

MED BIOGENE INC.

**Annual General Meeting
to be held on Friday, December 2, 2016**

**Notice of Annual General Meeting
and
Information Circular**

October 28, 2016

MED BIOGENE INC.
598 East Kent Avenue South
Vancouver, British Columbia V5X 4V6

INFORMATION CIRCULAR

(as at October 28, 2016 except as otherwise indicated)

SOLICITATION OF PROXIES

This information circular (the “**Circular**”) is provided in connection with the solicitation of proxies by the management (the “**Management**”) of Med BioGene Inc. (the “**Company**”). The form of proxy which accompanies this Circular (the “**Proxy**”) is for use at the annual general meeting of the shareholders of the Company to be held on Friday, December 2, 2016 (the “**Meeting**”), at the time and place set out in the accompanying notice of Meeting (the “**Notice of Meeting**”). The Company will bear the cost of this solicitation. The solicitation will be made by mail, but may also be made by telephone.

APPOINTMENT AND REVOCATION OF PROXY

The persons named in the Proxy are directors and/or officers of the Company. **A registered shareholder who wishes to appoint some other person to serve as their representative at the Meeting may do so by striking out the printed names and inserting the desired person’s name in the blank space provided.** The completed Proxy should be delivered to Computershare Investor Services Inc. (“**Computershare**”) by 9:30 a.m. (local time in Vancouver, British Columbia) on Wednesday, November 30, 2016, or before 48 hours (excluding Saturdays, Sundays and holidays) before any adjournment of the Meeting at which the Proxy is to be used.

The Proxy may be revoked by:

- (a) signing a proxy with a later date and delivering it at the time and place noted above;
- (b) signing and dating a written notice of revocation and delivering it to Computershare, or by transmitting a revocation by telephonic or electronic means, to Computershare, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment of it, at which the Proxy is to be used, or delivering a written notice of revocation and delivering it to the Chairman of the Meeting on the day of the Meeting or adjournment of it; or
- (c) attending the Meeting or any adjournment of the Meeting and registering with the scrutineer as a shareholder present in person.

Provisions Relating to Voting of Proxies

The shares represented by Proxy in the form provided to shareholders will be voted or withheld from voting by the designated holder in accordance with the direction of the registered shareholder appointing him. If there is no direction by the registered shareholder, those shares will be voted for all proposals set out in the Proxy and for the election of directors and the appointment of the auditors as set out in this Circular. The Proxy gives the person named in it the discretion to vote as such person sees fit on any amendments or variations to matters identified in the Notice of Meeting,

or any other matters which may properly come before the Meeting. At the time of printing of this Circular, the Management of the Company knows of no other matters which may come before the Meeting other than those referred to in the Notice of Meeting.

Advice to Beneficial Holders of Common Shares

The information set forth in this section is of significant importance to many shareholders, as a substantial number of shareholders do not hold common shares in their own name. Shareholders who hold their common shares through their 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**”) should note that only proxies deposited by shareholders who appear on the records maintained by the Company’s registrar and transfer agent as registered holders of common shares will be recognized and acted upon at the Meeting. If common shares are listed in an account statement provided to a Beneficial Shareholder by a broker, then 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 Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). In the United States, the vast majority of such common shares are registered under the name of Cede & Co., the registration name for The Depository Trust Company, which acts as nominee for many United States brokerage firms. Common shares held by brokers (or their agents or nominees) on behalf of a broker’s client can only be voted or withheld 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.**

Existing regulatory policy requires brokers and other intermediaries to 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 form of instrument of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the instrument of 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) 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 voting instruction form (“**VIF**”), mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the VIFs 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 Broadridge 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.**

The Notice of Meeting, Circular, Proxy and VIF, as applicable, are being provided to both registered shareholders and Beneficial Shareholders. 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 National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**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 directly (not via Broadridge) to such NOBOs. If you are a Beneficial Shareholder and the Company or its agent has sent these 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 has distributed copies of the Notice of Meeting, Circular and VIF to intermediaries for distribution to NOBOs. Unless you have waived your right to receive the Notice of Meeting, Circular and VIF, intermediaries are required to deliver them to you as a NOBO of the Company and to seek your instructions on how to vote your common shares.

The Company’s OBOs can expect to be contacted by Broadridge or their brokers or their broker’s agents as set out above. The Company does not intend to pay for intermediaries to deliver the Notice of Meeting, Circular and VIF to OBOs and accordingly, if the OBO’s intermediary does not assume the costs of delivery of those documents in the event that the OBO wishes to receive them, the OBO may not receive the documentation.

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 broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the common shares in that capacity. NI 54-101 allows a Beneficial Shareholder who is a NOBO to submit to the Company or an applicable intermediary any document in writing that requests that the NOBO or a nominee of the NOBO be appointed as proxyholder. If such a request is received, the Company or an intermediary, as applicable, must arrange, without expenses to the NOBO, to appoint such NOBO or its nominee as a proxyholder and to deposit that proxy within the time specified in this Circular, provided that the Company or the intermediary receives such written instructions from the NOBO at least one business day prior to the time by which proxies are to be submitted at the Meeting, with the result that such a written request must be received by 9:30 a.m. (Vancouver, British Columbia time) on the day which is at least three business days prior to the Meeting. **A Beneficial Shareholder who wishes to attend the Meeting and to vote their common shares as proxyholder for the registered shareholder, should enter their own name in the blank space on the VIF or such other document in writing that requests that the NOBO or a nominee of the NOBO be appointed as proxyholder and return the same to their broker (or the broker’s agent) in accordance with the instructions provided by such broker.**

All references to shareholders in the Notice of Meeting, Circular and the accompanying Proxy are to registered shareholders of the Company as set forth on the list of registered shareholders of the Company as maintained by the registrar and transfer agent of the Company, Computershare, unless specifically stated otherwise.

Financial Statements

The audited financial statements of the Company for the year ended December 31, 2015, together with the auditor’s report on those statements and Management Discussion and Analysis, will be presented to the shareholders at the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As at the date of the accompanying Notice of Meeting, the Company's authorized capital consists of an unlimited number of common and preferred shares of which 87,578,353 common shares are issued and outstanding. No preferred shares are currently issued and outstanding. All common shares in the capital of the Company carry the right to one vote.

Shareholders registered as at October 28, 2016 are entitled to attend and vote at the Meeting. Shareholders who wish to be represented by proxy at the Meeting must, to entitle the person appointed by the Proxy to attend and vote, deliver their Proxies at the place and within the time set forth in the notes to the Proxy.

To the knowledge of the directors and executive officers of the Company, as of the date of this Circular, no persons beneficially own, directly or indirectly, or exercise control or direction over, 10% or more of the issued and outstanding common shares of the Company.

ELECTION OF DIRECTORS

The directors of the Company are elected annually and hold office until the next annual general meeting of the shareholders or until their successors are elected or appointed. The Management of the Company proposes to nominate the persons listed below for election as directors of the Company to serve until their successors are elected or appointed. In the absence of instructions to the contrary, Proxies given pursuant to the solicitation by the Management will be voted for the nominees listed in this Circular. Management does not contemplate that any of the nominees will be unable to serve as a director. The number of directors of the Company was fixed at five.

Pursuant to the advance notice policy adopted by the Board of Directors (the "**Board**") on April 18, 2013, any additional director nominations for the Meeting must have been received by the Company in compliance with the advance notice policy no later than the close of business on Tuesday, November 1, 2016. As of October 28, 2016, no such nominations were received by the Company.

The following table sets out the names of the nominees for election as directors, the offices they hold within the Company, their occupations, the length of time they have served as directors of the Company, and the number of shares of the Company which each beneficially owns, directly or indirectly, or over which control or direction is exercised, 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 during the past five years	Served as director of the Company since	Number of common shares of the Company beneficially owned, directly or indirectly, or controlled or directed at present⁽¹⁾
Dr. Iain Weir-Jones Ph.D., P.Eng., FGS ⁽²⁾ British Columbia, Canada <i>Chairman, Chief Executive Officer and Director</i>	President and Chief Technology Officer, Weir-Jones Engineering Consultants, Ltd. (1971 to present).	September 5, 2014	8,624,520
Toby Weir-Jones, MBA ⁽²⁾ Virginia, USA <i>Director</i>	Chief Executive Officer, Weir-Jones & Associates (February 1998 to Present); Chief Executive Officer, SGP Technologies (November 2013 to February 2015); Vice-President Security Portfolio Marketing, T Americas (October 2006 to September 2013).	September 5, 2014	712,000
David Diebolt, CA ⁽²⁾ British Columbia, Canada <i>Director</i>	Chartered Professional Accountant, Manning Elliot LLP (March 2008 to present).	September 5, 2014	Nil
Dr. Terence W. Friedlander, M.D. California, USA <i>Director</i>	Assistant Clinical Professor of Medicine, University of California, San Francisco Medical Center (July 2011 to present); Clinical Fellow, Division of Hematology/Oncology, University of California, San Francisco Medical Center (July 2007 to June 2011).	September 5, 2014	15,000
Shumsheer Sidhu British Columbia, Canada <i>Director</i>	Finance Manager, NeuroDevNet (June 2013 to July 2016); Maternity leave (July 2012 to June 2013); Finance Manager of PrioNet Canada (October 2009 to June 2012).	March 2, 2015	827,402 ⁽³⁾

Notes:

- (1) The information as to common shares beneficially owned or controlled has been provided by the nominees themselves.
- (2) A member of the audit committee.
- (3) Of which, 627,145 common shares are registered in the name of Jonjit Singh, spouse of Shumsheer Sidhu.

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

Corporate Cease Trade Orders or Bankruptcies

No director or proposed director of the Company is, or within the ten years prior to the date of this Circular has been, a director or executive officer of any company, including the Company, that while that person was acting in that capacity:

- (a) was the subject of a cease trade order or similar order or an order that denied the company access to any exemption under securities legislation for a period of more than 30 consecutive days; or
- (b) was subject to an event that resulted, after the director ceased to be a director or executive officer of the company being the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (c) 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.

Individual Bankruptcies

No director or 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, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

Penalties or Sanctions

None of the proposed directors have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, has entered into a settlement agreement with a securities regulatory authority or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable security holder making a decision about whether to vote for the proposed director.

EXECUTIVE COMPENSATION

Named Executive Officers

During the financial year ended December 31, 2015, the Company had two NEOs being Dr. Iain Weir-Jones, the Chairman and Chief Executive Officer (“CEO”) of the Company and Ibrahim Ghobrial, the Chief Financial Officer (“CFO”) of the Company.

“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, as determined in accordance with subsection 1.3(6) of Form 51-102F6 - *Statement of Executive Compensation*, for that financial year; and (d) each individual who would be a NEO 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 DISCUSSION AND ANALYSIS

Compensation Discussion and Analysis

The Board 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 Board 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. In general, a NEO's compensation is comprised of contractor payments and stock option grants.

The objectives and reasons for this system of compensation are generally to allow the Company to remain competitive compared to its peers in attracting and retaining experienced personnel. All salaries and/or consulting fees are to be set on a basis of a review and comparison of compensation paid to executives at similar companies.

The Company has not formally considered the risks associated with the Company's compensation policies and practices. The Company's compensation policies and practices give greater weight toward long-term incentives to mitigate the risk of encouraging short term goals at the expense of long term sustainability. The discretionary nature of annual bonus awards and option grants are significant elements of the Company's compensation plans and provide the Board with the ability to reward historical performance and behaviour that the Board considers to be aligned with the Company's best interests. The Company has attempted to minimize those compensation practices and policies that expose the Company to inappropriate or excessive risks.

The Company's NEOs and directors are not permitted to purchase financial instruments, including for greater certainty, 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 the NEO or director.

Previous to September 5, 2014, the Company's compensation for the NEOs was comprised of four components, being (1) base salary, (2) cash bonuses, (3) long-term incentive in the form of stock options, and (4) termination and change of control benefits. The current Board has implemented strict cost controls and more efficient procurement procedures. Accordingly, NEO fees have been suspended and are not being accrued, and all Management expenses and benefits have also been curtailed. Until positive cash flow has been achieved, these will not be reinstated.

Share-Based and Option-Based Awards

The Company does not grant share-based awards. The Board is responsible for granting options to the NEOs. Stock option grants are designed to reward the NEOs for success on a similar basis as the shareholders of the Company, but these rewards are highly dependent upon the volatile stock market, much of which is beyond the control of the NEOs. When new options are granted, the Board takes into account the previous grants of options, the number of stock options currently held, position, overall individual performance, anticipated contribution to the Company's future success and the individual's ability to influence corporate and business performance. The purpose of granting such stock options is to assist the Company in compensating, attracting, retaining and motivating the officers, directors and employees of the Company and to closely align the personal interest of such persons to the interest of the shareholders.

The exercise price of the stock options granted is generally determined by the market price at the time of grant, less any allowable discount.

Compensation Governance

The Board monitors compensation for the executive officers of the Company. The following is a summary description of the responsibilities of the Board as it relates to NEO compensation:

- (a) to review and approve corporate goals and objectives relevant to NEO compensation, including the evaluation and performance of the CEO in light of those corporate goals and objectives (including the award of any cash bonuses or share ownership opportunities);
- (b) to consider the implementation of short and long-term incentive plans, including equity-based plans, proposed by Management and to annually review such plans after their implementation; and
- (c) to annually review any other benefit plans proposed by Management.

SUMMARY COMPENSATION TABLE

Set out below is a summary of compensation paid or accrued in United States dollars, during the Company's three most recently completed financial years to the Company's NEOs.

Summary Compensation Table

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards ⁽¹⁾ (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual Incentive plans	Long-term incentive plans			
Dr. Iain Weir-Jones <i>Chairman and CEO</i> ⁽²⁾	2015	Nil	N/A	81,096	N/A	N/A	Nil	Nil	81,096
	2014	Nil	N/A	Nil	N/A	N/A	Nil	⁽³⁾	Nil
	2013	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ibrahim Ghobrial <i>CFO</i> ⁽⁴⁾	2015	Nil	N/A	25,632	N/A	N/A	Nil	9,396	35,028
	2014	Nil	N/A	Nil	N/A	N/A	Nil	Nil	Nil
	2013	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Erinn B. Broshko <i>Former Executive Chairman</i> ⁽⁵⁾	2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2014	76,111 ⁽⁶⁾	N/A	Nil	N/A	N/A	Nil	3,171 ⁽⁷⁾	79,282
	2013	121,388 ⁽⁶⁾	N/A	146,601	N/A	N/A	Nil	6,433 ⁽⁷⁾	274,422
Scott C. Davis <i>Former CFO</i> ⁽⁸⁾	2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2014	24,618 ⁽⁹⁾	N/A	Nil	N/A	N/A	Nil	Nil	24,618
	2013	35,937 ⁽⁹⁾	N/A	8,796	N/A	N/A	Nil	Nil	44,733

Note:

- (1) The fair value of option-based awards is determined by the Black-Scholes Option Pricing Model with the following assumptions:

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Risk-free interest rate:	1.34%	-	2.02%
Expected dividend yield:	-	-	0%
Expected volatility:	179%	-	182.32%
Expected life of option:	7.83 years	-	5 years

The Company has chosen the Black-Scholes methodology to calculate the grant date fair value of option-based awards as it is the methodology used in the Company's financial statements.

- (2) Dr. Weir-Jones was appointed as Chairman and CEO of the Company on September 5, 2014.
- (3) On January 13, 2015, the Company entered into a debt settlement agreement with Dr. Weir-Jones and agreed to issue 2,652,520 common shares of the Company at a deemed price of US\$0.04 (CDN\$ 0.05) per share, to settle payables of US\$114,324 (CDN\$ 132,626) that were owed to Dr. Weir-Jones at December 31, 2014. The common shares were issued on February 21, 2015.
- (4) Mr. Ghobrial was appointed as CFO of the Company on September 5, 2014.
- (5) Mr. Broshko resigned as Executive Chairman of the Company on September 5, 2014.
- (6) Amounts owing to Mr. Broshko are payable to a company, of which Mr. Broshko is a principal, for Mr. Broshko acting as Executive Chairman. An amount of US\$3,220 is currently owing to this company for Mr. Broshko's services.
- (7) Represents reimbursement of parking expenses and health insurance premiums.
- (8) Mr. Davis resigned as CFO of the Company on September 5, 2014.
- (9) Represents payments made to a company, of which Mr. Davis is a principal, for Mr. Davis acting as CFO. An amount of US\$2,172 is currently owing to Mr. Davis.

Narrative Discussion

On November 15, 2011 the Company entered into a one year consulting agreement with Mr. Broshko whereby Mr. Broshko was paid an annualized fee of CDN\$125,000 for acting as Executive Chairman of the Company and was also paid an additional one-time fee of CDN\$144,000 concurrently with entering into the consulting agreement. Until his resignation on September 5, 2014, Mr. Broshko was engaged by the Company on a month-to-month basis.

On December 7, 2010, Mr. Davis was appointed CFO of the Company. On the same date, the Company entered into a consulting agreement with Cross Davis & Company LLP, a firm of which Mr. Davis is a partner, whereby Mr. Davis was engaged to provide to the Company CFO and other accounting and finance consulting services. Under such agreement, the Company paid to Cross Davis & Company LLP CDN\$2,000 per month plus hourly rates for accounting and finance consulting fees. The term of the consulting agreement was for two years and could be extended by agreement of the parties, or terminated at any time by one party providing to the other party 14 days written notice thereof. On December 7, 2012, the agreement was extended for another two years. This agreement with Mr. Davis was terminated upon the resignation of Mr. Davis on September 5, 2014.

Subsequent to September 4, 2014, the newly elected Board implemented strict cost controls and more efficient procurement procedures. Accordingly, directors' fees have been suspended and are not being accrued, and all Management expenses and benefits have also been curtailed. Until positive cash flow has been achieved, these will not be reinstated.

INCENTIVE PLAN AWARDS

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth the outstanding option-based awards held by the NEOs of the Company at the end of the most recently completed financial year. The Company does not have any share-based awards held by an NEO.

Name	Option-Based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾
Dr. Iain Weir-Jones <i>Chairman and CEO</i>	400,000	0.10	December 31, 2018	Nil
	2,000,000	0.05	November 19, 2025	70,000
Ibrahim Ghobrial <i>CFO</i>	200,000	0.10	December 31, 2018	Nil
	500,000	0.05	November 19, 2025	17,500

Note:

- (1) “In-the-Money Options” means the excess of the market value of the Company’s shares on December 31, 2015 over the exercise price of the options. The closing price of the Company’s common shares on December 31, 2015 was \$0.085.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth details of the value vested or earned for all incentive plan awards during the most recently completed financial year by each NEO:

Name	Option-based awards - Value vested during the year ⁽¹⁾ (\$)	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
Dr. Iain Weir-Jones	None	N/A	N/A
Ibrahim Ghobrial	None	N/A	N/A

Note:

- (1) All options granted to the NEOs vested on the date of grant and the exercise price of such options was either equal to or greater than the closing price of the Company’s shares on the date of grant.

Narrative Discussion

All option-based awards are issued pursuant to the Company’s stock option plan (the “**Plan**”). The Plan was adopted by the Board in September, 2015 and approved by the shareholders of the Company in October, 2015 and provides for the grant of stock options to purchase common shares. The following is a brief summary of certain provisions of the Plan and is qualified in its entirety by the full text of the Plan, which will be available for review at the Meeting.

- The Plan allows for the granting of options to acquire up to 17,315,670 common shares, being 20% of the Company’s previous issued and outstanding common shares. As the Plan is a 20%

“fixed” plan, the number of common shares available for issuance thereunder does not increase with a corresponding increase in the Company’s share capital.

2. Stock options will be exercisable over periods of up to ten years as determined by the Board and are required to have an exercise price of no less than the closing price of the Company’s shares on the TSX Venture Exchange on the day preceding the date of grant, less any discount permitted by the TSX Venture Exchange. The number of shares which may be reserved for issuance to any one individual may exceed 5% of the issued shares on a yearly basis but may not exceed more than 2% of the issued shares in any twelve month period if granted to any one consultant or to persons employed or engaged to perform investor relations activities.
3. Stock options shall be subject to vesting at the discretion of the Board. All options granted to consultants performing investor relations activities will vest over 12 months with not more than one-quarter of the options vesting in any three month period. The Plan provides that if a change of control, as defined therein, occurs, all shares subject to stock options shall immediately become vested and may thereupon be exercised in whole or in part by the stock option holder.
4. Any stock options granted pursuant to the Plan will terminate within 90 days of the stock option holder ceasing to act as a director, officer, employee or consultant of the Company unless such cessation is on account of death or the stock option holder is engaged primarily to provide investor relations activities. Any stock options granted to a stock option holder engaged primarily to provide investor relations activities will terminate within 30 days of the stock option holder ceasing to be employed in such capacity. If such cessation is on account of death, the stock options terminate on the earlier of one year of the stock option holder’s death and the expiration date of the stock options.
5. In connection with the exercise of an option, as a condition to such exercise, the Company shall require the optionee to pay to the Company an amount necessary so as to ensure that the Company is in compliance with the applicable provisions of any federal, provincial or local laws relating to the withholding of tax or other required deductions relating to the exercise of such option.

PENSION BENEFITS

The Company does not have a pension plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement.

TERMINATION AND CHANGE OF CONTROL BENEFITS

Other than as disclosed herein, the Company and its subsidiaries have no compensatory plan, contract or arrangement where an NEO is entitled to receive more than \$100,000 (including periodic payments or instalments) to compensate such executive officer in the event of resignation, retirement or other termination of the NEO’s employment with the Company or its subsidiaries, a change of control of the Company or its subsidiaries, or a change in responsibilities of the NEO following a change in control.

Other than as disclosed, the Company has not entered into any other contract, agreement, plan or arrangement that provides for payments to an NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement a change in control of the Company or a change in an NEOs responsibilities.

DIRECTOR COMPENSATION

Other than compensation paid to the NEOs, and except as noted below, no compensation was paid to directors in their capacity as directors of the Company or its subsidiaries, in their capacity as members of a committee of the Board or of a committee of the board of directors of its subsidiaries, or as consultants or experts, during the Company's most recently completed financial year.

Set out below is a summary of compensation paid or accrued during the Company's most recently completed financial year to the Company's directors, other than the NEOs previously disclosed:

Director Compensation Table

Name	Fees earned (\$)	Share- based awards (\$)	Option- based awards⁽¹⁾ (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Toby Weir-Jones	Nil	N/A	25,632	N/A	Nil	Nil	25,632
David Diebolt	12,015 (US) ⁽²⁾	N/A	18,173 (US)	N/A	Nil	Nil	30,188 (US) ⁽²⁾
Dr. Terence W. Freidlander M.D.	Nil	N/A	18,173	N/A	Nil	Nil	18,173
Shumsheer Sidhu	Nil	N/A	18,173	N/A	Nil	Nil	18,173

Note:

- (1) The fair value of option-based awards is determined by the Black-Scholes Option Pricing Model with the following assumptions:

Risk-free interest rate:	1.34%
Expected dividend yield:	-
Expected volatility:	179%
Expected life of option:	7.83 years

The Company has chosen the Black-Scholes methodology to calculate the grant date fair value of option-based awards as it is the methodology used in the Company's financial statements.

- (2) Paid or accrued to Manning Elliott LLP for services rendered. David Diebolt is a partner of Manning Elliott LLP.

The Board has implemented strict cost controls and more efficient procurement procedures. Accordingly, no monies are paid or accrued to directors and all director expenses and benefits have also been curtailed and will not be reinstated until positive cash flow has been achieved.

Narrative Discussion

Directors are compensated through the grant of stock options. No directors' fees are paid to the current directors of the Company.

INCENTIVE PLAN AWARDS

Outstanding Share-Based Awards and Option-Based Awards

The Company does not have any share-based awards held by a director. The following table sets forth details of all awards granted to directors of the Company which are outstanding at the end of the most recently completed financial year.

Name	Option-Based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾
Toby Weir-Jones	200,000 500,000	0.10 0.05	December 31, 2018 November 19, 2025	Nil 17,500
David Diebolt	200,000 250,000	0.10 0.05	December 31, 2018 November 19, 2025	Nil 8,750
Dr. Terence W. Freidlander M.D.	200,000 250,000	0.10 0.05	December 31, 2018 November 19, 2025	Nil 8,750
Shumsheer Sidhu	200,000 250,000	0.10 0.05	December 31, 2018 November 19, 2025	Nil 8,750

Note:

- (1) “In-the-Money Options” means the excess of the market value of the Company’s shares on December 31, 2015 over the exercise price of the options. The market price for the Company’s common shares on December 31, 2015 was \$0.085.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth details of the value vested or earned for all incentive plan awards during the most recently completed financial year by each director:

Name	Option-based awards - Value vested during the year (\$)	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
Toby Weir-Jones	Nil	N/A	N/A
David Diebolt	Nil	N/A	N/A
Dr. Terence W. Freidlander M.D.	Nil	N/A	N/A
Shumsheer Sidhu	Nil	N/A	N/A

Note:

- (1) All options granted to the directors vested on the date of grant and the exercise price of such options was either equal to or greater than the closing price of the Company's shares on the date of grant.

EQUITY COMPENSATION PLAN INFORMATION

The following table sets out those securities of the Company which have been authorized for issuance under equity compensation plans, as at the end of the most recently completed financial year:

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	9,450,000	\$0.06	7,865,670
Equity compensation plans not approved by the securityholders	N/A	N/A	N/A
Total	9,450,000		7,865,670

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

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 most recently completed financial year of the Company.

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

No director or executive officer of the Company or any proposed nominee of Management of the Company for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, since the beginning of the most recently completed financial year of the Company in matters to be acted upon at the Meeting, other than the election of directors and the appointment of auditors.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

None of the persons who were directors or executive officers of the Company or a subsidiary at any time during the Company's last completed financial year, the proposed nominees for election to the Board, any person or company who beneficially owns, directly or indirectly, or who exercises control or direction over (or a combination of both) more than 10% of the issued and outstanding common shares of the Company, nor the associates or affiliates of those persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction or proposed transaction which has materially affected or would materially affect the Company.

APPOINTMENT OF AUDITOR

Management intends to nominate DeVisser Gray LLP, Chartered Accountants, of 401 – 905 West Pender Street, Vancouver, British Columbia, for re-appointment as auditor of the Company. Forms of proxies given pursuant to this solicitation will, on any poll, be voted as directed and, if there is no direction, for the re-appointment of DeVisser Gray LLP, Chartered Accountants, as the auditor of the Company to hold office for the ensuing year with remuneration to be fixed by the directors.

MANAGEMENT CONTRACTS

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 NEOs of the Company.

AUDIT COMMITTEE

The Company is required to have an audit committee (the “**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.

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 Dr. Iain Weir-Jones, Toby Weir-Jones and David Diebolt.

National Instrument 52-110 - *Audit Committees* (“**NI 52-110**”) provides that 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 Company’s Board, reasonably interfere with the exercise of the member’s independent judgment. Of the Company’s current Audit Committee members, Toby Weir-Jones and David Diebolt are “independent” within the meaning of NI 52-110. Dr. Iain Weir-Jones is not “independent” as he is also the CEO of the Company.

NI 52-110 provides that an individual is “financially literate” if he or she has the ability to read and understand a set of financial statements that present a breadth 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. All of the members of the Audit Committee are “financially literate” as that term is defined. The following sets out the Audit Committee members’ education and experience that is relevant to the performance of his responsibilities as an audit committee member.

Relevant Education and Experience

Dr. Iain Weir-Jones – Dr. Weir-Jones has been the President and Chief Technology Officer of Weir-Jones Engineering Consultants Ltd. since 1971. Dr. Weir-Jones is a Professional Engineer who is registered in both of British Columbia and Alberta.

Toby Weir-Jones – Mr. Weir-Jones obtained his MBA from Johnson School at Cornell University, Ithaca, New York in 2010 and his MBA from Queen’s University, Kingston, Ontario in 2010. In addition, Mr. Weir-Jones obtained his BA from Cornell University in 1997.

David Diebolt – Mr. Diebolt is a Chartered Professional Accountant (CPA and CA) and has been a partner of Manning Elliott LLP since 2010. Mr. Diebolt has over 15 years of experience working in public practice. Mr. Diebolt is a graduate of the University of British Columbia and obtained his CA designation in 2003.

Audit Committee Oversight

Since the commencement of the Company’s most recently completed financial year, the Audit Committee of the Company has not made any recommendations to nominate or compensate an external auditor which were not adopted by the Board.

Reliance on Certain Exemptions

Since the commencement of the Company’s most recently completed financial year, the Company has not relied on:

- (a) the exemption in section 2.4 (De Minimis Non-audit Services) of NI 52-110; or
- (b) an exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemptions).

Pre-Approval Policies and Procedures

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

Audit Fees

The following table sets forth the fees paid by the Company and its subsidiaries to DeVisser Gray LLP, Chartered Accountants, for services rendered in the last two fiscal years:

	<u>2015</u>	<u>2014</u>
	(\$)	(\$)
Audit fees ⁽¹⁾	12,300	15,000
Audit related fees ⁽²⁾	Nil	Nil
Tax fees ⁽³⁾	700	700
All other fees ⁽⁴⁾	<u>Nil</u>	<u>Nil</u>
Total	<u>\$13,000</u>	<u>\$15,700</u>

Notes:

- (1) “Audit fees” include aggregate fees billed by the Company’s external auditor 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 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 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, other than “Audit fees”, “Audit related fees” and “Tax fees” above.

Exemption in Section 6.1

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

CORPORATE GOVERNANCE DISCLOSURE

National Instrument 58-101 - *Disclosure of Corporate Governance Practices*, 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 of Directors

Management is nominating five individuals to the Board, all of whom are current directors of the Company.

The Guidelines suggest that the board of directors of every reporting issuer should be constituted with a majority of individuals who qualify as “independent” directors under NI 52-110, which provides that a director is independent if he or she has no direct or indirect “material relationship” with the Company. The “material relationship” is defined as a relationship which could, in the view of the Company’s Board, reasonably interfere with the exercise of a director’s independent judgement. All of the current members of the Board are considered “independent” within the meaning of NI 52-110, except for Dr. Iain Weir-Jones, who is the CEO of the Company.

The Board has a stewardship responsibility to supervise the management of and oversee the conduct of the business of the Company, provide leadership and direction to Management, evaluate Management, set policies appropriate for the business of the Company and approve corporate strategies and goals. The day-to-day management of the business and affairs of the Company is delegated by the Board to the CEO. The Board will give direction and guidance through the CEO to Management and will keep Management informed of its evaluation of the senior officers in achieving and complying with goals and policies established by the Board.

The Board recommends nominees to the shareholders for election as directors, and immediately following each annual general meeting appoints an Audit Committee and the chairperson of the Audit Committee. The Board establishes and periodically reviews and updates the Audit Committee mandate, duties and responsibilities of the members of the Audit Committee, elects a chairperson of the Board and establishes his or her duties and responsibilities, appoints the CEO, CFO and President of the Company and establishes the duties and responsibilities of those positions and on the recommendation of both the CEO and the President, appoints the senior officers of the Company and approves the senior management structure of the Company.

The Board exercises its independent supervision over Management by its policies that (a) periodic meetings of the Board be held to obtain an update on significant corporate activities and plans; and (b) all material transactions of the Company are subject to prior approval of the Board. The Board shall meet not less than three times during each year and will endeavour to hold at least one meeting in each fiscal quarter. The Board will also meet at any other time at the call of the CEO, or subject to the Articles of the Company, of any director.

The mandate of the Board, as prescribed by the *Business Corporations Act* (British Columbia) (the “Act”), is to manage or supervise management of the business and affairs of the Company and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of the Company’s affairs directly and through its committees.

Directorships

None of the directors of the Company are also directors of other reporting issuers.

Orientation and Continuing Education

The Board’s practice is to recruit for the Board only persons with experience in public company matters. Prospective new board members are provided a reasonably detailed level of background information, verbal and documentary, on the Company’s affairs and plans prior to obtaining their consent to act as a director.

The Board provides training courses to the directors as needed, to ensure that the Board is complying with current legislative and business requirements.

Ethical Business Conduct

The Board encourages and promotes a culture of ethical business conduct through communication and supervision as part of their overall stewardship responsibility.

Nomination of Directors

The Board identifies new candidates for board nomination by an informal process of discussion and consensus-building on the need for additional directors, the specific attributes being sought, likely prospects, and timing. Prospective directors are not approached until consensus is reached. This process takes place among the Chairman and a majority of the non-executive directors.

Assessments

The Board annually reviews its own performance and effectiveness as well as the effectiveness and performance of its committees. Effectiveness is subjectively measured by comparing actual corporate

results with stated objectives. The contributions of individual directors are informally monitored by other Board members, bearing in mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

The Board monitors the adequacy of information given to directors, communication between Board and Management and the strategic direction and processes of the Board and its committees.

The Board believes its corporate governance practices are appropriate and effective for the Company, given its size and operations. The Company's corporate governance practices allow the Company to operate efficiently, with checks and balances that control and monitor Management and corporate functions without excessive administration burden.

PARTICULARS OF MATTERS TO BE ACTED UPON

General Matters

It is not known whether any other matters will come before the Meeting other than those set forth above 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 of the Meeting.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com. Financial information about the Company is provided in the Company's comparative annual financial statements to December 31, 2015, a copy of which, together with Management's Discussion and Analysis thereon, can be found on the Company's SEDAR profile at www.sedar.com. Additional financial information concerning the Company may be obtained by any securityholder of the Company free of charge by contacting the Company, at (604) 732-7332.

BOARD APPROVAL

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

DATED at Vancouver, British Columbia, the 28th day of October, 2016.

ON BEHALF OF THE BOARD

"Iain Weir-Jones"

Dr. Iain Weir-Jones
Chairman and Chief Executive Officer

MED BIOGENE INC.

**Schedule “A”
Audit Committee Charter**

(SEE ATTACHED)

CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

I. PURPOSE

The purpose of the Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of **Med BioGene Inc.** (the “**Company**”) shall be to act on behalf of the Board in fulfilling the Board’s oversight responsibilities with respect to: (i) the Company’s corporate accounting, financial reporting practices and audits of financial statements; (ii) the Company’s systems of internal accounting and financial controls; (iii) the quality and integrity of the Company’s financial statements and reports; and (iv) the qualifications, independence and performance of any firm or firms of certified public accountants or independent chartered accountants engaged as the Company’s independent outside auditors (the “**Auditors**”).

II. COMPOSITION AND MEETINGS

A. Composition. The Committee shall consist of at least three (3) members of the Board. Each member shall meet the independence and financial literacy and experience requirements mandated by the Canadian provincial securities regulatory authorities and the *Business Corporations Act* (British Columbia) (collectively, the “**Rules**”), subject to any exceptions permitted by the Rules. Each member shall meet such other qualifications for membership on an audit committee as are established from time to time in the Rules. The members of the Committee shall be appointed by and serve at the discretion of the Board. Vacancies occurring on the Committee shall be filled by the Board. The Committee’s Chairperson shall be designated by the Board, or if it does not do so, the Committee members shall elect a Chairperson by notice of a majority of the full Committee.

B. Meetings. The Committee will hold at least four (4) regular meetings per year and additional meetings as the Committee deems appropriate. Meetings may be called by the Chairperson of the Committee or the Chairman of the Board.

III. MINUTES AND REPORTS

Minutes of each meeting will be kept and distributed to each member of the Committee and members of the Board who are not members of the Committee. The Chairperson of the Committee will report to the Board from time to time, or whenever so requested by the Board.

IV. AUTHORITY

The Committee shall have full access to all books, records, facilities and personnel of the Company as deemed necessary or appropriate by any member of the Committee to discharge his or her responsibilities hereunder.

The Committee shall have authority to retain, and set and pay the compensation for, at the Company’s expense, advice and assistance from internal and external legal, accounting or other advisors or consultants as it deems necessary or appropriate in the performance of its duties. The Company shall make available to the Committee all funding necessary for the Committee to carry out its duties, including, without limitation, the payment of such expenses. The Committee shall have authority to require that any of the Company’s personnel, counsel, Auditors or investment bankers, or any other consultant or advisor to the Company attend any meeting of the Committee or meet with any member of the Committee or any of its special legal, accounting or other advisors and consultants.

V. RESPONSIBILITIES

The operation of the Committee will be subject to the provisions of the articles of the Company and the *Business Corporations Act* (British Columbia), each as in effect from time to time.

The Auditors shall report directly to the Committee. The Committee shall oversee the Company's financial reporting process on behalf of the Board. The Committee's functions and procedures should remain flexible to address changing circumstances most effectively.

To implement the Committee's purpose, the Committee shall, to the extent the Committee deems necessary or appropriate, be charged with the following functions and processes with the understanding, however, that the Committee may supplement or (except as otherwise required by applicable laws or rules) deviate from these activities as appropriate under the circumstances:

1. Evaluation and Recommendation to the Board. To evaluate the performance of the Auditors, to assess their qualifications (including their internal quality-control procedures and any material issues raised by that firm's most recent internal quality-control or peer review or any investigations by regulatory authorities) and to recommend to the Board: (a) the Auditors to be presented to the Company's shareholders for appointment for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and (b) the compensation of the Auditor.

2. Approval of Audit Engagements. Subject to the appointment of the Auditors by the Company's shareholders, to determine and approve engagements of the Auditors, prior to commencement of such engagement, to perform all proposed audit, review and attest services, including the scope of and plans for the audit, the compensation to be paid to the Auditors, which approval may be pursuant to preapproval policies and procedures, including the delegation of preapproval authority to one or more Committee members so long as any such preapproval decisions are presented to the full Committee at the next scheduled meeting and ratified by the Board.

3. Approval of Non-Audit Services. To determine and approve engagements of the Auditors, prior to commencement of such engagement (unless in compliance with exceptions available under applicable laws and rules related to immaterial aggregate amounts of services), to perform any proposed permissible non-audit services, including the scope of the service and the compensation to be paid therefor, which approval may be pursuant to preapproval policies and procedures established by the Committee consistent with applicable laws and rules, including the delegation of preapproval authority to one or more Committee members so long as any such preapproval decisions are presented to the full Committee at the next scheduled meeting.

4. Audit Partner Rotation. To monitor the rotation of the partners of the Auditors on the Company's audit engagement team as required by applicable laws and rules.

5. Auditor Conflicts. At least annually, to receive and review written statements from the Auditors delineating all relationships between the Auditors and the Company, to consider and discuss with the Auditors any disclosed relationships and any compensation or services that could affect the Auditors objectivity and independence, and to assess and otherwise take appropriate action to oversee the independence of the Auditors.

6. Audited Financial Statement Review. To review, upon completion of the audit, the Company's financial statements, including the related notes and the management's discussion and analysis of financial condition and results of operations, prior to the same being filed with applicable regulatory authorities and to recommend whether or not such financial statements and management's discussion and analysis of financial condition and results of operations should be approved by the Board.

7. Annual Audit Results. To discuss with management and the Auditors the results of the annual audit, including the Auditors' assessment of the quality, not just acceptability, of accounting principles, the reasonableness of significant judgments and estimates (including material changes in

estimates), any material audit adjustments proposed by the Auditors and immaterial adjustments not recorded, the adequacy of the disclosures in the financial statements and any other matters required to be communicated to the Committee by the Auditors under promulgated auditing standards.

8. Quarterly Results. To discuss with management and the Auditors the results of the Auditors' review of the Company's quarterly financial statements, including the related notes and the management's discussion and analysis of financial condition and results of operations prior to the same being filed with applicable regulatory authorities, any material audit adjustments proposed by the Auditors and immaterial adjustments not recorded, the adequacy of the disclosures in the financial statements and any other matters required to be communicated to the Committee by the Auditors under promulgated auditing standards and to recommend whether or not such financial statements and management's discussion and analysis of financial condition and results of operations should be approved by the Board.

9. Annual and Interim Financial Press Releases. Review with management annual and interim financial press releases before the Company publicly discloses this information.

10. Accounting Principles and Policies. To review with management and the Auditors significant issues that arise regarding accounting principles and financial statement presentation, including critical accounting policies and practices, alternative accounting policies available under GAAP related to material items discussed with management and any other significant reporting issues and judgments.

11. Risk Assessment and Management. To review and discuss with management and the Auditors, as appropriate, the Company's guidelines and policies with respect to risk assessment and risk management, including the Company's major financial risk exposures, including the Company's investment and hedging policies, and the steps taken by management to monitor and control these exposures.

12. Management Cooperation with Audit. To review with the Auditors any significant difficulties with the audit or any restrictions on the scope of their activities or access to required records, data and information, significant disagreements with management and management's response, if any.

13. Management Letters. To review with the Auditors and, if appropriate, management, any management or internal control letters issued or, to the extent practicable, proposed to be issued by the Auditors and management's response, if any, to such letter, as well as any additional material written communications between the Auditors and management.

14. Disagreements Between Auditors and Management. To review with the Auditors and management any conflicts or disagreements between management and the Auditors regarding financial reporting, accounting practices or policies.

15. Internal and Financial Reporting Controls. To confer with the Auditors and with the management of the Company regarding the scope, adequacy and effectiveness of internal financial reporting controls in effect including any special audit steps taken in the event of material control deficiencies. To review with the Auditors and with the management of the Company the progress and findings of their efforts related to the documentation, assessment and testing of internal controls related to compliance with the Rules, as required.

16. Separate Sessions. Periodically, to meet in separate sessions with the Auditors and management to discuss any matters that the Committee, the Auditors or management believe should be discussed privately with the Committee.

17. Complaint Procedures. To establish procedures, when and as required by applicable laws and rules, or as otherwise deemed appropriate by the Committee, for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or

auditing matters and the confidential and anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

18. Regulating and Accounting Initiatives. To review with counsel, the Auditors and management, as appropriate, any significant regulatory or other legal or accounting initiatives or matters that may have a material impact on the Company's financial statements, compliance programs and policies if, in the judgment of the Committee, such review is necessary or appropriate.

19. Related Party Transactions. To review and approve related-party transactions as required by applicable law.

20. Investigations. To investigate any matter brought to the attention of the Committee within the scope of its duties if, in the judgment of the Committee, such investigation is necessary or appropriate.

21. Annual Charter Review. To review and assess the adequacy of this charter annually and recommend any proposed changes to the Board for approval.

22. Report to Board. To report to the Board with respect to material issues that arise regarding the quality or integrity of the Company's financial statements, the performance or independence of the Auditors or such other matters as the Committee deems appropriate from time to time or whenever it shall be called upon to do so.

23. Other Responsibilities. Perform such other functions as may be assigned by law, by the Company's articles or by the Board.

It shall be management's responsibility to prepare the Company's financial statements and periodic reports and the responsibility of the Auditors to audit those financial statements. It is not the duty of the Committee to (1) plan or conduct audits; (2) determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles; (3) to resolve disagreements, if any, between management and the outside auditors; or (4) to assure compliance with laws and regulations and the Company's policies generally. Furthermore, it is the responsibility of the CEO and senior management to avoid and minimize the Company's exposure to risk, and while the Committee is responsible for reviewing with management the guidelines and policies to govern the process by which risk assessment and management is undertaken, the Committee is not the sole body responsible. The Auditors shall be accountable to the Committee as representatives of the shareholders.
