

**CIBT EDUCATION GROUP INC.**  
**INFORMATION CIRCULAR**

This information is given as of December 17, 2018, unless otherwise stated.

This information circular is furnished in connection with the solicitation of proxies by the management of CIBT Education Group Inc. (the “**Company**”) for use at the annual general meeting (the “**Meeting**”) of the shareholders of the Company, to be held at the time and place and for the purposes set forth in the accompanying notice of meeting and at any adjournment thereof.

**PERSONS OR COMPANIES MAKING THE SOLICITATION**

**The enclosed instrument of proxy is solicited by management.** Solicitations will be made by mail and possibly supplemented by telephone or other personal contact to be made without special compensation by regular officers and employees of the Company. The Company may reimburse shareholders’ nominees or agents (including brokers holding shares on behalf of clients) for the cost incurred in obtaining from their principals authorization to execute forms of proxy. The cost of solicitation will be borne by the Company. None of the directors of the Company have advised that they intend to oppose any action intended to be taken by management as set forth in this information circular.

**APPOINTMENT AND REVOCATION OF PROXIES**

The persons named in the accompanying instrument of proxy are directors or officers of the Company. **A shareholder has the right to appoint a person in place of the persons named in the enclosed instrument of proxy to attend and act for and on behalf of the shareholder at the Meeting. To exercise this right, a registered shareholder shall strike out the names of the persons named in the instrument of proxy and insert the name of their nominee in the blank space provided, or complete another instrument of proxy. The completed instrument of proxy should be deposited with the Company's registrar and transfer agent, Computershare Trust Company of Canada at 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1 at least 48 hours before the time of the Meeting or any adjournment thereof, excluding Saturdays, Sundays and holidays.**

The instrument of proxy must be dated and be signed by the registered shareholder or by their attorney in writing, or, if the shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer.

**In addition to revocation in any other manner permitted by law, a registered shareholder may revoke a proxy either by (a) signing a proxy bearing a later date and depositing it at the place and within the time aforesaid, or (b) signing and dating a written notice of revocation (in the same manner as the instrument of proxy is required to be executed as set out in the notes to the instrument of proxy) and either depositing it at the place and within the time aforesaid or with the chairman of the Meeting prior to the commencement of the Meeting or any adjournment thereof, or (c) registering with the scrutineer at the Meeting as a shareholder present in person, whereupon such proxy shall be deemed to have been revoked.**

**Only registered shareholders have the right to revoke a proxy.** A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

## VOTING OF SHARES AND EXERCISE OF DISCRETION OF PROXIES

On any poll, the persons named in the enclosed instrument of proxy will vote the shares in respect of which they are appointed and, where directions are given by the shareholder in respect of voting for or against any resolution will do so in accordance with such direction.

**In the absence of any direction in the instrument of proxy, it is intended that such shares will be voted in favour of the motions proposed to be made at the Meeting as stated under the headings in this information circular.** The instrument of proxy enclosed, when properly signed, confers discretionary authority with respect to amendments or variations to any matters which may properly be brought before the Meeting. The enclosed instrument of proxy does not confer authority to vote for the election of any person as a director of the Company other than for those persons named in this information circular. At the time of printing of this information circular, the management of the Company is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any other matters which are not now known to the management should properly come before the Meeting, the proxies hereby solicited will be exercised on such matters in accordance with the best judgment of the nominee.

## NON-REGISTERED HOLDERS

The record date for determination of the holders of common shares of the Company entitled to receive notice of, and to vote at, the Meeting is December 17, 2018 (the “**Record Date**”). Only shareholders whose names have been entered in the register of common shareholders at the close of business on the Record Date (“**Registered Shareholders**”) will be entitled to receive notice of, and to vote at, the Meeting.

**Only Registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are “non-registered” shareholders because the common shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the common shares.** More particularly, a person is not a Registered Shareholder in respect of common shares which are held on behalf of that person (the “**Non-Registered Holder**”) but which are registered either: (a) in the name of an intermediary (an “**Intermediary**”) that the Non-Registered Holder deals with in respect of the common shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency of which the Intermediary is a participant. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration for the Canadian Depository for Securities, which company acts as nominee for many Canadian brokerage firms). In the United States, the vast majority of such shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many United States brokerage firms and custodian banks).

Non-Registered Holders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Company are referred to as “**NOBOs**”. Those Non-Registered Holders who have objected to their Intermediary disclosing ownership information about themselves to the Company are referred to as “**OBOs**”. In accordance with the requirements of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators, the Company has elected to send the notice of meeting, this information circular and the proxy (collectively, the “**Meeting Materials**”) directly to the NOBOs, and indirectly through Intermediaries to the OBOs. The Intermediaries (or their service companies) are responsible for forwarding the Meeting Materials to each OBO, unless the OBO has waived the right to receive them. The Company does not intend to pay for an Intermediary to deliver Meeting Materials to OBOs. Accordingly, OBOs will not receive the Meeting Materials unless their Intermediary assumes the costs of delivery.

Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Meeting Materials will either:

- (a) be given a voting instruction form **which is not signed by the Intermediary** and which, when properly completed and signed by the Non-Registered Holder and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a “**voting instruction form**”) which the Intermediary must follow. Typically, the voting instruction form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the voting instruction form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label with a bar-code and other information. In order for the form of proxy to validly constitute a voting instruction form, the Non-Registered Holder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company; or
- (b) be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of common shares beneficially owned by the Non-Registered Holder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Holder when submitting the proxy. In this case, the Non-Registered Holder who wishes to submit a proxy should properly complete the form of proxy and deposit it with Computershare Trust Company of Canada at 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1 not later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of holding the Meeting or adjournment thereof.

In either case, the purpose of these procedures is to permit Non-Registered Holders to direct the voting of the common shares they beneficially own. Should a Non-Registered Holder who receives either a voting instruction form or a form of proxy wish to attend the Meeting and vote in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should strike out the names of the persons named in the form of proxy and insert the Non-Registered Holder’s (or such other person’s) name in the blank space provided or, in the case of a voting instruction form, follow the directions indicated on the form. **In either case, Non-Registered Holders should carefully follow the instructions of their Intermediaries and their service companies, including those regarding when and where the voting instruction form or the proxy is to be delivered.**

The Meeting Materials are being sent to both Registered Shareholders and Non-Registered Holders. If you are a Non-Registered Holder, and the Company or its agent has sent the Meeting Materials directly to you, your name and address and information about your holding of common shares of the Company have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf.

By choosing to send the Meeting Materials to you directly, the Company (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering the Meeting Materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the voting instruction form.

All references to shareholders in the Meeting Materials are to Registered Shareholders unless specifically stated otherwise.

## VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company is authorized to issue 150,000,000 common shares without par value. At the close of business on December 17, 2018, 78,285,040 common shares without par value of the Company were issued and outstanding, each share carrying the right to one vote. At a general meeting of the Company, on a show of hands, every shareholder present in person shall have one vote and, on a poll, every shareholder shall have one vote for each common share of which he is the holder.

Only common shareholders of record on the close of business on December 17, 2018 who either personally attend the Meeting or who complete and deliver an instrument of proxy in the manner and subject to the provisions set out under the heading “Appointment and Revocation of Proxies” will be entitled to have their shares voted at the Meeting or any adjournment thereof.

To the knowledge of the directors and executive officers of the Company, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, voting securities carrying 10% or more of the outstanding voting rights of the Company except as follows:

Name	Number of Common shares	Percentage of Issued and Outstanding Common Shares
Shane Corporation S.à.r.l.	10,894,558 <sup>(1)</sup>	13.92%

<sup>(1)</sup> Previously provided on behalf of Shane Corporation S.à.r.l

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

Other than as disclosed elsewhere in this information circular, to the knowledge of management of the Company, none of the directors or executive officers of the Company, no proposed nominee for election as a director of the Company, none of the persons who have been directors or executive officers of the Company since the commencement of the Company's last completed financial year and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors, and the appointment of the Company's auditor.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

For the purposes of this information circular, “informed person” means:

- (a) a director or executive officer of the Company;
- (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company;
- (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company, or a combination of both, carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company, other than voting securities held by the person or company as underwriter in the course of a distribution; and
- (d) the Company if it has purchased, redeemed or otherwise acquired any of its own securities, for so long as it holds any of its securities.

Except as described in this section, no informed person, no proposed director of the Company and no associate or affiliate of any such informed person or proposed director has or has had any material interest, direct or indirect, in any transaction undertaken by the Company during its last completed

financial year or in any proposed transaction, which, in either case, has materially affected or will materially affect the Company or any of its subsidiaries.

## STATEMENT OF EXECUTIVE COMPENSATION

In this section “Named Executive Officer” means any individual who, during the financial year ended August 31, 2018 was:

- (a) the chief executive officer (“**CEO**”) (or an individual who acted in a similar capacity) of the Company;
- (b) the chief financial officer (“**CFO**”) (or an individual who acted in a similar capacity) of the Company; and
- (c) each of the three other most highly compensated executive officers of the Company or any of its subsidiaries or the three most highly compensated individuals acting in a similar capacity (except those whose total salary and bonus does not exceed \$150,000).

The Company had four Named Executive Officers during the financial year ended August 31, 2018, namely Toby Chu, Dennis Huang, Patrick Dang and Victor Tesan.

*All currency references herein are expressed in Canadian Dollars unless otherwise specified.*

### Compensation Discussion and Analysis

#### *Compensation Review Process*

The compensation committee reviews and recommends the compensation for the Company’s Named Executive Officers. The compensation committee follows a compensation philosophy that aligns the Named Executive Officers’ interests with those of the Company’s shareholders and seeks to provide incentives designed to ensure that the Company attracts, retains and motivates key talents in the education industry. The compensation committee believes that a total compensation package including consulting fee, bonus and equity-based incentives is appropriate in achieving its objectives. The Company does not have any predetermined performance goals for its Named Executive Officers, but expects each Named Executive Officer to serve the Company and its shareholders to the best of his/her abilities, putting shareholder interests and value first in all their decision making.

Each of the Named Executive Officers is compensated primarily by a consulting fee or salary that is negotiated between the compensation committee and the Named Executive Officer. The rationale of providing a consulting fee or salary is to reward the Named Executive Officer’s time spent on the Company and its development, and provide a reasonable incentive for the Named Executive Officer to focus his/her attention on the Company. The cash remuneration paid to Named Executive Officers is the largest component in the total compensation package.

Bonuses are awarded to Named Executive Officers whose performance exceeds the compensation committee’s expectations. The grant of bonuses is determined on an annual basis solely by the compensation committee. The bonus component in the total compensation package seeks to provide Named Executive Officers the motivation to exceed expectations placed on them to further enhance shareholder value.

Stock options are granted to Named Executive Officers when the compensation committee wishes to align the Named Executive Officers’ interests with those of the shareholders. The number of stock options granted to each Named Executive Officer is determined solely by the compensation committee and will be based on the Named Executive Officer’s performance, his/her consulting fee or salary, and the

Company’s share price at the time these stock options are granted. The compensation committee believes that providing Named Executive Officers a vested equity interest in the Company helps align the interests of the Named Executive Officers with those of the shareholders.

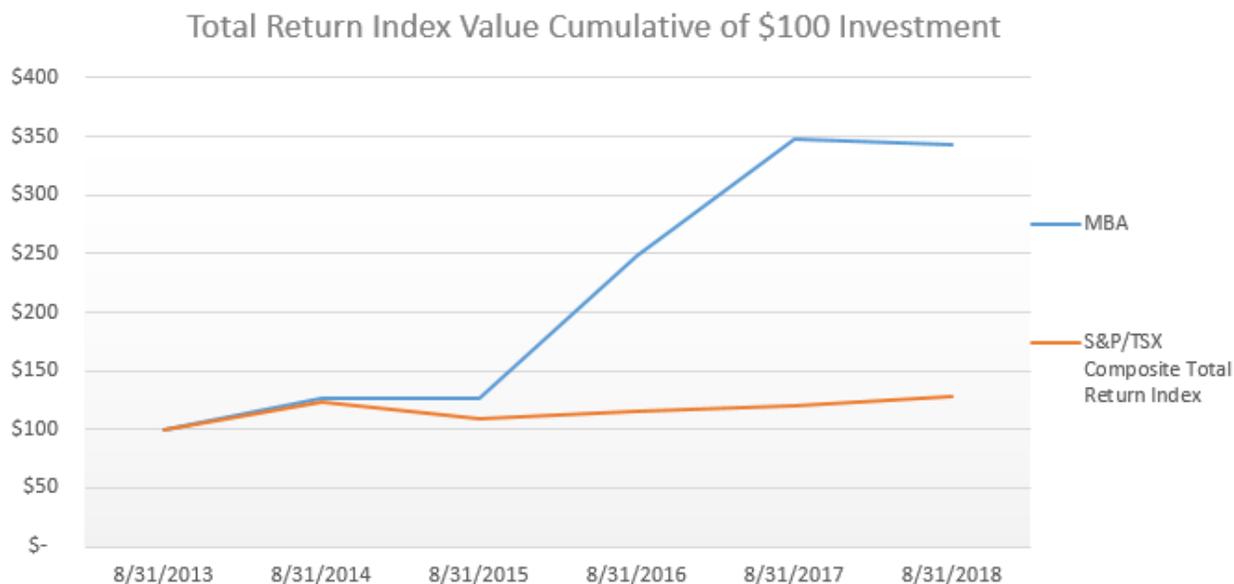
*Risk Management*

The board of directors of the Company (the “**Board**”) has not considered the implications of the risks associated with the Company’s compensation policies and practices.

The Company has not adopted a policy forbidding directors or officers from purchasing financial instruments designed to hedge or offset a decrease in market value of the Company’s securities granted as compensation or held, directly or indirectly, by directors or officers. The Company is not, however, aware of any directors or officers having entered into this type of transaction.

**Performance Graph**

The Company’s common shares trade on the Toronto Stock Exchange (the “**TSX**”) under the symbol “MBA”. Assuming an initial investment of \$100, the following graph illustrates the cumulative total shareholder return on the Company’s common shares relative to the cumulative total return on the S&P/TSX index over the five most recently completed financial years. There is no assumption for the reinvestment of dividends as none were declared.



	8/31/2013	8/31/2014	8/31/2015	8/31/2016	8/31/2017	8/31/2018
MBA	\$100.00	\$126.09	\$126.09	\$247.83	\$347.83	\$344.48
S&P/TSX Composite Total Return Index	\$100.00	\$123.49	\$109.57	\$115.69	\$120.05	\$128.52

As discussed above, compensation of the Company’s Named Executive Officers is comprised of different elements, including elements that do not directly correlate to the market price of the Company’s common shares, such as base salary, as well as elements that more closely correlate to the Company’s performance and financial condition, such as medium-term and long-term incentives. The elements of executive compensation are designed to attract and retain quality executives to manage the growth and development of the business. Stock options form an important component of the initial compensation package offered to attract qualified individuals to a position with the Company, with the number of stock options granted varying with the position level.

## **Option-based Awards**

The Company currently has in place a “rolling” stock option plan. The purpose of granting stock options is to assist the Company in compensating, attracting, retaining and motivating its executive officers and to closely align the personal interests of such persons to that of the shareholders. In determining the number of options to be granted to the executive officers, the Board will take into account the number of options, if any, previously granted to each executive officer and the exercise price of any outstanding options to ensure that such grants are in accordance with the policies of the TSX.

See “Incentive Plan Awards” below for details of the option-based awards outstanding as at August 31, 2018.

## **Compensation Governance**

The Board has established a compensation committee which reviews and recommends the compensation for the Company's executive officers. The committee also oversees the Company's general compensation and benefits policies. The compensation committee has adopted a charter which sets out its duties and responsibilities.

A compensation consultant or advisor has not been retained, at any time since the Company's most recently completed financial year, to assist the Board or the compensation committee in determining compensation for any of the Company's directors or executive officers.

### Composition of Compensation Committee

The members of the compensation committee are Tony David, Derek Feng and May Hsu (Chair), each of whom is considered independent by the Board within the meaning of section 1.4 of National Instrument 52-110 *Audit Committees* (“NI 52-110”).

### Relevant Education and Experience

**Tony David** is a retired oral maxillofacial surgeon. He has acquired experience by serving on the Company's compensation committee since December 2008, but does not have other relevant experience or education with respect to executive compensation.

**Derek Feng** has acquired and overseen many businesses, requiring an in-depth understanding of the evaluation of senior executives and determination of their compensation. In addition, he has also previously been a member of the compensation committee of another public company.

**May Hsu** is a management consultant and in such role has developed an in-depth understanding of the evaluation of senior executives and determination of their compensation

The compensation committee has adopted a charter which delegates certain powers and duties to the compensation committee on behalf of the Board including compensation of executive officers and directors, oversight of the general compensation structure including the Company's stock option plan. See also "Compensation Discussion and Analysis" above.

## Summary of Compensation

The following table sets forth all annual and long term compensation for services paid to or earned by the Named Executive Officers during the three most recently completed financial years.

*Summary Compensation Table*

Name and Principal Position During the Financial Year Ended August 31, 2018	Financial Year Ended August 31	Salary (\$)	Share based awards (\$)	Option-based awards (\$) <sup>(1)</sup>	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Toby Chu <i>Chief Executive Officer of the Company</i>	2018	312,222	N/A	Nil	N/A	N/A	N/A	1,661,541	1,973,541
	2017	249,333	N/A	60,813	N/A	N/A	N/A	276,462	586,608
	2016	220,000	N/A	Nil	N/A	N/A	N/A	Nil	220,000
Dennis Huang <i>Chief Financial Officer of the Company</i>	2018	112,000	N/A	Nil	N/A	N/A	N/A	67,147 <sup>(2)</sup>	117,000
	2017	112,000	N/A	34,750	N/A	N/A	N/A	18,000 <sup>(3)</sup>	164,750
	2016	112,000	N/A	Nil	N/A	N/A	N/A	20,000 <sup>(3)</sup>	132,000
Patrick Dang <i>President, Sprott Shaw College International</i>	2018	131,000	N/A	Nil	N/A	N/A	N/A	19,744	150,774
	2017	217,739	N/A	Nil	N/A	N/A	N/A	25,193 <sup>(3)</sup>	242,932
	2016	180,000	N/A	Nil	N/A	N/A	N/A	Nil	180,000
Victor Tesan <sup>(4)</sup> <i>President, Sprott Shaw College</i>	2018	250,000	N/A	Nil	N/A	N/A	N/A	54,667	304,667
	2017	147,115	N/A	38,750	N/A	N/A	N/A	77,864 <sup>(3)</sup>	263,729
	2016	N/A	N/A	Nil	N/A	N/A	N/A	Nil	Nil

<sup>(1)</sup> The value of the option-based awards reflects the fair value of options granted on the date of grant. The fair value was computed using the Black Scholes option pricing model because it is the most commonly used option pricing model and is considered to produce a reasonable estimate of fair value.

<sup>(2)</sup> Of this amount, \$62,147 was paid to an entity of which Mr. Huang is a partner.

<sup>(3)</sup> This amount was paid as a bonus in connection with employment services.

<sup>(4)</sup> Mr. Tesan was appointed as president of Sprott Shaw College in January 2017.

## Incentive Plan Awards

The Company does not have any share-based awards.

On January 27, 2017, the Company's shareholders approved a "rolling" stock option and stock bonus plan (the "**Current Plan**") whereby a maximum of 10% of the issued common shares of the Company (the "**Shares**"), from time to time, may be reserved for issuance pursuant to the exercise of options (the "**Stock Option Limit**").

Directors and officers of the Company and its subsidiaries, employees of the Company and its subsidiaries, any other person or company engaged to provide ongoing management or consulting services for the Company or for any entity controlled by the Company, and any person who is providing

ongoing management or consulting services to the Company or to any entity controlled by the Company indirectly through a company that is providing management or consulting services is eligible to receive stock options under the Current Plan.

The purpose of the Current Plan is to attract, retain and motivate management, directors, employees and other service providers by providing them with an opportunity, through share options, to acquire an interest in the Company and benefit from its growth.

As of the date hereof, an aggregate of 1,782,500 stock options are outstanding representing 2.28% of the Company's issued and outstanding Shares. As of the date hereof, 6,046,004 options are available for grant representing 7.72% of the Company's 78,285,040 issued and outstanding Shares.

No amendments to the Current Plan were adopted during the financial year ended August 31, 2018. The material terms of the Current Plan are as follows:

1. The term of any options granted under the Current Plan will be fixed by the compensation committee of the Board, or any other committee of the Board established to monitor and recommend on compensation matters, or in the absence of any such committee, the Board itself (the applicable body hereinafter referred to as the "**Plan Committee**") at the time such options are granted, provided that options will not be permitted to exceed a term of ten years. Except where not permitted by the TSX, where an option expires during a black-out period, or within 10 business days following the end of a black out period (the "**Black-Out Expiration Term**"), the term of the option will be extended to the date which is five business days following the end of the Black-Out Expiration Term.
2. The Plan Committee may place limits on the maximum number of Shares which may be issuable pursuant to options granted under the Current Plan to any particular optionee or category of optionees.
3. The exercise price of any options granted under the Current Plan will be determined by the Plan Committee, but shall not be less than the average closing trading price of the Shares on the five trading days (on which at least one board lot of Shares was traded) preceding the grant of such options (the "**Market Price**").
4. Options granted under the Current Plan will be subject to such vesting provisions as the Plan Committee in its sole discretion shall determine. The Company may, during the term of any option, give at least 30 days' notice in writing to all of the optionees that (i) all options outstanding under the Current Plan that have not vested as at the time of the notice are immediately deemed vested, or (ii) all options outstanding under the Current Plan that have not been exercised shall cease and terminate and be of no further force and effect unless the optionees exercise such options before their termination on the 30th day after delivery of the notice.
5. All options will be non-assignable and non-transferable.
6. The Company is restricted from issuing in any one year period, or having issuable at any time, to insiders more than 10% of the issued and outstanding Shares when combined with all of the Company's other security based compensation arrangements with insiders, unless the Company obtains disinterested shareholder approval pursuant to the policies of the TSX.
7. If an optionee ceases to be a director or officer of the Company or its subsidiaries or a service provider, each option held by the optionee shall be exercisable in respect of that number of option Shares that have vested pursuant to the terms of the option agreement governing such option as follows:

- (a) if the optionee, or in the case of an option granted to any optionee who satisfies the definition of service provider, the optionee's employer, ceases to be employed or engaged by the Company and any of its subsidiaries (including by way of voluntary resignation or retirement as a director, officer or service provider), each option held by the optionee shall be exercisable in respect of that number of option Shares that have vested pursuant to the terms of the option agreement governing such option at any time up to but not after the earlier of the expiry date of that option and the date which is the business day following the date on which the optionee ceases to be a director or officer of the Company and its subsidiaries or service provider;
- (b) notwithstanding paragraph (a) above, if the optionee ceases to be a director or officer of the Company and any of its subsidiaries or a service provider due to death or disability or, in the case of an optionee that is a company, the death or disability of the person who provides management or consulting services to the Company or to any subsidiary of the Company, each option held by the optionee shall be exercisable in respect of that number of options that have vested pursuant to the terms of the option agreement governing such option at any time up to but not after the earlier of the expiry date of that option and the date which is 12 months after the date of death or disability; and
- (c) notwithstanding paragraph (a), if the optionee, or, in the case of an option granted to an optionee who satisfies the definition of service provider, the optionee's employer:
  - (i) ceases to be employed or engaged by the Company and any of its subsidiaries for cause, as that term is determined by the Board, or interpreted by the courts of the jurisdiction in which the optionee or optionee's employer is employed or engaged if subject to court review;
  - (ii) ceases to be a director or officer of the Company and any of its subsidiaries or a service provider by order of any securities commission, recognized stock exchange, or any regulatory body having jurisdiction to so order;
  - (iii) ceases to provide investor relations services if the optionee's primary function with the Company was the provision of such services; or
  - (iv) ceases to be eligible to hold office as a director of the Company and any of its subsidiaries under the provisions of the applicable corporate statute,

each option held by the optionee shall be exercisable in respect of that number of Shares that have vested pursuant to the terms of the option agreement governing such option at any time up to but not after the earlier of the expiry date of that option and the date on which the optionee ceases to be a director or officer of the Company and any of its subsidiaries or a service provider.

8. The Company may amend or terminate the terms and conditions of the Current Plan or any option agreement, as applicable, by resolution of the Plan Committee without obtaining shareholder approval (the "**Amendment Procedure**"). Any amendment to the Current Plan will apply to options granted after the effective date of such amendment, provided that it may apply to any outstanding options with the mutual consent of the Company and the optionees to whom such options have been granted. Without limiting the generality of the foregoing, the Plan Committee may use the Amendment Procedure without seeking shareholder approval when:
- (a) altering, extending or accelerating the terms and conditions of vesting of any options;
  - (b) extending the expiry date of options (other than options held by insiders);

- (c) accelerating the expiry date of options;
- (d) amending or modifying the mechanics of exercise of options as set forth in section 4 of the Current Plan, provided however, if no corresponding stock appreciation right (“SAR”) was granted, payment in full of the option price for the Shares shall not be so amended or modified;
- (e) effecting amendments of a “housekeeping” or administrative nature including, without limiting the generality of the foregoing, any amendment for the purpose of curing any ambiguity, error, inconsistency or omission in or from the Current Plan or any option agreement;
- (f) effecting amendments necessary to comply with the provisions of applicable laws (including, without limitation, the rules, regulations and policies of the TSX);
- (g) effecting amendments respecting the administration of the Current Plan;
- (h) effecting amendments necessary to suspend or terminate the Current Plan; and
- (i) any other amendment, whether fundamental or otherwise, not requiring shareholder approval under applicable law (including, without limitation, the rules, regulations, and policies of the TSX).

Disinterested shareholder approval will be required for the following types of amendments:

- (A) amendments that increase the number of Shares or Bonus Shares (hereinafter defined) issuable under the Current Plan, except such increases by operation of section 6 of the Current Plan;
- (B) any reduction in the option price of an option held by an insider at the time of the proposed amendment;
- (C) any extension of the expiry date of an option held by an insider at the time of the proposed extension; and
- (D) other amendments required to be approved by shareholders under applicable law or pursuant to the rules, regulations and policies of the TSX.

9. The Plan Committee may grant SARs to any optionee in conjunction with any grant of options. Each grant of SARs shall be confirmed within the option agreement pertaining to such options. An optionee may only exercise a SAR at the same time, and to the same extent, that the option related thereto is exercisable. Upon the exercise by an optionee of any SAR, the corresponding portion of the related option shall be surrendered to the Company. On the exercise of a SAR, the optionee shall be entitled to receive such quantity of Shares equal to the excess, if any, of (i) the Market Price of Shares entitled to be acquired upon exercise of such option as of the date of exercise of the option, over (ii) the exercise price of such option. For clarity, and by way of example only, if an optionee is granted options to purchase 10,000 Shares at \$1.00, he may choose to exercise such option and the corresponding SAR when the Shares are trading at \$1.50, and thereby receive in consideration for the surrender of such option receive 3,333 Shares  $[(10,000 \times \$1.50) - (10,000 \times \$1.00)] / \$1.50$ . The provisions of the Current Plan applicable to options apply equally to SARs. No SAR may be exercised beyond the stated expiry date of the corresponding option. SARs shall terminate and cease to be exercisable on the termination of the corresponding option. SARs shall not be transferable except to the extent the corresponding option is transferable.

10. The Plan Committee may allot, issue and deliver Shares (“**Bonus Shares**”), from time to time in each calendar year, in such amounts as the Plan Committee deems fit, in an aggregate annual amount of up to 2% of the number of issued and outstanding Shares as at December 31<sup>st</sup> of the year in respect of which the Bonus Shares are being issued, to those directors and officers of the Company or any of its subsidiaries and service providers whom the Plan Committee deems to have provided extraordinary contributions to the advancement of the Company. The Bonus Shares will be issued in consideration of the fair value of the extraordinary contribution to the Company by the recipient, as determined by the Plan Committee, in its discretion, and shall be issued at a deemed price determined by the Plan Committee at the time of issuance of such Bonus Shares, but such price shall not be less than the Market Price on the trading day immediately preceding the day on which the Bonus Shares are issued. No Bonus Shares shall be issued at a time when it is unlawful to fix the price for such Bonus Shares. The Bonus Shares available for distribution in any year will not be included in the calculation of the Stock Option Limit.
  
11. Whenever the Company issues Shares to all or substantially all holders of Shares by way of a stock dividend or other distribution, or subdivides all outstanding Shares into a greater number of Shares, or combines or consolidates all outstanding Shares into a lesser number of Shares (each of such events being herein called a “**Share Reorganization**”) then effective immediately after the record date for such dividend or other distribution or the effective date of such subdivision, combination or consolidation, for each option:
  - (a) the option price will be adjusted to a price per Share which is the product of:
    - (i) the option price in effect immediately before that effective date or record date; and
    - (ii) a fraction the numerator of which is the total number of Shares outstanding on that effective date or record date before giving effect to the Share Reorganization, and the denominator of which is the total number of Shares that are or would be outstanding immediately after such effective date or record date after giving effect to the Share Reorganization; and
  - (b) the number of unissued option Shares will be adjusted by multiplying (i) the number of unissued option Shares immediately before such effective date or record date by (ii) a fraction which is the reciprocal of the fraction described in paragraph (a)(ii) above.
  
12. Subject to the prior approval of the TSX, whenever the Company issues by way of a dividend or otherwise distributes to all or substantially all holders of Shares:
  - (a) shares of the Company, other than the Shares;
  - (b) evidence of indebtedness;
  - (c) any cash or other assets, excluding cash dividends (other than cash dividends which the Board has determined to be outside the normal course); or
  - (d) rights, options or warrants,

then to the extent that such dividend or distribution does not constitute a Share Reorganization (any of such non-excluded events being herein called a “**Special Distribution**”), and effective immediately after the record date at which holders of Shares are determined for purposes of the Special Distribution, for each option, the option price will be reduced, and the number of unissued option Shares will be correspondingly increased, by such amount, if any, as is

determined by the Plan Committee in its sole and unfettered discretion to be appropriate in order to properly reflect any diminution in value of the Shares as a result of such Special Distribution.

13. Whenever there is:

- (a) a reclassification of outstanding Shares, a change of Shares into other shares or securities, or any other capital reorganization of the Company, other than as described in paragraphs 11 and 12 above;
- (b) a consolidation, merger or amalgamation of the Company with or into another corporation resulting in a reclassification of outstanding Shares into other shares or securities or a change of Shares into other shares or securities; or
- (c) a transaction whereby all or substantially all of the Company's undertaking and assets become the property of another corporation

(any such event being herein called a "**Corporate Reorganization**"), the optionee will have an option to purchase (at the times, for the consideration, and subject to the terms and conditions set out in the Current Plan) and will accept on the exercise of such option, in lieu of the unissued option Shares which he would otherwise have been entitled to purchase, the kind and amount of shares or other securities or property that he would have been entitled to receive as a result of the Corporate Reorganization if, on the effective date thereof, he had been the holder of all unissued option Shares.

14. If a bona fide offer (an "**Offer**") for Shares is made to shareholders of the Company generally or to a class of shareholders which includes the optionee, which Offer, if accepted in whole or in part, would result in the offeror becoming a control person of the Company, within the meaning of subsection 1(1) of the *Securities Act* (British Columbia), the Company shall, immediately upon receipt of notice of the Offer, notify each optionee of full particulars of the Offer, whereupon all options outstanding under the Current Plan that have not vested at the time of such Offer will become immediately vested and any such option may be exercised in whole or in part by the optionee so as to permit the optionee to tender the Shares received upon such exercise, pursuant to the Offer.

However, if:

- (a) the Offer is not completed within the time specified therein; or
- (b) all of the Shares tendered by the optionee pursuant to the Offer are not taken up or paid for by the offeror in respect thereof,

then the Shares received upon such exercise, or in the case of clause (b) above, the Shares that are not taken up and paid for, may be returned by the optionee to the Company and reinstated as authorized but unissued Shares and with respect to such returned Shares, the option shall be reinstated as if it had not been exercised and the terms upon which such Shares were to become vested pursuant to this section shall be reinstated. If any Shares are returned to the Company under this paragraph, the Company shall immediately refund the option price to the optionee for such Shares.

15. If, at any time when an option granted under the Current Plan remains unexercised, an Offer is made by an offeror, the Plan Committee may declare, upon notifying each optionee of full particulars of the Offer, that all options outstanding under the Current Plan that have not vested at the time of such declaration are immediately deemed vested and that all options outstanding under the Current Plan that have not been exercised shall cease and terminate and be of no further

force and effect unless the optionees exercise such options before their termination on the date when Shares must be tendered pursuant to the Offer, provided such Offer is completed.

16. In the event of a change of control (as defined in the Current Plan), all options outstanding under the Current Plan that have not vested at the time of such change of control will become immediately vested, whereupon optionees holding such options may immediately exercise in whole or in part such options. Furthermore, the Plan Committee may, upon notifying each optionee of a change of control, declare that all options outstanding under the Current Plan that have not been exercised shall cease and terminate and be of no further force and effect unless the optionees exercise such options before their termination on the date on which the change of control occurs, provided such change of control does occur.

However, if the change of control does not occur, the Shares received upon such exercise may be returned by the optionee to the Company and the Company shall reinstate such returned Shares as authorized but unissued Shares, reinstate the option(s) in respect of such returned Shares as if it had not been exercised and reinstate the terms upon which such shares were to become vested pursuant to the relevant option agreement.

If any Shares are returned to the Company under this item 16, the Company shall immediately refund the exercise price to the optionee for such Shares.

Reference should be made to the full text of the Current Plan which will be made available at the registered office of the Company, 595 Burrard Street, Suite 2900, Vancouver, British Columbia, until the business day immediately preceding the date of the Meeting.

During the financial year ended August 31, 2018, there were no stock options of the Company granted to the Named Executive Officers.

There were no re-pricings of stock options under the stock option plan or otherwise during the Company's financial year ended August 31, 2018.

The following table discloses the particulars of the option-based awards granted to the Named Executive Officers under the Company's stock option plan which were outstanding as at August 31, 2018.

***Outstanding Option-Based Awards***

Name	Option-Based Awards			
	Number of Securities Underlying Unexercised Options Exercisable/Unexercisable as at August 31, 2018	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money <sup>(1)</sup> Options (\$) Exercisable/Unexercisable as at August 31, 2018
Toby Chu <sup>(2)</sup>	87,500/87,500	0.78	August 1, 2022	Not In-the-money
Dennis Huang	50,000/50,000	0.78	August 1, 2022	Not In-the-money
Patrick Dang	75,000/25,000	0.406	August 5, 2021	28,050/9,350
Victor Tesan	50,000/50,000	0.86	May 4, 2022	Not In-the-money

<sup>(1)</sup> "In-the-Money" means the excess of the market value of the Company's shares on August 31, 2018 over the exercise price of the options. The last closing price of the Company's common shares on the TSX during the financial year ended August 31, 2018 was \$0.78.

<sup>(2)</sup> Of the options shown, 100,000 were granted to a corporation of which Toby Chu is the principal.

The following table summarizes the value of each incentive plan award vested or earned by each Named Executive Officer during the financial year ended August 31, 2018.

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

<b>Name</b>	<b>Option-based awards – Value vested during the financial year ended August 31, 2018<sup>(1)</sup></b> <b>(\$)</b>	<b>Share-based awards – Value vested during the financial year ended August 31, 2018<sup>(2)</sup></b> <b>(\$)</b>	<b>Non-equity incentive plan compensation – Value earned during the financial year ended August 31, 2018</b> <b>(\$)</b>
Toby Chu	750	N/A	N/A
Dennis Huang	500	N/A	N/A
Patrick Dang	10,350	N/A	N/A
Victor Tesan	Nil	N/A	N/A

<sup>(1)</sup> Value vested is calculated as the dollar value that would have been realized had the option been exercised on the date it was vested less the related exercise price multiplied by the number of vesting shares.

<sup>(2)</sup> This amount is the dollar value realized calculated by multiplying the number of shares or units by the market value of the underlying shares on the vesting date.

**Pension Plan Benefits**

The Company does not have any pension or retirement plan.

**Termination and Change of Control Benefits**

Except as disclosed below, the Company does not have any compensatory plans, contracts or arrangements that provide for payments to a Named Executive Officer at, following or in connection with any termination, resignation, retirement, a change in control of the Company or a change in a Named Executive Officer’s responsibilities.

*Toby Chu*

The Company entered into an executive consulting agreement dated January 1, 2017 (the “**Consulting Agreement**”) with Concordia Financial Management Corp. (“**Concordia**”), a private British Columbia Company wholly-owned by Toby Chu. Concordia, exclusively through Toby Chu, provides services as President, CEO and Chairman of the Company in exchange for the payment by the Company of a current monthly fee of \$22,000. The arrangement may be terminated by the Company paying, at the time of giving the termination notice, a lump sum contract termination fee equivalent to 84 multiplied by the then applicable monthly fee, plus any bonus applicable for the year in which such termination occurs and accrued but unpaid bonus for any prior year. Therefore, the lump sum contract termination fee that Mr. Chu would be entitled to receive if the employment agreement had been terminated on August 31, 2018 is \$1,848,000.

**Compensation of Directors**

Compensation for the Named Executive Officers has been disclosed in the “Summary Compensation Table” above. The Company pays its directors a fee for acting as such. The directors of the Company are also eligible to receive stock option grants.

The Company has a stock option plan for the granting of incentive stock options to certain persons including directors. The purpose of granting such options is to assist the Company in compensating, attracting, retaining and motivating the directors of the Company and to closely align the personal interests of such persons to that of the shareholders. See “Incentive Plan Awards” above.

The following table discloses the particulars of the compensation provided to the directors of the Company (excluding the Named Executive Officers) for the financial year ended August 31, 2018.

**Director Compensation Table**

Director Name	Fees Earned (\$)	Share-Based Awards (\$)	Option-Based Awards (\$) <sup>(3)</sup>	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Morris Chen	3,194 <sup>(1)</sup>	N/A	92,000	N/A	N/A	N/A	95,194
Tony David	12,776 <sup>(1)</sup>	N/A	Nil	N/A	N/A	N/A	12,776
Derek Feng	12,776 <sup>(1)</sup>	N/A	Nil	N/A	N/A	N/A	12,776
David Hsu <sup>(4)</sup>	6,388 <sup>(1)</sup>	N/A	Nil	N/A	N/A	N/A	6,388
May Hsu <sup>(5)</sup>	6,388 <sup>(1)</sup>	N/A	Nil	N/A	N/A	N/A	6,388
Troy Rice	17,887 <sup>(2)</sup>	N/A	Nil	N/A	N/A	N/A	17,887
Shane Weir	12,776 <sup>(1)</sup>	N/A	Nil	N/A	N/A	N/A	12,776

<sup>(1)</sup> Fees of US\$2,500 per calendar quarter were paid. The Company used a CAD/USD exchange rate of CAD/USD exchange rate of \$1.277617.

<sup>(2)</sup> Fees of US\$3,500 per calendar quarter were paid; the Company used a CAD/USD exchange rate of \$1.277617.

<sup>(3)</sup> The value of the option-based awards reflects the fair value of options granted on the date of grant. The fair value was computed using the Black Scholes option pricing model because it is the most commonly used option pricing model and is considered to produce a reasonable estimate of fair value.

<sup>(4)</sup> David Hsu ceased to be a director on January 26, 2018.

<sup>(5)</sup> May Hsu became a director on January 26, 2018.

The following table discloses the particulars of the option-based awards granted to the directors (who are not Named Executive Officers) under the Company's stock option plan which were outstanding as at August 31, 2018.

**Outstanding Option-Based Awards**

Director Name	Option-Based Awards			
	Number of Securities Underlying Unexercised Options Exercisable/Unexercisable as at August 31, 2018	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money <sup>(1)</sup> Options (\$) Exercisable/Unexercisable as at August 31, 2018
Morris Chen	50,000/150,000	0.74	January 23, 2023	2,000/6,000
Tony David	37,500/37,500	0.78	August 1, 2022	Not In-the-money
Derek Feng	37,500/37,500	0.78	August 1, 2022	Not In-the-money
May Hsu	Nil	-	-	-
Troy Rice	37,500/37,500	0.78	August 1, 2022	Not In-the-money
Shane Weir	37,500/37,500	0.78	August 1, 2017	Not In-the-money

<sup>(1)</sup> "In-the-Money" means the excess of the market value of the Company's shares on August 31, 2018 over the exercise price of the options. The last closing price of the Company's common shares on the TSX during the financial year ended August 31, 2018 was \$0.78.

The following table summarizes the value of each incentive plan award vested or earned by each director (who is not a Named Executive Officer) under the Company's stock option plan as at August 31, 2018.

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

<b>Director Name</b>	<b>Option-based awards – Value vested during the financial year ended August 31, 2018<sup>(1)</sup></b> <b>(\$)</b>	<b>Share-based awards – Value vested during the financial year ended August 31, 2018<sup>(2)</sup></b> <b>(\$)</b>	<b>Non-equity incentive plan compensation – Value earned during the financial year ended August 31, 2018</b> <b>(\$)</b>
Morris Chen	3,000	N/A	N/A
Tony David	375	N/A	N/A
Derek Feng	375	N/A	N/A
May Hsu	N/A	N/A	N/A
Troy Rice	375	N/A	N/A
Shane Weir	375	N/A	N/A

<sup>(1)</sup> Value vested is calculated as the dollar value that would have been realized had the option been exercised on the date it was vested less the related exercise price multiplied by the number of vesting shares.

<sup>(2)</sup> This amount is the dollar value realized calculated by multiplying the number of shares or units by the market value of the underlying shares on the vesting date.

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

During the financial year ended August 31, 2018, the Company's stock option plan was the only equity compensation plan under which securities were authorized for issuance. The following table sets forth information with respect to the Company's stock option plan as at the financial year ended August 31, 2018.

<b>Plan category</b>	<b>Number of securities to be issued upon exercise of outstanding options</b> <b>(a)</b>	<b>Weighted-average exercise price of outstanding options</b> <b>(b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) as at August 31, 2018</b> <b>(c)</b>
Equity compensation plans approved by securityholders	1,857,500	\$0.72	5,961,004 <sup>(1)</sup>
Equity compensation plans not approved by securityholders	Nil	N/A	Nil
<b>Total</b>	<b>1,857,500</b>		<b>5,961,004<sup>(1)</sup></b>

<sup>(1)</sup> This figure is based on the total number of shares authorized for issuance under the Company's stock option plan, less the number of stock options issued under such plan which were outstanding as at the Company's financial year ended August 31, 2018. As at August 31, 2018, the Company was authorized to issue options for the purchase of a total of 7,818,504 common shares of the Company.

**CORPORATE GOVERNANCE DISCLOSURE**

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Company. National Policy 58-201 *Corporate Governance Guidelines* establishes corporate governance guidelines which apply to all public companies. These guidelines are not intended to be prescriptive but to be used by issuers in developing their own corporate governance practices. The Board is committed to sound corporate governance practices and feels that the Company's corporate governance practices are appropriate and effective for the Company given its current size.

The Company's corporate governance practices are summarized below.

### **Board of Directors**

The Board is currently composed of Morris Chen, Toby Chu, Tony David, Derek Feng, May Hsu, Troy Rice and Shane Weir. All of the proposed nominees for election as directors, are currently directors of the Company.

National Policy 58-201 *Corporate Governance Guidelines* (“**NP 58-201**”) suggests that the board of directors of a public company should be constituted with a majority of individuals who qualify as “independent” directors. An “independent” director is a director who is independent of management and is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act with a view to the best interests of the company, other than interests and relationships arising from shareholding. In addition, where a company has a significant shareholder, NP 58-201 suggests that a board of directors should include a number of directors who do not have interests in either the company or the significant shareholder. Of the current directors, Morris Chen, Tony David, Derek Feng, May Hsu, Troy Rice and Shane Weir are considered by the Board to be “independent” within the meaning of NP 58-201. Toby Chu is an executive officer of the Company, and accordingly, he is considered to be “non-independent”.

The Board generally meets for a formal board meeting at least twice per year to review and discuss the Company's business activities, to consider and if thought fit, to approve matters presented to the Board for approval, and to provide guidance to management. Additional meetings are conducted on an as needed basis. In addition, management informally provides updates to the Board at least once per quarter between formal meetings. In general, management consults with the Board when deemed appropriate to keep it informed regarding the Company's affairs. There have been three Board meetings held since the beginning of the financial year ended August 31, 2018. With the exception of one director, all of the individuals who were directors as of the date of the Board meetings attended the meetings in person or via teleconference.

The Board facilitates the exercise of independent supervision over management through these various meetings. At present, the Board has an audit committee, a compensation committee, an executive committee and a corporate governance committee. When necessary, the Board will strike a special committee of independent directors to deal with matters requiring independence. The composition of the Board is such that the independent directors have significant experience in business affairs and, as a result, these directors are able to provide significant and valuable independent supervision over management.

In the event of a conflict of interest at a meeting of the Board, the conflicted director will, in accordance with corporate law and in accordance with their fiduciary obligations as a director of the Company, disclose the nature and extent of their interest to the Board and abstain from voting on or against the approval of such participation.

### **Directorships**

None of the current directors of the Company are directors of other issuers that are reporting issuers in Canada or the equivalent in a foreign jurisdiction.

### **Board Mandate**

The mandate of the Board is to manage or supervise the management of the business and affairs of the Company and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of the Company's affairs directly and through its audit committee(s). In fulfilling its mandate, the types of matters for which the Board is ultimately responsible are: reviewing and approving

the Company's overall business strategies and its annual business plan, the annual corporate budget and forecast, and significant capital investments outside the approved budget; succession planning; assessing management's performance against approved business plans and industry standards; reviewing and approving continuous disclosure documents; ensuring the effective operation of the Board; and safeguarding shareholders' equity interests through the optimum utilization of the Company's capital resources.

### **Position Descriptions**

The Board has adopted a charter for each of its audit, corporate governance and compensation committees (the "**Charters**"). The Charters set out the responsibilities of the chair of each committee. The Board has not developed written position descriptions for the Named Executive Officers.

### **Orientation and Continuing Education**

At present, the Company does not provide a formal orientation and education program for new directors. Prior to joining the Board, potential board members are encouraged to meet with management and inform themselves regarding management and the Company's affairs. After joining the Board, management and the Board chair provide orientation both at the outset and on an ongoing basis. The Company currently has no specific policy regarding continuing education for directors, and requests for education are encouraged, and dealt with on an ad hoc basis.

### **Ethical Business Conduct**

The Board has adopted a Code of Ethical Conduct (the "**Code**") which sets out guidelines and expectations regarding conduct on the part of directors, officers, and employees of the Company. The Code is available on the Company's website ([www.cibt.net](http://www.cibt.net)).

The Company has an insider trading policy (the "**Policy**") which sets out guidelines and expectations regarding the conduct on the part of directors, officers, employees, consultants and contractors of the Company, which provides additional measures regarding the acquisition or disposal of any securities of the Company. The Policy is available on the Company's website ([www.cibt.net](http://www.cibt.net)).

The Board requires conflicts of interest to be disclosed to the Company's corporate governance committee. In the event that conflicts of interest arise, a director who has such a conflict is required to disclose the conflict to the chairman of the Board and the chairman of the corporate governance committee. If the conflict cannot be avoided or resolved, the director must disclose the conflict to all the directors of the Company and abstain from voting in connection with the subject of the conflict. In addition, in considering transactions and agreements in respect of which a director has a material interest, the Board will require that the interested person absent themselves from portions of Board or committee meetings so as to allow independent discussion of points in issue and the exercise of independent judgment.

The Company's audit committee has also established a "whistleblower" policy to encourage employees to raise concerns about business conduct. The policy is available on the Company's website ([www.cibt.net](http://www.cibt.net)).

### **Nomination of Directors**

The Board does not have a nominating committee. Once a decision has been made to add or replace a director, the task of identifying new candidates will fall on the Board and management. The nominees are generally the result of recruitment efforts by the Board members, including both formal and informal discussions among Board members. If a candidate appears promising, the Board and management will conduct due diligence on the candidate and interview the candidate and if the results are satisfactory, the candidate is invited to join the Board. Nominations require the approval of the Board, and non-

independent directors may be asked to excuse themselves from the portion of the meeting of the Board at which nominations are being determined. The Board monitors but does not formally assess the performance of the Board, individual members of the Board or committee(s) of the Board. However, the Board is still small enough that informal feedback from individual directors is able to occur.

### **Compensation**

The quantity and quality of Board compensation and the compensation of the Company's executive officers is reviewed on an annual basis by the Company's compensation committee. Please see "Statement of Executive Compensation – Compensation Discussion and Analysis" for more details.

### **Other Board Committees**

In addition to the audit committee and the compensation committee, the Board also has a corporate governance committee and an executive committee.

The corporate governance committee assists the Board in fulfilling its oversight responsibilities relating to the governance of the Company and its relationship with senior management. The members of the corporate governance committee are Toby Chu, Troy Rice, and Shane Weir (chair). The committee's role includes developing and monitoring the effectiveness of the Company's system of corporate governance and is responsible for appropriate corporate governance and proper delineation of the roles, duties and responsibilities of management, the Board and its committees. The committee is responsible for recommending to the Board a set of corporate governance principles and reviewing these principles.

The executive committee was formed in order to provide for expeditious decision making by the Board. The members of the executive committee are Toby Chu (chair), Derek Feng, May Hsu and Shane Weir. This committee has the same authority as the Board, except for the ability to appoint new directors.

### **Assessments**

At present, the Board does not have a formal process for assessing the effectiveness of the Board and its committees and whether individual directors are performing effectively. These matters are dealt with on a case by case basis at the board of director's level. The Board is of the view that the Company's shareholders are the most important assessors of board performance and that they provide the most effective, objective assessment of the board's performance.

### **Director Term Limits and Other Mechanisms of Board Renewal**

The Company has not adopted term limits for individual directors. The Board believes that individuals can continue to remain effective directors beyond a maximum period of service. Without having term limits, the Company has experienced turnover on its board that has brought directors with new perspectives and approaches. This has complemented the depth of knowledge and insight about the Company and business operations that the Company's long-standing directors have developed over time.

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

The Board has not adopted a written policy relating to the identification and nomination of women directors. Instead, the Board evaluates potential nominees to the Board by reviewing qualifications of prospective members irrespective of gender and determines their relevance taking into consideration the then current Board composition and the anticipated skills required to round out the capabilities of the Board.

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

The Board does not consider the level of representation of women on the Board in identifying and nominating candidates for election or re-election to the Board. However, the Board evaluates potential nominees to the Board by reviewing qualifications of prospective members and determines their relevance taking into consideration the then current Board composition and the anticipated skills required to round out the capabilities of the Board.

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

The Board does not consider the level of representation of women in executive officer positions when making executive officer appointments. However, the Company is committed to the fundamental principles of equal employment opportunities which is prescribed in its employment policies which further provide for the Company's commitment to treating people, fairly, with respect and dignity, and to offering equal employment opportunities based upon an individual's qualifications and performance – free from discrimination or harassment because of race, colour, ancestry, place of origin, religion, gender, sexual orientation, age, marital status, family status, physical or mental disability. Furthermore, the Company's employment policies and procedures provide that candidates are selected based on primary consideration such as experience, skill and ability.

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

The Company has not adopted a target regarding women on its Board. In evaluating potential nominees to the Board, the Board focuses on the current Board composition and the anticipated skills required to round out the capabilities of the Board, including the knowledge and diversity of its membership.

The Company has not adopted a target regarding women in executive officer positions as it is an equal employment opportunity employer whereby candidates are selected based on primary considerations such as experience, skill and ability.

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

As at the date hereof, one member of the Board is a woman. Two executive officers of subsidiaries of the Company are women.

## **AUDIT COMMITTEE DISCLOSURE**

Pursuant to the *Business Corporations Act* (British Columbia), the Company is required to have an audit committee comprised of at least three directors, the majority of whom must not be officers or employees of the Company or an affiliate of the Company. Pursuant to NI 52-110, all of the members of the Company's audit committee must be independent (as defined in NI 52-110).

### **Audit Committee Charter**

The Company must, pursuant to NI 52-110, have a written charter which sets out the duties and responsibilities of its audit committee. The Company's audit committee charter is attached as Schedule "A" to this information circular.

## Composition of the Audit Committee

The following are the members of the audit committee:

Derek Feng	Independent <sup>1</sup>	Financially literate <sup>1</sup>
May Hsu	Independent <sup>1</sup>	Financially literate <sup>1</sup>
Troy Rice	Independent <sup>1</sup>	Financially literate <sup>1</sup>
Shane Weir	Independent <sup>1</sup>	Financially literate <sup>1</sup>

<sup>1</sup> Within the meaning of NI 52-110.

## Relevant Education and Experience

In addition to each member's general business experience, the education and experience of each Audit Committee member relevant to the performance of their responsibilities as an Audit Committee member are as follows:

**Derek Feng** is currently an independent investment consultant. From July 2016 until March 2017, he was the management director of education investment for Fosun Group in China, a publicly traded conglomerate based in Hong Kong. Prior to joining Fosun, he was the chief executive officer of Global Education & Technology Group, a leading education company in China with over 3,000 employees. Previously Mr. Feng was the chairman/interim chief executive officer of ChinaCast Education Corporation. From 2006 to 2011, he was executive vice president of strategy, planning and operations at Knowledge Universe, an education holding company with more than 40,000 employees in North America, Europe and Asia. Prior to joining Knowledge Universe, Mr. Feng held several executive positions at the General Electric Company including leading global business development at GE Industrial, a \$33 billion revenue division of GE. Mr. Feng had also held positions as a senior analyst in the financial planning and reporting division of Enron Oil Trading and Transportation, and as a vice president in the investment banking division of Takenaka and Company, through which gained expertise in financial reporting and analysis. Mr. Feng graduated from Tsinghua University in China in 1989 with a Bachelor's degree in Industrial Automation and earned a Master of Business Administration degree from University of California, Los Angeles in 1992.

**May Hsu** was the acting Secretary of State for California in 1990, and senior consultant to Zhuhai New Hi-Tech Industries Development Zone in China in 1997. She was the president of China E-Commerce Association North American Chapter, and also served as advisor to Suzhou Machinery Holding (Group) Co. Ltd. in China in 1999. Ms. Hsu has over 20 years of experience in market research, business development, management consulting and marketing for international businesses. Her experience includes identifying and securing high-profile clients and conducting market research for firms such as Multi-Fineline Electronix Inc., a high-tech manufacturing company with nearly 4,000 employees in the United States and China. Ms. Hsu also assists North American firms to expand their presence to Asia and helps Chinese companies to set up businesses in the United States.

**Troy Rice** has been chief financial officer of Strategic Solar Energy, LLC since 2010, a private U.S. company focused on creating innovative renewable energy technology solutions. From 2009 to 2011, he was chief investment officer of HFC Advisors. Mr. Rice served as the senior vice president of business development at Universal Technical Institute, Inc. (NYSE: UTI), an automotive repair education company, from 2002 to 2005. From 2001 to 2002 Mr. Rice was the vice president of Petsmart, Inc. (NASDAQ: PETM), a supplier of pet supplies and products, and from 1995 to 2001, he was the senior vice president of Comfort Systems U.S.A. (NYSE: FIX), and been the chief financial officer of five companies. Mr. Rice received his Bachelor's degree in accounting from the University of Iowa in 1985 and his MBA from Arizona State University in 1992. Mr. Rice is also a Certified Public Accountant in the State of Arizona.

**Shane Weir** is a senior solicitor and consultant with Weir & Associates, Solicitors & Notaries in Hong Kong. He received his LL.B from the University of Saskatchewan in 1977 and practices in areas of business law, banking law, commercial law, finance, immigration, intellectual property, securities, taxation, telecoms, trademarks, entertainment law, and trusts and estates. Mr. Weir is an independent non-executive director and a member of the audit committee of e-Kong Group Limited, a listed company in Hong Kong. He has more than 40 years relevant experience and/or experience that assist in understanding and evaluating a company's financial statements and other financial information, and to make knowledgeable and thorough inquiries and discussions regarding same.

### **Reliance on Certain Exemptions**

At no time since the commencement of the Company's most recently completed financial year, has the Company relied on the exemption in sections 2.4 (*De Minimis Non-audit Services*), 3.2 (*Initial Public Offerings*), 3.4 (*Events Outside Control of Member*), 3.5 (*Death, Disability or Resignation of Audit Committee Member*) of NI 52-110, or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

### **Reliance of the Exemption in Subsection 3.3(2) or Section 3.6**

At no time since the commencement of the Company's most recently completed financial year, has the Company relied on the exemption in subsection 3.3(2) (*Controlled Companies*) or section 3.6 (*Temporary Exemption for Limited and Exception Circumstances*) of NI 52-110.

### **Reliance on Section 3.8**

At no time since the commencement of the Company's most recently completed financial year, has the Company relied on section 3.8 (*Acquisition of Financial Literacy*) of NI 52-110.

### **Audit Committee Oversight**

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

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

The audit committee is required to approve the engagement of the Company's external auditors in respect of non-audit services.

### **External Auditor Service Fees (by category)**

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

<b>Financial Year Ending</b>	<b>Audit Fees (\$)</b>	<b>Audit Related Fees<sup>(1)</sup> (\$)</b>	<b>Tax Fees<sup>(2)</sup> (\$)</b>	<b>All Other Fees<sup>(3)</sup> (\$)</b>
2018	673,750	Nil	219,757	Nil
2017	429,000	25,000	123,606	Nil

<sup>(1)</sup> Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under "Audit Fees".

<sup>(2)</sup> Fees charged for tax compliance, tax advice and tax planning services.

<sup>(3)</sup> Fees for services other than disclosed in any other column.

## PARTICULARS OF MATTERS TO BE ACTED UPON

The following are the matters to be acted upon at the Meeting.

### **Presentation of the Financial Statements**

The consolidated financial statements of the Company for the financial year ended August 31, 2018 and the report of the auditor thereon, which were mailed to Registered Shareholders who requested the same, will be placed before the Meeting. The Company's consolidated financial statements are available under the Company's profile on the SEDAR website, which can be accessed at [www.sedar.com](http://www.sedar.com).

### **Election of Directors**

The persons named in the enclosed instrument of proxy intend to vote in favour of fixing the number of directors at seven.

Each director of the Company is elected annually and holds office until the next annual meeting of the shareholders unless that person ceases to be a director before then. In the absence of instructions to the contrary the shares represented by proxy will be voted for the nominees herein listed.

#### *Majority Voting Policy*

On December 14, 2014, the Board approved a majority voting policy for director elections. The policy stipulates that for any uncontested elections of directors, if the votes in favour of the election of a director nominee at a shareholders' meeting represent less than the majority of the shares voted and withheld, the nominee will submit his or her resignation to promptly after the meeting, for the corporate governance committee's consideration. The corporate governance committee will make a recommendation to the Board after reviewing the matter taking into account all factors deemed relevant by members of the committee, and the Board will act on the corporate governance committee's recommendation within 90 days following the applicable shareholders' meeting. The TSX Company Manual provides that the Board shall accept the resignation absent exceptional circumstances. The Board's decision to accept or reject the resignation offer will promptly be disclosed to the public by press release. The nominee will not participate in any corporate governance committee or Board deliberations on the resignation offer. The majority voting policy does not apply in circumstances involving contested director elections.

#### *Management Nominees*

MANAGEMENT DOES NOT CONTEMPLATE THAT ANY OF THE NOMINEES WILL BE UNABLE TO SERVE AS A DIRECTOR. IN THE EVENT THAT PRIOR TO THE MEETING ANY VACANCIES OCCUR IN THE SLATE OF NOMINEES HEREIN LISTED, IT IS INTENDED THAT DISCRETIONARY AUTHORITY SHALL BE EXERCISED BY THE PERSON NAMED IN THE PROXY AS NOMINEE TO VOTE THE SHARES REPRESENTED BY PROXY FOR THE ELECTION OF ANY OTHER PERSON OR PERSONS NOMINATED AS DIRECTORS.

Management proposes that the number of directors for the Company be determined at seven for the ensuing year subject to such increases as may be permitted by the articles of the Company. The table below lists the management nominees for election as directors and certain information concerning them, as furnished by each nominee

<b>Name, Jurisdiction of Residence and Position</b>	<b>Principal Occupation or Employment (Past Five Years if Not Previously Elected by Shareholders)</b>	<b>Date Appointed As a Director</b>	<b>Direct and Indirect Holdings in Voting Securities of the Company and its Subsidiaries</b>
Morris Chen British Columbia, Canada <i>Director</i>	Real estate development entrepreneur.	April 23, 2018	354,000 common shares
Toby Chu <sup>(2),(4)</sup> British Columbia, Canada <i>Director, President, Chief Executive Officer and Chairman</i>	Executive officer of the Company and its subsidiaries.	May 11, 1994	7,278,247 common shares
Tony David <sup>(3)</sup> British Columbia, Canada <i>Director</i>	Retired oral maxillofacial surgeon.	July 28, 1998	718,418 common shares
Derek Feng <sup>(1),(2),(3)</sup> California, U.S.A. <i>Director</i>	Director of the Company and independent investment consultant.	July 19, 2011	227,000 common shares
May Hsu <sup>(1),(2),(3)</sup> California, U.S.A. <i>Director</i>	Management consultant.	N/A	1,150,600 common shares
Troy Rice <sup>(1),(4)</sup> Arizona, U.S.A. <i>Director</i>	Chief Financial Officer of Strategic Solar Energy, LLC since 2010.	October 28, 2005	440,200 common shares
Shane Weir <sup>(1),(2),(4)</sup> Hong Kong, PRC <i>Director</i>	Senior solicitor and consultant with Weir & Associates in Hong Kong and Shanghai.	December 12, 2008	2,510,066 common shares

(1) Member of the Company's audit committee.

(2) Member of the Company's executive committee.

(3) Member of the Company's compensation committee.

(4) Member of the Company's corporate governance committee.

### *Cease Trade Orders and Bankruptcy*

No proposed director:

(a) is, or was within 10 years before the date of this information circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:

(i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days, that was issued while the director or executive

officer was acting in the capacity as director, chief executive officer or chief financial officer; or

- (ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days, that was issued after the director or executive officer 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; or
- (b) is, as at the date of this information circular, or has been within the 10 years before the date of this information circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within 10 years before the date of this information circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointee to hold the assets of the proposed director.

In addition, no proposed director has been subject to:

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

### **Appointment of Auditor**

The persons named in the enclosed instrument of proxy will vote for the appointment of BDO Canada LLP, of 600 Cathedral Place, 925 West Georgia Street, Vancouver, British Columbia, V6C 3L2, as auditor of the Company for the ensuing year, until the close of the next annual meeting of the shareholders at a remuneration to be fixed by the Board. BDO Canada LLP was first appointed to the position of auditor of the Company on April 7, 2015.

### **ADDITIONAL INFORMATION**

Additional information concerning the Company is available under its profile on the SEDAR website at [www.sedar.com](http://www.sedar.com). Financial information is provided in the Company's comparative financial statements and management's discussion and analysis for its most recently completed financial period which are filed on SEDAR.

Shareholders wishing to obtain a copy of the Company's financial statements and management's discussion and analysis may contact the Company as follows:

CIBT Education Group Inc.  
777 West Broadway, Suite 1200  
Vancouver, BC, V5Z 4J7  
Telephone: (604) 871-9909  
Fax: (604) 871-9919

**Management knows of no other matters to come before the Meeting other than those referred to in the notice of meeting. Should any other matters properly come before the Meeting, the shares represented by the instrument of proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting by proxy provided that such authority is granted to the proxyholder by the proxy.**

The contents and sending of this information circular have been approved by the directors of the Company.

**DATED** at Vancouver, British Columbia, the 17<sup>th</sup> day of December, 2018.

**BY ORDER OF THE BOARD OF DIRECTORS**

***“Toby Chu”***

**Toby Chu**  
**President, CEO & Chairman**

## **SCHEDULE “A”**

### **Audit Committee Charter**

#### **Purpose**

The primary purpose of the Audit Committee (the “**Committee**”) is to assist the Board of Directors (the “**Board**”) in fulfilling its responsibility to oversee management's conduct of the Company's financial reporting process. This includes oversight and review of the following:

- financial reporting and the accounting system,
- the Company's systems of internal accounting and financial controls, and
- the annual independent audit of the Company's financial statements.

In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the Company and the power to retain outside counsel, auditors or other experts for this purpose. The Board and the Committee are in place to represent the Company's shareholders; accordingly, the outside auditor is ultimately accountable to the Board and the Committee.

The Committee shall review the adequacy of this Charter on an annual basis and regularly report to the Board about Committee activities, issues and related recommendations.

#### **Membership**

The Committee shall be comprised of not less than three members of the Board all of whom shall be “independent” pursuant to applicable laws, rules and regulations of applicable Canadian and U.S. securities regulators. All members must also be financially literate or become financially literate within a reasonable period of time appointment to the Committee. In addition, at least one member of the Committee will have accounting or related financial management expertise.

The Committee may seek guidance from the Company’s legal counsel to determine the independence of a particular director on an as needed basis.

Each Committee member will be appointed by the Board of Directors for a one year term and may serve any number of consecutive terms.

At the beginning of each fiscal year, the Committee members shall select a Chairperson.

#### **Meetings**

The Committee is required to meet at least once per fiscal quarter to review interim and annual financial statements before filings are made with the appropriate regulatory body.

The Committee Chairperson shall, in consultation with management and the auditors, establish the agenda for each meeting and ensure agenda materials are circulated to members in advance of each meeting such that sufficient time is provided for members to review the materials.

The audit committee shall keep regular minutes of its meetings and record all material matters and shall cause such minutes to be recorded in the books kept for that purpose and shall distribute such minutes to the board of directors.

A majority of the members of the audit committee shall constitute a quorum thereof. Questions arising shall be determined by a majority of votes of the members of the audit committee present, and in the case of an equality of votes, the chairperson shall not have a second or casting vote.

### **Authority**

The audit committee shall have the power, authority and discretion delegated to it by the board of directors which shall not include the power to change the membership of or fill vacancies in the audit committee.

The audit committee shall conform to the regulations which may from time to time be imposed upon it by the board of directors. The board of directors shall have the power at any time to revoke or override the authority given to or acts done by the audit committee except as to acts done before such revocation or act of overriding and to terminate the appointment or change the membership of the audit committee or fill vacancies in it as it shall see fit.

### **Resolutions**

A resolution approved in writing by all of the members of the audit committee shall be valid and effective as if it had been passed at a duly called meeting. Such resolution shall be filed with the minutes of the proceedings of the audit committee and shall be effective on the date stated thereon or on the latest date stated in any counterpart.

### **General Responsibilities**

The Committee's job is one of oversight and members of the Committee recognize that the Company's management is responsible for preparing the Company's financial statements and that the outside auditors are responsible for auditing those financial statements. In carrying out its oversight responsibilities, the Committee is not providing any expert or special assurance as to the Company's financial statements or any professional certification as to the outside auditor's work.

The following functions shall be the common recurring activities of the Committee in carrying out its oversight function. These functions are set forth as a guide with the understanding that the Committee may diverge from this guide as appropriate given the circumstances.

- Review the annual financial statements and related matters and recommend their approval to the board of directors, after discussing matters such as the selection of accounting policies, major accounting judgements, accruals and estimates with the auditors and management prior to the Company's filing of its annual report.
- Review the Company's annual filings as necessary.
- Review the interim financial statements, as a group or through the Committee chair, with the outside auditors and discuss matters such as the selection of accounting policies, major accounting judgements, accruals and estimates with the auditors and management prior to the Company's filing of its interim report.
- Oversee all aspects of the external audit, including the following:
  - audit results, selection of an independent public accounting firm,
  - terms of engagement of each audit, including review of the interim financial statements and the audit of the annual financial statements,

- the reasonableness of estimated audit fees,
  - the scope of the audit, including materiality, locations to be visited, audit reports to be prepared, areas of audit risk, timetable, deadlines and coordination with any internal audits taking place,
  - the post-audit management letter together with management's response,
  - the form of the audit report,
  - any other related audit engagements (e.g. audit of the company pension plan),
  - non-audit services performed by an auditor,
  - pre-approve all audit and non-audit services,
  - provision by the auditors of a formal written statement outlining all relationships between the auditor and the Company on an annual basis,
  - assessing the auditor's performance, as well as the impact non-audit services performed by the auditors' accounting firm on the auditors' independence,
  - recommending the auditor for appointment by the board of directors, and
  - meeting with the auditors to discuss pertinent matters, including the quality of accounting personnel.
- Discuss with management and the outside auditors the quality and adequacy of the Company's accounting systems, the reliability of the accounting systems, the effectiveness of the internal controls and any changes needed to improve such reliability and effectiveness.
  - Review any internal control weaknesses identified by the auditors, together with management's responses.
  - Ensure that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements (except for disclosure required to be reviewed by the audit committee), and periodically assess the adequacy of those procedures.
  - Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company.
  - Review and oversee any and all transactions between the Company and a related party of the Company.
  - Oversee the hiring process to fill key financial positions within the Company, including chief financial officer and the controller.
  - Oversee succession planning and human resource development within the Company's accounting and finance groups.
  - Report to the board of directors following each meeting on the major discussions and decisions made by the audit committee and propose recommendations to the board.

The Committee shall:

- Have the power to conduct or authorize investigations into matters within the Committee's scope of responsibilities.
- Have unrestricted access to members of management and all information relevant to its responsibilities.
- Be empowered to retain independent counsel, external accountants, or others to assist it in the conduct of its duties, as the Committee deems necessary.
- The Company must provide appropriate funding, as determined by the Committee, to compensate the external accountants engaged for the purpose of rendering an audit report or performing other audit, review or attest services, to compensate any advisers employed by the Committee, and to pay ordinary administrative expenses that are necessary or appropriate in carrying out the Committee's duties.
- Request members of management, counsel, internal audit, and external accountants, to participate in Committee meetings, as necessary, to carry out the Committee responsibilities.
- Periodically and at least annually, the Committee shall meet in private session with only the Committee members. The Committee shall also meet in executive session separately with the external accountants, at least annually. However, either the external accountants or counsel, may, at any time, request a meeting with the Audit Committee or the Committee chairperson, with or without management attendance.

*Other Functions* — The Committee shall perform such other functions required by law, rules of applicable securities regulators, the Company's certificate of incorporation or bylaws, or the Board of Directors.

*External Reports* — The Committee shall provide for inclusion in the Company's filings with applicable securities regulators, any report from the Audit Committee required by applicable laws and regulations.