



**NOTICE OF ANNUAL GENERAL MEETING**

and

**MANAGEMENT PROXY CIRCULAR**

Annual General Meeting of Shareholders

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# **IFABRIC CORP.**

## **NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**TO BE HELD JUNE 29, 2026**

The board of directors of **iFABRIC CORP.** ("**iFabric**" or the "**Corporation**") invites you to attend the annual general meeting of the shareholders of the Corporation (the "**Meeting**") to be held at 8133 Warden Avenue, Markham, ON L3G 1B3 on **June 29, 2026**, at **10:00 a.m.** (Toronto time), for the following purposes:

1. to receive the consolidated financial statements of the Corporation for the year ended December 31, 2025, and the auditor's report thereon;
2. to fix the number of directors to be elected at the Meeting at six;
3. to elect each of those persons nominated as directors of the Corporation to serve until the next annual meeting of the Corporation or until their successors are duly elected or appointed;
4. to re-appoint the auditor of the Corporation and authorize the directors to fix their remuneration; and
5. to transact such other business as may properly come before the Meeting or any adjournment of the Meeting.

All shareholders are invited to attend the Meeting. Only shareholders of record at the close of business on May 21, 2026, are entitled to vote at the Meeting.

If you are unable to attend the Meeting in person, please complete, date and sign the enclosed form of proxy and return it, in the envelope provided to Computershare Trust Company of Canada, through its Proxy Department at, Proxy Department at 320 Bay Street, 14th Floor, Toronto, ON M5H 4A6, or by fax to 1-866-249-7775, so that it is received no later than 10:00 a.m. (Toronto time) on June 25, 2026.

DATED at Markham, Ontario, May 21, 2026.

**BY ORDER OF THE BOARD OF DIRECTORS**

*(signed) "Hylton Karon"*

**President, Chief Executive Officer and Director**

# IFABRIC CORP.

## MANAGEMENT PROXY CIRCULAR

### VOTING AND PROXY RELATED INFORMATION

#### Solicitation of Proxies

This management proxy circular ("**Proxy Circular**") is provided in connection with the solicitation of proxies by management of iFabric Corp. ("**iFabric**" or the "**Corporation**") for use at the annual general meeting (the "**Meeting**") of holders of common shares of the Corporation ("**Common Shares**") to be held on June 29, 2026, at 10:00 a.m. (Toronto time) at the 8133 Warden Avenue, Markham, ON L3G 1B3, and at any adjournment of the Meeting, for the purposes set out in the accompanying Notice of Annual General Meeting (the "**Notice**").

Solicitation of proxies will be primarily by mail, but may be supplemented by solicitation personally by directors, officers and employees of the Corporation without additional compensation. In accordance with National Instrument 54-101 *Communication with Beneficial Owners* ("**NI 54-101**"), arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees, and fiduciaries to forward solicitation materials to the beneficial owners of Common Shares held by such persons and the Corporation may reimburse such person for reasonable fees and disbursements incurred by them in doing so. The cost of such solicitation will be borne by the Corporation.

#### Voting of Proxies

The persons named in the enclosed form of proxy are directors and officers of the Corporation ("**Management Designees**") and have indicated their willingness to represent as proxy the shareholder who appoints them. Each shareholder may instruct his proxy how to vote or withhold from voting his Common Shares by completing the proxy form.

**If you have appointed a Management Designee to act and vote on your behalf as provided in the enclosed form of proxy and you do not provide any instructions concerning a matter identified in the notice of the Meeting, the Common Shares represented by such proxy will be voted as follows:**

- (a) **FOR fixing the number of directors to be elected at the Meeting at six;**
- (b) **FOR electing each of the nominees identified in this Proxy Circular to the board of directors for the ensuing year; and**
- (c) **FOR re-appointing BDO Canada LLP, Chartered Professional Accountants, as the Corporation's auditors for the ensuing year and authorizing the directors to fix their remuneration.**

**The enclosed form of proxy confers discretionary authority upon the person indicated in the form with respect to amendments or variations to matters identified in the notice of meeting and with respect to other matters which may properly come before the Meeting.** At the time of printing of the Proxy Circular, management of the Corporation knows of no such amendments, variations, or other matters to come before the Meeting other than the matters referred to in the notice of meeting and the Proxy Circular. If any matters which are not now known to the directors and senior officers of the Corporation

should properly come before the Meeting, the persons named in the accompanying form of proxy will vote on such matters in accordance with their best judgment.

### **Registered Shareholding Voting**

You are a registered shareholder if your Common Shares are held in your name and your name is entered in iFabric's register of Common Shares.

#### *Voting Options*

- In person at the Meeting (see below);
- By form of proxy (see below and instructions on form of proxy);
- By telephone (see enclosed form of proxy); or
- By internet (see enclosed form of proxy)

#### *Voting in Person*

If you plan to attend the Meeting and wish to vote your Common Shares in person, do not complete or return the enclosed form of proxy. Your vote will be taken and counted at the Meeting. Please register with the scrutineer of the Meeting, when you arrive.

#### *Voting by Proxy*

**Whether or not you attend the Meeting, you can appoint someone else to attend and vote as your proxyholder.** You can use the enclosed form of proxy or any other proper form of proxy to do this. The persons named in the enclosed form of proxy are officers of the Corporation. You can also choose another person to be your proxyholder by printing that person's name in the space provided. Then complete the rest of the proxy, sign it and return it. You may also appoint a proxyholder via internet by following the instructions on the accompanying form of proxy. Your votes can only be counted if the person you appointed attends the Meeting and votes on your behalf. If you have voted by proxy, you may not vote in person at the Meeting, unless you revoke your proxy.

Unless you have appointed your proxyholder via the internet, return your complete proxy in the envelope provided or fax it to the Corporation's transfer agent and registrar, Computershare Trust Company of Canada ("**Computershare**") at 320 Bay Street, 14th Floor, Toronto, ON M5H 4A6, so that it arrives by 10:00 a.m. (Toronto time) on June 25, 2026, or if the Meeting is adjourned at least 48 hours (excluding weekends and holidays) before the time set for the Meeting to resume.

#### *Revoking Your Proxy*

You may revoke your proxy at any time prior to the Meeting. If you or the person you give your proxy to personally attend the Meeting, you or such person may revoke the proxy and vote in person at the Meeting. In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing executed by you or your attorney authorized in writing or, if you are a corporation, under your corporate seal or by a duly authorized officer or attorney of the corporation. To be effective the instrument in writing must be deposited either at: (i) iFabric's head office at any time up to and including the last business day before the day of the Meeting, (ii) at any adjournment thereof, at which the

proxy is to be used, or (iii) with the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof.

### **Beneficial Shareholder Voting**

**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 do not hold their Common Shares in their own name (referred to in this Proxy 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 Common Shares can be recognized and acted upon at the Meeting.

If Common Shares are listed in an account statement provided to a shareholder by a broker, then, in almost all cases, those Common Shares will not be registered in the shareholder's name on the records of the Corporation. Such Common Shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name CDS & Co. (the registration name for The Canadian Depositary for Securities, which acts as nominee for many Canadian brokerage firms). The Common Shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, a broker and its agents are prohibited from voting Common Shares for the broker's clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person.**

There are two kinds of Beneficial Shareholders, those who object to their name being made known to the issuers of securities which they own ("**OBOs**" for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are ("**NOBOs**" for Non-Objecting Beneficial Owners). Pursuant to NI 54-101 issuers can obtain a list of their NOBOs from intermediaries for distribution of proxy related materials directly to NOBOs. This year, the Corporation has decided to take advantage of those provisions of NI 54-101 that permit it to directly deliver proxy-related materials to its NOBOs. As a result, NOBOs can expect to receive a scannable Voting Instruction Form ("**VIF**") from our transfer agent, Computershare. These VIFs are to be completed and returned to Computershare in the envelope provided. In addition, Computershare provides both telephone voting and internet voting as described on the VIF itself which contains complete instructions. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Common Shares represented by the VIFs they receive.

With respect to Beneficial Shareholders who are OBOs, regulatory rules require intermediaries/brokers to seek voting instructions in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders who are OBOs in order to ensure that their Common Shares are voted at the Meeting. The purpose of the form of proxy or voting instruction form provided to a Beneficial Shareholder who is an OBO by its broker, agent or nominee is limited to instructing the registered holder of the Common Shares on how to vote such Common Shares on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications ("**Broadridge**"). Broadridge typically supplies a voting instruction form, mails those forms to Beneficial Shareholders and asks those Beneficial Shareholders to return the forms to Broadridge or follow specific telephone or other voting procedures. Broadridge then tabulates the results of all instructions received by it and

provides appropriate instructions respecting the voting of the Common Shares to be represented at the Meeting. **A Beneficial Shareholder receiving a voting instruction form from Broadridge cannot use that form to vote Common Shares directly at the Meeting. Instead, the voting instruction form must be returned to Broadridge or the alternate voting procedures must be completed well in advance of the Meeting in order to ensure such Common Shares are voted.**

These security holder materials are being sent to both registered and non-registered owners of the Common Shares of the Corporation. If you are a non-registered owner and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. In this event, by choosing to send these materials to you directly, the Corporation (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you; and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions. In accordance with the provisions of NI 54-101, the Corporation has elected to pay for mailing to OBO's.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purpose of voting Common Shares registered in the name of their broker, agent or nominee, a Beneficial Shareholder may attend the Meeting as a proxyholder for a shareholder and vote Common Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered shareholder should contact their broker, agent or nominee well in advance of the Meeting to determine the steps necessary to permit them to indirectly vote their Common Shares as a proxyholder.

## **INFORMATION CONCERNING THE CORPORATION**

### **General**

iFabric Corp. was incorporated on April 9, 2007, pursuant to the *Business Corporations Act* (Alberta). The Corporation's principal office is located at 525 Denison Street, Unit 1, Markham, Ontario L3R 1B8, and its registered office is 3rd Floor, 14505 Bannister Rd. SE, Calgary, AB T2X 3J3. iFabric's Common Shares were initially listed on the TSX Venture Exchange on October 26, 2007. On July 5, 2010, the Common Shares were delisted from the TSX Venture Exchange for failure of the Corporation to complete a Qualifying Transaction (as such term is defined in the TSX Venture Exchange Corporate Finance Manual) within 24 months of listing. The Corporation subsequently completed a Qualifying Transaction with the acquisition of all of the issued and outstanding shares of Coconut Grove Textiles Inc. effective June 4, 2012, and the Common Shares were re-listed on the TSX Venture Exchange effective at the opening of trading on June 6, 2012, under the trading symbol "IFA".

Following its migration to the Toronto Stock Exchange ("**TSX**") in September 2015, iFabric's Common Shares commenced trading on the TSX under the trading symbol "IFA", on September 18, 2015 and its Common Shares were delisted from the TSX Venture Exchange after the close of business on September 17, 2015.

### **Voting Shares and Principal Holders**

The authorized capital of iFabric consists of an unlimited number of Common Shares, and an unlimited number of first preferred and second preferred shares, of which 30,299,467 Common Shares and no first preferred or second preferred shares are issued and outstanding as at the date of this Proxy Circular.



Each Common Share entitles the holder to one vote on all matters to come before the Meeting. No group of shareholders has the right to elect a specified number of directors nor are there cumulative or similar voting rights attached to the Common Shares. **The directors of the Corporation have fixed May 21, 2026 (the "Record Date"), as the record date for determination of the persons entitled to receive notice of the Meeting.**

Shareholders as of the Record Date are entitled to vote their Common Shares except to the extent that they have transferred the ownership of any of their Common Shares after the Record Date. The transferees of those Common Shares must produce properly endorsed share certificates or otherwise establish that they own the Common Shares, and demand, not later than 10 days before the Meeting, that their name be included in the shareholder list before the Meeting, in which case the transferees are entitled to vote their Common Shares at the Meeting.

To the knowledge of the directors and senior officers of the Corporation, the only persons beneficially owning, directly or indirectly, shares carrying more than 10 percent of the voting rights attached to any class of voting securities of iFabric as of the date of this Proxy Circular are:

| Name and Municipality of Residence | Number of Common Shares Owned or Controlled Directly or Indirectly <sup>(1)</sup> | Percentage of Outstanding Common Shares |
|------------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------|
| Hylton Karon                       | 19,047,285                                                                        | 62.86%                                  |

**Note:**

(1) The Corporation has been advised of the information in this table and has not independently verified same.

### **Quorum for Meeting**

At the Meeting, a quorum shall consist of one or more persons either present in person or represented by proxy and representing in the aggregate not less than 5% of the outstanding Common Shares. If a quorum is not present at the Meeting any person present in person or represented by proxy and representing at least one Common Share may elect a Chairman of the Meeting for the exclusive purpose of adjourning the Meeting to a fixed time and place.

### **Approval Requirements**

**All matters to be considered at the Meeting are ordinary resolutions requiring approval by more than 50% of the votes cast in respect of the resolution by or on behalf of shareholders present in person or represented by proxy at the Meeting.**

## **CORPORATE GOVERNANCE**

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

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("**NI 58-101**"), the Corporation is required to disclose its corporate governance practices, as summarized below. The board of directors will continue to monitor such practices on an ongoing basis and, when necessary, implement such additional practices as it deems appropriate.

### **Board of Directors**

The board of directors is committed to a high standard of corporate governance practices. The board of directors believes that this commitment is not only in the best interests of the shareholders but that it also promotes effective decision-making at the board of directors' level. The board of directors is of the view that its approach to corporate governance is appropriate and complies with the objectives and guidelines relating to corporate governance set out in NI 58-201. In addition, the board of directors monitors and considers for implementation by iFabric the corporate governance standards which are proposed by various Canadian regulatory authorities or which are published by various non-regulatory organizations in Canada. The board of directors itself is vested with the responsibilities of corporate governance and nomination of directors.

As described under the heading "Information on Matters to be Acted Upon at the Meeting – Election of Directors", below, there are currently six directors on the board of directors: Mr. Hylton Karon, Mr. Hilton Price, Mr. Richard Macary, Mr. Cameron Groome, Mr. Giancarlo Beevis and Dr. Mark Cochran.

Cameron Groome, Mark Cochran and Richard Macary are independent directors within the meaning set out under section 1.4 of National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"), which provides that a director is independent if he or she has no direct or indirect "material relationship" with the company. "Material relationship" is defined as a relationship which could, in the view of a company's board of directors, be reasonably expected to interfere with the exercise of a director's independent judgment.

Mark Cochran is the Chairman of the board. The Chairman's primary roles and responsibilities are to lead and manage the board of directors, and to act as liaison between management and the board. In addition, the Chairman is responsible for acting as Chair at meetings of the board, providing independent advice and counsel to management, and keeping abreast of general business activities.

Each of the independent directors has no direct or indirect material relationship with the Corporation, including any business or other relationship, which could reasonably be expected to interfere with the director's ability to act with a view to the best interests of the Corporation or which could reasonably be expected to interfere with the exercise of the director's independent judgment. The other directors, Hylton Karon, Hilton Price and Giancarlo Beevis, are not independent as they hold senior executive positions as President and Chief Executive Officer ("**CEO**"), Chief Financial Officer ("**CFO**"), Chief Operating Officer ("**COO**") and Corporate Secretary and President and Chief Executive Officer of Intelligent Fabric Technologies (North America) Inc. (a wholly-owned subsidiary of iFabric), respectively. As the board of directors is currently comprised of an equal number of independent and non-independent directors, the independent directors hold informal discussions regarding corporate matters as deemed necessary and *in camera* sessions without the management and non-independent directors present as required to help the board facilitate its exercise of independent judgement in carrying out its responsibilities when required. If the management board nominees set forth in this Proxy Circular are elected the board of directors will, following the Meeting, continue to be comprised of an equal number of independent and non-

independent directors and therefore the board will continue the process. During the fiscal year ended December 31, 2025 the independent directors did not hold any in camera sessions and/or formal meetings without management or the non-independent directors. The articles of the Corporation provide that the directors may, between annual meetings, appoint one or more additional directors of the Corporation to serve until the next annual meeting but the number of additional directors shall not at any time exceed one-third of the number of directors who held office at the expiration of the last annual meeting.

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

| Name           | Name of Other Reporting Issuer | Name of Trading Market | Position held with Other Reporting Issuer |
|----------------|--------------------------------|------------------------|-------------------------------------------|
| Mark Cochran   | Microbix Biosystems Inc.       | Toronto Stock Exchange | Director                                  |
| Cameron Groome | Microbix Biosystems Inc.       | Toronto Stock Exchange | Director                                  |

Board members are expected to attend all board meetings and meetings of board committees on which they serve. The following table sets forth the record of attendance of the members of the board (either in person or by phone) at meetings of the board and its committees and the number of meetings of the board and its committees held during the period of January 1, 2025 to December 31, 2025.

| Director         | Board of Directors<br>(4 meetings) |     | Audit Committee<br>(4 meetings) |     | Compensation Committee<br>(2 meeting) |     | Overall Attendance |     |
|------------------|------------------------------------|-----|---------------------------------|-----|---------------------------------------|-----|--------------------|-----|
|                  | No.                                | %   | No.                             | %   | No.                                   | %   | No.                | %   |
| Hylton Karon     | 4                                  | 100 | n/a                             | n/a | n/a                                   | n/a | 4                  | 100 |
| Hilton Price     | 4                                  | 100 | n/a                             | n/a | n/a                                   | n/a | 4                  | 100 |
| Richard Macary   | 4                                  | 100 | 4                               | 100 | 2                                     | 100 | 10                 | 100 |
| Giancarlo Beevis | 4                                  | 100 | n/a                             | n/a | n/a                                   | n/a | 4                  | 100 |
| Mark Cochran     | 3                                  | 75  | 3                               | 75  | 2                                     | 100 | 8                  | 80  |
| Cameron Groome   | 4                                  | 100 | 4                               | 100 | 2                                     | 100 | 10                 | 100 |

### Mandate of the Board

The board of directors has a written mandate a copy of which is attached hereto as Schedule "A".

### Position Descriptions

The board and CEO do not have a written position description for the CEO, however, the CEO's principal duties and responsibilities are for planning the strategic direction of the Corporation, providing leadership to the Corporation, acting as a spokesperson for the Corporation, reporting to shareholders and overseeing the executive management of the Corporation in particular with respect to operations and finance.

The mandate for each of the board committees outlines the duties and responsibilities of the members of such committees, including the chair of such committees. See "Compensation" and "Other Board Committees" below.

## **Orientation and Continuing Education**

Due to its current size, the Corporation does not conduct a formal orientation and education program for new directors. New directors are fully briefed by senior management on the corporate organization and key current issues. Visits to key operations, as and when required, are also arranged for new directors.

Directors are kept informed as to matters impacting, or which may impact, the Corporation's operations through reports and presentations at board of directors meetings. Special presentations on specific business operations are also provided to the board of directors. The board of directors is responsible for overseeing and implementing continuing education programs to assist directors in maintaining the knowledge necessary to meet their obligations as directors, to ensure that their knowledge and understanding of the Corporation's business remains current, and to ensure their knowledge of legal, regulatory and ethical responsibilities remains up to date. Directors are also encouraged to attend relevant external continuing education programs, and it is the Corporation's policy to pay for such programs.

## **Ethical Business Conduct**

While the Corporation does not currently have a formal written policy covering ethical business conduct, the board of directors expects management and the directors of the Corporation to act ethically at all times. Any material issues regarding ethical conduct are expected to be brought forward by management at board of directors meetings, or referred to the senior executive officers of the Corporation, as may be appropriate in the circumstances. The board of directors will determine what remedial steps, if any, are required.

Each director is expected to disclose all actual or potential conflicts of interest and refrain from voting on matters in which such director has a conflict of interest. In addition, a director must excuse himself from any discussion or decision on any matter in respect of which the director is precluded from voting as a result of a conflict of interest.

NI 52-110, and the listing standards of the TSX require the Audit Committee to establish formal procedures for: (a) the receipt, retention, and treatment of complaints received by the Corporation and its subsidiaries regarding accounting, internal accounting controls, or auditing matters and, (b) the confidential, anonymous submission by consultants or employees of the Corporation and its subsidiaries, of concerns regarding questionable accounting or auditing matters. iFabric is committed to compliance with all applicable securities laws and regulations, accounting standards, accounting controls and audit practices.

## **Nomination of Directors**

The board of directors does not have a stand-alone nominating committee. The board of directors itself carries out this responsibility. Given the size of the Corporation and its state of development, the board of directors does not have an active nomination process but rather nominations and the review of potential candidates is completed on an informal basis. Where a board nominee is proposed, the independent members of the board of directors would generally have a role in the review of the suitability of such nominee.

## **Compensation**

The board of directors has established a Compensation Committee consisting of Mark Cochran (Chairman), Cameron Groome and Richard Macary, all of whom are considered to be

"independent" within the meaning of section 1.4 of NI 52-110. None of the members of the Compensation Committee is an officer or employee of iFabric or its subsidiaries. The Corporation believes its Compensation Committee members have the knowledge and experience required to perform their duties effectively and make executive compensation decisions in the best interests of the Corporation and its shareholders. For more information on the knowledge and experience of the Compensation Committee members, please refer to the section titled "Audit Committee" below.

The purpose of the Compensation Committee is to assist the board of directors in discharging its oversight responsibilities relating to the attraction, compensation, evaluation and retention of key senior management employees and, in particular, the CEO, with the skills and expertise needed to enable the Corporation to achieve its goals and strategies at fair and competitive compensation and with appropriate performance incentives.

The Compensation Committee has the following duties and responsibilities:

- Reviewing and making recommendations to the board of directors with respect to compensation policies and practices.
- Reviewing and recommending compensation for the CEO, CFO, senior executive officers, board members and committee chairs, including the determination of the number of equity-based incentive awards to be granted.
- Overseeing and recommending awards under the Corporation's stock option plan (the "**Option Plan**").
- Reviewing and recommending corporate and individual performance goals for the CEO and other senior executive officers.

The recommendations of the Compensation Committee are presented to the board of directors for approval. In making recommendations to the board, the Compensation Committee is to take into account:

- (i) the duties of each individual, his or her past service and continuing responsibilities;
- (ii) the position or job description of individuals, their short and long-term objectives, goals and performance measurement indicators;
- (iii) the Corporation's performance and shareholder returns and what compensation structure will most closely align the compensation with the goals of the Corporation; and
- (iv) the form and amount of compensation awarded by comparable companies and competitors.

The Compensation Committee meets at least once annually, and more frequently as required, without management present, unless their input is required on specific issues. The Compensation Committee bases its recommendations on the ability of each individual to meet goals as well as the requirements of the position and on the performance of the Corporation. The CEO provides input to the Compensation Committee with respect to the compensation of those reporting directly to him.

### *Compensation Consultants or Advisors*

During the financial year ended December 31, 2025, the Compensation Committee did not retain an independent compensation consultant or advisor to assist in determining the compensation for the Corporation's directors and executive officers.

### **Other Board Committees**

#### *Audit Committee*

The Audit Committee members are Cameron Groome (Chairman), Mark Cochran and Richard Macary. All members of the Audit Committee are financially literate (as determined by NI 52-110), and all of the members are independent. A summary of the financial literacy aspects of each of the Audit Committee members' backgrounds follows:

- Cameron Groome has experience in governance and reading and understanding financial statements through his positions as a CEO or director of other listed reporting issuers. In addition, Mr. Groome has university-level financial training and the experience of prior officer-level positions in the investment banking industry.
- Mark Cochran has had experience in reading and understanding financial statements through his position as the former Executive Director at Johns Hopkins Healthcare Solutions, an operating division of Johns Hopkins Medicine/HealthCare. His professional experience spans the spectrum of the global health care value chain, including drug discovery, development, research and management and venture capital initiatives.
- Richard Macary has had experience in reading and understanding financial statements through his positions as President and Chairman of Sinaptica Therapeutics, Inc. and former Chief Strategy Officer of Delos. Prior to this Richard spent 20 years as a corporate consultant, advisor and analyst to both institutional and high-net-worth investors as well as a consultant, advisor, investor and board member to several public and private early to mid-stage companies.

The Audit Committee meets at least on a quarterly basis to review and approve the Corporation's financial statements prior to being publicly filed.

The Audit Committee reviews the Corporation's interim unaudited consolidated financial statements, annual audited consolidated financial statements and Management's Discussion and Analysis before they are approved by the board of directors. The Audit Committee reviews and makes a recommendation to the board of directors in respect of the appointment and compensation of the external auditors and it monitors accounting, financial reporting, controls and audit functions. The Audit Committee meets to discuss and review the audit plans of external auditors and is directly responsible for overseeing the work of the external auditors with respect to preparing or issuing the auditors' report or the performance of other audit, review or attest services, including the resolution of disagreements between management and the external auditors regarding financial reporting. The Audit Committee questions the external auditors independently of management and reviews a written statement of its independence based on the criteria found in the recommendations of the Canadian Institute of Chartered Accountants. The Audit Committee must be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from its financial statements and it periodically assesses the adequacy of those procedures. The Audit Committee must approve or pre-

approve, as applicable, any non-audit services to be provided to the Corporation by the external auditors.

Additional information regarding the Audit Committee can be found in the Corporation's annual information form available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

### **Assessments**

The board of directors does not conduct regular assessments of the board, its committees or individual directors, however, the board does periodically review and satisfy itself that the board of directors, its committees and its individual directors are performing effectively.

### **Director Term Limits**

The board of directors has not adopted term limits for directors because of the relatively small size of the board (generally, the independent board members have been limited to no more than three individuals and the management board members have been limited to no more than four individuals). The board of directors has been focused on working closely as a team to develop the skills necessary for a growing company. The Corporation believes that term limits for directors would have the effect of forcing directors to resign from the board who have developed, over a period of service, increased insight into the Corporation's business and who, therefore, can be expected to provide an increasing contribution to the board. The need for a retirement policy is not an immediate concern for the board. The full board of directors reviews the need for director term limits intermittently and will institute one should the need arise.

The board of directors is open to possible new board members who can add value to the board, bring new or a greater depth of particular skill sets necessary to successfully oversee a growing company and who can successfully operate within a team environment.

### **Policies Regarding the Representation of Women on the Board**

The Corporation does not have a formal written policy regarding identification and nomination of women to the board of directors as it believes that given its size and stage of development that the less formal process that the Corporation currently uses to review the representation of women on the board is effective. The full board generally identifies, evaluates and recommends candidates to become members of the board of directors with the goal of creating a board that, as a whole, consists of individuals with varied and relevant career experience, industry knowledge and experience and financial and other specialized expertise.

The board is aware of the benefit of diversity on the board and has experience with women in senior management positions. It regards involvement of women and their experience and input as constructive to the board's decision-making process. The board of directors, as part of its mandate, takes gender into consideration as part of its overall recruitment and selection process in respect of the board. Accordingly, when searching for new directors, the board will consider the level of female representation.

### **Consideration of the Representation of Women in the Director Identification and Selection Process**

The board of directors, as part of its mandate, takes gender into consideration as part of its overall recruitment and selection process in respect of the board. Accordingly, when searching for new directors, the board will consider the level of female representation on the board. This

will be achieved by monitoring the level of female representation on the board and, where appropriate, recruiting qualified female candidates as part of the Corporation's overall recruitment and selection process to fill board positions, as the need arises, through vacancies, growth or otherwise.

### **Consideration of the Representation of Women in the Executive Officer Appointments**

The Corporation is also sensitive to the representation of women when making executive officer appointments however the Corporation does not formally consider the level of representation of women in executive officer positions when making executive officer appointments. The Corporation strives to appoint the best available candidate, regardless of gender, based on several criteria, including ability, experience, leadership and professional qualifications.

### **Targets Regarding the Representation of Women on the Board and in Executive Officer Positions**

The Corporation has not adopted a formal target regarding women on the board of directors or in executive officer positions as the board selection and officer hiring process is based on, among other things, abilities and experience and finding the best possible candidate, regardless of gender. However, as noted above, the Corporation is committed to promoting diversity and will continue going forward to support women initiatives and identify talented women to fulfill board and executive positions.

### **Number of Women on the Board and in Executive Officer Positions**

The Corporation does not currently have any women on its board of directors (0%) or in executive officer positions (0%).

## **EXECUTIVE COMPENSATION**

### **Compensation Discussion and Analysis**

The purpose of this Compensation Discussion and Analysis is to provide information about iFabric's executive compensation objectives and processes and to discuss compensation decisions relating to its CEO, CFO, and the Corporation's three most highly compensated executive officers (other than the CEO and CFO) whose total compensation for the most recently completed fiscal year exceeds \$150,000 (together, the "**Named Executive Officers**", or "**NEOs**") listed in the Summary Compensation Table below.

The NEOs for financial period ended December 31, 2025 were:

- Hylton Karon, President and CEO of the Corporation;
- Hilton Price, CFO of the Corporation; and
- Giancarlo Beevis, COO of the Corporation and CEO of Intelligent Fabric Technologies (North America) Inc.



### *Compensation Objectives and Principles*

The primary goal of the Corporation's executive compensation program is to attract and retain the key executives necessary for the Corporation's long term success, to encourage executives to further the Corporation's development and operations, and to motivate top quality and experienced executives. The key elements of the executive compensation program are: (i) base salary; (ii) potential annual incentive award; and (iii) incentive stock options. The directors are of the view that all elements of the total program should be considered, rather than any single element.

### *Compensation Governance*

The Compensation Committee is responsible for determining all forms of compensation, including long-term incentives in the form of stock options, to be granted to the NEOs and to directors, and for reviewing the recommendations respecting compensation for any other officers and employees from time to time, to ensure such arrangements reflect the responsibilities and risks associated with each position. The compensation of the NEOs has been established with a view to attracting and retaining executives critical to the Corporation's long-term success and to continue to provide executives with compensation that is in accordance with existing market standards generally and competitive within the industry. Compensation of the NEOs is usually comprised of a monthly management fee, the reimbursement of expenses incurred by each NEO, and the grant of options to purchase Common Shares under the Option Plan (as more particularly described below). Through executive compensation practices, the Corporation seeks to provide value to shareholders through a strong executive leadership. Specifically, the executive compensation structure seeks to attract and retain talented and experienced executives necessary to achieve corporate strategic objectives, motivate and reward executives whose knowledge, skills and performance are critical to success, align the interests of executives and shareholders by motivating executives to increase shareholder value. Given the nature of the Corporation's business and the size of the Corporation's management team, neither the Compensation Committee nor the board of directors believes that there are any material risks associated with the Corporation's compensation policies and practices.

Please see additional disclosure above with respect to the Compensation Committee, under the heading "Corporate Governance - Compensation".

### *Share-Based and Option-Based Awards*

Granting of options to purchase Common Shares to executive officers is a method of compensation which is used to attract and retain personnel and to provide an incentive to participate in the Corporation's long-term development and to increase shareholder value. The relative emphasis of options for remunerating executive officers and employees will generally vary depending on the prevailing practices in competing companies and on the number of options to purchase Common Shares that are outstanding at the time. Generally option grants are made based on the following factors: the executive's past performance, anticipated future contribution, the extent of prior option grants to such executive, the percentage of outstanding equity owned by the executive, competitive market practices and the executive's responsibilities and performances. There are not currently specific target levels for options to NEOs.

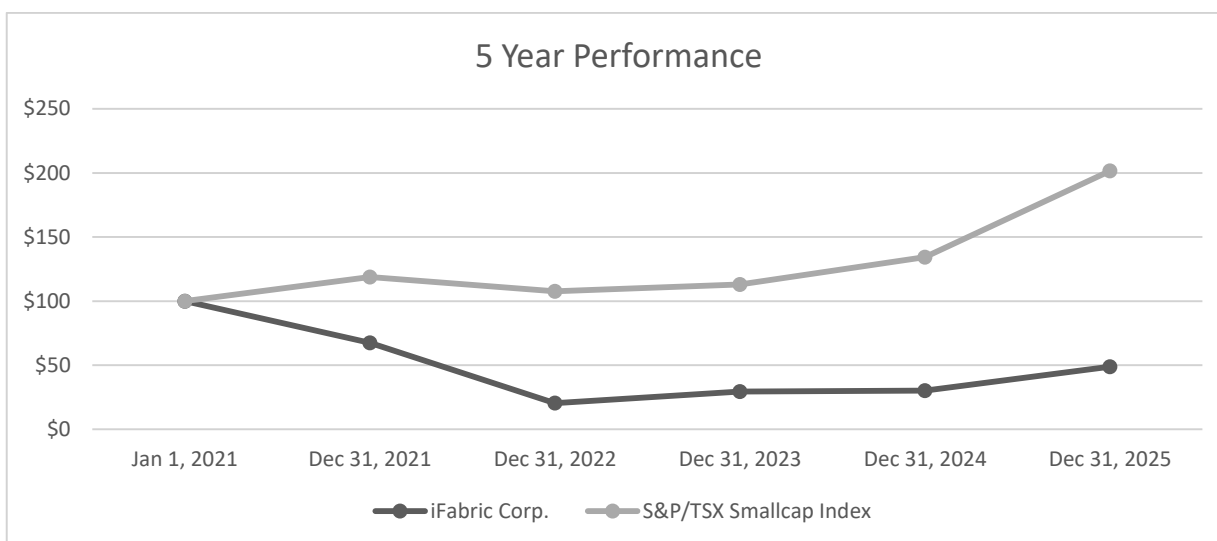
The Corporation does not currently have any share-based award plans.

### *Use of Financial Instruments*

The Corporation does not have a policy that would prohibit a Named Executive Officer or director from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the Named Executive Officer or director. Management is not aware of any Named Executive Officer or director purchasing such an instrument.

### *Performance Graph*

The following graph illustrates the Corporation's shareholder return over the period of January 1, 2021 to December 31, 2025. The graph assumes an initial investment of \$100 on January 1, 2021, compared to returns for the S&P/TSX Smallcap Index, for the comparable period.



During the five-year period ended December 31, 2025, compensation for the Corporation's executive officers was primarily influenced by the performance of the Corporation and individual performance of the executive officer and was not directly linked to share price or changes in the Corporation's total shareholder return. Accordingly, the trend shown in the above graph does not correspond to the Corporation's compensation earned by its executive officers for the financial period ended December 31, 2025 or for any prior fiscal periods.

### Summary Compensation Table

The following table sets out information concerning the compensation earned by the Chief Executive Officer, Chief Financial Officer, the President and CEO of Intelligent Fabric Technologies (North America) Inc., and the Executive Vice President of Coconut Grove Intimates Inc. for the year ended December 31, 2025, for the year ended December 31, 2024 and the fifteen months ended December 31, 2023.

| Name and Principal Position                                                                                                   | Year | Salary<br>(\$) | Share-Based Awards<br>(\$) | Option-Based Awards<br>(\$) | Non-Equity Incentive Plan Compensation<br>(\$) |                           | Pension Value<br>(\$) | All Other Compensation<br>(\$) | Total Compensation<br>(\$) |
|-------------------------------------------------------------------------------------------------------------------------------|------|----------------|----------------------------|-----------------------------|------------------------------------------------|---------------------------|-----------------------|--------------------------------|----------------------------|
|                                                                                                                               |      |                |                            |                             | Annual Incentive Plans                         | Long Term Incentive Plans |                       |                                |                            |
| Hylton Karon <sup>(1)</sup><br><br>President, CEO and Director                                                                | 2025 | \$590,000      | \$0                        | \$21,870                    | \$0                                            | \$0                       | \$0                   | \$0                            | \$611,870                  |
|                                                                                                                               | 2024 | \$535,000      | \$0                        | \$117,070                   | \$0                                            | \$0                       | \$0                   | \$0                            | \$652,070                  |
|                                                                                                                               | 2023 | \$622,500      | \$0                        | \$51,460                    | \$0                                            | \$0                       | \$0                   | \$0                            | \$673,960                  |
| Hilton Price <sup>(2)</sup><br><br>CFO, Corporate Secretary and Director                                                      | 2025 | \$292,600      | \$0                        | \$21,870                    | \$0                                            | \$0                       | \$0                   | \$0                            | \$314,470                  |
|                                                                                                                               | 2024 | \$276,500      | \$0                        | \$117,070                   | \$0                                            | \$0                       | \$0                   | \$0                            | \$393,570                  |
|                                                                                                                               | 2023 | \$267,800      | \$0                        | \$51,460                    | \$0                                            | \$0                       | \$0                   | \$0                            | \$319,260                  |
| Giancarlo Beevis <sup>(3)</sup><br><br>President and CEO of Intelligent Fabric Technologies (North America) Inc. and Director | 2025 | \$571,000      | \$0                        | \$21,870                    | \$0                                            | \$0                       | \$300                 | \$5,985                        | \$599,155                  |
|                                                                                                                               | 2024 | \$481,760      | \$0                        | \$117,070                   | \$0                                            | \$0                       | \$300                 | \$5,763                        | \$604,893                  |
|                                                                                                                               | 2023 | \$562,960      | \$0                        | \$51,460                    | \$0                                            | \$0                       | \$375                 | \$7,536 <sup>(4)</sup>         | \$622,331                  |

#### Notes:

- (1) President and CEO from May 16, 2011, to present. Mr. Karon provides management services to the Corporation, as well as a wholly-owned subsidiary of the Corporation, through external management companies.
- (2) CFO from May 16, 2011, to present. Mr. Price provides management services to the Corporation, as well as a wholly-owned subsidiary of the Corporation, through external management companies.
- (3) COO and CEO of Intelligent Fabric Technologies (North America) Inc. from July 17, 2014, to present.
- (4) Benefits relating to the personal use of a company automobile and automobile allowances.

### Incentive Plan Awards

#### Outstanding share-based awards and option-based awards

The following table sets out the options granted to the NEOs and directors to purchase or acquire securities of the Corporation outstanding at the end of the most recently completed financial year ended December 31, 2025:

|                  | Option-based Awards                                     |                            |                        |                                                               | Share-based Awards                                           |                                                                        |
|------------------|---------------------------------------------------------|----------------------------|------------------------|---------------------------------------------------------------|--------------------------------------------------------------|------------------------------------------------------------------------|
| Name             | Number of securities underlying unexercised options (#) | Option exercise price (\$) | Option expiration date | Value of unexercised in-the-money options (\$) <sup>(1)</sup> | Number of shares or units of shares that have not vested (#) | Market or payout value of share-based awards that have not vested (\$) |
| Hylton Karon     | 25,000                                                  | \$1.44                     | July 25, 2028          | \$10,000                                                      | n/a                                                          | n/a                                                                    |
|                  | 25,000                                                  | \$1.44                     | October 25, 2028       | \$10,000                                                      | n/a                                                          | n/a                                                                    |
|                  | 25,000                                                  | \$1.44                     | January 25, 2029       | \$10,000                                                      | n/a                                                          | n/a                                                                    |
|                  | 25,000                                                  | \$1.44                     | April 25, 2029         | \$10,000                                                      | n/a                                                          | n/a                                                                    |
|                  | 25,000                                                  | \$1.20                     | May 13, 2029           | \$16,000                                                      | n/a                                                          | n/a                                                                    |
|                  | 25,000                                                  | \$1.20                     | August 13, 2029        | \$16,000                                                      | n/a                                                          | n/a                                                                    |
|                  | 25,000                                                  | \$1.20                     | November 13, 2029      | \$16,000                                                      | n/a                                                          | n/a                                                                    |
|                  | 25,000                                                  | \$1.20                     | February 13, 2030      | \$16,000                                                      | n/a                                                          | n/a                                                                    |
| Hilton Price     | 100,000                                                 | \$2.40                     | June 5, 2027           | Nil                                                           | n/a                                                          | n/a                                                                    |
|                  | 25,000                                                  | \$1.44                     | July 25, 2028          | \$10,000                                                      | n/a                                                          | n/a                                                                    |
|                  | 25,000                                                  | \$1.44                     | October 25, 2028       | \$10,000                                                      | n/a                                                          | n/a                                                                    |
|                  | 25,000                                                  | \$1.44                     | January 25, 2029       | \$10,000                                                      | n/a                                                          | n/a                                                                    |
|                  | 25,000                                                  | \$1.44                     | April 25, 2029         | \$10,000                                                      | n/a                                                          | n/a                                                                    |
|                  | 25,000                                                  | \$1.20                     | May 13, 2029           | \$16,000                                                      | n/a                                                          | n/a                                                                    |
|                  | 25,000                                                  | \$1.20                     | August 13, 2029        | \$16,000                                                      | n/a                                                          | n/a                                                                    |
|                  | 25,000                                                  | \$1.20                     | November 13, 2029      | \$16,000                                                      | n/a                                                          | n/a                                                                    |
| Giancarlo Beevis | 250,000                                                 | \$2.40                     | June 5, 2027           | Nil                                                           | n/a                                                          | n/a                                                                    |
|                  | 25,000                                                  | \$1.44                     | July 25, 2028          | \$10,000                                                      | n/a                                                          | n/a                                                                    |
|                  | 25,000                                                  | \$1.44                     | October 25, 2028       | \$10,000                                                      | n/a                                                          | n/a                                                                    |
|                  | 25,000                                                  | \$1.44                     | January 25, 2029       | \$10,000                                                      | n/a                                                          | n/a                                                                    |
|                  | 25,000                                                  | \$1.44                     | April 25, 2029         | \$10,000                                                      | n/a                                                          | n/a                                                                    |
|                  | 25,000                                                  | \$1.20                     | May 13, 2029           | \$16,000                                                      | n/a                                                          | n/a                                                                    |
|                  | 25,000                                                  | \$1.20                     | August 13, 2029        | \$16,000                                                      | n/a                                                          | n/a                                                                    |
|                  | 25,000                                                  | \$1.20                     | November 13, 2029      | \$16,000                                                      | n/a                                                          | n/a                                                                    |
| Richard Macary   | 25,000                                                  | \$1.20                     | February 13, 2030      | \$16,000                                                      | n/a                                                          | n/a                                                                    |
|                  | 150,000                                                 | \$3.50                     | February 9, 2027       | Nil                                                           | n/a                                                          | n/a                                                                    |
|                  | 25,000                                                  | \$1.20                     | May 13, 2029           | \$16,000                                                      | n/a                                                          | n/a                                                                    |
|                  | 25,000                                                  | \$1.20                     | August 13, 2029        | \$16,000                                                      | n/a                                                          | n/a                                                                    |
|                  | 25,000                                                  | \$1.20                     | November 13, 2029      | \$16,000                                                      | n/a                                                          | n/a                                                                    |
|                  | 25,000                                                  | \$1.20                     | February 13, 2030      | \$16,000                                                      | n/a                                                          | n/a                                                                    |

|                | Option-based Awards                                     |                            |                        |                                                               | Share-based Awards                                           |                                                                        |
|----------------|---------------------------------------------------------|----------------------------|------------------------|---------------------------------------------------------------|--------------------------------------------------------------|------------------------------------------------------------------------|
| Name           | Number of securities underlying unexercised options (#) | Option exercise price (\$) | Option expiration date | Value of unexercised in-the-money options (\$) <sup>(1)</sup> | Number of shares or units of shares that have not vested (#) | Market or payout value of share-based awards that have not vested (\$) |
| Mark Cochran   | 100,000                                                 | \$2.70                     | April 7, 2030          | Nil                                                           | n/a                                                          | n/a                                                                    |
|                | 25,000                                                  | \$1.20                     | May 13, 2029           | \$16,000                                                      | n/a                                                          | n/a                                                                    |
|                | 25,000                                                  | \$1.20                     | August 13, 2029        | \$16,000                                                      | n/a                                                          | n/a                                                                    |
|                | 25,000                                                  | \$1.20                     | November 13, 2029      | \$16,000                                                      | n/a                                                          | n/a                                                                    |
|                | 25,000                                                  | \$1.20                     | February 13, 2030      | \$16,000                                                      | n/a                                                          | n/a                                                                    |
| Cameron Groome | 100,000                                                 | \$2.70                     | April 7, 2030          | Nil                                                           | n/a                                                          | n/a                                                                    |
|                | 50,000                                                  | \$3.10                     | March 1, 2027          | Nil                                                           | n/a                                                          | n/a                                                                    |
|                | 5,000                                                   | \$1.29                     | May 15, 2028           | \$2,750                                                       | n/a                                                          | n/a                                                                    |
|                | 5,000                                                   | \$1.29                     | August 15, 2028        | \$2,750                                                       | n/a                                                          | n/a                                                                    |
|                | 25,000                                                  | \$1.20                     | May 13, 2029           | \$16,000                                                      | n/a                                                          | n/a                                                                    |
|                | 25,000                                                  | \$1.20                     | August 13, 2029        | \$16,000                                                      | n/a                                                          | n/a                                                                    |
|                | 25,000                                                  | \$1.20                     | November 13, 2029      | \$16,000                                                      | n/a                                                          | n/a                                                                    |
|                | 25,000                                                  | \$1.20                     | February 13, 2030      | \$16,000                                                      | n/a                                                          | n/a                                                                    |

**Note:**

- (1) In-the-money-options are those where the market value of the underlying securities exceed the option exercise price at December 31, 2025. The closing market price of the Common Shares on December 31, 2025 (the last trading day of 2025), was \$1.84 per Common Share.

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

The following table sets out particulars of Option Plan awards to NEOs and directors which have vested or been earned during the fiscal year ended December 31, 2025:

| 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 |
|------------------|----------------------------------------------------|---------------------------------------------------|-----------------------------------------------------------------------|
| Hylton Karon     | \$21,870                                           | \$0                                               | \$0                                                                   |
| Hilton Price     | \$21,870                                           | \$0                                               | \$0                                                                   |
| Giancarlo Beevis | \$21,870                                           | \$0                                               | \$0                                                                   |
| Richard Macary   | \$21,870                                           | \$0                                               | \$0                                                                   |
| Mark Cochran     | \$21,870                                           | \$0                                               | \$0                                                                   |

|                |          |     |     |
|----------------|----------|-----|-----|
| Cameron Groome | \$21,870 | \$0 | \$0 |
|----------------|----------|-----|-----|

### Termination and Change of Control Benefits

None of the Corporation's Named Executive Officers is a party to a contract, agreement, plan or arrangement that provides for payments to such Named Executive Officer at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Corporation or a change in a Named Executive Officer's responsibilities.

### Director Compensation

The board of directors reviews and approves changes to the Corporation's director compensation arrangements from time to time to ensure they remain competitive in the light of the time commitments required from directors and to align directors' interests with those of the Corporation's shareholders.

The Corporation has adopted a compensation plan for non-executive directors that pays each non-executive director a fee of \$2,000 per board meeting and \$1,500 per committee meeting, the Board Chair a fee of \$3,000 per board meeting, and the Committee Chair a fee of \$1,875 per committee meeting.

Non-executive directors are also eligible to participate in the Option Plan and are awarded stock options under the Plan from time to time as compensation for their services as directors. For further details concerning the terms of the Plan, please refer to the section of this Proxy Circular below titled "Stock Option Plan".

#### *Director Compensation Table*

The following table sets out information in respect of all amounts of compensation provided to the non-executive directors during the Corporation's financial year ended December 31, 2025.

| <b>Name</b>    | <b>Fees earned<br/>(\$)</b> | <b>Share-based awards<br/>(\$)</b> | <b>Option-based awards<br/>(\$)</b> | <b>Non-equity incentive plan compensation<br/>(\$)</b> | <b>Pension value<br/>(\$)</b> | <b>All other compensation<br/>(\$)</b> | <b>Total<br/>(\$)</b> |
|----------------|-----------------------------|------------------------------------|-------------------------------------|--------------------------------------------------------|-------------------------------|----------------------------------------|-----------------------|
| Richard Macary | \$17,000 <sup>(1)</sup>     | nil                                | \$21,870                            | nil                                                    | n/a                           | nil                                    | \$38,870              |
| Mark Cochran   | \$17,250 <sup>(1)</sup>     | nil                                | \$21,870                            | nil                                                    | n/a                           | nil                                    | \$39,120              |
| Cameron Groome | \$19,500 <sup>(1)</sup>     | nil                                | \$21,870                            | nil                                                    | n/a                           | nil                                    | \$41,370              |

**Note:**

- (1) The amounts paid to Richard Macary, Mark Cochran and Cameron Groome represent fees paid in respect of their services as directors of the Corporation.

## Securities Authorized for Issuance Under Equity Compensation Plans

iFabric's Option Plan authorizes the grant of options to designated participants (being directors, officers, employees or consultants). The following table sets out information with respect to the options outstanding under the Option Plan as at December 31, 2025.

| Plan Category                                                        | Number of Common Shares to be Issued Upon Exercise of Outstanding Options<br>(a) | Weighted-Average Exercise Price of Outstanding Options<br>(b) | Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))<br>(c) |
|----------------------------------------------------------------------|----------------------------------------------------------------------------------|---------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|
| Equity compensation plans approved by securityholders <sup>(1)</sup> | 1,884,000                                                                        | \$1.91                                                        | 1,145,946                                                                                                                                          |
| Equity compensation plans not approved by securityholders            | nil                                                                              | n/a                                                           | nil                                                                                                                                                |
| Total                                                                | 1,884,000                                                                        | \$1.91                                                        | 1,145,946                                                                                                                                          |

**Note:**

- (1) The Option Plan is a "rolling" stock option plan, whereby the maximum number of Common Shares reserved for issuance upon exercise of options granted thereunder may not exceed 10% of the total number of issued and outstanding Common Shares at the time the options are granted.

## Stock Option Plan

The objectives of iFabric's compensation policies and programs are to motivate and reward directors, officers, other employees and consultants upon the achievement of corporate objectives and to closely align the personal interests of such individuals with those of the shareholders by providing them with the opportunity, through options, to acquire an increased proprietary interest in the Corporation.

Shareholders most recently approved the unallocated options under the Option Plan at the shareholders' meeting held on June 25, 2024. As of December 31, 2025, the Corporation had granted 1,884,000 options to acquire Common Shares issued and outstanding. The Option Plan is subject to a limit of 10% of the total issued and outstanding Common Shares, from time to time. As at December 31, 2025, the Corporation had a total of 1,145,946 Common Shares available for grant under the Option Plan.

The following is a description of the main terms of the Option Plan.

The Option Plan is administered by the board of directors which shall, without limitation, have full and final authority in its discretion, but subject to the express provisions of the Option Plan, to interpret the Option Plan, to prescribe, amend and rescind rules and regulations relating to the Option Plan and to make all other determinations deemed necessary or advisable for the administration of the Option Plan, subject to any necessary shareholder or regulatory approval. The board of directors may delegate any or all of its authority with respect to the administration of the Option Plan. The board shall determine to whom options shall be granted, the terms and provisions of the respective option agreements, the time or

times at which such options shall be granted and vested, and the number of Common Shares to be subject to each option.

The board of directors may at any time, but subject always to the receipt of required regulatory approvals, alter, amend or revise the terms and conditions of the Option Plan or of any outstanding options, or suspend, discontinue or terminate the Option Plan or any portion of the Option Plan, all provided that, without the prior written consent of an optionee, no such action shall adversely affect any options previously granted to such optionee. Specifically, the board shall not require the approval of the shareholders of the Corporation for the following types of amendments, which includes, but is not limited to:

- (a) amendments of a "housekeeping" nature; and
- (b) a change to the vesting provisions of the Option Plan.

Specific shareholder approval is required for:

- (a) a reduction in the exercise price or purchase price under the Option Plan benefiting an insider of the Corporation;
- (b) an extension of the term, under the Option Plan benefiting an insider of the Corporation;
- (c) any amendment to remove or to exceed the insider participation limit;
- (d) an increase to the maximum number of securities issuable, either as a fixed number or a fixed percentage of the Corporation's outstanding capital represented by such securities; and
- (e) amendments to an amending provision within the Option Plan.

A maximum number of Common Shares equal to 10% of the issued and outstanding Common Shares, from time to time, are reserved for issuance under the Option Plan. If option rights granted to an individual under the Option Plan, or any portion of such rights, expire or terminate for any reason without having been exercised, such shares may be made available for other options to be granted under the Option Plan. An option granted under the Option Plan shall not be transferable or assignable (whether absolutely or by way of mortgage, pledge or other charge) by an optionee, other than by will or other testamentary instrument or the laws of succession.

The annual burn rate of stock options granted under the Option Plan in respect of: (i) fiscal 2025 was 0.41%; (ii) fiscal 2024 was 1.98%; and (iii) fiscal 2023 was 1.02%. "Annual burn rate" is the number of stock options granted under the Option Plan during the applicable fiscal year divided by the weighted average number of Common Shares outstanding for the applicable fiscal year.

No one individual may be granted options to purchase Common Shares totalling more than 5% of the issued and outstanding Common Shares at any time or from time to time within a 12 month period. No one individual acting as a consultant or providing investor relations services to the Corporation may be granted options to purchase Common Shares totalling more than 2% of the issued and outstanding Common Shares at the time of any grant in any one 12 month period.



Options may be granted under the Option Plan to any person who is a director, officer, employee or consultant of the Corporation or its subsidiaries. Subject to compliance with applicable requirements of the TSX, an individual may elect to hold options granted to them in an incorporated entity wholly owned by them and such entity shall be bound by the terms of the Option Plan in the same manner as if the options were held by the individual.

The options granted under the Option Plan, together with all of the Corporation's other previously established stock option plans or grants, shall not result at any time in the number of the Corporation's securities:

- (a) issued to insiders of the Corporation, within any one year period, and
- (b) issuable to insiders of the Corporation, at any time,

under the Option Plan, or when combined with all of the Corporation's other security based compensation arrangements, which cannot exceed 10% of the Corporation's total issued and outstanding securities, respectively. The exercise price for the options granted pursuant to the Option Plan shall not be less than the market price of the Common Shares, being the volume weighted average trading price on the TSX for the five trading days immediately preceding the date of grant, subject to adjustments made in accordance with TSX policies.

Each option granted under the Option Plan shall expire on the date set out in the specific option agreements with optionees, subject to earlier termination as provided below. In no circumstances shall the duration of an option exceed ten years.

If any option granted under the Option Plan shall expire or terminate on exercise, or for any reason without having been exercised in full, the Common Shares subject to such Option shall again be available for the purpose of the Option Plan.

In the event the Corporation undergoes a change of control by a reorganization, acquisition, amalgamation or merger (or a plan or arrangement in connection with any of these) with respect to which all or substantially all of the persons who were the beneficial owners of the Common Shares immediately prior to such reorganization, amalgamation, merger or plan or arrangement do not, following such reorganization, amalgamation, merger or plan or arrangement, beneficially own, directly or indirectly more than 50% of the resulting voting shares on a fully diluted basis (not including a public offering or private placement out of treasury), or sale to a person other than an affiliate of the Corporation of all, or substantially all, of the Corporation's assets, then all granted and outstanding options shall be deemed to vest immediately upon the completion of the transaction causing the change of control.

If, at any time when an option granted under the Option Plan remains unexercised with respect to any optioned shares, and an offer to purchase all of the Common Shares is made by a third party, the Corporation shall use its best efforts to bring such offer to the attention of optionees as soon as practicable. The Corporation may, at its option, require the acceleration of the time for the exercise of the option rights granted under the Option Plan and of the time for the fulfilment of any conditions or restrictions on such exercise.

If an optionee resigns from the Corporation or is terminated by the Corporation (with or without cause), or in the case of a consultant optionee their contract with the Corporation expires, such optionee's unvested options will immediately terminate and be of no further force and effect provided, however, the resigning or terminated optionee may, subject to the option expiry date, for a period of up to 120 days from the date of resignation or termination,

exercise such optionee's vested options not previously exercised on the date of resignation or termination.

In the event an optionee becomes entitled to long-term disability payments pursuant to the Corporation's disability insurance program (or if not a participant in such program, would have been entitled to such payments if the optionee had been a participant in such program), all of the unvested options held by the optionee will vest on the day immediately preceding the day on which the optionee becomes entitled to long-term disability payments or the date on which a disability or illness prevents the optionee from performing the duties routinely performed by the optionee and the optionee will have the right, for a period of up to 120 days thereafter, to exercise all of the options unexercised. Options not exercised within the said 120 day period will automatically terminate.

If an optionee retires pursuant to a retirement policy approved by the board of directors, all of the unvested options held by the optionee will vest on the day immediately preceding the date of such optionee's retirement and the optionee will have the right, for a period of up to 120 days thereafter, to exercise all of the unexercised options. Options not exercised within the said 120 day period will automatically terminate.

In the event of the death of an optionee, all of the unvested options granted to the optionee will vest on the day immediately preceding the date of such optionee's death and the legal representatives of the deceased optionee shall have the right for a period not exceeding one year from the date of death of the deceased optionee (or such shorter period being, until the expiry date of the option rights pursuant to the terms of the specific option agreement) to exercise the deceased optionee's options.

Should the expiry of the term of an option fall within a period during which an optionee cannot exercise an option pursuant to a Corporation policy respecting restrictions on employee or insider trading which is in effect at that time (which, for greater certainty, does not include the period during which a cease trade order is in effect to which the Corporation or in respect of an insider, that insider, is subject) (a "Blackout Period") or within nine business days following the expiration of a Blackout Period, such expiration date shall be automatically extended without any further act or formality to that date which is the tenth business day after the end of the Blackout Period, such tenth business day to be considered the expiration of the term of such option for all purposes under the Option Plan. The ten business day period may not be extended by the board of directors.

A copy of the Option Plan is available upon request in writing to iFabric Corp., 525 Denison Street, Unit 1, Markham ON L3R 1B8.

### **INDEBTEDNESS OF OFFICERS AND DIRECTORS**

As of the date hereof, other than as set forth below or indebtedness that has been entirely repaid on or before the date of this Proxy Circular or "routine indebtedness" as defined in Form 51-102F5 of National Instrument 51-102 none of:

- the individuals who are, or at any time since the beginning of the last financial year of the Corporation were, a director or executive officer of the Corporation;
- the proposed nominees for election as a director of the Corporation or
- any associates of the foregoing persons,

is, or at any time since the beginning of the most recently completed financial year has been, indebted to the Corporation or any subsidiary of the Corporation, or is a person whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any subsidiary of the Corporation.

| <b>Purpose</b>       | <b>AGGREGATE INDEBTEDNESS (\$)<br/>To the Corporation or its Subsidiaries</b> | <b>To Another Entity<br/>(\$)</b> |
|----------------------|-------------------------------------------------------------------------------|-----------------------------------|
| Share purchases      | nil                                                                           | nil                               |
| Other <sup>(1)</sup> | nil                                                                           | nil                               |

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

None of the directors, officers or nominees for election as a director of the Corporation, or any of their associates or affiliates, has or has had any interest, direct or indirect, in any matter to be acted upon at the Meeting other than as set out in this Proxy Circular.

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

Other than as disclosed in this Proxy Circular, no informed person of the Corporation or any associate or affiliate of the foregoing had any material interest, direct or indirect, in any transaction or proposed transaction since January 1, 2025, which has materially affected or would materially affect the Corporation.

### **PRESENTATION OF FINANCIAL STATEMENTS**

The audited financial statements of iFabric for the fiscal year ended December 31, 2025, and the report of the auditors thereon, will be placed before the Meeting. No vote by the shareholders with respect to the audited financial statements is required. The audited financial statements were audited by BDO Canada LLP, Chartered Professional Accountants, of Toronto, Ontario and approved by the Audit Committee of the board of directors.

### **INFORMATION ON MATTERS TO BE ACTED UPON AT THE MEETING**

#### **ELECTION OF DIRECTORS**

There are currently six directors of iFabric and management has put forward six directors for nomination at the Meeting. The iFabric shareholders will, at the Meeting, be asked first to vote on fixing the number of directors to be elected at the Meeting at six and then to consider and, if deemed advisable, to elect each of the directors set out below to hold office until the next annual meeting or until their successors are elected or appointed.

For each of the persons nominated for election as directors, the names and province/state and country of residence, the number of iFabric Common Shares beneficially owned, directly or indirectly, or over which each exercises control or direction, the offices held by each in iFabric and the principal occupation for the previous five years are set out below. The information as to Common Shares beneficially owned, directly or indirectly or over which

control or direction is exercised, is based upon information furnished to iFabric by the nominees.

**The persons named in the Proxy are either directors or officers of iFabric. They intend to vote at the Meeting for the election of the nominees set out below unless specifically instructed on the Proxy to withhold such vote.**

Hylton Karon  
Hilton Price  
Mark Cochran  
Giancarlo Beevis  
Cameron Groome  
Richard Macary

If any proposed nominee becomes incapable or unwilling to stand for election prior to the Meeting, it is the intention of management to vote in favour of the election of any substitute nominee and in favour of the remaining proposed nominees, unless expressly instructed to the contrary in the Proxy. Each of the proposed nominees listed above has indicated that he is willing to serve as a director, if elected.

### **Majority Voting Policy**

In February, 2016, the board of directors adopted a policy to the effect that, in an uncontested election of directors, any nominee who receives a greater number of "withheld" votes than "for" votes will be considered to have not received the support of the shareholders of the Corporation and will be expected to immediately submit his or her resignation to the board of directors. Upon receipt of such resignation, the board of directors will review the details regarding the proposed resignation. The board of directors will make its decision within 90 days from the date of resignation. The board shall accept the resignation unless it determines that exceptional circumstances would warrant the applicable director continuing to serve on the board of directors. The resignation will be effective when accepted by the board of directors. A director who submits his or her resignation pursuant to this policy will not participate in any deliberations of the board with respect to the resignation. Following the board of directors' decision on the resignation, it will promptly disclose, by way of a news release, its decision whether or not to accept the director's resignation and, if the board does not accept the resignation, the full reasons for rejecting the tendered resignation.

### **Nominated Director Information**

The names and province/state and country of residence of the persons nominated for election as directors, the number of voting securities of iFabric beneficially owned, directly or indirectly, or over which each exercises control or direction (as at the Record Date), the offices held by each in the Corporation, the period served as director and the principal occupation of each are as follows:

| Name, Municipality of Residence                      | Position and Term                              | Principal Occupation During the Past Five Years                                                                                                                            | Number and Percentage of Common Shares Currently Held |
|------------------------------------------------------|------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|
| Hylton Karon<br>Ontario, Canada                      | President, CEO and Director since May 16, 2011 | Chief Executive Officer and President of Coconut Grove Textiles Inc. since 1996.                                                                                           | 19,047,285<br>(62.86%)                                |
| Hilton Price<br>Ontario, Canada                      | CFO and Director since May 16, 2011            | Chief Financial Officer and director of Coconut Grove Textiles Inc. since March 1, 2011. Partner in HDP Professional Corp. Chartered Professional Accountants, since 2009. | 962,500<br>(3.18%)                                    |
| Mark Cochran <sup>(1) (2)</sup><br>Maryland, U.S.A.  | Director since May 4, 2015                     | Retired Executive<br>Former Executive Director at Johns Hopkins Healthcare Solutions, an operating division of Johns Hopkins Medicine/HealthCare.                          | 10,000<br>(0.03%)                                     |
| Giancarlo Beevis<br>Ontario, Canada                  | Director since October 23, 2014                | President and Chief Executive Officer of Intelligent Fabric Technologies (North America) Inc. (wholly-owned subsidiary of iFabric).                                        | 76,400<br>(0.25%)                                     |
| Cameron Groome <sup>(1)(2)</sup><br>Ontario, Canada  | Director since March 30, 2020                  | President, Chief Executive Officer and Director of Microbix Biosystems Inc.                                                                                                | 25,000<br>(0.08%)                                     |
| Richard Macary <sup>(1)(2)</sup><br>New York, U.S.A. | Director since February 7, 2022                | President and Chairman of Sinaptica Therapeutics, Inc. since 2022 and prior to that, Chief Strategy Officer of Delos Living LLC and former President of Delos Ventures.    | 10,000<br>(0.03%)                                     |

**Notes:**

(1) Members of the Audit Committee. Cameron Groome is Chairman of the Audit Committee.

(2) Members of the Compensation Committee.

As of the date hereof, the directors and executive officers of the Corporation, as a group, own, or control directly or indirectly, 20,131,185 common shares, which represents approximately 66.44% of the total common shares outstanding.

*Corporate Cease Trade Orders*

None of the individuals nominated for election as a director of the Corporation are, as at the date hereof, or have been, within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company that:

- (a) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that, in each case, was

in effect for a period of more than 30 consecutive days, that was issued while the director nominee was acting in the capacity as director, chief executive officer or chief financial officer; or

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

#### *Bankruptcies*

None of those persons who are proposed directors of the Corporation is, or has been within the past ten years, a director or executive officer of any company, including the Corporation, that, while such person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

#### *Personal Bankruptcies*

None of the persons who are proposed directors of the Corporation have, within the past ten years 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 his assets.

#### *Penalties and Sanctions*

None of those persons who are proposed directors of the Corporation have 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 with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

### **APPOINTMENT OF AUDITOR**

The board of directors recommends that **BDO Canada LLP**, Chartered Professional Accountants, be appointed as iFabric's auditor to hold office until the close of the next annual meeting and that the directors be authorized to fix their remuneration. **Unless otherwise directed, it is management's intention to vote in favour of an ordinary resolution to re-appoint BDO Canada LLP. BDO Canada LLP was first appointed as auditors of iFabric in 2017.**

**OTHER BUSINESS**

Management is not aware of any matters to come before the Meeting other than those set out in the Notice. If other matters properly come before the Meeting, or any adjournment of the Meeting, it is the intention of the persons named in the Proxy to vote the same in accordance with their best judgment on such matters.

**ADDITIONAL INFORMATION**

Financial information relating to the Corporation is provided in the Corporation's audited financial statements and Management's Discussion and Analysis of financial and operating results as at and for the twelve months ended December 31, 2025. Copies of this Proxy Circular, the Financial Statements, Management Discussion and Analysis and the Auditor's Report thereon for the Corporation's most recently completed financial period, any interim financial statements of the Corporation subsequent to those statements, as filed with the applicable Canadian regulatory authorities, are available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and may also be obtained without charge by writing to iFabric Corp. at 525 Denison Street, Unit 1, Markham ON L3R 1B8. Additional information relating to the Corporation may also be found on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

**DIRECTORS' APPROVAL**

The contents of this Proxy Circular and the sending of this Proxy Circular to shareholders entitled to receive notice of the Meeting, to each director, to the auditors of iFabric and to the appropriate governmental agencies, have been approved by the board of directors.

## **SCHEDULE A**

### **BOARD MANDATE**

The purpose of this mandate ("**Mandate**") of the board of directors (the "**Board**") of iFabric Corp. (the "**Company**") is to provide guidance to Board members as to their duties and responsibilities. The power and authority of the Board is subject to the provisions of applicable law.

#### **Purpose of the Board**

The Board is responsible for the stewardship of the Company. This requires the Board to oversee the conduct of the business and affairs of the Company. The Board discharges some of its responsibilities directly and discharges others through committees of the Board. The Board is not responsible for the day-to-day management and operation of the Company's business, as this responsibility has been delegated to management. The Board is, however, responsible for supervising management in carrying out this responsibility.

#### **Membership**

The Board consists of directors elected by the shareholders as provided for in the Company's constating documents and in accordance with applicable law and any policies adopted from time to time by the Board. From time to time, the Board shall review its size to ensure that its size facilitates effective decision-making by the Board in the fulfillment of its responsibilities.

Each member of the Board must act honestly and in good faith with a view to the best interests of the Company, and must exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. A director is responsible for the matters under "*Role and Responsibilities of the Board*" below as well as for other duties as they arise in the director's role.

All members of the Board shall have suitable experience and skills given the nature of the Company and its businesses and have a proven record of sound judgment. Directors are to possess characteristics and traits that reflect:

- high ethical standards and integrity in their personal and professional dealings;
- the ability to provide thoughtful and experienced counsel on a broad range of issues and to develop a depth of knowledge of the businesses of the Company in order to understand and assess the assumptions on which the Company's strategic and business plans are based and to form an independent judgment with respect to the appropriateness and probability of achieving such plans;
- the ability to monitor and evaluate the financial performance of the Company;
- an appreciation of the value of Board and team performance over individual performance and a respect for others; and
- an openness for the opinions of others and the willingness to listen, as well as the ability to communicate effectively and to raise tough questions in a manner that encourages open and frank discussion.



Directors are expected to commit the time and resources necessary to properly carry out their duties. Among other matters, directors are expected to adequately prepare for and attend all regularly scheduled Board meetings. New directors are expected to understand fully the role of the Board, the role of the committees of the Board and the contribution individual directors are expected to make.

## **Ethics**

Members of the Board shall carry out their responsibilities objectively, honestly and in good faith with a view to the best interests of the Company. Directors of the Company are expected to conduct themselves according to the highest standards of personal and professional integrity. Directors are also expected to set the standard for Company-wide ethical conduct and ensure ethical behaviour and compliance with laws and regulations. If an actual or potential conflict of interest arises, a director shall promptly inform the Chairman and shall refrain from voting or participating in discussion of the matter in respect of which he has an actual or potential conflict of interest. If it is determined that a significant conflict of interest exists and cannot be resolved, the director should resign.

Directors are expected to act in accordance with applicable law, the Company's constituting documents, the Company's Code of Ethics and Conduct and other policies applicable to directors as are adopted from time to time.

## **Meetings**

The Board shall meet in accordance with a schedule established each year by the Board, and at such other times as the Board may determine. Meeting agendas shall be developed in consultation with the Chairman. Board members may propose agenda items through communication with the Chairman. The Chairman is responsible for ensuring that a suitably comprehensive information package is sent to each director in advance of each meeting. At the discretion of the Board, members of management and others may attend Board meetings, except for separate meetings of the independent directors of the Board.

Directors are expected to be fully prepared for each Board meeting, which requires them, at a minimum, to have read the material provided to them prior to the meeting. At Board meetings, each director is expected to take an active role in discussion and decision-making. To facilitate this, the Chairman is responsible for fostering an atmosphere conducive to open discussion and debate.

Independent directors shall have the opportunity to meet at appropriate times without management present at regularly scheduled meetings. Independent directors may propose agenda items for meetings of independent directors members through communication with the Chairman.

## **Role and Responsibilities of the Board**

In addition to the other matters provided in this Mandate, including the matters delegated to Board committees as set out below, the Board is also responsible for the following specific matters:

- review and provide input regarding management's strategic plans;
- review and approve material capital expenditures;

- monitor corporate performance against the strategic plans and business, operating and capital budgets;
- assess its own effectiveness in fulfilling its responsibilities, including monitoring the effectiveness of individual directors;
- ensure the integrity of the Company's internal control system and management information systems;
- developing the Company's approach to corporate governance, including developing a set of corporate governance principles and guidelines; and
- satisfy itself that appropriate policies and procedures are in place regarding public disclosure and restricted trading by insiders, including the review and approval of the Company's corporate disclosure policy and confirmation that a process is in place to disclose all material information in compliance with the Company's timely disclosure obligations and to prevent selective disclosure of material information to analysts, institutional investors, market professionals and others.

A director has an important and positive role as a representative of the Company. A director is also expected to participate in outside activities that enhance the Company's image to investors, employees, customers and the public.

### **Procedures to Ensure Effective and Independent Operation**

The Board recognizes the importance of having procedures in place to ensure the effective and independent operation of the Board. In addition to the policies and procedures provided elsewhere in this Mandate and in the position descriptions of the Chairman of the Board, the Board has adopted the following procedures:

- the Board has complete access to the Company's management;
- the Board requires timely and accurate reporting from management and shall regularly review the quality of management's reports;
- subject to the approval of the Board, individual directors may engage an external adviser at the expense of the Company in appropriate circumstances; and
- the Chairman of the Board shall monitor the nature and timeliness of the information requested by and provided by management to the Board to determine if the Board can be more effective in identifying problems and opportunities for the Company.

### **Board Committees**

Subject to limits on delegation contained in corporate law applicable to the Company, the Board has the authority to establish and carry out its duties through committees and to appoint directors to be members of these committees. The Board assesses the matters to be delegated to committees of the Board and the constitution of such committees annually or more frequently, as circumstances require. From time to time the Board may create *ad hoc* committees to examine specific issues on behalf of the Board.

The Board has established the following committees: (1) Audit Committee; and (2) Compensation Committee. The respective responsibilities of each of the foregoing committees is set forth in the applicable committee mandate.

