

## STARREX INTERNATIONAL LTD.

### NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

**TAKE NOTICE** that the Annual and Special Meeting (the "**Meeting**") of the shareholders ("**Shareholders**") of **STARREX INTERNATIONAL LTD.** (the "**Corporation**") will be held on March 15, 2021 at 12:00 p.m. (Mountain time) to be held solely by means of remote communication. Shareholders are urged to attend the Meeting remotely (see instructions later in this Notice) for the following purposes:

- (a) to receive the audited financial statements of the Corporation as at and for the year ended December 31, 2019;
- (b) to appoint McGovern Hurley LLP as the auditors of the Corporation for the ensuing year and to authorize the directors to determine the remuneration to be paid to the auditors;
- (c) to elect Matthew D. Hill, P. Garrett Clayton, Charles Burns, Garfield J. Last and Scott Reeves as directors of the Corporation;
- (d) to consider and, if deemed advisable, to pass an ordinary resolution, the full text of which is set forth in the accompanying Management Information Circular (the "**Circular**"), approving the stock option plan of the Corporation; and
- (e) to transact such further business as may properly come before the Meeting or any adjournment thereof. Information relating to matters to be acted upon by the Shareholders at the Meeting is set forth in the accompanying Circular.

**The Corporation intends to hold the Meeting via remote communication only. To participate or submit questions during the Meeting, Shareholders can join by remote communication instructions below. The Corporation reserves the right to take any additional precautionary measures it deems appropriate in relation to the Meeting in response to further developments in respect of the COVID-19 outbreak.**

**Shareholders may participate in the Meeting by phone or by computer audio using the following information:**

**Telephone Dial In:** 720-902-7700  
**Alternate Dial In:** 623-404-9000  
**Computer Audio:** <https://meetings.ringcentral.com>  
**Meeting ID:** 765 205 6127  
**Passcode:** STXAGM2021

**Shareholders are required to complete, sign and date the form of proxy or follow online voting instructions set out herein.** An Instrument of Proxy will not be valid unless it is deposited at the offices of the Corporation's registrar and transfer agent, Odyssey Trust Company, by mail at 1230 – 300 5<sup>th</sup> Avenue SW Calgary AB T2P 3C4, by fax at 1-800-517-4553 or by internet at <https://login.odysseytrust.com/pxlogin> using your 12 digit control number (located on the Form of Proxy accompanying this Circular), in the enclosed self-addressed envelope, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) before the time of the Meeting, or any adjournment thereof. A person appointed as proxy holder need not be a Shareholder of the Corporation.

Only Shareholders of record as at the close of business on January 29, 2021 (the "**Record Date**") are entitled to receive notice of the Meeting.

**SHAREHOLDERS ARE CAUTIONED THAT THE USE OF THE MAIL TO TRANSMIT PROXIES IS AT EACH SHAREHOLDER'S RISK.**

**DATED:** February 6, 2021

**BY ORDER OF THE BOARD OF DIRECTORS**

*“Matthew Hill”*

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**Matthew D. Hill**  
**President, CEO, Chairman of the Board and Director**



**STARREX INTERNATIONAL LTD.**

**MANAGEMENT INFORMATION CIRCULAR  
FOR THE ANNUAL AND SPECIAL MEETING  
OF SHAREHOLDERS  
to be held on March 15, 2021**

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This Management Information Circular (the “**Circular**”) is furnished in connection with the solicitation by the management of **STARREX INTERNATIONAL LTD.** (the “**Corporation**”) of proxies to be used at the annual and special meeting (the “**Meeting**”) of shareholders of the Corporation (“**Shareholders**”) to be held solely by means of remote communication at 12:00 p.m. (Mountain Time) on March 15, 2021, and at any adjournment thereof for the purposes set forth in the accompanying Notice of Annual and Special Meeting of Shareholders (the “**Notice of Meeting**”). No person has been authorized to give any information or make any representation in connection with any 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. The information contained in this Circular is given as of February 6, 2021, unless otherwise indicated.

This year, out of an abundance of caution, to proactively deal with the unprecedented public health impact of coronavirus disease 2019, also known as COVID-19, and to mitigate risks to the health and safety of the Corporation’s communities, shareholders, employees and other stakeholders, the Corporation will hold the Meeting in a virtual only format, which will be conducted via live audio webcast. Shareholders will have an equal opportunity to participate at the Meeting online, regardless of their geographic location. Shareholders will not be able to attend the Meeting in person.

**SOLICITATION OF PROXIES**

**Management of the Corporation is soliciting proxies from Shareholders for the Meeting.** The costs incurred in the preparation and mailing of the form of proxy, Notice of Meeting and this Circular will be borne by the Corporation. In addition to solicitation by mail, proxies may be solicited by telephone or other means of communication and by directors, officers and employees of the Corporation, who will not be specifically remunerated therefore.

**RECORD DATE**

The record date (the “**Record Date**”) for determination of Shareholders entitled to receive notice of and to vote at the Meeting is January 29, 2021. Only Shareholders of record as at the Record Date are entitled to receive notice of the Meeting and to vote their common shares (“**Shares**”) at the Meeting.

**APPOINTMENT OF PROXIES AND PROXY VOTING**

A Shareholder whose name appears on the Corporation’s records as a Shareholder (a “**Registered Shareholder**”) may vote prior to the meeting by means described below or they may appoint another person, who does not have to be a Shareholder, as their proxy to attend and vote in their place. The persons named in the enclosed form of proxy are directors and/or officers of the Corporation.

**Each Registered Shareholder submitting a proxy has the right to appoint a proxyholder other than the persons designated in the form of proxy furnished by the Corporation, who need not be a Shareholder, to attend and act for the Registered Shareholder and on the Registered Shareholder’s behalf at the Meeting. To exercise such right, the names of the persons designated by management should be crossed out and the name of the Registered Shareholder’s appointee should be legibly printed in the blank space provided in the enclosed form of proxy or by submitting another appropriate form of proxy.**

In order to be effective, the completed form of proxy must be sent so as to be deposited at the offices of the Corporation’s transfer agent, Odyssey Trust Company, by mail at 1230 – 300 5<sup>th</sup> Avenue SW Calgary AB T2P 3C4, by fax at 1-800-517-4553 or by internet at <https://login.odysseytrust.com/pxlogin> using your 12 digit control number (located on the Form of Proxy accompanying this Circular) not less than 48 hours, excluding Saturdays, Sundays and statutory holidays in the Province of Alberta, before the time set for the holding of the Meeting or any adjournment(s) thereof. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date of its execution. The completed form of proxy shall be in writing and shall be executed by the Registered Shareholder or his or her attorney authorized in writing or, if the Registered Shareholder is a corporation, under its corporate seal or by a director, officer or attorney thereof duly authorized.

## APPOINTMENT OF PROXIES

The individuals named in the accompanying Form of Proxy are directors and/or officers of the Corporation. **A Shareholder wishing to appoint some other person (who need not be a Shareholder) to attend and act for the Shareholder and on the Shareholder's behalf at the Meeting has the right to do so, either by inserting such person's name in the blank space provided in the Form of Proxy and striking out the two printed names, or by completing another form of proxy.** A proxy will not be valid unless the completed, dated and signed Form of Proxy is delivered to Odyssey Trust Company, by mail at 1230 – 300 5th Avenue SW Calgary AB T2P 3C4, Canada, by fax at 1-800-517-4553 or by internet at <https://login.odysseytrust.com/pxlogin> using your 12 digit control number (located on the Form of Proxy accompanying this circular) not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting or any adjournment thereof.

## REVOCAION OF PROXIES

In addition to revocation in any manner permitted by law, a proxy may be revoked by an instrument in writing signed by the Shareholder or by the Shareholder's attorney duly authorized in writing or, if the Shareholder is a corporation or association, the instrument in writing should bear the seal of such corporation or association and must be executed by an officer or by an attorney duly authorized in writing, and deposited at the registered office of the Corporation, 1250, 639 - 5th Avenue SW Calgary, Alberta T2P 0M9, Attention: Scott Reeves, at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof, or, as to any matter in respect of which a vote shall not already have been cast pursuant to such proxy, with the Chairman of the Meeting on the day of the Meeting, or at any adjournment thereof, and upon either of such deposits the proxy is revoked.

## VOTING OF PROXIES

All shares represented at the Meeting by properly executed proxies will be voted or withheld from voting (including the voting on any ballot), in accordance with the instructions specified in the enclosed Form of Proxy. **In the absence of any such specification, the Form of Proxy confers discretionary authority on the proxyholder with respect to such matter. It is intended that the Management designees, if named as proxyholder, will vote in favour of each matter referred to in the Form of Proxy and for the nominees of Management for directors and for auditor.**

The Management designees named in the enclosed Form of Proxy are Matthew Hill, President, Chief Executive Officer ("CEO"), Chairman of the board of directors of the Corporation (the "Board"), Scott Reeves, Corporate Secretary and a director of the Corporation, and each have indicated their willingness to represent as proxyholder the Shareholder who appoints them.

**The enclosed Form of Proxy, when properly signed, confers discretionary authority upon the persons named therein with respect to amendments or variations of matters identified in the Notice of Meeting and any other matters which may properly be brought before the Meeting. As of the date hereof, Management of the Corporation is not aware of any such amendments to or variations of matters identified in the Notice of Meeting or of other matters to be presented for action at the Meeting. However, if any other matters which are not now known to the Management should properly come before the Meeting, then the Management designees intend to vote in accordance with the judgment of the Management of the Corporation.**

## ADVICE TO BENEFICIAL HOLDERS OF SHARES

The information set forth in this section is of significant importance to many Shareholders of the Corporation, as a substantial number of Shareholders do not hold their Shares in their own name. Shareholders who do not hold their Shares in their own name (referred to in this Circular as "**Beneficial Shareholders**") should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of Shares can be recognized and acted upon at the Meeting. If Shares are held in an account with an intermediary such as a broker or a financial institution, then in almost all cases those Shares will not be registered in the Beneficial Shareholder's name on the records of the Corporation. Such Shares will more likely be registered under the name of the intermediary or its agent. In Canada, the vast majority of such Shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc. ("**CDS**"), which acts as nominee for many Canadian brokerage firms). Such Shares can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, the intermediary and its agents and nominees are prohibited from voting such Shares for their clients. Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Shares are communicated to the appropriate person. The Corporation does not know for whose benefit the Shares registered in the name of CDS & Co. are held. The majority of Shares held in the United States are registered in the name of Cede & Co., the nominee for the Depository Trust Company, which is the United States equivalent of CDS.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholder meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to its clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker or other intermediary or agent is similar or identical to the form of proxy provided to Registered Shareholders; however, its purpose is limited to instructing the Registered Shareholder (the broker or other intermediary or agent) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”). Broadridge typically mails a scannable voting instruction form (the “**Voting Instruction Form**”) in lieu of the form of proxy provided by the Corporation and asks Beneficial Shareholders to complete and return the Voting Instruction Form to Broadridge. Alternatively, the Beneficial Shareholder can call a toll-free telephone number (1-800-474-7493) or access Broadridge’s dedicated voting website at [www.proxyvote.com](http://www.proxyvote.com) to deliver their voting instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Shares to be represented at the Meeting. Meeting materials may also be provided electronically and Beneficial Shareholders should follow the instructions provided for how to vote their Shares. A Beneficial Shareholder receiving a Voting Instruction Form cannot use that Voting Instruction Form to vote Shares directly at the Meeting as the Voting Instruction Form must be returned as directed by Broadridge well in advance of the Meeting in order to have the Shares voted.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Shares registered in the name of its broker or other intermediary, the Beneficial Shareholder may attend the Meeting as proxyholder for the Registered Shareholder and vote the Shares in that capacity. If the Beneficial Shareholder wishes to attend the Meeting and vote its own Shares, it must do so as proxyholder for the Registered Shareholder. To do this, the Beneficial Shareholder should enter its own name in the blank space on the form of proxy provided and return the same to its broker or other intermediary (or the agent of such broker or other intermediary) in accordance with the instructions provided by such broker, intermediary or agent well in advance of the Meeting.

#### **NOTICE-AND-ACCESS REGIME**

The Corporation has elected to use the “notice-and-access” provisions (“**Notice-and-Access**”) under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) for the Meeting in respect of the delivery of meeting materials, the annual financial statements and related management’s discussion and analysis (the “**Annual Materials**”).

Under the Notice-and-Access regime, reporting issuers are permitted to deliver the Annual Materials by posting them on SEDAR as well as a website other than SEDAR and sending a notice package to each Shareholder receiving the Annual Materials under this regime. The notice package must include: (i) the relevant form of proxy or voting instruction form; (ii) basic information about the Meeting and the matters to be voted on; (iii) instructions on how to obtain a paper copy of the Annual Materials; and (iv) a plain-language explanation of how the Notice-and-Access system operates and how the Annual Materials can be accessed online. Notice-and-Access substantially reduces the quantity of material that must be printed and mailed to Shareholders by allowing for the posting of Annual Materials online, thus reducing costs and the environmental impact.

The Corporation has adopted Notice-and-Access in respect of the delivery of the Annual Materials to Beneficial Shareholders (i.e. Shareholders who hold their Shares in the name of a broker or other intermediary or agent) and in respect of the delivery of the Annual Materials to Registered Shareholders (i.e. Shareholders whose name appears on the Corporation’s records as a holder of Shares). In connection with the use of Notice-and-Access, the Corporation has received exemptions from Innovation, Science and Economic Development Canada under subsection 151(1) of the *Canada Business Corporations Act* (the “**CBCA**”) to permit it to use Notice-and-Access rather than mailing the Annual Materials to Registered Shareholders.

The Corporation will not send its proxy-related meeting materials directly to non-objecting beneficial owners under NI 54-101.

#### **VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

The authorized capital of the Corporation consists of an unlimited number of common shares (“**Common Shares**”) without par value. As at the date of this Circular, there are 15,752,525 Common Shares issued and outstanding, each such share carrying the right to one vote at the Meeting. The Corporation has no other classes of shares outstanding.

Each Shareholder of record on January 29, 2021 being the Record Date, is entitled to receive notice of, to attend and to vote at the Meeting.

The By-laws of the Corporation provide that a quorum for the transaction of business at the Meeting is two or more persons present and authorized to cast in the aggregate not less than ten percent of the total votes attaching to all shares carrying the right to vote at that meeting.

Except where otherwise stated, and other than the election of directors, a simple majority of 50% plus 1 of the votes cast at the Meeting is required to approve the matters being submitted to a vote of Shareholders at the Meeting.

To the knowledge of the directors and executive officers of the Corporation, as at February 6, 2021, the following Shareholders beneficially own, or control or direct, directly or indirectly, Common Shares carrying 10% or more of the voting rights attached to all outstanding voting securities of the Corporation entitled to vote at the Meeting:

Name	Number of Shares Beneficially Owned, Directly or Indirectly, Controlled or Directed	Percentage of Outstanding Voting Securities
Tyrell L. Garth (1)	3,521,270	22.35%
P. Garrett Clayton (2)	3,552,940	22.55%

- 1) Of this number, Tyrell L. Garth exercises control and direction over 1,522,194 shares held by 405 Manhattan Investments, LLC and 100,000 shares held by Garth Family Art Limited Partnership.
- 2) Of this number, P. Garrett Clayton exercises control and direction over 769,767 shares held by Amcap Mortgage, Ltd. and 424,847 shares held by American Capital Equity Fund, LLC.

### CORPORATE GOVERNANCE

The following disclosure relates to the Corporation’s Corporate Governance Practices as required under National Instrument 58-101 - *Disclosure of Corporate Governance Practices*.

#### Board of Directors

The Board facilitates its exercise of independent supervision over the Corporation’s Management through frequent formal and informal meetings of the Board.

A majority of the members of the Board qualify as “independent”, namely Charles Burns, Garfield J. Last and Scott Reeves. An “independent” director is a director who has no direct or indirect “material relationship” with the Corporation. A “material relationship” means a relationship which could, in the view of the Corporation’s Board, reasonably interfere with the exercise of a member’s independent judgment. Section 1.4 of National Instrument 52-110 – *Audit Committees (“NI 52-110”)* contains further clarification of the meaning of “independence” and what constitutes a “material relationship”. Matthew D. Hill, CEO, President is an officer of the Corporation, and P. Garrett Clayton is a related party to the Corporation and therefore are not independent directors.

#### Directorships

The following current and proposed directors of the Corporation presently serve as directors of other reporting issuers:

<b>Director</b>	<b>Reporting Issuer</b>
<i>Matthew D. Hill</i>	<i>N/A</i>
<i>P. Garrett Clayton</i>	<i>N/A</i>
<i>Charles Burns</i>	<i>Phoenix Canada Oil Company Limited (TSXV: PCO)</i> <i>NexGenRx Inc. (TSXV: NXG)</i>
<i>Garfield J. Last</i>	<i>N/A</i>
<i>Scott Reeves</i>	<i>Tree of Knowledge International Corp. (CSE: TOKI)</i> <i>Radiko Holdings Corp. (CSE: RDKO)</i> <i>Navion Capital Inc. (TSXV: NAVN.P)</i> <i>Centaurus Energy Inc. (TSXV: CTA)</i>

## **ORIENTATION AND CONTINUING EDUCATION**

The Board briefs all new directors with respect to the policies of the Board and other relevant corporate and business information. The Board does not provide any formal continuing education.

### **Ethical Business Conduct**

The Board believes that the fiduciary duties placed on individual directors by the common law and the Corporation's governing corporate legislation and the restrictions placed by such 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 Corporation.

### **Nomination of Directors**

The Board is responsible for identifying individuals qualified to become new Board members and recommending new director nominees. New nominees must have relevant experience in business management, special expertise in an area of strategic interest to the Corporation and the willingness to devote the required time and support the Corporation's objectives.

### **Compensation**

The Compensation Committee conducts reviews with regard to directors' and officers' compensation once a year. To make its recommendation on directors' and the chief executive officers' compensation, the Compensation Committee takes into account the types and ranges of compensation as well as the amounts paid to directors and chief executive officers.

### **Other Board Committees**

There are no other standing committees besides the Audit Committee and Compensation Committee.

### **Assessments**

To satisfy itself that the Board, each of the Committees, and its individual directors are performing effectively, the Board monitors the adequacy of information given to directors, communication between the Board and Management and the strategic direction and processes of the Board and each of the Committees.

## **AUDIT COMMITTEE DISCLOSURE**

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

The Charter of the Corporation's Audit Committee is attached to this Circular as Schedule A.

### **Composition of the Audit Committee**

The Audit Committee is composed of Charles Burns, Garfield J. Last and Matthew D. Hill. A majority of the members of the Audit Committee are independent and an exemption pursuant to section 6.1 of NI 52-110 is being relied on regarding independence, and all are financially literate, as defined under NI 52-110.

### **Relevant Education and Experience**

Each Audit Committee member possesses certain education and experience which is relevant to the performance of his or her responsibilities as an Audit Committee member and, in particular, education or experience which provides the member with one or more of the following: an understanding of the accounting principles used by the Corporation to prepare its financial statements; the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves; experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements, or experience actively supervising one or more individuals engaged in such activities; and an understanding of internal controls and procedures for financial reporting.

**Matthew D. Hill** has served as a director of the Corporation since July 12, 2016, as President and CEO since November 1, 2016, and as a member of the Audit Committee since November 1, 2016. He has been involved in the active supervision of individuals who engaged in the preparation, analysis and evaluation of the financial statements, and possesses an understanding of internal controls and procedures for financial reporting. He has also had experience as businessman, including experience in the preparation, analysis and evaluation of financial statements comparable to the breadth and complexity of the Corporation's financial statements.

**Garfield J. Last** has served as an independent director of the Corporation since 2014, and as a member of the Audit Committee since March 23, 2017 working with other members of the Board responsible for the stewardship of the Corporation. He has had experience as a businessman, including experience in the preparation, analysis and evaluation of

financial statements comparable to the breadth and complexity of the Corporation's financial statements.

**Charles Burns** has served as an independent director of the Corporation since 2004 working with other members of the Board responsible for the stewardship of the Corporation and has been Chair of the Audit Committee since 2014. He has had experience as a businessman, including experience in the preparation, analysis and evaluation of financial statements comparable to the breadth and complexity of the Corporation's financial statements.

#### **Audit Committee Oversight**

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

#### **Reliance on Certain Exemptions**

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on the exemption in Section 2.4 of NI 52-110 (de minimis non-audit services) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

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

Formal policies and procedures for the engagement of non-audit services have not been adopted. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Board, and where applicable by the Audit Committee, on a case-by-case basis. External Auditor Service Fees (By Category)

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

<b>Financial Year Ending</b>	<b>Audit Fees</b>	<b>Audit-Related Fees (1)</b>	<b>Tax Fees (2)</b>	<b>All Other Fees</b>
December 31, 2019	\$78,000	\$9,000	\$5,750	Nil
December 31, 2018	\$76,684	Nil	\$11,000	Nil

(1) Audit-Related Fees consist of quarterly reviews.

(2) Tax Fees consist of the preparation of the Canadian, tax compliance, tax advice and tax planning.

#### **Exemption**

The Corporation is relying on the exemption provided in Section 6.1 of NI 52-110 and, as such, the Corporation is exempt from Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*) of NI 52-110.

### **STATEMENT OF EXECUTIVE COMPENSATION**

#### **General**

The following information, dated as of February 6, 2021, is provided in accordance with Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers* (the "Form"), in such term as defined by National Instrument 51-102 – *Continuous Disclosure Obligations*.

For the purposes of this Form, a "Named Executive Officer", or "NEO", means each of the following individuals:

- (a) each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief executive officer ("CEO"), including an individual performing functions similar to a CEO;
- (b) each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief financial officer ("CFO"), including an individual performing functions similar to a CFO;
- (c) each of the three most highly compensated executive officers of the Corporation, 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 for that financial year; and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Corporation or its subsidiaries, nor acting in a similar capacity, at the end of that financial year.

Based on the foregoing definitions, the Corporation's NEO's in respect of the year ended December 31, 2019 were Matthew D. Hill, President and Chief Executive Officer and Debbie Merritt, Chief Financial Officer.



## DIRECTOR AND NEO COMPENSATION

### Director and NEO compensation, excluding stock options and other compensation securities

The following table sets forth all direct and indirect compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Corporation, or a subsidiary of the Corporation thereof to each director and each NEO of the Corporation, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or director for services provided and for services to be provided, directly or indirectly, to the Corporation, for each of the Corporation's two (2) most recently completed financial years:

Table of compensation excluding compensation securities							
Name and position	Year	Salary, Consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Matthew Hill <i>President, CEO and Director</i>	2019	105,280	Nil	Nil	Nil	Nil	Nil
	2018	105,280	Nil	Nil	Nil	Nil	Nil
Debbie Merritt, <i>CFO</i>	2019	105,280	Nil	Nil	Nil	Nil	Nil
	2018	105,280	Nil	Nil	Nil	Nil	Nil

### External Management Companies

Matthew Hill and Debbie Merritt are not employees of the Corporation. They provide executive management services independently and/or through private companies that they own or over which they exert control or direction.

### Stock options and other compensation securities

There were no exercises of compensation securities by any of the NEOs or directors of the Corporation during the fiscal year ended December 31, 2019.

The following table sets forth details for all stock options outstanding for each of the NEO and directors as at February 6, 2021.

Compensation Securities						
Name and Position	Number of stock options	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of stock option on date of grant (\$)	Closing price of stock option at Jun 30, 2020 (\$)	Expiry date
Matthew Hill <i>President, CEO and Director</i>	100,000	January 8, 2020	\$0.51	\$0.50	\$0.31	January 7, 2025
Debbie Merritt <i>CFO</i>	50,000	January 8, 2020	\$0.51	\$0.50	\$0.31	January 7, 2025
P. Garrett Clayton <i>Director</i>	100,000	January 8, 2020	\$0.51	\$0.50	\$0.31	January 7, 2025
Charles Burns <i>Director</i>	100,000	January 8, 2020	\$0.51	\$0.50	\$0.31	January 7, 2025
Garfield J. Last <i>Director</i>	100,000	January 8, 2020	\$0.51	\$0.50	\$0.31	January 7, 2025
Scott Reeves <i>Director</i>	100,000	January 8, 2020	\$0.51	\$0.50	\$0.31	January 7, 2025

## PARTICULARS OF MATTERS TO BE ACTED ON

### Appointment and Remuneration of Auditors

The Audit Committee of the Corporation recommends that McGovern Hurley LLP be reappointed as auditor for the Corporation to hold office until the next annual meeting of Shareholders and that the Shareholders authorize the directors to fix the remuneration of the auditors. McGovern Hurley was appointed as auditors of the Corporation effective on May 30, 2017.

**Unless instructed otherwise, the management designees in the accompanying Instrument of Proxy intend to vote FOR the resolution to appoint McGovern Hurley LLP, Chartered Accountants, as the auditor of the Corporation to hold such appointment effective immediately until the next annual meeting of Shareholders, and to authorize the directors of the Corporation to fix the remuneration of the auditor.**

Approval of the appointment and remuneration of the auditors will require the affirmative votes of the holders of not less than half of the votes cast in respect thereof by Shareholders present in person or by proxy at the Meeting. The Board of Directors of the Corporation unanimously recommends that the Shareholders of the Corporation vote in favour of the resolution appointing McGovern Hurley LLP as auditor of the Corporation.

### Election of Directors

Except as disclosed herein, no class of Shareholders has the right to elect a specified number of directors or to cumulate their votes with respect to the election of directors.

The term of office of each of the present directors expires at the Meeting. The persons named below will be presented for election at the Meeting as Management's nominees. Management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next annual meeting of the Corporation or until his or her successor is elected or appointed, unless his or her office is earlier vacated in accordance with the Articles and Bylaws of the Corporation or with the provisions of the CBCA.

Name, Province and Country of Residence	Office or Position held in the Corporation, current and former, if any	Chief Occupation	Number of Shares of the Corporation beneficially owned, directly or indirectly, or over which control and direction are exercised <sup>(3)</sup>
P. Garrett Clayton <sup>(2)</sup> Houston, Texas	President, Chief Executive Officer from December 9, 2013 to November 1, 2016. Director since December 9, 2013.	Chief Executive Officer and Principal of Amcap Mortgage Ltd. a mortgage bank and direct residential lender based in Houston. Principal and managing partner of Clayton & Ramirez, Attorneys and Counsellors at Law, PLCC	3,552,940 <sup>(4)</sup> common shares
Charles Burns <sup>(1)(2)</sup> Maple, Ontario,	Director since 2004	Businessman	943,500 common shares
Scott M. Reeves Calgary, Alberta	Director since December 2019	Partner, Tingle Merrett LLP (Calgary-based law firm)	Nil
Garfield J. Last <sup>(1)(2)</sup> Turks and Caicos Islands	Director since 2014	Businessman, President of Mind and Management Corporation, a corporation providing services to investment companies in Turks & Caicos Islands, British Virgin Islands and Bermuda	500,000 common shares

Matthew D. Hill <sup>(1)</sup> Tomball, Texas	President and Chief Executive Officer since November 1, 2016, prior thereto from September 1, 2015, Senior Vice-President of the Corporation; Director since July 12, 2016	President and Chief Executive Officer of the Corporation	100,000 common shares
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Notes:

- (1) Member of the Audit Committee
- (2) Member of the Compensation Committee.
- (3) As verified on the System of Electronic Disclosure by Insiders as of February 2, 2021.
- (4) Of this number, 2,358,336 common shares are held directly by Mr. Clayton, 769,767 are controlled (but not owned) by Mr. Clayton through Amcap Mortgage, Ltd and 424,837 shares are controlled (but not owned) by Mr. Clayton through American Capital Equity Fund, LLC.

Approval of the election of each director will require the affirmative votes of the holders of not less than half of the votes cast in respect thereof by Shareholders present in person or by proxy at the Meeting. Shareholders can vote for all of the proposed directors set forth herein, vote for some of them and withhold for others, or withhold for all of them. **Unless otherwise instructed, the named proxyholders intend to vote "FOR" the election of each of the proposed nominees set forth below as Directors of the Corporation.** If, prior to the Meeting, any vacancies occur in the list of proposed nominees herein submitted, the persons named in the enclosed form of proxy intend to vote FOR the election of any substitute nominee or nominees recommended by management of the Corporation and FOR the remaining proposed nominees.

#### ***Corporate Cease Trade Orders***

Other than as set forth below, no director or proposed director of the Corporation is, or has been within the past ten years, a director, chief executive officer or chief financial officer of any other company that, while such person was acting in that capacity:

- (i) was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the company access to any exemptions under securities legislation, and that was in effect for a period of more than 30 consecutive days; or
- (ii) was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the company access to any exemptions under securities legislation, that was issued after that individual ceased to be a director or chief executive officer or chief financial officer and which resulted from an event that occurred while such person was acting in a capacity as a director, chief executive officer or chief financial officer.

Other than as set forth below, no director or proposed director of the Corporation is, or has been within the past ten years, a director or executive officer of any other company that, while such person was acting in that capacity, or within a year of that individual 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.

#### ***Individual Bankruptcies***

No director or proposed director of the Corporation is or has, within the ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

#### ***Penalties or Sanctions***

Except as set forth below, no director or proposed director of the Corporation has:

- (a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

#### ***Conflicts of Interest***

The directors and officers of the Corporation may, from time to time, be involved with the business and operations of other issuers, in which case a conflict of interest may arise between their duties as officers and directors of the Corporation and as officer and directors of such other companies. Such conflicts must be disclosed in accordance with, and are subject to such procedures and remedies, as applicable, under the *BCA*.

## **Approval of Stock Option Plan**

The Corporation presently has in place a “rolling” Stock Option Plan, first approved by the shareholders on April 17, 2014 and re-approved December 4, 2019, whereby the Corporation is authorized to grant stock options on up to a maximum of ten percent (10%) of the number of common shares issued and outstanding from time to time.

Further details regarding the Stock Option Plan are found under the heading “*Long Term Incentive Plans (LTIP) Awards – Equity Compensation Plan Information*”. A copy of the Stock Option Plan may be obtained from the registered office of the Corporation, 1250, 639 – 5<sup>th</sup> Avenue SW Calgary, AB T2P 0M9 or under the Corporation’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

Currently, stock options to purchase 600,000 common shares of the Corporation are outstanding and unexercised and a total of 975,253 stock options are available for future grants under the Stock Option Plan. All such options are subject to the terms of the Stock Option Plan.

While not a technical requirement of the Canadian Securities Exchange, the Board considers it to be good corporate governance to seek shareholder approval of the Stock Option Plan on an annual basis. The shareholders will be asked to approve the following resolution:

**“BE IT RESOLVED THAT** the Stock Option Plan of the Corporation and all grants of options thereunder be and they are hereby confirmed, ratified and approved and that the board of directors be and is hereby authorized, without further shareholder approval, to grant stock options pursuant to the existing Stock Option Plan, as amended from time to time, on common shares of the Corporation up to an aggregate maximum of ten percent (10%) of that number of common shares of the Corporation issued and outstanding at the time of such grants.”

**To be approved, the resolution requires the affirmative vote of a majority of the votes cast on the resolution. Proxies received in favour of management will be voted in favour of the Stock Option Plan approval, unless the shareholder has specified in a proxy that his, her or its common shares are to be withheld from voting in respect thereof.**

## **OTHER MATTERS**

Management of the Corporation knows of no matters to come before the Meeting other than those referred to in the Notice of Meeting and this Circular. However, if any other matters properly come before the Meeting, it is the intention of the persons named in the proxy to vote with regard to those matters in accordance with the judgment of the Management of the Corporation.

### **Shareholder Proposals**

Pursuant to Section 137 of the CBCA, any notice of a shareholder proposal intended to be raised at next year’s annual meeting of shareholders of the Corporation must be submitted to the Corporation at its registered office (1250, 639 – 5<sup>th</sup> Avenue SW Calgary, AB T2P 0M9, Canada, Attention: Scott Reeves) on or before June 4, 2021 to be considered for inclusion in the Circular for the annual meeting of the shareholders next year.

Shareholder proposals need be recognized only if made in accordance with the foregoing procedure and the provisions of the CBCA.

### **Additional Information**

Additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information is provided in our comparative financial statements and MD&A for our most recently completed financial year. Copies of our financial statements and MD&A can be obtained by contacting the Corporation in writing at 16350 Park Ten Place, Suite 103, Houston, Texas 77084, Attention: Debbie Merritt.

**APPROVAL BY THE BOARD OF DIRECTORS**

The contents of this Circular have been approved and the delivery of it to each Shareholder, director and auditor of the Corporation entitled thereto and to the appropriate regulatory agencies has been authorized by the Board of the Corporation.

Dated at Calgary, Alberta as of the 5th day of February 2021.

**BY ORDER OF THE BOARD OF DIRECTORS**

*“Matthew Hill”*

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**Matthew D. Hill**  
**President, CEO, Chairman of the Board and Director**

**SCHEDULE “A”  
STARREX INTERNATIONAL LTD.  
(the “Corporation”)**

**CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS**

**1. PURPOSE**

The Audit Committee (the “**Committee**”) is a committee of the board of directors of the Corporation (the “**Board**”) established by the Board for the purpose of overseeing, among other things:

- a) the accounting and financial reporting processes of the Corporation;
- b) the integrity of the financial statements of the Corporation;
- c) the Corporation’s internal control over financial reporting;
- d) the external audit process for audits of the financial statements of the Corporation;
- e) compliance by the Corporation with legal and regulatory requirements with respect to its internal and external financial reporting processes; and
- f) the independence and performance of the Corporation’s internal, if any, and external auditors.

This Charter of the Audit Committee sets out the mandate and responsibilities of the Committee as delegated to it by the Board.

**2. COMPOSITION**

The Committee shall, subject to Parts 3 and 6 of National Instrument 52-110 *Audit Committees* (“**NI 52-110**”), consist of a minimum of three (3) directors of the Corporation of whom a majority shall not be officers or employees of the Corporation or its affiliates (as that term is defined in the *Canada Business Corporations Act*). Only directors of the Corporation may be members of the Committee.

All members of the Committee shall, to the satisfaction of the Board, be “financially literate” as such term is defined in section 1.6 of NI 52-110 or become financially literate as permitted by section 3.8 of NI 52-110.

Each member of the Committee shall be appointed by the Board to hold office (i) until the end of the next annual shareholders’ meeting following such appointment, (ii) until such member resigns or becomes disqualified or (iii) until such member’s successor is appointed.

The Committee members shall elect, from members of the Committee, a Chair and shall appoint a secretary who need not be a member of the Committee. If the Chair of the Committee is not present at any meeting of the Committee, one of the other members of the Committee present at the meeting shall be chosen by the Committee to act as chair for that meeting and preside at that meeting.

**3. DUTIES AND RESPONSIBILITIES**

***I. Appointment and Oversight of the External Auditor***

The Committee shall:

- a) recommend to the Board:
  - i. the external auditor to be nominated for appointment by the Corporation’s shareholders for the purpose of auditing the annual financial statements of the Corporation and preparing or issuing an auditor’s report thereon or performing other audit, review or attestation services for the Corporation, and
  - ii. the compensation of the external auditor;

- b) review and approve the audit plans prepared and presented by the external auditor;
- c) meet with the external auditor prior to the audit to review the planning and staffing of the audit;
- d) receive periodic reports from the external auditor regarding the auditor's independence, discuss such reports with the auditor, consider whether the provision of non-audit services is compatible with maintaining the auditor's independence and take appropriate action to satisfy itself of the independence of the external auditor;
- e) receive and review any written report of the external auditor on the external auditor's own internal quality control procedures and any material issues raised by the most recent internal quality control review or peer review, if any, of the external auditor, or by any inquiry or investigation by governmental or professional authorities within the preceding five years and any steps taken to deal with such issues;
- f) directly oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attestation services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- g) review and discuss reports from the external auditor on:
  - i. all critical accounting policies and practices to be used;
  - ii. all alternative treatments of financial information within acceptable accounting principles that have been discussed with management, the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the external auditor; and
  - iii. other material written communications between the external auditor and management, such as any management letter or schedule of unadjusted differences;
- h) review with management and the external auditor the effect of regulatory and accounting developments on the Corporation's financial statements;
- i) review any letter, report or other communication from the external auditor in respect of any identified weakness or unadjusted differences and management's response and follow-up, inquire regularly of management and the external auditor of any significant issues between them and how such issues have been resolved, and intervene in the resolution process if required; and
- j) review and evaluate the performance of the external auditor, including the performance of the lead partner of the external auditor team.

## ***II. Oversight in Respect of Financial Disclosure***

The Committee, to the extent that it considers necessary or advisable, shall:

- a) review, discuss with management and the external auditor and report to the Board and provide the Board with the Committee's recommendation on the following before they are approved by the Board or publicly disclosed:
  - i. the annual financial statements and management's discussion and analysis ("MD&A") of the Corporation as defined in National Instrument 51-102 *Continuous Disclosure Obligations*, and
  - ii. the auditors' report, if any, prepared in relation to those financial statements;
- b) review and approve, as delegates of the Board, the interim financial statements of the Corporation and the accompanying MD&A;
- c) review the Corporation's annual and interim earnings press releases, if any, before the Corporation publicly discloses such information;
- d) review, discuss with management and the external auditor and recommend to the Board for approval, all financial information and prospectuses and other offering memoranda, management information circulars and all documents which may be incorporated by reference into such prospectuses, memoranda, circulars and other documents;
- e) review and discuss with management any financial outlook or future-oriented financial information disclosure in advance of its public release, provided that such discussion may, if considered advisable or sufficient to the Committee, consist of the types of information to be disclosed and the types of information to be released; and
- f) review with management and the external auditor major issues regarding accounting policies and auditing practices, including any significant changes in the Corporation's selection or application of accounting policies.

## ***III. Oversight in Respect of Internal Controls and Procedures***

The Committee shall:

- a) monitor, evaluate and report to the Board periodically on the integrity of the financial reporting process and the system of internal controls that management and the Board have established;
- b) satisfy itself that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements and periodically assess the adequacy of those procedures;
- c) assess and report to the Board on the adequacy of the Corporation's internal controls and any special audit steps adopted or changes recommended in light of material control deficiencies previously identified during the audit process or otherwise, where such deficiencies could significantly affect the Corporation's financial statements;
- d) review periodically the Corporation's procedures for:
  - i. the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters, and
  - ii. the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable ethical, legal, financial, accounting or auditing matters, including pursuant to the Corporation's "Whistleblower Policy", and
- e) with respect to ensuring the integrity of disclosure controls and procedures over financial reporting, understand the process utilized by the Chief Executive Officer ("CEO") and the Chief Financial Officer



(“CFO”) to comply with National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings*, and, in connection therewith, review disclosures made to the Committee by the CEO or CFO during their certification process for periodic reports filed with securities regulatory authorities regarding the presence or absence of any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud or defalcation involving management or other employees having a significant role in the Corporation’s internal controls.

#### ***IV. Oversight in Respect of Non-Audit Services***

The Committee shall:

- a) pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the Corporation’s external auditor, other than non-audit services where:
  - i. the aggregate amount of all such non-audit services provided to the Corporation that were not pre-approved constitutes not more than five percent of the consolidated total fees paid by the Corporation and its subsidiaries to the external auditor during the fiscal year in which the non-audit services are provided;
  - ii. such services were not recognized by the Corporation at the time of the engagement to be non-audit services; and
  - iii. such services are promptly brought to the attention of the Committee and approved, prior to the completion of the audit, by the Committee or by one or more members of the Committee to whom authority to grant such approvals has been delegated by the Committee; and
- b) ensure that approval by the Committee of a non-audit service to be performed by the external auditor shall be disclosed as required under applicable securities laws and regulations.

#### ***V. Oversight of Off-Balance Sheet, Legal, Regulatory, Risk and Compliance Matters***

The Committee shall:

- a) review with management and the external auditor the effect of any off-balance sheet structures, if any, on the Corporation’s financial statements;
- b) review with management, the external auditor and, if necessary, legal counsel, any litigation, claim or contingency, including arbitration and tax assessments, that could have a material effect on the financial position of the Corporation and the manner in which these matters have been disclosed in the financial statements;
- c) review with the Corporation’s legal counsel any legal matters that may have a material impact on the financial statements, the Corporation’s compliance policies and any material reports or inquiries received from regulators or governmental agencies;
- d) review compliance with the Corporation’s policies and avoidance of conflicts of interest;
- e) review and approve the Corporation’s hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation; and
- f) review and, as advisable, discuss with management the Corporation’s material financial risk exposures and steps which management has taken to monitor and control such exposures, including the Corporation’s risk assessment and risk management policies.

#### ***VI. Oversight Function***

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Corporation’s financial statements and disclosures are complete and accurate or are in accordance with acceptable accounting principles and auditing standards and applicable rules and regulations. Those duties are the responsibilities of management and the external auditor. The Committee, its Chair and

any of its members who have accounting or related financial management experience or expertise, are members of the Board appointed to the Committee to provide broad oversight of the financial disclosure, financial risk and control related activities of the Corporation, and are specifically not accountable nor responsible for the day-to-day operation of such activities. Although, if applicable, any designation of a member of the Committee as an “audit committee financial expert” may be based on that individual’s education and experience which that individual will bring to bear in carrying out his or her duties as a member of the Committee, designation as an “audit committee financial expert” does not impose on such person any duties, obligations or liabilities that are greater in any respect than the duties, obligations and liabilities imposed on such person as a member of the Committee and member of the Board in the absence of such designation. Rather, the role of any audit committee financial expert, like the role of all Committee members, is to oversee the process and not to certify or guarantee the internal or external audit of the Corporation’s financial information or public disclosure.

#### **4. MEETINGS**

- a) The Committee shall meet not less than four times per year. At least annually, the Committee shall meet:
  - i. with management and
  - ii. with the external auditor.separately in executive sessions.
- b) The external auditor of the Corporation shall be given notice of every meeting of the Committee and may attend and be heard thereat and, if requested by any member of the Committee, shall attend any particular meeting or every meeting, as the case may be, of the Committee held during the term of office of the external auditor.
- c) The Chair of the Committee, the external auditor or any member of the Committee may call a meeting of the Committee at any time on not less than 24 hours’ notice. Notice may be given by mail, text message, email, letter or any electronic means, provided that the external auditor or any member may in any manner waive notice. Attendance at a meeting constitutes waiver unless such attendance is for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.
- d) At the invitation of the Chair of the Committee, any one or more officers or employees of the Corporation or any of its subsidiaries may attend any meeting of the Committee and, at the direction of the Committee or its Chair, shall attend.
- e) The Board shall be kept informed of the Committee's activities by receiving copies of minutes of each meeting of the Committee, such minutes to be provided at the next meeting of the Board following each Committee meeting or by a verbal report, as the Committee may deem appropriate or the Board may request (see also “*Reporting*”).

#### **5. QUORUM**

The quorum for the transaction of business at any meeting of the Committee shall be a majority of the total number of members of the Committee, such majority to be present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak to each other and hear each other simultaneously.

#### **6. AUTHORITY REGARDING OUTSIDE ADVISORS**

The Committee has the authority to engage independent counsel, outside experts and other advisors, at the Corporation’s expense, as the Committee considers necessary or advisable to carry out its duties and the Committee shall set the compensation for such advisors employed by the Committee. Such compensation shall be paid by the Corporation.

The Committee has the authority to communicate directly with and to meet with the external auditor and the internal auditor, if any, without management or Board knowledge or involvement.

## **7. REPORTING**

The external auditor of the Corporation is required to report directly to the Committee.

The reporting obligations of the Committee to the Board include:

- a) reporting to the Board on the proceedings of each Committee meeting and on the Committee's recommendations, such reports to be made at the next regularly scheduled Board meeting; and
- b) reviewing and reporting to the Board on the Committee's concurrence with the disclosure required by Form 52-110F2 in any management information circular, annual information form or annual MD&A prepared by the Corporation.

## **8. PROCEDURE**

The Committee shall have the authority to establish and from time to time to revise and to implement its own procedure including, without limitation, setting arrangements and schedules for meetings with management, the internal auditor (if any) and external auditor.

## **9. RELIANCE**

Absent actual knowledge to the contrary (which shall be promptly reported to the Board), each member of the Committee shall be entitled to rely on (i) the integrity of those persons or organizations within and outside the Corporation from which such Committee member receives information, (ii) the accuracy of the financial and other information provided to the Committee by such persons or organizations and (iii) representations made by management and the external auditor, as to any information, technology, internal audit and other non-audit services provided by the external auditor to the Corporation and its subsidiaries.

