circular (this “**Circular**”) is furnished in connection with the solicitation, by or on behalf of the management (“**Management**”) of PharmAla Biotech Holdings Inc. (the “**Company**”), of proxies to be used at the Company’s annual general meeting (the “**Meeting**”) of the holders (“**Shareholders**”) of common shares in the capital of the Company (“**Common Shares**”) to be held at the time and place and for the purposes set forth in the accompanying notice of meeting (the “**Notice of Meeting**”). References in this Circular to the Meeting includes any adjournment(s) and postponement(s) hereof. The Company will use the Notice-and-Access Provisions (as defined below) to conduct the solicitation of proxies in connection with the Circular. 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 Company without special compensation, or by the Company’s registrar and transfer agent, Marrelli Trust Company Limited (“**Marrelli Trust**”) at nominal cost. The cost of solicitation will be borne by the Company.

The information contained herein is provided as of February 11, 2025, unless indicated otherwise. No person has been authorized to give any information or make any representation in connection with matters to be considered at the Meeting other than those contained in this Circular and, if given or made, any such information or representation must not be relied upon as having been authorized by the Company or its Management. Unless otherwise indicated herein, all dollar amounts are expressed in Canadian dollars and all references to “\$” are to Canadian dollars.

**NOTICE-AND-ACCESS**

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As permitted by Canadian securities regulators, the Company is sending meeting-related materials to Shareholders whose names appear on the records, as maintained by Marrelli Trust, of Common Shares as registered Shareholders (“**Registered Shareholders**”) and non-registered Shareholders who hold their Common Shares through brokers, intermediaries, trustees or other persons, or who otherwise do not hold their Common Shares in their own name (referred to herein as “**Beneficial Shareholders**”) using the “notice-and-access” provisions provided for under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) and National Instrument 51-102 – *Continuous Disclosure Obligations* (“**NI 51-102**”) of the Canadian Securities Administrators (the “**Notice-and-Access Provisions**”). This means that, rather than receiving paper copies of the Notice of Meeting, this Circular and the Proxy (as defined below) in the mail (collectively, the “**Meeting Materials**”), Registered Shareholders and Beneficial Shareholders will have access to them online.

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 Company without special compensation, or by Marrelli Trust at nominal cost. The cost of any such solicitation will be borne by the Company. Arrangements have been made with brokerage houses and other securities intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the Registered Shareholders and Beneficial Shareholders of record as of February 11, 2025.

All Shareholders entitled to receive the Meeting Materials will receive a notice-and-access notification (the “**N&A Notice**”) along with a Proxy. In addition, the package will include a form to request copies of the Company’s annual and/or interim financial statements and the related management’s discussion and

analysis (“**MD&A**”). Electronic copies of the Notice of Meeting, this Circular, a Proxy, the N&A Notice, audited consolidated financial statements of the Company for the financial years ended August 31, 2024 and 2023 and related MD&A will be available at [www.pharmala.ca](http://www.pharmala.ca) and under the Company’s profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Shareholders are reminded to review these online materials when voting. Electronic copies of the Meeting Materials will be available on the Company’s website for a period of one year. For more information about the Notice-and-Access Provisions, please call Broadridge Investor Communication Solutions at 1-844-916-0609. Shareholders may choose to receive paper copies of the Meeting Materials by mail at no cost. In order for such Shareholders to receive the paper copies of the Meeting Materials in advance of any deadline for the submission of voting instructions and the date of the Meeting, it is recommended that requests be made as soon as possible but not later than Friday, March 14, 2025. If you do request the current materials, please note that another voting instruction form (the “**VIF**”) will not be sent; please retain your current one for voting purposes.

For Beneficial Shareholders to request paper copies of the Circular before the Meeting, please call 1-888-290-1175 (toll-free within North America) or 1-587-885-0960 (direct from outside North America) and enter your control number, as indicated on your VIF. The Circular will be sent to you within three business days of receiving your request. To obtain paper copies of the Circular after the Meeting, please call 1-888-290-1175 (toll-free within North America) or 1-587-885-0960 (direct from outside North America). The Circular will be sent to you within 10 calendar days of receiving your request.

For Registered Shareholders to request paper copies of the Circular before or after the Meeting, please call 1-844-682-5888 or email [info@marrellitrust.ca](mailto:info@marrellitrust.ca). The Circular will be sent to you within two business days of receiving your request.

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## APPOINTMENT AND REVOCATION OF PROXIES

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The person(s) designated by Management in the enclosed form of proxy (“**Proxy**”) are officers of the Company. **Each Shareholder has the right to appoint as proxyholder a person or company (who need not be a Shareholder) other than the person(s) or company(ies) designated by Management in the enclosed Proxy to attend and act on the Shareholder’s behalf at the Meeting or at any adjournment or postponement thereof.** Such right may be exercised by inserting the name of the person or company in the blank space provided in the Proxy or by completing another form of proxy.

Registered Shareholders who are unable to attend the Meeting in person are requested to read this Circular and the Proxy which accompanies the Notice of Meeting and to complete, sign, date and deliver the Proxy, together with the power of attorney or other authority, if any, under which it was signed to Marrelli Trust (i) by mail at: Attention: Proxy Department, Marrelli Trust, C/O Marrelli Transfer Services Corp., 82 Richmond Street East Toronto, ON M5C 1P1; (ii) on [www.voteproxy.ca](http://www.voteproxy.ca); (iii) by fax: 416.360.7812; or (iv) by email: [info@marrellitrust.ca](mailto:info@marrellitrust.ca), by 11:00 a.m. (Toronto time) on Wednesday, March 26, 2025, or before 48 hours (excluding Saturdays, Sundays and holidays) before any adjournment or postponement of the Meeting at which the Proxy is to be used (the “**Proxy Deadline**”). Votes cast electronically are in all respects equivalent to and will be treated in the exact same manner as, votes cast via a paper Proxy. A Registered Shareholder whose name has been provided to Marrelli Trust will appear on a list of Shareholders prepared for purposes of the Meeting. To vote in person at the Meeting each Registered Shareholder will be required to register for the Meeting by identifying themselves at the registration desk.

Beneficial Shareholders who receive this Circular and the Proxy or VIF through an intermediary must deliver the Proxy or VIF, as applicable, in accordance with the instructions given by such intermediary. To be effective, the Proxy or VIF, as applicable, must be received by Marrelli Trust no later than the Proxy Deadline. Beneficial Shareholders must appoint themselves as a proxyholder to vote in person at the Meeting. Please also refer to the section titled “*Advice to Beneficial Shareholders*” below.

A Shareholder who has given a Proxy may revoke it as to any matter on which a vote has not already been held pursuant to its authority by an instrument in writing executed by the Shareholder or by the

Shareholder's attorney duly authorized in writing or, if the Shareholder is a corporation, by an officer or attorney thereof duly authorized and deposited at either the above mentioned office of Marrelli Trust by no later than 48 hours prior to the Meeting, excluding Saturdays, Sundays and holidays, or any adjournment or postponement thereof, or with the Chairman of the Meeting on the day of the Meeting or any adjournment or postponement thereof. Notwithstanding the foregoing, if a Registered Shareholder attends personally at the Meeting, such Registered Shareholder may revoke the Proxy and vote in person.

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## ADVICE TO SHAREHOLDERS

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### **Voting in Person at the Meeting**

The Meeting will not be open to the general public and will be limited to Registered Shareholders and duly appointed proxyholders only. Registered Shareholders may vote in-person at the Meeting or by Proxy, and Beneficial Shareholders may vote by Proxy or VIF, as applicable. Please monitor the Company's website for additional information and instructions. Changes to the Meeting time, date or location and/or means of holding the Meeting may be announced by way of press release. Please monitor the Company's press releases as well as its website at [www.pharmala.ca](http://www.pharmala.ca) and under the Company's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca). The Company does not intend to prepare or mail an amended Circular in the event of changes to the Meeting format.

**The Company strongly encourages each Shareholder to submit a Proxy or VIF, as applicable, in advance of the Meeting using one of the methods described above and in this Circular.**

### **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 in the Proxy will be voted or withheld from voting in accordance with the instructions given on the Proxy, and if the Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly.

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

### **Advice to Beneficial Shareholders**

**The information set forth in this section is of importance to many Shareholders, as a substantial number of Shareholders do not hold Common Shares in their own name.** In many cases, Common Shares beneficially owned by a holder are registered: (a) in the name of an intermediary that the Beneficial Shareholder deals with in respect of the Common Shares. Intermediaries include banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans; or (b) in the name of a depository (such as Clearing and Depository Services Inc. ("CDS")). Beneficial Shareholders should note that only Proxies deposited by Registered Shareholders will be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to Beneficial Shareholders by a broker, those Common Shares will, in all likelihood, not be registered in the Shareholder's name. Such Common Shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered

under the name of CDS & Co. (the registration name for CDS, which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

In accordance with the requirements of NI 54-101 and NI 51-102, the Company is utilizing the Notice-and-Access Provisions to send Meeting Materials to Beneficial Shareholders. This means that, rather than receiving paper copies of the Meeting Materials in the mail, Beneficial Shareholders will have access to them online. All Beneficial Shareholders entitled to receive the Meeting Materials will receive the N&A Notice along with a Proxy. In addition, the package will include a form to request copies of the Company's annual and/or interim financial statements and the related MD&A. Electronic copies of the Notice of Meeting, this Circular, a Proxy, the N&A Notice, the audited consolidated financial statements of the Company for the financial years ended August 31, 2024 and 2023 and the related MD&A will be available at [www.pharmala.ca](http://www.pharmala.ca) and under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Beneficial Shareholders are reminded to review these online materials when voting. Electronic copies of the Meeting Materials will be available on the Company's website for a period of one year. For more information about the Notice-and-Access Provisions, please call Broadridge Investor Communication Solutions at 1-844-916-0609. Beneficial Shareholders may choose to receive paper copies of the Meeting Materials by mail at no cost. In order for such Beneficial Shareholders to receive the paper copies of the Meeting Materials in advance of any deadline for the submission of voting instructions and the date of the Meeting, it is recommended that requests be made as soon as possible but not later than March 14, 2025. If you do request the current materials, please note that another VIF will not be sent; please retain your current one for voting purposes.

Existing regulatory policy requires brokers and other intermediaries to forward Meeting Materials to Beneficial Shareholders, unless the Beneficial Shareholder has waived the right to receive them and seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting.

The VIF supplied to such Beneficial Shareholders by their broker (or the agent of the broker) is substantially similar to the Proxy provided directly to Registered Shareholders by the Company. However, its purpose is limited to instructing the Registered Shareholder (i.e., the broker or agent of the broker) on how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in Canada. Broadridge typically prepares a machine-readable VIF, mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder who receives a VIF cannot use that form to vote Common Shares directly at the Meeting. The VIFs must be returned to Broadridge (or instructions respecting the voting of Common Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Common Shares voted. If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

Although a 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, CDS or another intermediary, the Beneficial Shareholder may attend the Meeting as proxyholder and vote the Common Shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder, should enter their own names in the blank space on the VIF provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided**



**by such broker.**

Beneficial Shareholders fall into two categories – those who object to their identity being known to the issuers of securities which they own (“**OBOs**”) and those who do not object to their identity being made known to the issuers of the securities which they own (“**NOBOs**”). Subject to the provisions of NI 54-101, issuers may request and obtain a list of their NOBOs from intermediaries directly or via their transfer agent and may obtain and use the NOBO list for the distribution of proxy-related materials to such NOBOs. The Company will not be distributing Meeting Materials directly to NOBOs. If you are a NOBO and the Company or Marrelli Trust has sent the Meeting Materials directly to you, your name, address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the Common Shares on your behalf. The Company’s OBOs may be contacted by their respective intermediaries. The Company intends to pay for intermediaries to deliver the Meeting Materials to OBOs.

All references to Shareholders in this Circular and the Proxy and Notice of Meeting are to Registered Shareholders, unless specifically stated otherwise.

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## **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

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### **Description of Voting Securities**

The voting securities of the Company consists of an unlimited number of Common Shares. As at the close of business on February 11, 2025, the Company had 104,554,583 Common Shares issued and outstanding, each carrying the right to one vote per Common Share. 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. Shareholders who wish to be represented by Proxy at the Meeting must, to entitle the person appointed by Proxy to attend and vote, deliver their Proxy at the place and within the time set forth in the notes of the proxy. All Shareholders have the right to vote for directors. The persons named in the accompanying Proxy will vote the Common Shares in respect of which they are appointed in accordance with the direction of the Shareholder appointing them. **In the absence of such direction, those Common Shares will be voted in favour of (“FOR”) all resolutions.**

### **Record Date and Quorum**

The board of directors of the Company (the “**Board**”) has fixed February 11, 2025, 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. Any Shareholder of record at the close of business on the Record Date is entitled to vote the Common Shares registered in such Shareholder’s name at that date on each matter to be acted upon at the Meeting.

The quorum for the transaction of business at a meeting of Shareholders is one person who is, or who represents by proxy, one or more Shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at a meeting of shareholders.

### **Principal Shareholders**

To the knowledge of the directors and executive officers of the Company, and based on the Company’s review of the records maintained by Marrelli Trust, electronic filings with SEDAR+ and insider reports filed with System for Electronic Disclosure by Insiders (“**SEDI**”), as at the date of this Circular, no person beneficially owned, directly or indirectly, or exercised control or direction over 10% or more of the voting rights attached to the outstanding Common Shares, on a non-diluted basis.

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

No (a) director or executive officer of the Company who has held such position at any time since the beginning of the Company's last financial year; (b) person by or on behalf of Management; (c) proposed Nominee for election as director of the Company; or (d) associate or affiliate of any of the persons or companies listed in (a) to (c) have 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.

## PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING

It is not known whether any other matters will come before the Meeting other than those set forth below and in the Notice of Meeting, but if any other matters do arise, the person named in the Proxy intends to vote on any poll, in accordance with his or her best judgement, exercising discretionary authority with respect to amendments or variations of matters set forth in the Notice of Meeting and other matters which may properly come before the Meeting or any adjournment(s) or postponement(s) of the Meeting.

### 1. Audited Financial Statements

The consolidated audited financial statements of the Company for the years ended August 31, 2024, and 2023, together with the auditors' report thereon, (together, the "Annual Financial Statements") will be received at the Meeting. No vote will be taken on the Annual Financial Statements. The Annual Financial Statements have been provided to each Shareholder entitled to receive a copy of the Meeting Materials and who requested a copy. The Annual Financial Statements are also available on the Company's website at [www.pharmala.ca](http://www.pharmala.ca) and under the Company's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca).

### 2. Election of Directors

At the Meeting, a board of seven directors will be proposed (each a "Nominee") to be elected for a term that will expire upon the earlier of the next annual general meeting of Shareholders or upon their successor being duly elected or appointed, unless his or her office is earlier vacated. Management has been informed that each of the Nominees listed below is willing to serve as a director if elected. 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 Common Shares represented by properly executed Form of Proxies given in favour of such Nominee(s) may be voted by the person(s) designated by Management in the Proxy, in their discretion, in favour of another nominee.

The following table sets forth certain information regarding the Nominees, their respective positions with the Company, principal occupations or employment during the last five years, the dates on which they became directors of the Company and the approximate number of Common Shares beneficially owned by them, directly or indirectly, or over which control or direction is exercised by them as of the date of this Circular:

Name, province or state and country of residence and position, if any, held in the Company	Principal Occupation(s) <sup>(1)</sup>	Served as director of the Company since	Number of Common Shares beneficially owned, directly or indirectly, or controlled or directed at present <sup>(2)</sup>
<b>Nicholas Kadysh</b> President, Chief Executive Officer and Director <i>Toronto, Ontario</i>	President, Chief Executive Officer and Director of the Company.	March 21, 2021	5,477,778 <sup>(4)</sup>
<b>Kevin Roy</b> <sup>(3)</sup> Director <i>Toronto, Ontario</i>	Self Employed, performing consulting, project engagements and board work.	June 24, 2022	112,500
<b>Jodi Butts</b> <sup>(3)</sup>	Director of Canada Goose Holdings Inc.; Chair of	March 21, 2021	500,000

Chairperson <i>Ottawa, Ontario</i>	The Walrus Foundation Board of Directors; and member of the Board of Governors and Audit Committee of the University of Windsor.		
<b>Perry Tsergas</b> Director <i>Ottawa, Ontario</i>	Co-Founder, President, and Chief Executive Officer of spark*advocacy	March 21, 2021	318,500
<b>Fraser Macdonald</b> <sup>(3)</sup> Director <i>Toronto, Ontario</i>	Corporate Lawyer and Principal at StrategyCorp Inc.	March 21, 2021	268,500
<b>Dr. Abdelmalik Slassi</b> Director <i>Mississauga, Ontario</i>	Founder, President and Chief Scientific Officer of Fluorinov Pharma Inc.	March 21, 2021	462,500
<b>Dr. Harriet de Wit</b> Director <i>Chicago, Illinois</i>	Professor in the Department of Psychiatry and Behavioral Neuroscience at the University of Chicago	March 21, 2021	212,500

**Notes:**

- (1) Information furnished by the respective Nominee
- (2) Voting securities of the Company beneficially owned, or controlled or directed, directly or indirectly as of the date hereof. Information regarding voting securities held does not include voting securities issuable upon the exercise of Options (as defined herein), warrants or other convertible securities of the Company. Information in the table above is derived from the Company's review of insider reports filed with SEDI and from information furnished by the respective Nominee.
- (3) Member of the Audit Committee (as defined herein). Mr. Roy chairs the Audit Committee.
- (4) Includes 1,575,000 Common Shares directly owned by Mr. Kadysh and 3,902,778 Common Shares held by NKO Consulting Corp., an entity wholly owned by Mr. Kadysh.

*Corporate Cease Trade Orders, Bankruptcies, and Penalties*

No person proposed to be nominated for election as a director at the Meeting is or has been, within the preceding ten years, a director, chief executive officer (“**CEO**”) or chief financial officer (“**CFO**”) of any company (including the Company) that:

- (a) was the subject of a cease trade or similar order, or an order that denied such company access to any exemptions under applicable securities legislation that was issued while the proposed director was acting in the capacity as director, CEO or CFO, or
- (b) was the subject of a cease trade or similar order, or an order that denied such company access to any exemptions under applicable securities legislation that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO.

No person proposed to be nominated for election as a director at the Meeting is or has been, within the preceding ten years, a director or executive officer of any company (including the 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.

No person proposed to be nominated for election as a director at the Meeting is or has, within the preceding ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or has 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 such person.

*Bankruptcies*

No proposed director of the Company has, within the ten years prior to the date of this Circular, become bankrupt or made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangements, or compromise with creditors, or had a receiver, receiver

manager or trustee appointed to hold the assets of that individual.

### Penalties and Sanctions

No proposed director of the Company has been subject to any: (a) 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) 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.

No Nominee is being elected under any arrangement or understanding between the Nominee and any other person or company.

**It is the intention of the persons named in the Proxy, if not expressly directed to the contrary in such Proxy, to vote such Form of Proxies FOR the election of each Nominee specified above as directors of the Company, to serve for a term that will expire upon the earlier of the next annual general meeting of Shareholders or upon their successor being duly elected or appointed. If, prior to the Meeting, any vacancies occur in the Nominees herein submitted, the persons named in the Proxy intend to vote FOR the election of any substitute nominee(s) recommended by Management and FOR each of the remaining Nominee(s).**

### **3. Re-Appointment of Auditor**

Clearhouse LLP, Chartered Professional Accountants (“**Clearhouse**”) is the current auditor of the Company and has held this position since May 12, 2021. At the Meeting, Shareholders will be asked to vote for the reappointment of Clearhouse, as the Company’s auditor, to hold office until the next annual general meeting of the Shareholders, at a remuneration to be fixed by the Audit Committee. Approval of the reappointment of the auditor will require a majority of the votes cast in respect thereof by Shareholders present in person or by Proxy at the Meeting.

**In the absence of a contrary instruction, the person(s) designated by Management in the Proxy intend to vote FOR the reappointment of Clearhouse as the auditor of the Company until the earlier of the close of the next annual general meeting of Shareholders or their removal by the Company, at a remuneration to be fixed by the Audit Committee.**

### **4. Other Business**

It is not known that any other matters will come before the Meeting other than as set forth above and in the Notice of Meeting accompanying this Circular, but if such should occur, the Management designees intend to vote on them in accordance with their best judgement, exercising discretionary authority with respect to amendments or variations of matters identified in the Notice of Meeting and other matters which may properly come before the Meeting or any adjournment or postponement thereof.

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## **STATEMENT OF EXECUTIVE COMPENSATION**

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The following information, prepared in accordance with Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*, provides a discussion of all significant elements of the compensation to be awarded to, earned by, paid to, or payable to directors and Named Executive Officers (as defined hereinafter) of the Company, to the extent that it has been determined.

During the financial year ended August 31, 2024, the Company had four Named Executive Officers being, Nicholas Kadysh, President and CEO, Carmelo Marrelli, former CFO and Corporate Secretary, Dr. Shane

Morris, Chief Operating Officer (“**COO**”), and Harpreet Kaur, Vice President (“**VP**”) Research.

“**Named Executive Officer**” means: (a) each CEO, (b) each CFO, (c) each of the three most highly compensated executive officers of the Company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000; and (d) each individual who would be a Named Executive Officers under (c) above but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

### **Compensation Philosophy and Objectives**

The compensation of the Company’s NEOs and Board is determined by the Board based on recommendations from the compensation committee of the Company (the “**Compensation Committee**”). The general objectives of the Company’s compensation decisions are:

- to encourage the management of the Company to achieve a high level of performance and results with a view to increasing long-term Shareholder value;
- to align the interests of the management of the Company with the long-term interest of Shareholders;
- to provide compensation commensurate with peer companies in order to attract and retain highly qualified executives; and
- to ensure that total compensation paid takes into account the Company’s overall financial position.

The Company’s compensation program is designed to provide competitive levels of compensation, a significant portion of which is dependent upon individual and corporate performance and contribution to increasing Shareholder value. The Company recognizes the need to provide a total compensation package that will attract and retain qualified and experienced executives as well as align the compensation level of each executive to that executive’s level of responsibility.

### **Elements of Compensation**

The Company’s compensation program during the year ended August 31, 2024, consisted of three principal components: (i) base compensation; (ii) long-term compensation in the form of incentive stock options (“**Options**”), deferred share units (“**DSUs**”), restricted stock units (“**RSUs**”) and/or performance share units (“**PSUs**”) under the Equity Incentive Plan (as defined hereinafter), as set forth below; and (iii) a discretionary bonus. For the year ended August 31, 2024, compensation was determined and administered by the Board based on recommendations from the Compensation Committee.

### **Compensation Committee**

In order to assist the Board in fulfilling its oversight responsibilities with respect to compensation matters, the Board established the Compensation Committee and approved the charter of the Compensation Committee. The Compensation Committee is composed of Jodi Butts, Perry Tsergas, and Fraser Macdonald. Mr. Butts, Mr. Tsergas, and Mr. Macdonald are “independent” as such term is defined in *National Instrument 58-101 – Disclosure of Corporate Governance Practices* (“**NI 58-101**”). Mr. Tsergas is the chair of the Compensation Committee.

The Compensation Committee meets on compensation matters as and when required with respect to management compensation. The primary goal of the Compensation Committee as it relates to compensation matters is to ensure that the compensation provided to management is determined with regard to the Company's business strategies and objectives, such that the financial interest of management is aligned with the financial interest of Shareholders, and to ensure that their compensation is fair and reasonable and sufficient to attract and retain qualified and experienced executives. The Compensation Committee is given the authority to engage and compensate any outside advisor that it determines to be necessary to carry out its duties.

To determine compensation payable, the Compensation Committee reviews compensation paid to management of companies of similar size and stage of development in comparable industries and determines an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by management while taking into account the financial and other resources of the Company.

The Compensation Committee has not established any benchmark or performance goals to be achieved or met by Named Executive Officers; however, such Named Executive Officers are expected to carry out their duties in an effective and efficient manner so as to advance the business objectives of the Company. The satisfactory discharge of such duties is subject to ongoing monitoring by the Compensation Committee.

As a whole, the members of the Compensation Committee have direct experience and skills relevant to their responsibilities in executive compensation, including with respect to enabling the Compensation Committee to make informed decisions on the suitability of the Company's compensation policies and practices.

**(i) Base Compensation**

Base compensation for the Company's management is designed to provide income certainty and to attract and retain executives. In setting base compensation levels, consideration is given to such factors as level of responsibility, experience and expertise. Subjective factors such as leadership, commitment and attitude are also considered. The Compensation Committee has generally considered publicly available information regarding the compensation levels of executives of similarly sized companies within the industry in setting compensation but has not established a benchmark group of peers. Although the Company strives to compensate its management within industry expectations, the base compensation may, from time to time, be reviewed depending on the results of operations.

**(ii) Equity Incentive Plan**

Please see the section below titled "*Stock Option Plans and Other Incentive Plans*" for further details on compensation in relation to the Company's Equity Incentive Plan

**(iii) Discretionary Cash Bonus**

The compensation program includes eligibility for discretionary incentive cash bonuses. The bonuses are awarded based on objectives set by the Compensation Committee and its assessment of the Company and its executives' performance and contribution. Objectives may include strategic, financial and operational performance goals, as well as personal performance objectives, including implementation of new strategic initiatives, the development of innovations, organizational development and other factors. The resulting bonus entitlements, if any, will therefore vary between members of the management.

**Risk Analysis**

The Board and Compensation Committee considered risks associated with executive compensation and do not believe that the Company's executive compensation policies and practices encourage its executive

officers to take inappropriate or excessive risks. Aside from a fixed base salary, management is compensated through grants under the Company's Equity Incentive Plan, which is compensation that is both "at risk" and associated with long-term value creation. The value of such compensation is dependent upon Shareholder return over the corresponding Options, RSUs, DSUs, and/or PSUs vesting period which reduces the incentive for management to take inappropriate or excessive risks as their long-term compensation is at risk.

Management is not permitted to purchase financial instruments (including prepaid variable forward contracts, equity swaps, collars, or units of exchange funds) that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by management.

### DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION, EXCLUDING COMPENSATION SECURITIES

Set out below is a summary of compensation paid or accrued during the Company's two most recently completed financial years to the Company's Named Executive Officers and directors:

Table of Compensation, excluding Compensation Securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Nicholas Kadysz <i>President and CEO</i>	2024	47,167	Nil	Nil	Nil	99,000 <sup>(1)</sup>	146,167 <sup>(2)</sup>
	2023	36,000 <sup>(1)</sup>	Nil	Nil	Nil	113,760 <sup>(1)</sup>	149,760 <sup>(1)</sup>
Carmelo Marrelli <sup>(3)(7)</sup> <i>Former CFO and Corporate Secretary</i>	2024	16,745	Nil	Nil	Nil	62,056	78,801
	2023	15,000	Nil	Nil	Nil	60,142	75,142
Shane Morris <sup>(4)</sup> <i>COO</i>	2024	105,836	Nil	Nil	Nil	Nil	105,836
	2023	101,600	Nil	Nil	Nil	19,578	121,178
Harpreet Kaur <i>VP Research</i>	2024	125,000	Nil	Nil	Nil	Nil	125,000
	2023	127,000 <sup>(8)</sup>	Nil	Nil	Nil	Nil	127,000
Jodi Butts <i>Director</i>	2024	Nil	Nil	Nil	Nil	Nil	Nil
	2023	Nil	Nil	Nil	Nil	Nil	Nil
Perry Tsergas <i>Director</i>	2024	Nil	Nil	Nil	Nil	Nil	Nil
	2023	Nil	Nil	Nil	Nil	3,299 <sup>(5)</sup>	3,299 <sup>(5)</sup>
Fraser Macdonald <i>Director</i>	2024	Nil	Nil	Nil	Nil	Nil	Nil
	2023	Nil	Nil	Nil	Nil	750 <sup>(6)</sup>	750 <sup>(6)</sup>
Abelmalik Slassi <i>Director</i>	2024	Nil	Nil	Nil	Nil	Nil	Nil
	2023	Nil	Nil	Nil	Nil	Nil	Nil
Harriet de Wit <i>Director</i>	2024	Nil	Nil	Nil	Nil	Nil	Nil
	2023	Nil	Nil	Nil	Nil	Nil	Nil
Kevin Roy <i>Director</i>	2024	Nil	Nil	Nil	Nil	Nil	Nil
	2023	Nil	Nil	Nil	Nil	Nil	Nil

**Notes:**

- (1) These amounts were paid to NKO Consulting Corp., which provides ongoing product development regulatory support services. NKO Consulting Corp is owned by Mr. Kadysz.
- (2) \$99,000 of this amount was paid to NKO Consulting Corp.
- (3) These amounts were paid to Marrelli Support Services Inc., DSA Corporate Services Inc., DSA Filing Services Limited, and Marrelli Trust, collectively, the (the "Marrelli Group"). The services provided by the Marrelli Group are for bookkeeping services, regulatory filing services, corporate secretarial services, and transfer agent services. The Marrelli Group is owned by Mr. Marrelli.
- (4) These amounts were paid to Morris & Associates. Morris & Associates provides ongoing operational and management support services. Morris & Associates is owned by Mr. Morris.
- (5) These amounts were paid to Spark Advocacy Inc. for services related to the development and design of the Company's website, including but not limited to senior advice and counsel, project management, creative development, website development, and quality assurance. Mr. Tsergas is President and Chief Executive Officer of Spark Advocacy Inc.
- (6) These amounts were paid to F Mac Consulting Inc. for regulatory affairs consulting work billed on an hourly basis. F Mac Consulting Inc. is owned by Mr. Macdonald.
- (7) Effective October 1, 2024, William Avery was appointed the CFO of the Company, replacing Mr. Marrelli.
- (8) The salary amount paid to Ms. Kaur includes the base salary, as well as a discretionary bonus of \$15,000 paid in 2023.

## OPTIONS AND OTHER COMPENSATION SECURITIES

The following table sets out all compensation securities granted or issued to each director and Named Executive Officer by the Company, or any subsidiary thereof, in the year ended August 31, 2024, for services provided or to be provided, directly or indirectly, to the Company or any subsidiary thereof:

Compensation Securities							
Name and Position	Type of Compensation Security	Number of Compensation Securities, Number of Underlying Securities, and Percentage of Class	Date of Issue or Grant	Issue, Conversion, or Exercise Price (\$)	Closing Price of Security or Underlying Security on Date of Grant (\$)	Closing Price of Security or Underlying Security at Year End (\$)	Expiry Date
<b>Nicholas Kadysh</b> <i>President and CEO</i>	RSUs <sup>(1)</sup>	2,000,000	July 30, 2024	0.11	0.11	0.09	N/A
<b>Shane Morris</b> <i>COO</i>	RSUs <sup>(2)</sup>	750,000	March 8, 2024	0.20	0.20	0.09	N/A
<b>Jodi Butts</b> <i>Director</i>	RSUs <sup>(2)</sup>	350,000	March 8, 2024	0.20	0.20	0.09	N/A
	RSUs <sup>(1)</sup>	200,000	March 8, 2024	0.20	0.20	0.09	N/A
<b>Perry Tsergas</b> <i>Director</i>	RSUs <sup>(1)</sup>	150,000	March 8, 2024	0.20	0.20	0.09	N/A
<b>Fraser Macdonald</b> <i>Director</i>	RSUs <sup>(1)</sup>	150,000	March 8, 2024	0.20	0.20	0.09	N/A
<b>Abelmalik Slassi</b> <i>Director</i>	RSUs <sup>(1)</sup>	150,000	March 8, 2024	0.20	0.20	0.09	N/A
<b>Harriet de Wit</b> <i>Director</i>	RSUs <sup>(1)</sup>	150,000	March 8, 2024	0.20	0.20	0.09	N/A
<b>Kevin Roy</b> <i>Director</i>	RSUs <sup>(1)</sup>	150,000	March 8, 2024	0.20	0.20	0.09	N/A

**Notes:**

(1) Pursuant to the terms of the RSU grant, these RSUs vest in equal quarterly amounts over a one year period.

(2) Pursuant to the terms of the RSU grant, these RSUs vest in equal quarterly amounts over a two year period.

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

Other than disclosed in the table below, no Named Executive Officer or director of the Company exercised any compensation securities during the year ended August 31, 2024:

Name and position	Type of security or other instrument	Number of securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price on date of exercise (\$)	Total (\$)
<b>Nicholas Kadysh</b> <i>President and CEO</i>	Options	250,000	0.05	October 18, 2023	0.14	0.09	22,500
	Options	575,000	0.10	October 18, 2023	0.14	0.04	23,000



## STOCK OPTION PLANS AND OTHER INCENTIVE PLANS

To provide a long-term component to the compensation program, the Company adopted an equity incentive plan which was ratified and approved by Shareholders on January 19, 2024 (the “**Equity Incentive Plan**”). The Equity Incentive Plan is a rolling plan subject to the adjustment provisions provided for therein (including a subdivision or consolidation of Common Shares). It provides that the aggregate maximum number of Common Shares that may be issued upon the exercise or settlement of awards granted under the Equity Incentive Plan shall not exceed 20% of the Company’s issued and outstanding Common Shares from time to time. The Equity Incentive Plan is considered an “evergreen” plan, since the Common Shares covered by awards which have been exercised, settled or terminated shall be available for subsequent grants under the Equity Incentive Plan and the number of awards available to grant increases as the number of issued and outstanding Common Shares increases.

### Participation Limits

The Equity Incentive Plan also provides that the aggregate number of Common Shares: (a) issuable to insiders at any time (under all of the Company’s security-based compensation arrangements) cannot exceed 10% of the Company’s issued and outstanding Common Shares; (b) issued to persons performing investor relations services within any one year period (under all of the Company’s security-based compensation arrangements) cannot exceed 2% of the Company’s issued and outstanding Common Shares; and (c) issued to insiders within any one year period (under all of the Company’s security-based compensation arrangements) cannot exceed 10% of the Company’s issued and outstanding Common Shares.

Any Common Shares issued by the Company through the assumption or substitution of outstanding Options or other equity-based awards from an acquired corporation shall not reduce the number of Common Shares available for issuance pursuant to the exercise of awards granted under the Equity Incentive Plan.

### Administration of the Equity Incentive Plan

The Plan Administrator (as defined in the Equity Incentive Plan) is determined by the Board. The Equity Incentive Plan may in the future continue to be administered by the Board or delegated to another committee of the Board or administered by the Board itself. The Plan Administrator determines which directors, officers, consultants and employees are eligible to receive awards under the Equity Incentive Plan, the time or times at which awards may be granted, the conditions under which awards may be granted or forfeited to the Company, the number of Common Shares to be covered by any award, the exercise price of any award, whether restrictions or limitations are to be imposed on the Common Shares issuable pursuant to grants of any award, and the nature of any such restrictions or limitations, any acceleration of exercisability or vesting, or waiver of termination regarding any award, based on such factors as the Plan Administrator may determine.

In addition, the Plan Administrator interprets the Equity Incentive Plan and may adopt guidelines and other rules and regulations relating to the Equity Incentive Plan and make all other determinations and take all other actions necessary or advisable for the implementation and administration of the Equity Incentive Plan.

### Eligibility

All directors, employees and consultants are eligible to participate in the Equity Incentive Plan. The extent to which any such individual is entitled to receive a grant of an award pursuant to the Equity Incentive Plan will be determined in the sole and absolute discretion of the Plan Administrator.

### Types of Awards

Awards of Options, DSUs, RSUs and PSUs may be made under the Equity Incentive Plan. All of the awards

described below are subject to the conditions, limitations, restrictions, exercise price, vesting, settlement and forfeiture provisions determined by the Plan Administrator, in its sole discretion, subject to such limitations provided in the Equity Incentive Plan and will generally be evidenced by an award agreement. In addition, subject to the limitations provided in the Equity Incentive Plan and in accordance with applicable law, the Plan Administrator may accelerate or defer the vesting or payment of awards, cancel or modify outstanding awards, and waive any condition imposed with respect to awards or Common Shares issued pursuant to awards.

### RSUs

A RSU is a unit equivalent in value to a Common Share credited by means of a bookkeeping entry in the books of the Company which entitles the holder to receive one Common Share (or the value thereof) for each RSU after a specified vesting period. The Plan Administrator may, from time to time, subject to the provisions of the Equity Incentive Plan and such other terms and conditions as the Plan Administrator may prescribe, grant RSUs to any participant in respect of a bonus or similar payment in respect of services rendered by the applicable participant in a taxation year (the “**RSU Service Year**”).

The number of RSUs (including fractional RSUs) granted at any particular time under the Equity Incentive Plan will be calculated by dividing (a) the amount of any bonus or similar payment that is to be paid in RSUs, as determined by the Plan Administrator, by (b) the Market Price (as such term is defined in the Equity Incentive Plan). The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of RSUs, provided that the terms comply with Section 409A of the U.S. Internal Revenue Code of 1986, to the extent applicable.

Upon settlement, holders will redeem each vested RSU for the following at the election of such holder but subject to the approval of the Plan Administrator: (a) one fully paid and non-assessable Common Share in respect of each vested RSU, (b) a cash payment or (c) a combination of Common Shares and cash. Any such cash payments made by the Company shall be calculated by multiplying the number of RSUs to be redeemed for cash by the Market Price per Common Share as at the settlement date. Subject to the provisions of the Equity Incentive Plan and except as otherwise provided in an award agreement, no settlement date for any RSU shall occur, and no Common Share shall be issued, or cash payment shall be made in respect of any RSU any later than the final business day of the third calendar year following the applicable RSU Service Year.

### PSUs

A PSU is a unit equivalent in value to a Common Share credited by means of a bookkeeping entry in the books of the Company which entitles the holder to receive one Common Share (or the value thereof) for each PSU after specific performance-based vesting criteria determined by the Plan Administrator, in its sole discretion, have been satisfied. The performance goals to be achieved during any performance period, the length of any performance period, the amount of any PSUs granted, the effect of termination of a participant's service and the amount of any payment or transfer to be made pursuant to any PSU will be determined by the Plan Administrator and by the other terms and conditions of any PSU, all as set forth in the applicable award agreement. The Plan Administrator may, from time to time, subject to the provisions of the Equity Incentive Plan and such other terms and conditions as the Plan Administrator may prescribe, grant PSUs to any participant in respect of a bonus or similar payment in respect of services rendered by the applicable participant in a taxation year (the “**PSU Service Year**”).

The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of PSUs. Upon settlement, holders will redeem each vested PSU for the following at the election of such holder but subject to the approval of the Plan Administrator: (a) one fully paid and non-assessable Common Share in respect of each vested PSU, (b) a cash payment, or (c) a combination of Common Shares and cash. Any such cash payments made by the Company to a participant shall be calculated by multiplying the number of PSUs to be redeemed for cash by the Market Price per Common Share as at the settlement date. Subject

to the provisions of the Equity Incentive Plan and except as otherwise provided in an award agreement, no settlement date for any PSU shall occur, and no Common Share shall be issued or cash payment shall be made in respect of any PSU any later than the final business day of the third calendar year following the applicable PSU Service Year.

Dividend Equivalents

Except as otherwise determined by the Plan Administrator or as set forth in the particular award agreement, RSUs, PSUs and DSUs shall be credited with dividend equivalents in the form of additional RSUs, PSUs and DSUs, as applicable, as of each dividend payment date in respect of which normal cash dividends are paid on Common Shares. Dividend equivalents shall vest in proportion to, and settle in the same manner as, the awards to which they relate. Such dividend equivalents shall be computed by dividing: (a) the amount obtained by multiplying the amount of the dividend declared and paid per Common Share by the number of RSUs, PSUs and DSUs, as applicable, held by the participant on the record date for the payment of such dividend, by (b) the Market Price at the close of the first business day immediately following the dividend record date, with fractions computed to three decimal places.

Black-out Periods

In the event an award expires, at a time when a scheduled blackout is in place or an undisclosed material change or material fact in the affairs of the Company exists, the expiry of such award will be the date that is 10 business days after which such scheduled blackout terminates or there is no longer such undisclosed material change or material fact.

Term

While the Equity Incentive Plan does not stipulate a specific term for awards granted thereunder, as discussed below, awards may not expire beyond 10 years from its date of grant, except where Shareholder approval is received or where an expiry date would have fallen within a blackout period of the Company. All awards must vest and settle in accordance with the provisions of the Equity Incentive Plan and any applicable award agreement, which award agreement may include an expiry date for a specific award.

Termination of Employment or Services

The following table describes the impact of certain events upon the participants under the Equity Incentive Plan, including termination for cause, resignation, termination without cause, disability, death or retirement, subject, in each case, to the terms of a participant's applicable employment agreement, award agreement or other written agreement:

Event	Provisions
<b>Termination for Cause / Resignation</b>	Any award held by the participant that has not been exercised, surrendered or settled as of the Termination Date (as defined in the Equity Incentive Plan) shall be immediately forfeited and cancelled as of the Termination Date.
<b>Termination without Cause</b>	A portion of any unvested awards shall immediately vest, such portion to be equal to the number of unvested awards held by the participant as of the Termination Date multiplied by a fraction the numerator of which is the number of days between the date of grant and the Termination Date and the denominator of which is the number of days between the date of grant and the date any unvested awards were originally scheduled to vest.
<b>Disability</b>	A portion of any unvested awards shall immediately vest, such portion to be equal to the number of unvested awards held by the participant as of the date of disability multiplied by a fraction the numerator of which is the number of days between the date of grant and the date of disability and the denominator of which is the number of days

	between the date of grant and the date any unvested awards were originally scheduled to vest. Any vested award will be settled within 90 days after the Termination Date.
<b>Death</b>	A portion of any unvested awards shall immediately vest, such portion to be equal to the number of unvested awards held by the participant as of the date of death multiplied by a fraction the numerator of which is the number of days between the date of grant and the date of death and the denominator of which is the number of days between the date of grant and the date any unvested awards were originally scheduled to vest. Any vested award will be settled with the participant's beneficiary or legal representative (as applicable) within 90 days after the date of the participant's death.
<b>Retirement</b>	(i) a portion of any unvested awards shall immediately vest, such portion to be equal to the number of unvested awards held by the participant as of the date of retirement multiplied by a fraction the numerator of which is the number of days between the date of grant and the date of retirement and the denominator of which is the number of days between the date of grant and the date any unvested awards were originally scheduled to vest, and (ii) any outstanding award that vests based on the achievement of Performance Goals (as defined in the Equity Incentive Plan) that has not previously become vested shall continue to be eligible to vest based upon the actual achievement of such Performance Goals. Any vested award that is described in (i), such award will be settled within 90 days after the participant's retirement. In the case of a vested award that is described in (ii), such award will be settled at the same time the award would otherwise have been settled had the participant remained in active service with the Company or its subsidiary. Notwithstanding the foregoing, if, following his or her retirement, the participant commences employment, consulting or acting as a director of the Company or any of its subsidiaries (or in an analogous capacity) or otherwise as a service provider to any person that carries on or proposes to carry on a business competitive with the Company or any of its subsidiaries.

### Change in Control

Under the Equity Incentive Plan, except as may be set forth in an employment agreement, award agreement or other written agreement between the Company or a subsidiary of the Company and a participant:

- (a) If within 12 months following the completion of a transaction resulting in a Change in Control (as defined hereinafter), a participant's employment, consultancy or directorship is terminated by the Company or a subsidiary of the Company without Cause (as defined in the Equity Incentive Plan), without any action by the Plan Administrator:
  - (i) any unvested awards held by the participant at Termination Date may vest in the sole discretion of the Plan Administrator; and
  - (ii) any vested awards may be exercised, surrendered to the Company, or settled by the participant at any time during the period that terminates on the earlier of: (A) the expiry date of such award; and (B) the date that is 90 days after the Termination Date. Any award that has not been exercised, surrendered or settled at the end of such period being immediately forfeited and cancelled.
- (b) Unless otherwise determined by the Plan Administrator, if, as a result of a Change in Control, the Common Shares will cease trading on the Canadian Securities Exchange, the Company may terminate all of the awards held by a participant that is a resident of Canada for the purposes of the Income Tax Act (Canada), granted under the Equity Incentive Plan at the time of and subject to the completion of the Change in Control transaction by paying to each holder at or within a reasonable period of time following completion of such Change in Control transaction an amount for each Award equal to the fair market value of the Award held by such participant as determined by the Plan Administrator, acting reasonably, provided that any vested awards granted to U.S. Taxpayers (as defined in the Equity Incentive Plan) will be settled within 90 days of the Change in Control.

Subject to certain exceptions, a "Change in Control" includes (a) any transaction pursuant to which a person or group acquires more than 50% of the outstanding Common Shares, (b) the sale of all or substantially all of the Company's assets, (c) the dissolution or liquidation of the Company, (d) the acquisition of the Company

via consolidation, merger, exchange of securities, purchase of assets, amalgamation, statutory arrangement or otherwise, (e) individuals who comprise the Board at the last annual meeting of Shareholders (the "Incumbent Board") cease to constitute at least a majority of the Board, unless the election, or nomination for election by the Shareholders, of any new director was approved by a vote of at least a majority of the Incumbent Board, in which case such new director shall be considered as a member of the Incumbent Board, or (f) any other event which the Board determines to constitute a change in control of the Company.

#### Non-Transferability of Awards

Except as permitted by the Plan Administrator and to the extent that certain rights may pass to a beneficiary or legal representative upon death of a participant, by will or as required by law, no assignment or transfer of awards, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such awards whatsoever in any assignee or transferee and immediately upon any assignment or transfer, or any attempt to make the same, such awards will terminate and be of no further force or effect. To the extent that certain rights to exercise any portion of an outstanding award pass to a beneficiary or legal representative upon the death of a participant, the period in which such award can be exercised by such beneficiary or legal representative shall not exceed one year from the participant's death.

#### Amendments to the Equity Incentive Plan

The Plan Administrator may also from time to time, without notice and without approval of the holders of voting Common Shares, amend, modify, change, suspend or terminate the Equity Incentive Plan or any awards granted pursuant thereto as it, in its discretion, determines appropriate, provided that (a) no such amendment, modification, change, suspension or termination of the Equity Incentive Plan or any award granted pursuant thereto may materially impair any rights of a participant or materially increase any obligations of a participant under the Equity Incentive Plan without the consent of such participant, unless the Plan Administrator determines such adjustment is required or desirable in order to comply with any applicable securities laws or stock exchange requirements, and (b) any amendment that would cause an award held by a U.S. Taxpayer to be subject to the income inclusion under Section 409A of the United States Internal Revenue Code of 1986, as amended, shall be null and void ab initio.

Notwithstanding the above, and subject to the rules of the CSE, the approval of Shareholders is required to effect any of the following amendments to the Equity Incentive Plan:

- (a) increasing the number of Common Shares reserved for issuance under the Equity Incentive Plan, except pursuant to the provisions in the Equity Incentive Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Company or its capital;
- (b) increasing or removing the 10% limits on Common Shares issuable or issued to insiders;
- (c) reducing the exercise price of an Option award (for this purpose, a cancellation or termination of an award of a participant prior to its expiry date for the purpose of reissuing an award to the same participant with a lower exercise price shall be treated as an amendment to reduce the exercise price of an award. Notwithstanding the foregoing, a cancellation or termination of an award of a participant prior to its expiry may be done and will not require approval of Shareholders if conducted in compliance with, and allowed pursuant to, the policies of the CSE) except pursuant to the provisions in the Equity Incentive Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Company or its capital;
- (d) increasing or removing the limits on the participation of non-employee directors;
- (e) permitting awards to be transferred to a person;

- (f) changing the eligible participants; and
- (g) deleting or otherwise limiting the amendments which require approval of the Shareholders.

Except for the items listed above, amendments to the Equity Incentive Plan will not require Shareholder approval. Such amendments include (but are not limited to): (a) amending the general vesting provisions of an award, (b) amending the provisions for early termination of awards in connection with a termination of employment or service, (c) adding covenants of the Company for the protection of the participants, (d) amendments that are desirable as a result of changes in law in any jurisdiction where a participant resides, and (e) curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error.

#### Anti-Hedging Policy

Participants are restricted from purchasing financial instruments such as prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of awards granted to them.

The above summary of the Equity Incentive Plan is qualified in its entirety by the full terms of the Equity Incentive Plan, a copy of which is attached as Schedule "E" to the Company's management information circular dated January 19, 2024, prepared in connection with the 2024 annual general and special meeting of Shareholders which was held on February 27, 2024. A copy of the Equity Incentive Plan is available under the Company's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca) and for review at the offices of the Company at 1 Adelaide Street East, Unit 801, Toronto, Ontario M5C 2V9 during normal business hours up to and including the date of the Meeting.

### **EMPLOYMENT, CONSULTING AND MANAGEMENT AGREEMENTS**

Other than as disclosed below, the Company did not have any employment contracts, agreements, plans, or arrangements in place with any Named Executive Officer or director that provides for payment following or in connection with any termination (whether voluntary, involuntary, or constructive) resignation, retirement, a change of control of the Company, or a change in a Named Executive Officer or director's responsibility during the financial year ended August 31, 2024.

#### CFO Services Agreement

On January 10, 2022, the Company, Marrelli Support Services Inc. and Carmelo Marrelli entered into a CFO services agreement (the "**CFO Services Agreement**") for the purpose of the Company retaining CFO consulting services from Marrelli Support Services Inc. and Mr. Marrelli for an indeterminate period of time. Pursuant to the CFO Services Agreement, the Company paid Marrelli Support Services Inc. \$1,250, plus approved disbursements and applicable taxes per month (the "**CFO Monthly Fee**") and Mr. Marrelli was to be granted Options on a reasonable basis, commensurate with the position held and consistent in frequency with other Option holders.

Pursuant to the terms of the CFO Services Agreement, either party could terminate the agreement upon thirty days written notice. If the Company terminated the CFO Services Agreement within the first calendar year, the Company would have been required to pay an amount equal to the CFO Monthly Fee multiplied by the number of months equal to the difference between 12 months and the number of months that had elapsed from the effective date to the date of the termination notice (the "**First Year Termination Payment**"). The First Year Termination Payment would have been voided if termination had been by mutual agreement. If Marrelli Support Services Inc. was unable to carry out the duties of CFO as set out in the CFO Services Agreement, Marrelli Support Services Inc. was obligated to identify a replacement candidate acceptable to the Company. If Marrelli Support Services Inc. had been unable or unwilling to identify such a candidate, the

First Year Termination Payment would have been voided. If the Company terminates the CFO Services Agreement at any time after the first calendar year, the Company is required to pay a one-time termination fee in an amount equal to three times the CFO Monthly Fee. Notwithstanding, upon termination of the CFO Services Agreement, a termination fee in an amount equal to two times the CFO Monthly Fee was paid.

#### NKO Consulting Agreement

On March 27, 2021, NKO Consulting Corp. and the Company entered into a consulting agreement (the “**NKO Consulting Agreement**”) pursuant to which Mr. Kadysh, on behalf of NKO Consulting Corp. provides ongoing product development regulatory support services. Mr. Kadysh ceased providing these services pursuant to the NKO Consulting Agreement on August 1, 2024, with the execution of the CEO Agreement (as defined herein).

#### CEO Agreement

Effective September 1, 2023, Mr. Kadysh and the Company entered into an executive employment agreement, as amended and restated on July 10, 2024, (the “**CEO Agreement**”) pursuant to which the parties agreed to the terms and conditions of Mr. Kadysh’s continued employment as the CEO of the Company. Prior to this, Mr. Kadysh was paid \$3,000 per month, for CEO services from September 1, 2023, until July 31, 2024.

Pursuant to the CEO Agreement, effective July 10, 2024, and commencing August 1, 2024, the Company pays Mr. Kadysh an annual salary of \$170,000, less applicable statutory deductions, exclusive of bonuses, benefits, and other compensation (the “**Annual Salary**”). Further, Mr. Kadysh is granted a total of up to one million Common Shares per year of employment, with such compensation being offered in the form of Options, RSUs, PSUs, or any other form of compensation allowable under the Equity Incentive Plan. Mr. Kadysh is also eligible to receive an annual bonus of up to 50% of his Annual Salary, at the discretion of the Board.

The CEO Agreement may be immediately terminated by the Company by notice to Mr. Kadysh, if Mr. Kadysh suffers a disability, rendering him to fail to substantially perform his duties on a full-time basis for a period of 12 months out of any 18 month period, where such inability is a result of physical or mental injury, illness, or disability. The CEO Agreement shall also be terminated without notice upon Mr. Kadysh’s death. If Mr. Kadysh terminates the CEO Agreement for any reason, he must provide the Company with at least eight weeks’ written notice of resignation. If Mr. Kadysh terminates the CEO Agreement other than for Good Reason (as defined in the CEO Agreement), he will not be entitled to any compensation, termination allowance, or severance payment other than the compensation earned by him before termination date.

If the Company terminates the CEO agreement for Just Cause (as defined in the CEO Agreement), Mr. Kadysh’s entitlements on termination shall be limited to the Ontario Employment Standards Act, 2000 or similar applicable legislation, and he will not be entitled to any further notice or pay in lieu of notice, termination allowance, or severance payment.

### **PENSION PLAN BENEFITS**

There are no pension plan benefits in place for the Named Executive Officers or the directors of the Company.

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## SECURITIES AUTHORISED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

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The following table sets forth securities of the Company which have been authorized for issuance under equity compensation plans, as at the end of the financial year ended August 31, 2024:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by the securityholders	7,465,000 <sup>(1)(2)</sup>	\$0.12	4,504,843 <sup>(1)(2)</sup>
Equity compensation plans not approved by the securityholders	N/A	N/A	N/A
<b>Total</b>	<b>7,465,000<sup>(1)(2)</sup></b>	<b>\$0.12</b>	<b>4,504,843<sup>(1)(2)</sup></b>

**Notes:**

- (1) As at August 31, 2024, the Company had 7,465,000 Options and 6,375,000 RSUs issued under the Equity Incentive Plan, and 4,504,843 compensation securities remaining authorized for issuance under the Equity Incentive Plan.
- (2) As at August 31, 2024, the Company had 91,724,217 Common Shares issued and outstanding. The Equity Incentive Plan is a 20% rolling plan.

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## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

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None of the current or former directors, executive officers, employees of the Company, the proposed Nominees for election to the Board, or their respective associates or affiliates, are or have been indebted to the Company since the beginning of the Company's financial year ended August 31, 2024.

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## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

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Management is not aware of any material interest, direct or indirect, of any informed person of the Company, or any associate or affiliate of any such informed person, in any transaction since the commencement of the Company's fiscal year ended August 31, 2024, or in any proposed transaction, that has materially affected or would materially affect the Company.

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## MANAGEMENT CONTRACTS

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Other than as disclosed elsewhere in this Circular, no management functions of the Company are to any substantial degree performed by a person or company other than the directors or Named Executive Officers of the Company.

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## AUDIT COMMITTEE

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Pursuant to National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”), the Company is required to have an audit committee comprised of not less than three directors, a majority of whom are not officers, control persons or employees of the Company or an affiliate of the Company (the “**Audit Committee**”). NI 52-110 requires the Company, as a venture issuer, to disclose annually in its information circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor.

### Audit Committee Charter

The text of the Audit Committee's charter is attached as Schedule “A” to this Circular.



## Composition of Audit Committee and Independence

The Company's current Audit Committee consists of:

Name	Independence <sup>(1)</sup>	Financial Literacy <sup>(2)</sup>
Kevin Roy <sup>(3)</sup>	Independent	Financially literate
Jodi Butts	Independent	Financially literate
Fraser Macdonald	Independent	Financially literate

**Notes:**

- (1) As defined by NI 52-110, a member of an audit committee is "independent" if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board, reasonably interfere with the exercise of the member's independent judgment.
- (2) As defined by NI 52-110, an individual is financially literate if they have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.
- (3) Kevin Roy is the Chair of the Audit Committee.

## Relevant Education and Experience

Each member of the Company's present Audit Committee has adequate education and experience that is relevant to his performance as an Audit Committee member and, in particular, the requisite education and experience that have provided the member with:

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) 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 can reasonably be expected to be raised by the Company's financial statements or experience actively supervising individuals engaged in such activities; and
- (c) an understanding of internal controls and procedures for financial reporting.

## Audit Committee Member Biographies

### Kevin Roy – Director

Mr. Roy is an accomplished financial executive with experience in senior roles, providing principled leadership, strategic thinking, and financial discipline to growing organizations. With FirstService Company (TSX, NASDAQ: FSV) for more than 20 years, Mr. Roy served primarily as Chief Financial Officer of the FirstService Company's Brands division, working with executive management and platform leaders to drive growing businesses and achieve strong financial results. Mr. Roy started his career with FirstService Company as Director, Corporate Development. Previously he was a member of PricewaterhouseCoopers' Mergers & Acquisitions advisory team and audit and accounting group. Mr. Roy is currently focused on consulting, project engagements, and board work. Kevin holds a Commerce degree from the University of Windsor and received his CPA, CA designation in 1997.

### Jodi Butts – Chairperson and Director

Ms. Butts is a lawyer, entrepreneur, and a seasoned executive with a strong track record in driving positive change and growth within leading organizations. Currently, Ms. Butts serves as an independent member of the Board of Directors of Canada Goose Holdings Inc.; Chair of The Walrus Foundation Board of Directors; and as a member of the Board of Governors and Audit Committee of the University of Windsor.

She also holds several Board Advisory roles including with Bayshore Home Healthcare. Previously, Ms. Butts served as Chief Executive Officer of Rise Asset Development and Senior Vice-President of Operations and Redevelopment at Mount Sinai Hospital. Ms. Butts received a master's degree in Canadian History from the University of Toronto, is a graduate of the University of Toronto, Faculty of Law, and was called to the Bar in 2000.

Fraser Macdonald – Director

Mr. Macdonald is a corporate lawyer and public affairs consultant based in Toronto. Mr. Macdonald has provided advice to blue-chip clients across three continents. Specializing in banking and finance law, Mr. Macdonald has worked at top-tier international law firms in Toronto, Australia and London, UK. Mr. Macdonald has a deep understanding of the regulatory landscape for financial institutions and other businesses both within Canada and internationally. Mr. Macdonald is currently a Senior Associate at a leading boutique government relations consultancy firm in Toronto. Fraser holds a B.A. (Hons) in History from Queen's University and a Juris Doctor (with Honours) from Bond University.

**Audit Committee Oversight**

Since the commencement of the Company's financial year ended August 31, 2024, the Audit Committee has not made any recommendations to nominate or compensate an external auditor which were not adopted by the Board.

**Reliance on Certain Exemptions**

Other than as disclosed below, at no time since the commencement of the Company's most recently completed fiscal year has the Company relied on an exemption from the provisions of NI 52-110.

The Company has relied upon the exemption provided by section 6.1 of NI 52-110, which states that the Company, as a venture issuer, is not required to comply with Part 5 (Reporting Obligations).

**Pre-Approval Policies and Procedures**

The Audit Committee is authorized by the Board to review the performance of the Company's external auditors and approve in advance provision of services other than auditing and to consider the independence of the external auditors, including a review of the range of services provided in the context of all consulting services bought by the Company. The Audit Committee is authorized to approve in writing any non-audit services or additional work which the Chairman of the Audit Committee deems is necessary, and the Chairman of the Audit Committee will notify the other members of the Audit Committee of such non-audit or additional work and the reasons for such non-audit work for the Committee's consideration, and if thought fit, approval in writing.

**External Auditor Fees**

The following table sets forth the fees paid by the Company and its subsidiaries to Clearhouse for services rendered in the last two fiscal years:

<b>Audit Fee Category</b>	<b>2024</b>	<b>2023</b>
Audit fees <sup>(1)</sup>	\$61,900	\$49,000
Audit related fees <sup>(2)</sup>	NIL	\$11,000
Tax fees <sup>(3)</sup>	\$3,150	\$3,550
All other fees <sup>(4)</sup>	NIL	\$1,945
<b>Total</b>	<b>\$65,050</b>	<b>\$65,495</b>

**Notes:**

- (1) "**Audit Fees**" include aggregate fees billed by the Company's external auditor(s) in each of the last two fiscal years for audit fees.
- (2) "**Audited Related Fees**" include the aggregate fees billed in each of the last two fiscal years for assurance and related services by the Company's external auditor(s) that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under "Audit fees" above. The services provided include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "**Tax Fees**" include the aggregate fees billed in each of the last two fiscal years for professional services rendered by the Company's external auditor(s) for tax compliance, tax advice and tax planning. The services provided include tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "**All Other Fees**" include the aggregate fees billed in each of the last two fiscal years for products and services provided by the Company's external auditor(s), other than "Audit Fees", "Audit Related Fees" and "Tax Fees" above.

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## CORPORATE GOVERNANCE

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Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the Shareholders and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Company. National Policy 58-201 – *Corporate Governance Guidelines* establishes corporate governance guidelines which apply to all public companies. These guidelines are not intended to be prescriptive but to be used by issuers in developing their own corporate governance practices. The Board is committed to sound corporate governance practices, which are both in the interest of its Shareholders and contribute to effective and efficient decision making.

NI 58-101 requires all reporting issuers to provide certain annual disclosure of their corporate governance practices with respect to the corporate governance guidelines (the "**Guidelines**") adopted in National Policy 58-201. These Guidelines are not prescriptive but have been used by the Company in adopting its corporate governance practices. The Board and Management consider good corporate governance to be an integral part of the effective and efficient operation of Canadian corporations. The Company's approach to corporate governance is set out below.

### **Board**

Under NI 58-101, a director is considered to be independent if he or she is independent within the meaning of NI 52-110. Pursuant to NI 52-110, an independent director is a director who is free from any direct or indirect relationship which could, in the view of the Board, be reasonably expected to interfere with a director's independent judgment. Based on information provided by each director concerning his or her background, employment and affiliations, the Board has determined that of the seven directors on the Board, one will not be considered independent as a result of his relationship with the Company. The Board has not adopted a director interlock policy but is keeping informed of other public directorships held by its members.

The Board facilitates its exercise of independent supervision over the Company's management through frequent Board meetings.

The Board is comprised of seven directors: Nicholas Kadysh, Kevin Roy, Jodi Butts, Perry Tsergas, Fraser Macdonald, Abdelmalik Slassi, and Harriet de Wit. It is proposed that all seven of the current directors will be nominated for re-election at the Meeting to hold office until the close of the next annual meeting of Shareholders or until their successors are duly elected or appointed pursuant to the by-laws of the Company, unless their offices are earlier vacated in accordance with the provisions of the *Business Corporations Act* (Ontario) (the "**OBCA**").

The Company considers each of Kevin Roy, Jodi Butts, Perry Tsergas, Fraser Macdonald, Abdelmalik Slassi and Harriet de Wit to be independent. Nicholas Kadysh is not independent as he is the President

and CEO of the Company.

The Board seeks to manage or supervise the management of the business and affairs of the Company and to act with a view to the best interests of the Company. Directors are expected to become and remain informed about the Company and its business, properties, risks and prospects and are responsible for determining that effective systems are in place for the periodic and timely reporting to the Board on important matters concerning the Company. The directors are also responsible for ensuring that periodic reviews are undertaken of the integrity of the Company's internal controls and management information systems.

The Board has taken reasonable steps to ensure that adequate structures and processes are in place to permit the Board to function independently of Management. As the size of the Board is small, the Board has no formal procedures designed to facilitate the exercise of independent supervision over Management, relying instead on the integrity of the individual members of its management team to act in the best interests of the Company. The Board is of the opinion that the size of the Board is adequate and facilitates the efficiency of its deliberations, while ensuring a diversity of opinion and experience, and believes that each and every director is eager to fulfil his or her obligations and assume his or her responsibilities in the Company's best interests, with due regard to the best interests of the Shareholders.

The independent directors of the Board meet independently of Management as they deem appropriate after Board meetings. The Board provides leadership for its independent directors through formal board meetings, by encouraging independent directors to bring forth agenda items, and by providing independent directors with access to senior management, outside advisors, and unfettered access to information regarding our activities. The relatively small size of the Board facilitates this process.

### **Directorships**

The following table sets forth the directors of the Company who currently hold directorships in other reporting issuers (or the equivalent in a foreign jurisdiction):

<b>Name of Director</b>	<b>Name of Reporting Issuer</b>	<b>Exchange</b>
Nicholas Kadysh	Psyched Wellness Ltd.	CSE: PSYC
Jodi Butts	Canada Goose Holdings Inc.	TSX: GOOS

### **Orientation and Continuing Education**

The CEO and/or CFO are responsible for providing an orientation for new directors. Director orientation and ongoing training includes presentations by senior management to familiarize directors with the Company's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its principal officers and its internal and independent auditors. On occasions where it is considered advisable, the Board provides individual directors with information regarding topics of general interest, such as fiduciary duties and continuous disclosure obligations. The Board ensures that each director is up to date with current information regarding the business of the Company, the role the director is expected to fulfill and basic procedures and operations of the Board. The Board members are given access to management and other employees and advisors, who can answer any questions that may arise. Regular technical presentations are made to the directors to keep them informed of the Company's operations.

## **Ethical Business Conduct**

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law, and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest, have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Under corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In addition, as some of the directors of the Company may also serve as directors and officers of other companies engaged in similar business activities, directors must comply with the conflict-of-interest provisions of the OBCA, as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors, which evoke such a conflict.

## **Nomination of Directors**

The Board does not have a nominating committee. The Board will consider its size each year when it passes a resolution determining the number of directors to be appointed at each annual general meeting of Shareholders. The Board determined that the configuration of seven directors is the appropriate number of directors, taking into account the number required to carry out duties effectively while maintaining a diversity of views and experience. The Board will evaluate new nominees to the Board, although a formal process has not been adopted. The nominees will generally be the result of recruitment efforts by the Board, including both formal and informal discussions among Board members, the Chairman of the Board and CEO. The Board monitors but will not formally assess the performance of individual Board members or committee members or their contributions.

## **Compensation**

The Compensation Committee is responsible for assisting the Board in reviewing and approving compensation for the directors and senior management team, as well as reviewing their respective responsibilities, time commitment and risks involved in being an effective director. The Compensation Committee also administers the Company's compensation plans, discretionary bonuses and such other compensation plans, or structure as adopted by the Company from time-to-time, researching and identifying trends in employment benefits as well as establishing and conducting periodic reviews of the Company's policies in the area of management benefits and perquisites.

## **Assessments**

Due to the minimal size of the Board, no formal policy has been established to monitor the effectiveness of the directors, the Board and its committees. The Board anticipates that it will not conduct any formal evaluation of the performance and effectiveness of the members of the Board. The Board as a whole or any committee of the Board, however, will consider the effectiveness and contribution of the Board, its members, the Audit Committee, and the Compensation Committee on an ongoing basis. Furthermore, Management and directors of the Company will communicate with shareholders on an ongoing basis, and shareholders will be regularly consulted on the effectiveness of Board members and the Board as a whole.

## **Other Board Committees**

At the present time, other than the Audit Committee and Compensation Committee, the Board has no other

committees. The written charter of the Audit Committee, as required by NI 52-110, is contained in Schedule “A” to this Circular. The written charter of the Compensation Committee is contained in Schedule “B” to this Circular. As the Company grows, and its operations and management structure became more complex, the Board expects it will constitute other standing committees, such as a corporate governance committee and a nominating committee and will ensure that such committees are governed by written charters and are composed of at least a majority of independent directors.

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#### ADDITIONAL INFORMATION

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Additional information relating to the Company may be found on the Company's website at [www.pharmala.ca](http://www.pharmala.ca) and on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Financial information about the Company is provided in the Annual Financial Statements, a copy of which, together with MD&A thereon, can be found on the Company's website at [www.pharmala.ca](http://www.pharmala.ca) and under its SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca). Additional financial information concerning the Company may be obtained by any securityholder of the Company free of charge by contacting the Company by email at [investors@pharmala.ca](mailto:investors@pharmala.ca).

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#### BOARD APPROVAL

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

**DATED** at Toronto, Ontario on the 11<sup>th</sup> day of February 2025.

**BY ORDER OF THE BOARD**

*/s/ Nicholas Kadysh*

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**Nicholas Kadysh**  
President, CEO, and Director

**SCHEDULE "A"**

**AUDIT COMMITTEE CHARTER**

*(See attached.)*

**PHARMALA BIOTECH HOLDINGS INC.**

**AUDIT COMMITTEE CHARTER**

**1. PURPOSE AND PRIMARY RESPONSIBILITY**

- 1.1. This charter sets out the Audit Committee's purpose, composition, member qualification, member appointment and removal, responsibilities, operations, manner of reporting to the Board of Directors (the "**Board**") of PharmAla Biotech Holdings Inc. (the "**Company**"), annual evaluation and compliance with this charter.
- 1.2. The primary responsibility of the Audit Committee is that of oversight of the financial reporting process on behalf of the Board. This includes oversight responsibility for financial reporting and continuous disclosure, oversight of external audit activities, oversight of financial risk and financial management control, and oversight responsibility for compliance with tax and securities laws and regulations as well as whistle blowing procedures. The Audit Committee is also responsible for the other matters as set out in this charter and/or such other matters as may be directed by the Board from time to time. The Audit Committee should exercise continuous oversight of developments in these areas.

**2. MEMBERSHIP**

- 2.1. At least a majority of the Audit Committee must be comprised of independent directors of the Company as defined in sections 1.4 and 1.5 of National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"), provided that should the Company become listed on a senior exchange, each member of the Audit Committee will also satisfy the independence requirements of such exchange.
- 2.2. The Audit Committee will consist of at least two members, all of whom shall be financially literate, provided that an Audit Committee member who is not financially literate may be appointed to the Audit Committee if such member becomes financially literate within a reasonable period of time following his or her appointment. Upon graduating to a more senior stock exchange, if required under the rules or policies of such exchange, the Audit Committee will consist of at least three members, all of whom shall meet the experience and financial literacy requirements of such exchange and of NI 52-110.
- 2.3. The members of the Audit Committee will be appointed annually (and from time to time thereafter to fill vacancies on the Audit Committee) by the Board. An Audit Committee member may be removed or replaced at any time at the discretion of the Board and will cease to be a member of the Audit Committee on ceasing to be an independent director.
- 2.4. The Chair of the Audit Committee will be appointed by the Board.

**3. AUTHORITY**

- 3.1. In addition to all authority required to carry out the duties and responsibilities included in this charter, the Audit Committee has specific authority to:
  - a) engage, set and pay the compensation for independent counsel and other advisors as it determines necessary to carry out its duties and responsibilities, and any such consultants or professional advisors so retained by the Audit Committee will report directly to the Audit Committee;
  - b) communicate directly with management and any internal auditor, and with the external auditor without management involvement; and
  - c) incur ordinary administrative expenses that are necessary or appropriate in carrying out its duties, which expenses will be paid for by the Company.

**4. DUTIES AND RESPONSIBILITIES**

- 4.1. The duties and responsibilities of the Audit Committee include:
  - a) recommending to the Board the external auditor to be nominated by the Board;
  - b) recommending to the Board the compensation of the external auditor to be paid by the Company in connection with (i) preparing and issuing the audit report on the Company's financial statements, and (ii) performing other audit, review or attestation services;



- c) reviewing the external auditor's annual audit plan, fee schedule and any related services proposals (including meeting with the external auditor to discuss any deviations from or changes to the original audit plan, as well as to ensure that no management restrictions have been placed on the scope and extent of the audit examinations by the external auditor or the reporting of their findings to the Audit Committee);
- d) overseeing the work of the external auditor;
- e) ensuring that the external auditor is independent by receiving a report annually from the external auditors with respect to their independence, such report to include disclosure of all engagements (and fees related thereto) for non-audit services provided to the Company;
- f) ensuring that the external auditor is in good standing with the Canadian Public Accountability Board by receiving, at least annually, a report by the external auditor on the audit firm's internal quality control processes and procedures, such report to include any material issues raised by the most recent internal quality control review, or peer review, of the firm, or any governmental or professional authorities of the firm within the preceding five years, and any steps taken to deal with such issues;
- g) ensuring that the external auditor meets the rotation requirements for partners and staff assigned to the Company's annual audit by receiving a report annually from the external auditors setting out the status of each professional with respect to the appropriate regulatory rotation requirements and plans to transition new partners and staff onto the audit engagement as various audit team members' rotation periods expire;
- h) reviewing and discussing with management and the external auditor the annual audited and quarterly unaudited financial statements and related Management Discussion and Analysis ("MD&A"), including the appropriateness of the Company's accounting policies, disclosures (including material transactions with related parties), reserves, key estimates and judgements (including changes or variations thereto) and obtaining reasonable assurance that the financial statements are presented fairly in accordance with IFRS and the MD&A is in compliance with appropriate regulatory requirements;
- i) reviewing and discussing with management and the external auditor major issues regarding accounting principles and financial statement presentation including any significant changes in the selection or application of accounting principles to be observed in the preparation of the financial statements of the Company and its subsidiaries;
- j) reviewing and discussing with management and the external auditor the external auditor's written communications to the Audit Committee in accordance with generally accepted auditing standards and other applicable regulatory requirements arising from the annual audit and quarterly review engagements;
- k) reviewing and discussing with management and the external auditor all earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies prior to such information being disclosed;
- l) reviewing the external auditor's report to the shareholders on the Company's annual financial statements;
- m) reporting on and recommending to the Board the approval of the annual financial statements and the external auditor's report on those financial statements, the quarterly unaudited financial statements, and the related MD&A and press releases for such financial statements, prior to the dissemination of these documents to shareholders, regulators, analysts and the public;
- n) satisfying itself on a regular basis through reports from management and related reports, if any, from the external auditors, that adequate procedures are in place for the review of the Company's disclosure of financial information extracted or derived from the Company's financial statements that such information is fairly presented;
- o) overseeing the adequacy of the Company's system of internal accounting controls and obtaining from management and the external auditor summaries and recommendations for improvement of such internal controls and processes, together with reviewing management's remediation of identified weaknesses;
- p) reviewing with management and the external auditors the integrity of disclosure controls and internal controls over financial reporting;
- q) reviewing and monitoring the processes in place to identify and manage the principal risks that could impact the financial reporting of the Company and assessing, as part of its internal controls responsibility, the effectiveness of the over-all process for identifying principal business risks and report thereon to the Board;

- r) satisfying itself that management has developed and implemented a system to ensure that the Company meets its continuous disclosure obligations through the receipt of regular reports from management and the Company's legal advisors on the functioning of the disclosure compliance system, (including any significant instances of non-compliance with such system) in order to satisfy itself that such system may be reasonably relied upon;
  - s) resolving disputes between management and the external auditor regarding financial reporting;
  - t) establishing procedures for: (i) the receipt, retention and treatment of complaints received by the Company from employees and others regarding accounting, internal accounting controls or auditing matters and questionable practises relating thereto; and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;
  - u) reviewing and approving the Company's hiring policies with respect to partners or employees (or former partners or employees) of either a former or the present external auditor;
  - v) pre-approving all non-audit services to be provided to the Company or any subsidiaries by the Company's external auditor;
  - w) overseeing compliance with regulatory authority requirements for disclosure of external auditor services and Audit Committee activities;
  - x) establishing procedures for: (i) reviewing the adequacy of the Company's insurance coverage, including the Directors' and Officers' insurance coverage; (ii) reviewing activities, organizational structure, and qualifications of the Chief Financial Officer ("CFO") and the staff in the financial reporting area and ensuring that matters related to succession planning within the Company are raised for consideration at the Board; (iii) obtaining reasonable assurance as to the integrity of the Chief Executive Officer ("CEO") and other senior management and that the CEO and other senior management strive to create a culture of integrity throughout the Company; (iv) reviewing fraud prevention policies and programs, and monitoring their implementation; (v) reviewing regular reports from management and others (e.g., external auditors, legal counsel) with respect to the Company's compliance with laws and regulations having a material impact on the financial statements including:
    - a. Tax and financial reporting laws and regulations;
    - b. Legal withholding requirements;
    - c. Environmental protection laws and regulations; and
    - d. Other laws and regulations which expose directors to liability.
- 4.2. A regular part of Audit Committee meetings involves the appropriate orientation of new members as well as the continuous education of all members. Items to be discussed include specific business issues as well as new accounting and securities legislation that may impact the organization. The Chair of the Audit Committee will regularly canvass the Audit Committee members for continuous education needs and in conjunction with the Board education program, arrange for such education to be provided to the Audit Committee on a timely basis.
- 4.3. On an annual basis the Audit Committee shall review and assess the adequacy of this charter taking into account all applicable legislative and regulatory requirements as well as any best practice guidelines recommended by regulators or stock exchanges with whom the Company has a reporting relationship and, if appropriate, recommend changes to the Audit Committee charter to the Board for its approval.

## 5. MEETINGS

- 5.1. The quorum for a meeting of the Audit Committee is a majority of the members of the Audit Committee.
- 5.2. The Chair of the Audit Committee shall be responsible for leadership of the Audit Committee, including scheduling and presiding over meetings, preparing agendas, overseeing the preparation of briefing documents to circulate during the meetings as well as pre-meeting materials, and making regular reports to the Board. The Chair of the Audit Committee will also maintain regular liaison with the CEO, CFO, and the lead external audit partner.
- 5.3. The Audit Committee will meet in camera separately with each of the CEO and the CFO of the Company at least annually to review the financial affairs of the Company.
- 5.4. The Audit Committee will meet with the external auditor of the Company in camera at least once each year, at such

time(s) as it deems appropriate, to review the external auditor's examination and report.

- 5.5. The external auditor must be given reasonable notice of, and has the right to appear before and to be heard at, each meeting of the Audit Committee.
- 5.6. Each of the Chair of the Audit Committee, members of the Audit Committee, Chair of the Board, external auditor, CEO, CFO or secretary shall be entitled to request that the Chair of the Audit Committee call a meeting which shall be held within 48 hours of receipt of such request to consider any matter that such individual believes should be brought to the attention of the Board or the shareholders.

#### **6. REPORTS**

- 6.1. The Audit Committee will report, at least annually, to the Board regarding the Audit Committee's examinations and recommendations.
- 6.2. The Audit Committee will report its activities to the Board to be incorporated as a part of the minutes of the Board meeting at which those activities are reported.

#### **7. MINUTES**

- 7.1. The Audit Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.

#### **8. ANNUAL PERFORMANCE EVALUATION**

The Board will conduct an annual performance evaluation of the Audit Committee, taking into account the Charter, to determine the effectiveness of the Audit Committee.

**SCHEDULE "B"**

**COMPENSATION COMMITTEE CHARTER**

*(See attached.)*

# PHARMALA BIOTECH HOLDINGS INC.

## Mandate of the Compensation Committee

### Purpose

1. The Compensation and Nominating Committee (the "**Committee**") is appointed by the Board of Directors (the "**Board**") of PHARMALA BIOTECH HOLDINGS INC. (the "**Corporation**") to assist the Corporation in identifying and recommending new nominees for election to the Board; assist the Board in setting director and senior officer compensation and to develop and submit to the Board recommendations with respect to other employee benefits considered advisable. The Committee will be guided by the following principles:
  - (a) to offer competitive compensation to attract, retain and motivate qualified executives in order for the Corporation to achieve the strategic plan and budgets approved by the Board; and
  - (b) act in the interests of the Corporation by being financially responsible.

### Composition

2. The Committee shall be composed of three or more directors as designated by the Board from time to time.
3. The Chair of the Committee shall be designated by the Board or the Committee from among the members.
4. The Committee shall meet all applicable securities laws, instruments, rules and mandatory policies and regulatory requirements (collectively "**Applicable Laws**") including relating to independence within the meaning of Applicable Laws. Each member shall be independent within the meaning of Applicable Laws.
5. Each member of the Committee shall be appointed by, and serve at the pleasure of, the Board. The Board may fill vacancies in the Committee by appointment from among the Board.

### Meetings

6. The Committee shall meet at least once in each financial year of the Corporation and otherwise at the discretion of the Chair or a majority of the members or as may be required by Applicable Laws.
7. A majority of the members of the Committee shall constitute a quorum.
8. The Committee should hold an *in camera* session without any senior officers present at each meeting.

9. The time and place at which meetings of the Committee are to be held, and the procedures at such meetings, will be determined from time to time by the Chair. A meeting of the Committee may be called by notice, which may be given by written notice, telephone, facsimile, email or other communication equipment, given at least 24 hours prior to the time of the meeting, 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 waive notice or otherwise signify their consent to the holding of such meeting.
10. Members may participate in a meeting of the Committee by means of conference telephone or other communication equipment.
11. The Committee shall keep minutes of its meetings, excluding, when the Committee deems it expedient to do so, minutes of *in camera* sessions, which shall be available for review by the Board.
12. The Committee may appoint any individual, who need not be a member, to act as the secretary at any meeting.
13. The Committee may invite such directors, senior officers and other employees of the Corporation and such other advisors and persons as is considered advisable to attend at any meeting of the Committee.
14. Any matter to be determined by the Committee shall be decided by a majority of the votes cast at a meeting of the Committee called for such purpose. Any action of the Committee may also be taken by an instrument or instruments in writing signed by all of the members of the Committee (including in counterparts) and any such action shall be as effective as if it had been decided by a majority of votes cast at a meeting of the Committee called for such purpose.
15. The Committee shall report its definitive determinations and recommendations to the Board.

### **Resources and Authority**

16. The Committee has the authority to:
  - (a) engage, at the expense of the Corporation, independent counsel and other experts or advisors as is considered advisable, including compensation consultants to assist in determining appropriate compensation policies and levels, provided that any services to be provided by any such compensation consultants must be pre-approved by the Committee and, any services to be provided by any such compensation consultants at the request of the senior officers, must be pre-approved by the Chair;

- (b) determine and pay the compensation for any independent counsel and other experts and advisors, including compensation consultants, retained by the Committee;
- (c) conduct any investigation it determines is appropriate; and
- (d) request any senior officer or other employee, or outside counsel for the Corporation, to attend any meeting of the Committee or to meet with any members of, or independent counsel or other experts or advisors to, the Committee.

## **Responsibilities**

### ***(a) Remuneration of Senior Officers***

17. The Committee is responsible for:

- (a) reviewing and making recommendations to the Board with respect to the compensation policies and practices of the Corporation;
- (b) annually reviewing and recommending to the Board for approval the remuneration of the senior officers of the Corporation, namely, the Chief Executive Officer (the "**CEO**"), the Chief Financial Officer (the "**CFO**"), any Vice-President and any other employee of the Corporation having a comparable position as may be specified by the Board (collectively the "**Senior Executives**"), with such review being carried out in consultation with the CEO, other than the remuneration of the CEO;
- (c) reviewing the goals and objectives of the CEO for the next financial year of the Corporation and providing an appraisal of the performance of the CEO following the completion of each financial year;
- (d) meeting with the CEO on at least an annual basis to discuss goals and objectives for the other Senior Executives, their compensation and performance;
- (e) reviewing and making a recommendation to the Board on the hiring or termination of any Senior Executive or on any special employment contract containing, or including, any retiring allowance or any agreement to take effect, or to provide for the payment of benefits, in the event of a termination or change of control of the Corporation affecting, a Senior Executive or any amendment to any such contract or agreement;
- (f) making, on an annual basis, a recommendation to the Board as to any incentive award to be made to the Senior Executives under any incentive plan or under any employment contract of a Senior Executive;

- (g) on an annual basis, comparing the total remuneration (including benefits) and the main components thereof of the Senior Executives with the remuneration of peers in the same industry; and
- (h) annually identifying any risks associated with the compensation policies and practices of the Corporation that are reasonably likely to have a material adverse effect on the Corporation, considering the implications of any such risks and, to the extent deemed necessary by the Committee, establishing practices to identify and mitigate compensation policies and practices that could encourage Senior Executives to take inappropriate or excessive risks.

***(b) Remuneration of Directors***

18. On an annual basis, the Committee should review and make a recommendation to the Board with respect to the remuneration of directors.

***(c) Share Ownership Guidelines***

19. The Committee should review, and make a recommendation to the Board with respect to, any share ownership guidelines applicable to the Senior Executives and the directors and review the shareholdings of the Senior Executives and directors based on such guidelines established from time to time.

***(d) Equity Based Compensation Plans***

20. The Committee is responsible for:
- (a) ensuring that any required regulatory approval and shareholder approval is obtained for any equity based compensation plan of the Corporation;
  - (b) overseeing the equity based compensation plans of the Corporation; and
  - (c) determining those directors, Senior Executives, other employees and consultants of the Corporation who are entitled to participate in the equity based incentive plans of the Corporation, the number of options, common shares or other equity based securities of the Corporation allocated to each participant under each such plan, if any, the time or times when the ownership of such common shares or other equity based securities will vest for each participant and administer all matters relating to any equity based incentive plan of the Corporation and any employee bonus plan of the Corporation to which the Committee has been delegated authority pursuant to the terms of such plan or by a resolution passed by the Board.



***(e) Public Disclosure***

21. The Committee should review, and make a recommendation to the Board with respect to, any disclosure related to executive compensation included in any management information circular of the Corporation for any meeting of the shareholders of the Corporation and review and approve the report on executive compensation required by Applicable Laws to be included in any management information circular of the Corporation.

***(f) Other Responsibilities***

22. The Committee should review and assess the adequacy of this mandate from time to time and at least annually and submit any proposed amendments to the Board for consideration.
23. The Committee should perform any other activities consistent with this mandate and Applicable Laws as the Committee or the Board deems advisable.

**Chair**

24. The Chair of the Committee should:
- (a) provide leadership to the Committee and oversee the functioning of the Committee;
  - (b) chair meetings of the Committee, unless not present, including *in camera* sessions, and report to the Board following each meeting of the Committee on the activities, and any material recommendations and decisions, of the Committee and otherwise at such times and in such manner as the Chair considers advisable;
  - (c) ensure that the Committee meets at least once per financial year of the Corporation and otherwise as is considered advisable;
  - (d) in consultation with the Chairman of the Board and the members, establish dates for holding meetings of the Committee;
  - (e) ensure that Committee materials are available to any director upon request;
  - (f) act as liaison and maintain communication with the Chairman of the Board, the Lead Director, if any, and the Board;
  - (g) report annually to the Board on the role of the Committee and the effectiveness of the Committee in contributing to the effectiveness of the Board;

- (h) together with the Board, oversee the structure, composition and membership of, and activities delegated to, the Committee from time to time;
- (i) attend, or arrange for another member of the Committee to attend, each meeting of the shareholders of the Corporation to respond to any questions from shareholders which may be asked of the Committee; and
- (j) perform such other duties as may be delegated to the Chair by the Committee or the Board from time to time.