



FOREMOST INCOME FUND

NOTICE OF ANNUAL MEETING AND
INFORMATION CIRCULAR AND PROXY STATEMENT

ANNUAL MEETING OF UNITHOLDERS

To be held Wednesday, June 18, 2025,
9:00 a.m. (Mountain Daylight Time)
Via audio conference

FOREMOST INCOME FUND

**NOTICE OF ANNUAL MEETING
For the Annual Meeting of Unitholders
to be held on Wednesday, June 18, 2025**

NOTICE IS HEREBY GIVEN that the Annual Meeting (the Meeting) of holders of Trust Units (the Unitholders) of Foremost Income Fund (the Fund or Foremost).

When: Wednesday, June 18, 2025, at 9:00 a.m. (Mountain Daylight Time)

Where: Microsoft team meeting ID 270 458 177 433

Passcode jj7g7gB6

To join by audio only use 1-437-703-4224, meeting ID 849 760 992

The purpose of the Meeting is to cover the following:

- (a) to receive the audited consolidated financial statements of the Fund for the year ended December 31, 2024, together with the report of the auditors thereon;
- (b) to elect four (4) Trustees of the Fund for the ensuing year;
- (c) to appoint the auditors of the Fund at the remuneration to be fixed by the Trustees of the Fund; and
- (d) to transact such other business as may properly come before the Meeting or any adjournment.

The specific details of the matters proposed to be put before the Meeting are in the Information Circular accompanying this Notice of Annual Meeting.

Individuals, corporations, or other persons directly registered with Olympia Trust Company (Olympia Trust) as Unitholders of the Fund on May 15, 2025 (Registered Unitholders) may attend the Meeting in person and vote. Unitholders owning Trust Units through a brokerage firm or in any other manner who are not directly registered with Olympia Trust on May 15, 2025 (Beneficial Unitholders) who wish to attend the Meeting and vote should enter their own names in the blank space on the form of proxy provided to them by their broker or the broker's agent and return that proxy to their broker (or the broker's agent) in accordance with the instructions provided by their broker or agent well in advance of the Meeting. Registered Unitholders and Beneficial Unitholders who do not wish to attend the Meeting or to vote their Trust Units in person may be represented by proxy. A person appointed as proxyholder does not need to be a Unitholder of the Fund. Unitholders who are unable to attend the Meeting in person are requested to date, sign, and return the accompanying Form of Proxy (the Proxy), or other appropriate form of proxy, in accordance with the instructions in the Information Circular. **For Registered Unitholders, the Proxy, or form of proxy, will not be valid unless it is deposited at the offices of Olympia Trust, Attention: Proxy Department, Box 128, STN M, Calgary, Alberta, T2P 2H6 (facsimile:1-403-668-8307), not less than forty-eight (48) hours (excluding Saturdays, Sundays, and holidays) before the Meeting, or any adjournment thereof. The time limit for deposit of proxies may be waived by the Board of Trustees without notice.**

Only persons registered as Unitholders on the records of the Fund as of the close of business on May 15, 2025, are entitled to receive notice of the Meeting.

DATED at Calgary, Alberta, on May 15, 2025.

**By Order of the Trustees of
Foremost Income Fund**

(signed) *Bevan May*
Bevan May, Trustee

**FOREMOST INCOME FUND
INFORMATION CIRCULAR AND PROXY STATEMENT**

SOLICITATION OF PROXIES

This Information Circular and Proxy Statement (the Information Circular) is furnished in connection with the solicitation of proxies on behalf of Foremost Income Fund (the Fund or Foremost) by the Trustees of the Fund (the Trustees) and by Foremost Industries Ltd., the administrator of the Fund (the Administrator), for use at the Annual Meeting of Unitholders (the Meeting). The Meeting will be held at 9:00 a.m. (Mountain Daylight Time) on Wednesday, June 18, 2025, via audio conference, for the purposes set out in the Notice of Annual Meeting (the Notice) accompanying this Information Circular. Solicitation of proxies will be primarily by mail, but may also be undertaken by way of telephone, facsimile, or oral communication by the Trustees or by officers or directors of the Administrator. The Administrator bears the cost of the solicitation of proxies, to be reimbursed by the Fund.

This Information Circular describes the business of the Meeting, items to be voted upon, and the voting and proxy process, and provides information about the Trustees of the Fund, its corporate governance practices, and other matters.

Unless otherwise indicated, the information is given as at May 15, 2025, and any reference to or use of “dollars” or “\$” refers to Canadian dollars.

VOTING AND APPOINTMENT OF PROXIES BY REGISTERED UNITHOLDERS

The person designated in the accompanying Proxy, Bevan May, is a Trustee of the Fund, and John Paul Grenon is a Trustee of the Fund and Director of the Administrator. **A Unitholder has the right to appoint a person or company (who does not need to be a Unitholder) to represent the Unitholder at the Meeting, other than Bevan May or John Paul Grenon. A Registered Unitholder (as defined below) may exercise this right by inserting in the blank space provided in the accompanying Proxy the name of the person to be appointed and by deleting the names of the persons designated in the Proxy, or by completing another proper form of proxy.** For a form of proxy to be valid, it must be:

- dated and signed by the Unitholder or by the Unitholder's attorney authorized in writing.
- received by Olympia Trust Company (Olympia Trust), Attention: Proxy Department, Box 128, STN M, Calgary, Alberta, T2P 2H6, not less than 48 hours (excluding Saturdays, Sundays, and holidays) before the time of the Meeting or any adjournment.

The persons named in the form of proxy will vote or withhold from voting the Trust Units in respect of which they are appointed, on any ballot that may be called for, in accordance with the direction of the Unitholder appointing them. In the absence of such specification, the proxyholder shall be deemed to have been granted the authority to vote the relevant Trust Units FOR: (i) the election of the Trustees as set forth in this Information Circular; and (ii) the appointment of auditors at such remuneration as may be determined by the Trustees of the Fund as set forth in this Information Circular. The Proxy also confers discretionary authority upon the persons named in the Proxy with respect to amendments to, or variations of, the matters identified in the Notice and with respect to other matters that may properly be brought before the Meeting. As of the date hereof, the Trustees of the Fund know of no such amendment, variation, or other matter to come before the Meeting other than the matters referred to in the Notice.

VOTING AND APPOINTMENT OF PROXIES BY NON-REGISTERED UNITHOLDERS

Unitholders who do not hold their Trust Units in their own name (Beneficial Unitholders) should note that only Unitholders whose names appear on the records of the Fund as the registered Unitholder (Registered Unitholder) or their proxyholders are permitted to vote at the meeting. If Trust Units are listed in an account statement provided to a Unitholder by an intermediary/broker, then, in almost all cases, those Trust Units will not be registered in the Unitholder's name on the records of the Fund. Such Trust Units will more likely be registered under the name of the Unitholders' intermediary/broker or an agent of the intermediary/broker. Trust Units held by brokers or their nominees can only be voted upon the instructions of the Beneficial Unitholder. Without specific instructions, brokers/nominees are prohibited from voting the Trust Units for their clients.

Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Unitholders in order to ensure that their Trust Units are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Unitholder by its broker is identical to the form of proxy provided to Registered Unitholder. However, its purpose is limited to instructing the Registered Unitholders how to vote on behalf of the Beneficial Unitholder.

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

Beneficial Unitholders should contact their brokers or other intermediaries if they have any questions about voting their Trust Units held through such brokers or other intermediaries.

REVOCATION OF PROXIES

A Unitholder may revoke a proxy in one of the following ways:

- a) depositing an instrument in writing signed by the Unitholder or the Unitholder's attorney authorized in writing at the office of Olympia Trust, Attention: Proxy Department, Box 128, STN M, Calgary, Alberta, T2P 2H6, at any time up to and including the last business day before the day of the Meeting or any adjournment;
- b) notifying the chairman of the Meeting on the day of the Meeting or any adjournment by the Unitholder personally attending the meeting and voting the Trust Units represented by the proxy; or
- c) in any other manner permitted by law.

VOTING OF TRUST UNITS AND PRINCIPAL HOLDERS

Voting of Trust Units

The Unitholders are the sole beneficiaries of the Fund. On a show of hands, every Unitholder present in person or represented by proxy and entitled to vote has one vote. On a poll or ballot, every Unitholder present in person or by proxy has one vote for each Trust Unit held. Unitholders of record as of May 15, 2025 (the Record Date) are entitled to receive notice of and vote at the Meeting. As of the Record Date, there were 15,246,507 issued and outstanding Trust Units.

Holders of Trust Units transferred after the Record Date and before the date of the Meeting are also entitled to attend and vote at the Meeting. If a transferee of Trust Units produces properly endorsed certificates or otherwise establishes that they own the Trust Units and demands, not later than 10 days before the Meeting, that their name be included in the list before the Meeting, then the transferee shall be entitled to vote those Trust Units at the Meeting.

Principal Holder of Trust Units

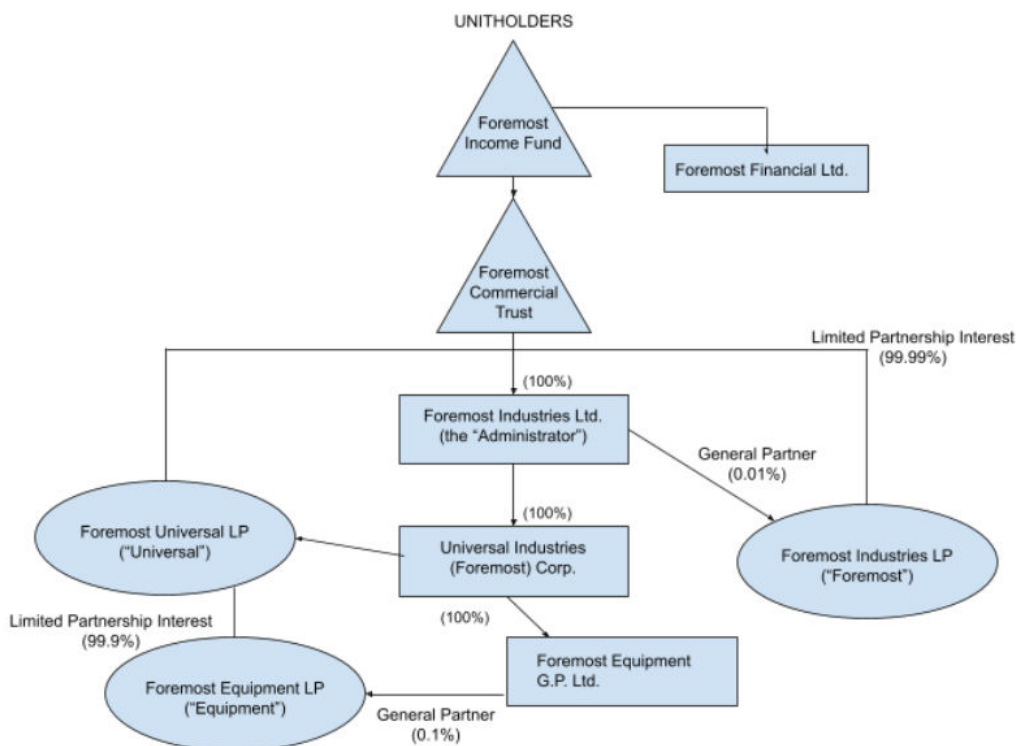
As of the date of this Information Circular and to the best of the knowledge of the Trustees and the officers and directors of the Administrator, the only person or corporation that beneficially owns, directly or indirectly, or exercises direction or control over more than 10% of the voting rights attached to the issued and outstanding Trust Units is Mr. James Grenon. He directly and indirectly owns, controls, or directs 12,810,047 Trust Units, representing approximately 84.0% of all issued and outstanding Trust Units.

THE FUND

The Fund is an unincorporated open-end mutual fund trust established under the laws of Alberta by a Deed of Trust, made as of November 12, 2005, and amended and restated March 11, 2022 (the Deed of Trust). The Fund is a successor entity to Foremost Industries Income Fund. Organized as a "Trust-over-Partnership" structure, it indirectly holds the securities of Foremost Equipment LP, Foremost Industries LP and Foremost Universal LP.

As an open-end trust, the Fund is not restricted in the type of assets it holds or the type of acquisitions it undertakes to maintain its status under the *Income Tax Act* (Canada) as a "unit trust" and as a "mutual fund trust" so long as a retraction right is attached to the Trust Units. As an open-end trust, the business of the Fund can be expanded to any business reasonably expected to provide returns to Unitholders. The Fund is restricted from "undue expansion" under proposals announced by the Federal Minister of Finance on October 31, 2007.

The Trustees are responsible for the affairs of the Fund and are elected by Unitholders. Under arrangements for the Fund's administration, the Administrator, an indirect wholly-owned subsidiary of the Fund, arranges administrative services and the day-to-day management of the business of the Fund. The officers and directors of the Administrator are appointed or elected by, and accountable to, the Trustees. The current directors of the Administrator are John Paul Grenon and Jackie Schenn. John Paul Grenon resides in Calgary, Alberta, and Jackie Schenn resides in Lloydminster, Alberta. The Administrator employs certain employees and consultants who manage and administer the Fund's assets and undertakings. The following diagram shows the legal organizational structure of the Fund as at May 15, 2025:



As disclosed in Foremost's Year End 2024 Management's Discussion and Analysis, the Fund conducts business through three limited partnerships: Foremost Industries LP, Foremost Universal LP, and Foremost Equipment LP. These limited partnerships comprise two customer-facing business divisions:

(1) Foremost Mobile Equipment (FME), comprised of Foremost Industries LP and Foremost Equipment LP and operating FME's product lines.

(2) Foremost Energy Equipment (FEE), comprised of Foremost Universal LP operating FEE's product lines.

FOREMOST ENERGY EQUIPMENT

FEE designs, manufactures, sells, and services shop-fabricated tanks, pressure vessels, field erected tanks, gas separation units, oil treating systems, agriculture bins, ULC fuel storage tanks, and gas processing systems used within the energy industry. FEE also offers rental programs for certain shop tank, compression, and process equipment.

FOREMOST MOBILE EQUIPMENT

FME designs, manufactures, sells, and services hydrovac and vacuum trucks, heavy all-terrain vehicles, and drilling equipment for use in the mineral exploration, water-well, construction, transportation, energy, and environmental industries and ancillary businesses. FME maintains a focus on custom-built vehicles for its clientele and serves them through two manufacturing and service locations across Alberta.

MATTERS TO BE ACTED ON AT THE MEETING

Presentation of 2024 Financial Statements

The audited consolidated financial statements of the Fund for the year ended December 31, 2024, together with the auditor's report on those statements, have been forwarded to the Unitholders in accordance with applicable regulatory requirements. No formal action will be taken at the Meeting to approve these financial statements. Unitholders who have questions about the financial statements may bring the questions forward at the Meeting. A copy of the financial statements is also available electronically on the System for Electronic Documentation Analysis and Retrieval (SEDAR), which can be accessed at www.sedarplus.ca. The financial statements have been audited by MNP LLP, Chartered Accountants, for the year ended December 31, 2024.

Election of Trustees

The Deed of Trust states that the Trustees shall consist of not more than nine or fewer than three Trustees, with the number of Trustees from time to time within such range being fixed by resolution of the Trustees. The Trustees have set the number of Trustees to be elected at the Meeting at four. Trustees are appointed at each annual meeting by a resolution approved by a majority of the votes cast. A quorum of Trustees, being the greater of two Trustees or a majority of the Trustees then holding office, may fill a vacancy among the Trustees or appoint additional Trustees in limited circumstances. Non-residents are disqualified from being a Trustee.

The Fund proposes to nominate for election as Trustees at the Meeting the persons listed in the following table, all of whom currently serve as Trustees. All proposed nominees have consented to be named in this Information Circular and to serve as Trustees if elected. The Fund has no reason to believe that any proposed nominee will be unable to serve as a Trustee but should any such nominee become unable to do so for any reason before the Meeting, the persons named in the Proxy, unless directed to withhold from voting, reserve the right to vote for other nominees in their discretion. Unless otherwise directed, the persons named in the Proxy intend to vote in favour of the election as Trustees of the Fund the four nominees listed in the following table.

The following table and its notes state the names of the persons proposed to be nominated for election as a Trustee, their municipality of residence, date of their respective initial appointment, principal occupation during the past five years, and the approximate number of Trust Units beneficially owned, directly or indirectly, or over which they exercise control or direction, as at the date of this Information Circular. The information about principal occupation and Trust Units beneficially owned has been furnished by the respective nominees and may not be known by the Fund or the Administrator. Each of

the nominees has been engaged in the occupation below or similar occupations with the same employer for the last five years.

Name and Municipality of Residence	Principal Occupation	Trustee Since	Trust Units Beneficially Owned or over which Control or Direction is Exercised
Mr. Gordon M. Wiebe Winnipeg, Manitoba, Canada (2)(4)(5)	President Corpfin Services Ltd.	December 2005	99,062
Mr. Bruce J. MacLennan Calgary, Alberta, Canada (3)(4)(5)	President Century Holdings Inc.	December 2005	56,233
Mr. Bevan May Calgary, Alberta, Canada (1)(4)(5)(6)(7)	President May Ventures Inc., Lead Director of TOM Capital Management Inc.	December 2012	-
Mr. John Paul Grenon Calgary, Alberta, Canada (5)(6)	Director Foremost Industries Ltd.	June 2014	10,500

Notes:

- (1) Lead Trustee, Chairman of the Board of Trustees
- (2) Chair of the Audit Committee
- (3) Chair of the Compensation Committee
- (4) Member of the Audit Committee
- (5) Member of the Compensation Committee
- (6) Mr. May and Mr. Grenon provide their board services to the Fund via billing arrangements with TOM Capital Management Inc. (TOM Capital)
- (7) Mr. May served as Interim President and CEO from April 2014 through December 31, 2015, at which time Kevin Johnson took over as President and Mr. May returned to his role as Chairman of the Board of Trustees and Lead Trustee

Appointment of Auditor

The Deed of Trust provides that the Unitholders shall appoint the auditor of the Fund at each annual meeting of Unitholders. At the meeting, the Unitholders will be asked to appoint MNP LLP, Chartered Accountants, to serve as auditor of the Fund until the next annual meeting of Unitholders. The remuneration of the auditor shall be fixed by the Trustees upon the recommendation of the Fund's Audit Committee. Unless otherwise directed, the persons named in the form of proxy intend to vote in favour of the appointment of MNP LLP, Chartered Accountants, as auditor of the Fund.

Other Matters

As of the date of this Information Circular, the Trustees and the officers and directors of the Administrator know of no amendment, variation, or other matter to come before the Meeting other than the matters referred to in the Notice accompanying this Information Circular. If any amendment or variation or other matter properly comes before the Meeting, it will be duly dealt with at that time. All proxies received in favour of the management nominees will be voted on in accordance with the best judgment of the person or persons voting the proxy.

EXECUTIVE COMPENSATION

Overview

The Compensation Committee is comprised of all members of the Board of Trustees. During the year, the Compensation Committee met to discuss relevant and current compensation matters. No changes were made to the general compensation frameworks applicable at Foremost. The Trustees are responsible for the development of compensation and human resource policies and will continue to be responsible until the Compensation Committee mandate is finalized and adopted. The Trustees were also responsible for the assessment of the 2024 performance of all senior executives, including the President, as well as current compensation, executive development, and succession plans for senior executives. Bruce MacLennan, Bevan May, and Gordon Wiebe are independent within the meaning of National Instrument 58-101 *Disclosure of Corporate Governance Practices*, while John Paul Grenon is not.

Compensation Philosophy and Objectives

The Fund's compensation program is designed to encourage high-quality behaviour and performance among its key employees, including its executive officers.

The objectives of the Fund's compensation program are to: (i) keep compensation consistent with the Fund's strategic business and financial objectives and competitive within the oil and gas service industry; and (ii) enable the Fund to attract, motivate, and retain executive personnel as the Trustees deem necessary to maximize return to Unitholders.

The incentive portion of the compensation program currently rewards positive annual performance. It takes into account but is not limited to factors including profitability of the Fund and individual contributions to the overall operations and results of the Fund.

The compensation program is also structured to provide executive officers and key employees with a competitive income, to create meaningful incentives for them to remain with the Fund and not be unreasonably susceptible to recruiting efforts by competitors, and to align their interests with those of Unitholders.

Elements of the Fund's Compensation Program

The annual review of each executive officer's overall remuneration has regard to:

- the individual's responsibilities, experience, and performance,
- the Fund's overall financial performance, and
- available compensation data for similar positions in the industry of comparable size.

Ultimately, the Fund's compensation practices are designed, revised, and adjusted with performance enhancement as the primary objective.

The Fund's compensation program currently consists of four primary components: an annual base salary, an annual incentive bonus, long-term option incentives, and a long-term cash incentive program.

The executive officers participate in other group benefit plans (life, disability, and health and dental insurance) that are available to all employees and which are comparable to those offered by industry peers.

The base salary and annual incentive bonus awarded to the executive officers for 2024 are in the Summary Compensation Table.

The Board of Trustees believes that the criteria behind the Fund's compensation decisions are appropriate and effective to make overall compensation levels competitive to attract and retain quality employees but not excessive or out of step with market realities.

Base Salaries

The purpose of base salary is to create cash compensation for executive officers and key employees that is competitive in the industry and will enable the Fund to attract, motivate, and retain capable, talented individuals.

Annual Incentive Bonuses, Discretionary and Non-Discretionary

The Fund chooses to pay discretionary incentive bonuses annually, because it believes this motivates and serves to retain capable executives, which furthers the interests of the Fund and its Unitholders. The Fund's compensation program also uses a non-discretionary bonus based on a percentage of salary, which is tied to the Fund's performance.

Long-Term Option Incentives

The purpose of the Fund's long-term incentive of granting Unit Options is to align the executive officers' compensation with their contribution to the success of the Fund in creating Unitholder value, tie their long-term economic interest directly to those of the Fund's Unitholders, and provide a retentive effect on the executive officers. Unit Options also allow executive officers to have equity ownership in the Fund in addition to their direct purchases of Trust Units and to share in the appreciation in value of the Trust Units over time.

Long-Term Cash Incentives

During 2011, the Fund created a long-term cash incentive program to compensate the most senior members of the executive team based on a sliding three-year performance of the Fund. The program creates a multi-year pool of deferred compensation which averages out over a three-year period, accounting for both positive and negative Fund performance over that period. The features of this program encourage long-term oriented managerial decision-making, alignment of unitholder and executive interests, and retention.

Determination of Each Element

Base Salary. When considering adjustments to the base salaries of the executive officers, the Compensation Committee takes into account salaries for named executive officers for peer group companies within the oil and gas service industry. The responsibilities and performance of each of the executive officers is also evaluated. In assessing individual executive officer performance, the Committee considers level of responsibility, as well as subjective factors such as leadership and the performance of their specific roles within the businesses of the Fund.

Annual Incentive Bonus. The annual incentive bonus is intended to provide executive officers the opportunity to realize additional compensation when performance expectations are met or exceeded. By placing emphasis on variable compensation, the Fund aims to tie a portion of the total executive compensation package to the Fund's performance. In assessing individual executive officer performance, the Compensation Committee considers level of responsibility as well as subjective factors such as leadership and performance of their specific role within the businesses of the Fund. The annual incentive bonus amounts are partly discretionary and non-discretionary, as discussed above.

Long-Term Option Incentive Awards. The Fund adopted the amended and restated trust unit option plan (the Unit Option Plan), approved by a majority of Unitholders via special resolution on March 24, 2022. The principal purpose of the Unit Option Plan is (1) to develop the interest of the officers, employees, and other persons who provide ongoing services to the Fund and its affiliate entities in the growth and development of the Fund by providing them with the opportunity to acquire an increased proprietary interest in the Fund, and (2) to better enable the Fund and its affiliate entities to attract and retain persons of desired experience and ability. See *Executive Compensation – Unit Option Plan*.

Long-Term Cash Incentive Program. This program compensates certain executive members based on the financial performance of the Fund and previous annual bonus amounts paid. These cash payments are equal to historic bonus amounts and are eligible to be paid three years from initial payment date.

Other Benefits. During 2019, the Trustees rolled out a matching RRSP program to all Foremost staff, including management. The executive officers also participate in plans available to all Fund employees, such as life, disability, and health and dental insurance, and have their respective professional fees and association dues paid for.

Determination of Compensation

In 2024, the President and the Compensation Committee reviewed and recommended the base salary for the Fund's executive officers and key employees (other than the President), which recommendations were reviewed and approved by the Trustees. During 2024, the Trustees reviewed and approved the President's compensation. The Compensation Committee also reviewed and approved the compensation for the Trustees.

Table of compensation excluding compensation securities

The following table sets forth information concerning the total compensation paid during the financial year ended December 31, 2024, to each of the President, the Chief Financial Officer, and the next most highly compensated executive officer at December 31, 2024, whose total compensation was, individually, more than \$150,000 for the financial year ended December 31, 2024 (collectively, the Named Executive Officers) and the Trustees.

Name and Position	Year Ended Dec. 31	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total Compensation (\$)
Kevin Johnson	2024	343,368	222,520	-	-	15,857	581,745
President	2023	330,972	104,842	-	-	11,522	447,336
Jackie Schenn	2024	220,571	104,955	-	-	10,856	336,382
Chief Financial Officer	2023	211,510	45,783	-	-	7,249	264,542
Vice-President Finance							
Mike McCarthy	2024	258,078	161,225	-	-	14,176	433,479
Senior Vice-President	2023	248,094	73,549	-	-	8,633	330,276
Bevan May	2024	-	-	57,325	-	-	57,325
Chairman and Trustee	2023	-	-	57,850	-	-	57,850
John Paul Grenon	2024	-	-	32,325	-	-	32,325
Trustee	2023	-	-	32,850	-	-	32,850
Gordon Wiebe	2024	-	-	42,325	-	-	42,325
Trustee	2023	-	-	42,550	-	-	42,550
Bruce MacIennan	2024	-	-	37,325	-	-	37,325
Trustee	2023	-	-	37,175	-	-	37,175

Mr. May and Mr. Grenon provide their board services to the Fund via billing arrangements with TOM Capital.

Unit Option Plan

The current Unit Option Plan was approved by the requisite majority of Unitholders by way of special resolution on March 24, 2022. The Unit Option Plan provides that the Trustees may grant Unit Options to purchase Trust Units to Trustees, employees, and consultants of the Fund and directors, officers, employees, and consultants of affiliates of the Fund. In granting Unit Options, the Trustees must fix the number of Trust Units, exercise price, vesting provisions, and expiry date (which shall be no later than ten (10) years from the date of grant). Due to the voluntary delisting of the Fund on December 15, 2010, the exercise price of a Unit Option shall be determined by the Board of Trustees. The Trustees have the discretion under the Unit Option Plan to adjust both the number of Trust Units under option and the exercise price of Unit Options upon the occurrence of specified dilutive or anti-dilutive events.

The maximum number of Unit Options that may be issued under the Unit Option Plan is 1,524,650 Unit Options, which is equal to 10% of the number of issued and outstanding Trust Units, of which 1,044,651 were available to grant as at December 31, 2024. The maximum number of Unit Options that may be issued under the Unit Option Plan and any other Trust Unit-based compensation arrangements of the Fund is limited to 5% of the total number of outstanding Trust Units in the case of any one person and 10% in the case of insiders as a group. Unit Options are not assignable.

The Trustees may, from time to time, amend the provisions of the Unit Option Plan or any Unit Options granted thereunder as they may see fit or, may at any time, terminate the Unit Option Plan, provided that:

- (a) no amendment may:
 - change the manner of determining the exercise price, increase the maximum number of Trust Units reserved for issuance under outstanding options, or without the written consent of the holder;
 - materially and adversely impair, alter, or amend any option previously granted to such Holder; and
- (b) termination of the Unit Option Plan shall not derogate from the rights of holders of options granted prior to the date of such termination, unless those holders consent.

At the date of this Information Circular, 480,000 Unit Options to purchase Trust Units were outstanding, which represents 3% of the total outstanding Trust Units. Of these Unit Options, 384,000 were fully vested.

Employment, consulting, and management agreements

Foremost's compensation program provides for a set amount of notice upon termination without cause, in each case not exceeding 12 months for senior executive officers, including deemed annual and long-term bonus incentives tied to current or past performance depending on the time of termination.

Other than as disclosed above, there are no specified payments upon termination and there are no "change of control" provisions in any agreement with any of the Named Executive Officers.

Securities Authorized for Issuance under Equity Compensation Plans

The following table sets forth information in respect of securities authorized for issuance under the Unit Option Plan, the only equity compensation plan approved by Unitholders as at December 31, 2024. The Fund has no equity compensation plans not approved by Unitholders.

Plan Category	Number of Trust Units to be Issued Upon Exercise of Outstanding Unit Options	Weighted Average Exercise Price of Outstanding Unit Options	Number of Trust Units Remaining Available for Future Issuance Under Equity Compensation Plans
Unit Option Plan	480,000	\$6.00	1,044,651

INTEREST OF CERTAIN PERSONS AND COMPANIES IN MATERIAL TRANSACTIONS AND MATTERS TO BE ACTED UPON

To the knowledge of the Trustees and the officers and directors of the Administrator, no insider and none of the Trustees or officers and directors of the Administrator or any associate or affiliate of any of the foregoing, has had an interest, direct or indirect, in any material transaction of the Fund since the beginning of the Fund's last financial year, or in any proposed transaction that has materially affected or would materially affect the Fund.

There may be situations in which the interests of the Administrator or one of the Trustees will conflict with those of Unitholders. The Trustees do not act on behalf of Unitholders on a full-time basis and, when acting on behalf of others, the Trustees may at times act in contradiction to or in competition with the interests of Unitholders.

In resolving any conflicts, decisions will be made on a basis consistent with the objectives and funds of each group of interested parties and the time limitations on investment of such funds, all consistent with the duty of the Trustees to deal fairly and in good faith with each such group of persons. If the interests of the Trustees conflict with those of Unitholders, the Trustees are obliged to make decisions acting in good faith, having regard to the best interests of Unitholders, and in a manner that would not contravene their fiduciary obligations to Unitholders.

Properties will not be acquired from Trustees or the officers or directors of the Administrator or persons not at arm's length with such persons at prices which are greater than fair market value, nor will properties be sold to Trustees or officers or directors of the Administrator, or persons not at arm's length with such persons at prices which are less than fair market value.

Circumstances may arise where the Trustees or officers or directors of the Administrator serve as officers and/or directors of other entities which are in competition to the interests of the Fund. No assurances can be given that opportunities identified by the Trustees or by those officers or directors of the Administrator will be provided to the Fund.

Compensation of the Administrator

The Administrator, an indirect wholly-owned subsidiary of the Fund, has agreed to act as Administrator for the Fund, or arrange for the provision of administrative services and the day-to-day management of the businesses of the Fund, for an annual fee of \$20,000, plus reimbursement of all expenses incurred by the Administrator in connection with those services. The Administrator also provides investor relations services for the Fund, including the preparation and dissemination of information to investors as well as responding to investor inquiries. The Administrator's fee for the investor relations services is included in the annual fee.

In addition to the administration arrangements, the Trustees may pay or cause to be paid reasonable fees, costs, and expenses incurred in connection with the administration and management of the Fund, including (without limitation) fees of auditors, accountants, lawyers, appraisers, and other agents, consultants, and professional advisors employed by or on behalf of the Fund and the cost of reporting or giving notices to Unitholders. All costs, charges, and expenses properly incurred by the Trustees on behalf of the Fund are payable out of the assets of the Fund.

Compensation for Management Services Provided to Foremost

The Fund uses the consulting services of TOM Capital, a company that is partially owned by a Trustee of the Fund. The services consist of professional, M&A advisory, and investor relations advice, at market rates confirmed from time to time and agreed to by all parties. For the year ended December 31, 2024, the total amount invoiced for consulting services through TOM Capital was \$0.4 million (2023 - \$0.3 million).

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS UNDER SECURITIES PURCHASE AND OTHER PROGRAMS

Name and Position	Involvement of Company or Subsidiary	Largest Amount Outstanding During 2024 (\$)	Amount Outstanding as at May 15, 2025 (\$)	Financially Assisted Securities Purchases During 2023	Security for Indebtedness	Amount Forgiven During 2024 (\$)
Gordon Wiebe Trustee	Foremost Income Fund is the lender	\$ 15,316	\$ -	5,000 Trust Units	Original Unit Certificate endorsed for transfer	Nil

Effective March 30, 2022, a Trustee borrowed \$26,161.80 from the Fund for purposes of facilitating the exercise of 5,000 Unit Options into 5,000 Trust Units (the "Loan"). The Loan is evidenced by a promissory note and the Loan was split into two advances:

1. Initial advance - \$14,500.00, due on or before March 30, 2025, with interest payable at the CRA rate. This balance was fully paid in March of 2025.
2. Second advance - \$11,661.80, due March 31, 2023, with interest payable at the CRA rate plus 4%. This balance was fully paid in March of 2023.

STATEMENT OF GOVERNANCE PRACTICES

Corporate governance relates to the activities of the Fund's Trustees (who are elected by, and are accountable to, the Fund's Unitholders) and the officers and directors of the Administrator (who are appointed or elected by and accountable to the Trustees). The Trustees view corporate governance as an essential element for the ongoing well-being of the Fund and its Unitholders. With that in mind, the Trustees and the officers and directors of the Administrator review corporate governance practices on an ongoing basis to ensure that they provide for effective stewardship of the Fund and its business and operations.

Disclosure of the Fund's corporate governance practices are presented as required by National Instrument 58-101 *Disclosure of Corporate Governance Practices* and are set forth in Schedule "A."

AUDIT COMMITTEE INFORMATION

Audit Committee Charter

The Fund's Audit Committee charter sets out the committee's purpose, organization, and reporting duties and responsibilities. A copy of the charter is attached hereto as Schedule "B."

Composition of Audit Committee

The Fund's Audit Committee is comprised of Gordon M. Wiebe (Chair), Bevan May, and Bruce J. MacLennan. All members are independent, as such terms are defined in Multilateral Instrument 52-110 – *Audit Committees*. All members of the Fund's Audit Committee are financially literate.

Relevant Education and Experience

Bruce J. MacLennan – Bruce retired in 2019 from Century Services, the company he founded in 1983. The company continues to provide machinery and inventory appraisals, conduct liquidations and auctions, and offer financial funding options to companies in distress. Since 2019, Bruce has, from time to time, served as a consultant to firms in financial distress.

Bevan May – Chairman of the Board of Trustees of the Fund and Lead Trustee. Bevan also serves as Lead Director at TOM Capital, which provides board-level stewardship of a range of operating businesses across North America. Previously, he

was a senior regional manager at Honeywell Inc. and more recently owner of a Calgary-based plastics products manufacturing business. Mr. May was trained as an engineer and holds an MBA from Queen's University.

Gordon M. Wiebe – A Chartered Accountant by training, President of Corpfin Services Inc., and a person who is experienced in most areas of commercial real estate investments in both the U.S. and Canada. Previously, he was a director and CFO of a TSX publicly listed real estate company and the owner/manager of one of the largest property leasing and management companies in Western Canada.

Pre-Approval Policies and Procedures

The Fund's Audit Committee charter requires the Audit Committee to pre-approve all non-audit services to be provided to the Fund or any of its subsidiary entities by the Fund's external auditor or the external auditor of the Fund's subsidiary entities, provided that the Audit Committee may satisfy the pre-approval requirement by either delegating to one or more members of the Audit Committee the authority to pre-approve non-audit services or adopting specific policies and procedures for the engagement of non-audit services.

External Audit Fees by Category

In August 2016, MNP LLP were appointed auditors of the Fund after the resignation of KPMG LLP. The fees paid or payable with respect to each fiscal year end to MNP LLP by category for the past two fiscal years are:

	Year Ended	
	December 31, 2024	December 31, 2023
Audit Fees	\$175,000	\$ 165,000
Audited-Related Fees	Nil	Nil
Tax Fees	Nil	Nil
All Other Fees	Nil	Nil
	\$175,000	\$165,000

Audit Fees

Fees for professional services rendered by the Fund's auditors for the audit and review of the Fund's financial statements or services that are normally provided by the auditors in connection with statutory and regulatory filings or engagements.

Audit-Related Fees

Audit-related fees consist of fees for assurance and related services that are related to the performance of the audit or review of the Fund's financial statements and are not reported as Audit Fees.

Tax Fees

Tax fees consist of fees for tax compliance services, tax advice, and tax planning for the Fund and its subsidiaries.

ADDITIONAL INFORMATION

Additional information relating to the Fund, including financial information in the Fund's audited consolidated financial statements for the year ended December 31, 2024, the Auditor's Report and Management's Discussion and Analysis, and interim financial statements, are available upon request without charge from the Fund at: 1225 64th Avenue NE, Calgary, Alberta T2E 8P9, or may be made by email to: investorrelations@foremost.ca.

This information may also be accessed electronically on SEDAR+ at www.sedarplus.ca or the Fund's website at www.foremost.ca.

SCHEDULE "A"

FORM 58-101F2

CORPORATE GOVERNANCE DISCLOSURE (Venture Issuers)

Disclosure Requirement	Foremost Income Fund Corporate Governance Practices
1. Board of Directors –	
Disclose how the board of directors (the board) facilitates its exercise of independent supervision over management, including	
i. the identity of the directors that are independent, and	Three of the Trustees of the Fund, Mr. Bevan May, Mr. Bruce MacLennan, and Mr. Gordon Wiebe, are independent within the meaning of NI 58-101.
ii. the identity of directors who are not independent and describe the basis for that determination.	Mrs. Jackie Schenn is Chief Financial Officer and a director of the Administrator and is therefore not an independent director of the Administrator. Mr. John Paul Grenon is not an independent Trustee due to his relationship with the majority Unitholder of the Fund. During 2024, the Trustees have not held regularly scheduled formal meetings at which Directors of the Administrator or management were not in attendance. A frank and forthright relationship between the participants generates open and candid discussion. Sessions may be held in camera if the need arises. The Trustees have, under the Deed of Trust, the authority and responsibility to make or approve most significant decisions affecting the Fund. The Deed of Trust mandates the Trustees to act honestly and in good faith with a view to the best interests of the Fund. The Trustees explicitly assume responsibility for stewardship of the Fund in a manner consistent with the Fund's role as a passive investor. While day-to-day management of the Fund has been delegated to the Administrator under administration and management arrangements, the Trustees fulfill their responsibility for the broader stewardship of the business and affairs of the Fund through the activities and procedures described herein. The Trustees make all significant decisions affecting the Fund, including approval of the annual consolidated financial statements; major acquisition, disposition, and financing transactions; major changes in banking relationships; and the issuance of Trust Units. The Trustees participate in strategic planning for the Fund through review of annual forecasts, approval of annual budgets (including the Administrator's budget), and by providing advice to the Administrator.

The Trustees have informally assigned responsibility for senior management succession planning to the Administrator, primarily because the Administrator employs senior management.

The Administrator manages the business and affairs of the Fund, subject to overview by the Trustees. The Trustees have informally set strategic objectives for the Fund to maximize distributions over the long term to Unitholders. The Administrator has set further objectives to achieve the Fund's objectives, including to maintain a prudent ownership structure and to pursue appropriate acquisition and disposition opportunities. The Trustees measure performance of the Administrator in part by the degree to which it is successful in achieving these objectives.

The Administrator has implemented internal control and information systems, including systems for compiling and processing accounting and production information, as part of the day-to-day management of the business and affairs of the Fund. The directors of the Administrator monitor the effectiveness of these systems and present operational and financial status reports to the Trustees. As well, the Trustees and the directors of the Administrator meet independently with the auditors to receive reports on the adequacy of these systems.

The Trustees have established parameters within which the Administrator may conduct certain activities, such as those related to risk management for the Fund. The Trustees rely on the Administrator to identify significant business risks outside those parameters and to review those risks with individual Trustees, as circumstances dictate.

2. Directorships –

If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the directors and the issuer.

None of the directors of the Administrator nor any Trustees are currently a director for another reporting issuer.

3. Orientation and Continuing Education –

Describe what steps, if any, the board takes to orient new board members, and describe any measures the board takes to provide continuing education for directors.

All Trustees receive Trustee materials, which include the Deed of Trust, an organizational chart of the Fund and related entities, corporate fact sheets, strategic plan and budget, list of committees and members, committee charters, and all relevant corporate policies. As well, all Trustees receive copies of all of the Fund's continuous disclosure filings, including the Fund's quarterly and annual financial reporting package, the MD&A, and all press releases issued by the Fund.

Since there has been minimal turnover in the Trustees and the officers and directors of the Administrator, there is no formalized orientation and education program for new recruits. However, any new Trustees or officers and directors of the

Administrator would be provided with substantial reference material pertaining to the Fund; its strategic focus; financial and operating history; corporate governance practices and corporate vision; the roles, duties, and responsibilities of the Trustees and its committees; and other relevant background information.

Trustees and directors and officers of the Administrator are also advised of and encouraged to attend a wide variety of third-party conferences, seminars, and training sessions at the expense of the Fund and the Administrator, respectively.

4. Ethical Business Conduct –

Describe what steps, if any, the board takes to encourage and promote a culture of ethical business conduct.

The Fund and the Administrator regard maintaining a culture of ethical business conduct as critically important. The Trustees have adopted a written Code of Business Conduct (the Code) applicable to all Trustees and all directors, officers, employees, and consultants of the Administrator and all other subsidiary entities. The Code sets out in detail the core values and the principles by which the businesses of the Fund are governed and addresses topics such as honest and ethical conduct and conflicts of interest; compliance with applicable laws and company policies and procedures; public disclosure and books of record; use of corporate assets and opportunities; confidentiality of corporate information; and reporting responsibilities and procedures.

Neither the Trustees nor the Board of the Administrator have granted any waiver of the Code in favour of any person in the last completed financial year of the Fund.

The Trustees have also adopted trading and “black out” policies which must be adhered to by all Trustees and all directors, officers, employees, and consultants of the Administrator and all subsidiary entities.

Interested parties may obtain a copy of the Code by writing to the Office Administrator of the Administrator.

No material change report has been filed by the Fund since January 1, 2009, pertaining to the conduct of any Trustee or executive officer that constitutes a departure from the Code, nor has a material change report ever been filed with respect to such a matter for the current Trustees and executive officers of the Fund.

To ensure independent judgment in considering transactions and agreements in which a director or officer has a material interest, all related party transactions and payments arising from those transactions must be approved by the independent trustees.

The Board of Trustees and the Board of the Administrator encourage and promote a culture of ethical business conduct by expecting one another and all officers and management to act in a manner that exemplifies ethical business conduct. This expectation sets the tone for all employees and consultants. Every effort is made to ensure that prospective Trustees,

directors, management, employees, and consultants are of good character.

Upon commencement of office or employment, all Trustees of the Fund and all officers, directors and employees of the Administrator must certify acceptance of, and compliance with, the Code.

5. Nomination of Directors –

Disclose what steps, if any, are taken to identify new candidates for board nomination, including

- i. who identifies new candidates, and
- ii. the process of identifying new candidates.

The Board of Trustees regularly considers its size when it considers the number of Trustees to recommend to the Unitholders for election at the annual meeting of Unitholders, taking into account the number required to carry out the Trustees' duties effectively and to maintain a diversity of view and experience. When the need for a new trustee or director of the Administrator arises, the Trustees and the Board of the Administrator discuss openly and candidly potential prospects they are aware of for those positions and make recommendations accordingly.

All Trustees and all members of the Board of the Administrator take responsibility for identifying new candidates as necessary, after considering what competencies and skills the incumbent Trustees and directors of the Administrator should possess and assessing the competencies and skills of proposed new members.

6. Compensation –

Disclose what steps, if any, are taken to determine compensation for the directors and CEO, including:

- i. who determines compensation, and
- ii. the process of determining compensation.

Trustees

The Board of Trustees set their own compensation, taking into account a number of factors including the responsibilities, the overall financial performance and returns of the Fund and its subsidiary entities, and the practices of companies within the industry of a similar size.

Board of the Administrator

The members of the Board of the Administrator do not receive any compensation for serving in that capacity.

The Compensation Committee, which was formed in 2008, met during 2024 to establish ongoing committee frameworks. There are three independent Trustees on the Compensation Committee, and they ensure objective decisions are made.

7. Other Board Committees –

If the board has standing committees other than the audit, compensation, and nominating committees, identify the committees and describe their function.

Neither the Trustees nor the Board of the Administrator have any other standing committees.

8. Assessments –

Disclose what steps, if any, that the board takes to satisfy itself that the board, its commits, and its individual directors are performing effectively.

To date, given the small number of Trustees and directors of the Administrator, it has been determined unnecessary to institute any formal process for these bodies to satisfy themselves that they are performing effectively, either collectively or individually. The process of assessing their effectiveness is

carried on in an informal way through discussions between the Lead Trustee, the chairman of each committee, and the other Trustees, and the Board of the Administrator.

AUDIT COMMITTEE CHARTER

Establishment of Audit Committee

The board of trustees (the "Board") of Foremost Income Fund (the "Fund") hereby establishes a committee to be called the Audit Committee.

Composition of Audit Committee

The membership of the Audit Committee shall be as follows:

- a) the Audit Committee shall be composed of not less than three members or such greater number as the Board may from time to time determine.
- b) all members of the Audit Committee shall be independent within the meaning set forth under Multilateral Instrument 52-110 Audit Committees as amended from time to time ("MI 52-110"). Currently, a member of the Audit Committee is independent if the member has no direct or indirect material relationship with the Fund. A "material relationship" means a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.
- c) each member of the Audit Committee shall be financially literate within the meaning set forth under MI 52-110. Currently, "financially literate" means the ability to read and understand a set of financial statements that present the breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can be reasonably expected to be raised by the Fund's financial statements. An Audit Committee member who is not financially literate may be appointed to the Audit Committee provided that the member becomes financially literate within a reasonable period of time following his or her appointment.
- d) members shall be appointed annually by the Board. The Chair of the Audit Committee shall be appointed by the Board. A member of the Audit Committee shall *ipso facto* cease to be a member of the Audit Committee upon ceasing to be a Trustee.

Relationship with External Auditors

The Audit Committee shall advise the external auditors of their accountability to the Audit Committee and the Board as representatives of the Unitholders of the Fund to whom the external auditors are ultimately accountable. The external auditors of the Fund shall report directly to the Audit Committee.

Duties and Responsibilities of Audit Committee

Subject to the powers and duties of the Board and in addition to any other duties and responsibilities assigned to the Audit Committee from time to time by the Board, the Audit Committee shall have the following duties and responsibilities:

Financial Statements and Other Financial Information

The primary responsibility of the Audit Committee shall be to assist the Board in the proper discharge of its duties and responsibilities to the Fund relating to the review of:

- a) the Fund's financial statements;
- b) any other financial information relating to the Fund to be provided to Unitholders; and
- c) all audit processes.

The Audit Committee shall also be responsible for:

- a) ensuring its compliance with all of the applicable requirements of MI 52-110 and for reporting any non-compliance with such requirements to the Board, including the reasons for such non-compliance.
- b) reviewing the Fund's financial statements, management's discussion and analysis, and annual and interim earnings press releases before the Fund publicly discloses this information. The Audit Committee shall recommend for approval to the Board the Fund's audited annual financial statements, related management's discussion and analysis, and annual earnings press releases. The Audit Committee shall recommend for approval to the Board the Fund's interim financial statements and related management's discussion and analysis and interim earnings press releases.
- c) ensuring that adequate procedures are in place for the review of the Fund's public disclosure of financial information extracted or derived from the Fund's financial statements, other than the public disclosure referred to in paragraph (b) above, and periodically assessing the adequacy of those procedures.

The Audit Committee shall be responsible for establishing procedures for:

- a) the receipt, retention, and treatment of complaints received by the Fund regarding accounting, internal accounting controls, or auditing matters; and

- b) the confidential, anonymous submission by employees of the Administrator or other subsidiaries of the Fund of concerns regarding questionable accounting or auditing matters.

The Audit Committee shall review with the external auditors of the Fund:

- a) the scope of the audit;
- b) significant changes to the Fund's accounting principles, practices, or policies;
- c) new or pending developments in accounting principles, reporting matters, or industry practices which may materially affect the Fund; and
- d) the quality of the Fund's accounting principles, practices, or policies as applied in the Fund's financial statements in terms of disclosure quality and evaluation methods, including the degree of conservatism or aggressiveness of such accounting principles, practices, or policies and the underlying estimates and other significant decisions made by management of the Fund in preparing the Fund's financial statements.
- e) the Audit Committee shall review with the external auditors of the Fund and/or management of the Administrator the results of the annual audit and make appropriate recommendations to the Board having regard to, among other things:
- f) the financial statements;
- g) management's discussion and analysis and related financial disclosure contained in continuous disclosure documents;
- h) significant changes, if any, to the initial audit plan;
- i) accounting and reporting decisions relating to significant current year events and transactions;
- j) the management letter, if any, outlining the external auditors' findings and recommendations together with management's response with respect to internal controls and accounting procedures; and
- k) any other matters relating to the conduct of the audit, including such other matters which should be communicated to the Audit Committee under generally accepted auditing standards.

The Audit Committee shall review with management of the Administrator and, if requested by the Audit Committee, the external auditors of the Fund, the interim financial statements and any other matters relating thereto.

External Auditors

The Audit Committee must recommend to the Board:

- a) the external auditors to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review, or attest services for the Fund; and
- b) the compensation of the external auditors.

The Audit Committee shall be directly responsible for overseeing the work of the external auditors engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review, or attest services for the Fund, including the resolution of disagreements between management of the Administrator and the external auditors regarding financial reporting.

Pre-Approval of Non-Audit Services

The Audit Committee shall be responsible for pre-approving all non-audit services to be provided to the Fund or its subsidiaries by the Fund's external auditors. The Audit Committee shall adopt specific policies and procedures for the engagement of non-audit services, and any pre-approval policies and procedures shall be detailed as to the particular service and require that the Audit Committee be informed of each non-audit service. Such policies and procedures shall not include delegation of the Audit Committee's responsibilities to management of the Administrator. The Audit Committee may delegate to one or more independent members the authority to pre-approve non-audit services. The pre-approval of non-audit services by any member of the Audit Committee to whom authority has been delegated must be presented to the Audit Committee at its first scheduled meeting following such pre-approval.

Reporting Obligations

The Audit Committee shall be responsible for reviewing the disclosure contained in the Fund's annual information form as required by Form 52-110F2 Audit Committee Information Required in an AIF attached to MI 52-110. If management of the Administrator solicits proxies from Unitholders of the Fund for the purpose of recommending persons to be elected as directors of the Administrator, the Audit Committee shall be responsible for ensuring that the Fund's information circular includes a cross-reference to the sections in the Fund's annual information form that contain the information required by Form 52-110F2.

Auditor Oversight and Independence

The Audit Committee shall be responsible for:

- a) ensuring compliance by the Fund's external auditors with the requirements set forth in National Instrument 52-108 Auditor Oversight;

- b) ensuring that the Fund's external auditors are participants in good standing with the Canadian Public Accountability Board ("CPAB") and participate in the oversight programs established by the CPAB from time to time and that the external auditors have complied with any restrictions or sanctions imposed by the CPAB as of the date of the applicable auditor's report relating to the Fund's annual audited financial statements; and
- c) obtaining from the external auditors of the Fund a formal written statement describing in detail all of the relationships between the external auditors and the Fund, determining whether the non-audit services performed by the external auditors during the year have impacted their independence, ensuring that no relationship between the external auditors and the Fund exists which may affect the independence of the external auditors, and taking appropriate action to ensure the independence of the external auditors.

Authority of the Audit Committee

The Audit Committee shall have the authority to:

- a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- b) set and pay the compensation for any advisors employed by the Audit Committee; and
- c) communicate directly with the internal (if any) and external auditors of the Fund.

Internal Controls, Information Systems, and Risk Management

The Audit Committee shall review with the external auditors of the Fund the adequacy of internal control procedures and management information systems, and make inquiries to management of the Administrator and the external auditors of the Fund about significant risks and exposures to the Fund that may have a material adverse impact on the Fund's financial statements and about the efforts of the management of the Administrator to mitigate such risks and exposures.

Supervision of Certification of Annual Filings and Interim Filings

The Audit Committee shall be responsible for:

- a) supervising the preparation and filing of each annual certificate in Form 52-109FV1 and each interim certificate in Form 52-109FV2 to be signed by each of the Chief Executive Officer and Chief Financial Officer of the Administrator in accordance with the requirements set forth under Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings as amended from time to time ("MI 52-109"). These certificates require each of the Chief Executive Officer and the Chief Financial Officer of the Administrator to certify, among other things, that based on their knowledge:
- b) the annual filings and interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made with respect to the period covered by the annual filings or interim filings; and
- c) the annual financial statements and the interim financial statements of the Fund, together with the other financial information included in the annual filings or interim filings, fairly present in all material respects the financial condition, results of operations, and cash flows of the Fund as of the date and for the periods presented in the annual filings or interim filings.