

# FIRAN TECHNOLOGY GROUP CORPORATION

## BOARD OF DIRECTORS MANDATE

**Effective Date: October 8, 2024**

### **1. Purpose**

The members of the Board of Directors (the “**Board**”) are responsible for supervising the management of the business and affairs of Firan Technology Group Corporation (the “**Company**”). The Board, directly and through its committees and the chair of the Board (the “**Chair**”) and, if applicable, the lead director of the Board (the “**Lead Director**”), shall provide direction to senior management, generally through the Chief Executive Officer, to pursue the best interests of the Company.

### **2. Membership**

#### *Number of Members*

Subject to compliance with the Applicable Requirements (as defined below) and the Company’s constating documents, the Board shall be comprised of such number of members as determined by the Board from time to time.

#### *Independence of Members*

A majority of the members of the Board shall be independent within the meaning of the provisions of National Instrument 58-101 – *Disclosure of Corporate Governance Practices*, as may be amended from time to time.

#### *Residency of Members*

Subject to the *Canada Business Corporations Act* and the Company’s constating documents, at least 25% of the members of the Board shall be resident Canadians or, if the number of members is fewer than four, at least one member shall be a resident Canadian. Additionally, to maintain compliance with FTG’s U.S. OTC stock listing, no more than 50% of the members of the Board shall be residents of the U.S.

#### *Term of Members*

At each annual meeting of the Company’s shareholders, the Board must permit shareholders to vote on the election of all members of the Board. Each member of the Board shall serve until the member resigns, ceases to be qualified for service as a member of the Board, reaches the term limit or is removed in compliance with the Applicable Requirements. Members of the Board may not stand for re-election following the earlier of his or her 12th anniversary of consecutive service on the Board; provided, however, that the full Board may make exceptions from time to time due to special circumstances. The term restriction described above applies to the term of any Director which commenced on or after April 12, 2024.

The members of the Board shall designate a Chair by majority vote of the full Board membership, following consideration of the recommendation of the Corporate Governance and Nominating Committee.

The Chair shall be an independent member of the Board, unless the Board determines that it is in the best interests of the Company to not require the Chair to be independent, in which case the independent directors shall select from among their number, following consideration of the recommendation of the Corporate Governance and Nominating Committee, a further director who will act as the Lead Director.

In the absence of the Chair, the Lead Director shall chair any meeting of the Board and in the absence of both the Chair and the Lead Director, the members of the Board present may appoint a chair from their number for such meeting.

### ***General***

Each director must have an understanding of the Company's principal operational and financial objectives, plans and strategies, and financial position and performance. Each director is expected to attend all meetings of the Board and any Board committee of which they are a member. Directors are expected to have read and considered, in advance of each meeting, the materials sent to them and to actively participate in the meetings.

Directors must have sufficient time to carry out their duties and not assume responsibilities that would materially interfere with, or be incompatible with, Board membership. Directors who experience a significant change in their personal circumstances, including a change in their principal occupation, are expected to advise the chair of the Corporate Governance and Nominating Committee.

Directors may serve on the boards of other public issuers so long as these commitments do not materially interfere and are compatible with their ability to fulfill their duties as a member of the Board. Directors must advise the Chair in advance of accepting an invitation to serve on the board of another public issuer.

## **3. Meetings**

### ***Number of Meetings***

The Board shall meet as often as the Board considers appropriate to fulfill its responsibilities, but in any event at least once per fiscal quarter.

### ***Quorum***

No business may be transacted by the Board at a meeting unless a quorum of the Board is present, as specified in the Company's by-Laws.

### ***Meeting Agenda***

The Chair shall, in consultation with management, establish the agenda for each meeting and ensure that the agenda and properly prepared agenda materials are circulated to the members of the Board with sufficient time for study prior to the meeting.

### ***Secretary and Minutes***

The Company's Secretary, their designate, or any other person the Board requests shall act as secretary of Board meetings. Minutes of Board meetings shall be recorded and maintained in sufficient detail to convey the substance of all discussions held and shall be, on a timely basis, subsequently presented to the Board for approval.

### ***Attendance of Non-Members***

The Board may invite to a meeting any officers or employees of the Company, legal counsel, advisors and other persons whose attendance it considers necessary or desirable in order to carry out its responsibilities.

### ***Meetings of Independent Directors***

As part of each meeting of the Board, the independent directors shall hold an *in-camera* session, at which management and non-independent directors are not present, and the agenda for each Board meeting will afford an opportunity for such a session. The independent directors may also, at their discretion, hold *ad hoc* meetings that are not attended by management and non-independent directors.

### ***Access to Management and Books and Records***

The Board shall have free and unrestricted access at all times, either directly or through its duly appointed representatives, to the Company's management and employees and the books and records of the Company.

## **4. Responsibilities**

The Board shall have the specific functions and responsibilities outlined below and may, subject to compliance with applicable law, delegate such functions and responsibilities to a committee of the Board. In addition to these responsibilities, the Board shall perform the functions and responsibilities required of a board of directors by the Company's governing corporate statute, applicable Canadian securities laws, any exchange upon which securities of the Company are listed, or any governmental or regulatory body exercising authority over the Company, as are in effect from time to time (collectively, the "**Applicable Requirements**") or as the Board otherwise deems necessary or appropriate.

### ***Strategic Planning***

#### **(a) Strategic Plans**

The Board is responsible for setting the broad parameters within which management operates and, accordingly, has adopted a strategic plan for the Company. The Board shall periodically review and, if advisable, approve the Company's strategic planning process and, at least annually, review and, if advisable, approve the Company's strategic planning process and short- and long-term strategic direction and business plans prepared by management. In discharging this responsibility, the Board shall review the plans in light of management's assessment of emerging trends, the competitive environment, the capital markets, significant business practices and products, the Company's opportunities and risks, and industry practices.

#### **(b) Business Plan, Annual Budget and Capital Plans**

The Board shall, at least annually, review and, if advisable, approve the Company's annual business plan and annual budget. The Board shall periodically review and, if advisable, approve the policies and processes generated by management relating to the authorization of major investments and significant allocations of capital and, at least annually, review and, if advisable, approve the Company's capital plans.

#### **(c) Matters Requiring Board Approval**

The Board shall be responsible for approving certain major corporate decisions and disclosure documents, including, but not limited to:

- acquisitions and divestitures;
- investments outside the normal scope of the Company's business;
- capital expenditures that require Board approval under the Company's capital expenditure policies, if any;
- equity financings;

- distributions to shareholders;
- the establishment of any share re-purchase program;
- litigation matters; and
- proxy circulars, annual information forms and similar continuous disclosure documents.

**(d) Monitoring**

The Board shall periodically review management's implementation of the Company's strategic plan, business plan, annual budget and capital plan and review and, if advisable, approve any material amendments to, or variances from, such budget and plans.

***Risk Management***

**(e) General**

At least annually, the Board shall review the recommendations and reports provided by management and committees of the Board on the principal risks associated with the Company's business and operations (including, but not limited to, risks related to information security, as well as environmental, social and governance ("ESG") matters), review the implementation by management of appropriate systems to identify, assess, manage and mitigate these risks, and review reports by management relating to the operation of, and any material deficiencies in, these systems.

**(f) Verification of Controls**

The Board shall verify that appropriate internal, financial, non-financial and business control and management information systems have been established, and are being maintained, by management.

***Financial-Related Matters***

**(g) Approval of Annual Financial Reports**

The Board shall, with the assistance of the Audit Committee, review the annual consolidated audited financial statements of the Company, the auditors' report thereon and the related management's discussion and analysis of the Company's financial condition and financial performance ("MD&A"), as well as the Audit Committee's recommendations in respect of the approval thereof. After completing its review, if advisable, the Board shall approve the annual audited financial statements and the related MD&A.

**(h) Approval of Interim Financial Reports**

The Board shall review the interim consolidated financial statements of the Company, the auditors' review report thereon, if any, and the related MD&A, as well as the Audit Committee's recommendations in respect of the approval thereof. After completing its review, if advisable, the Board shall approve the interim financial statements and the related MD&A.

**(i) Nomination and Compensation of the Company's Auditor**

The Board shall review the recommendations of the Audit Committee concerning the nomination and compensation of the external auditors and, if advisable, approve such nomination and compensation.

(j) **Policies for Pre-Approval of Non-Audit Services**

The Board shall review the recommendations of the Audit Committee concerning the policies and procedures for the retainer of the Company's external auditors to perform any non-audit service for the Company or its subsidiary entities and, if advisable, approve, with or without modifications, such policies and procedures.

***Human Resource Management***

(a) **Chief Executive Officer**

The Board shall review the recommendations of the Compensation Committee concerning the organizational goals and objectives relevant to the Chief Executive Officer's compensation and, if advisable, approve, with or without modifications, such goals and objectives.

The Board shall review the recommendations of the Compensation Committee concerning (i) the appointment and other terms of employment (including any severance arrangements or plans and any benefits to be provided in connection with a material adverse change in the individual's position, compensation or scope of responsibilities or change in control of the Company) for the Chief Executive Officer, including the adoption, amendment and termination of such agreements, arrangements or plans and, if advisable, approve, with or without modifications, such appointment and other terms of employment and (ii) the Chief Executive Officer's compensation level and, if advisable, approve, with or without modifications, such compensation.

(b) **Senior Management**

The Board shall review the recommendations of the Compensation Committee concerning the appointment of the Chief Financial Officer, all senior management reporting directly to the Chief Executive Officer and all other officers appointed by the Board (collectively "**Senior Management**") and, if advisable, after consideration of the objectives of the Diversity Policy of the Company, approve any such appointment.

The Board shall review the recommendations of the Compensation Committee respecting the compensation and other terms of employment (including any severance arrangements or plans and any benefits to be provided in connection with a material adverse change in the individual's position, compensation or scope of responsibilities or change in control of the Company) of members of Senior Management and, if advisable, approve, with or without modifications, such compensation and other terms of any employment agreements and any severance arrangements or plans.

(c) **Succession Review**

At least annually, the Board shall review the succession plans of the Company for the Chair and, if applicable, the Lead Director. The Board shall also periodically review the recommendations of the Compensation Committee with respect to succession planning matters concerning Senior Management and the Chief Executive Officer, as well as general executive development programs, and, after consideration of the objectives of the Diversity Policy of the Company, develop the succession plans of the Company.

(d) **Integrity of Senior Management**

The Board shall, to the extent feasible, satisfy itself as to the integrity of the Chief Executive Officer and other members of Senior Management and that the Chief Executive Officer and other members of Senior Management strive to create a culture of integrity throughout the Company.

**(e) Equity-Based Compensation Plans**

The Board shall review the recommendations of the Compensation Committee concerning the adoption or amendment of equity-based compensation plans of the Company and, if advisable, approve, with or without modifications, the adoption or amendment of such plans, subject to any approvals (including the approval of the Company's shareholders) required under the Applicable Requirements or such plans.

**(f) Director Remuneration**

The Board shall review the recommendations of the Compensation Committee concerning the remuneration (fees and/or retainer) to be paid to, and the benefits to be provided to, members of the Board for service in applicable capacities and, if advisable, approve, with or without modifications, such remuneration.

**(g) Key Employee Remuneration**

The Board shall review the recommendations of the Compensation Committee concerning grants under the equity-based compensation plans of the Company to be made to key employees of the Company and, if advisable, approve, with or without modifications, such grants.

***Nomination Matters***

**(a) General**

The Board shall periodically review reports of the Corporate Governance and Nominating Committee concerning nomination matters.

**(b) Nominee Identification**

The Board shall review the recommendations of the Corporate Governance and Nominating Committee concerning the potential nominees for election or appointment to the Board and, after considering (i) the results of the Board and director effectiveness evaluation process, (ii) the competencies, skills and other qualities that the Corporate Governance and Nominating Committee considers to be necessary for the Board as a whole to possess, the competencies, skills and other qualities that the Corporate Governance and Nominating Committee considers each existing director to possess (in the form of a skills matrix), and the competencies, skills and other qualities each new nominee would bring to the boardroom, (iii) the amount of time and resources that nominees have available to fulfill their duties as Board members, (iv) the objectives of the Diversity Policy of the Company, and (v) any applicable independence, residency and/or other requirements, approve, if advisable, with or without modifications, the individual nominees for consideration by, and presentation to, the shareholders at the Company's next annual meeting of shareholders or appointment to the Board between such meetings.

**(c) Committees of the Board**

The Board shall annually evaluate the performance, and review the work, of its committees. The Board shall annually, or as otherwise required or deemed advisable, review the recommendations of the Corporate Governance and Nominating Committee concerning the individual directors to serve on (or to depart from) the standing committees of the Board and, after considering (i) the qualifications for membership on each committee, (ii) the extent to which there should be a policy of periodic rotation of directors among the committees and (iii) the number of boards and other committees on which the directors serve, approve the appointment of such directors to (or departure from) the committees as the Board deems advisable.

**(d) Director Independence**

The Board shall periodically review the Board's and the Board committees' ability to act independently from management in fulfilling their responsibilities and in doing so the Board shall (i) review the application and evaluation by the Corporate Governance and Nominating Committee of the director independence standards applicable to members of the Board and (ii) review the recommendations of the Corporate Governance and Nominating Committee concerning a reduction or increase in the number of independent directors and, if advisable, approve, such reduction or increase.

**(e) Board and Committee Size**

The Board shall review the recommendations of the Corporate Governance and Nominating Committee concerning a reduction or increase to the size of the Board or any Board committee and if advisable, approve, such a reduction or increase.

**(f) Board Renewal**

The Board shall review the recommendations of the Corporate Governance and Nominating Committee concerning mechanisms of Board renewal (e.g., a retirement age or term limits for directors), and if advisable, approve, with or without modifications, the adoption of any such mechanisms.

**(g) Diversity Policy**

The Board will adopt a Diversity Policy and shall review any recommendations of the Corporate Governance and Nominating Committee concerning the adoption of measurable objectives for achieving diversity on the Board and if advisable, approve, with or without modifications, the adoption of a Diversity Policy reflecting any such objectives.

***Corporate Governance***

**(a) General**

The Board is responsible for developing the Company's approach to corporate governance. The Board shall periodically review reports of the Corporate Governance and Nominating Committee concerning corporate governance matters.

**(b) Position Descriptions**

The Board has approved position descriptions for the Chair, the Chief Executive Officer, and the chair of each standing Board committee. The Board shall periodically review the recommendations of the Corporate Governance and Nominating Committee concerning changes to such position descriptions and if advisable, approve, with or without modifications, the adoption of any such changes.

**(c) Governance Policies**

The Board has adopted a Disclosure Policy, Diversity Policy, Social Media Policy, Clawback Policy, Insider Trading Policy, and Whistleblowing Policy, and similar or other governance policies of the Company (including share ownership guidelines). The Board shall periodically review the recommendations of the Corporate Governance and Nominating Committee concerning changes to such policies or the adoption of such further governance policies and if advisable, approve, with or without modifications, the adoption of any such changes or new governance policies.

**(d) Board of Directors Mandate Review**

The Board shall periodically review the recommendations of the Corporate Governance and Nominating Committee concerning changes to this Mandate and if advisable, approve, with or without modifications, the adoption of any such changes.

**(e) Committees of the Board**

The Board has established an Audit Committee, a Compensation Committee and a Corporate Governance and Nominating Committee. Subject to the Applicable Requirements, the Board may establish other Board committees or merge or dissolve any Board committee at any time.

The Board has delegated to each Board committee those responsibilities set out in each Board committee's charter and shall approve charters for any new Board committee. The Board shall periodically review the recommendations of the Corporate Governance and Nominating Committee concerning changes to the charters for each Board committee and if advisable, approve, with or without modifications, the adoption of any such changes.

**(f) Ethics Reporting**

The Board has adopted the Code of Business Conduct and Ethics (the "**Code**"), which is applicable to directors, officers and employees of the Company, among others. The Board shall periodically review the recommendations and reports of the Corporate Governance and Nominating Committee regarding the adequacy of the Code and compliance with, waivers and material departures from, and investigations and any resolutions of complaints received under, the Code by directors, officers or employees. The Board shall also review the recommendations of the Corporate Governance and Nominating Committee concerning changes to the Code and if advisable, approve, with or without modifications, the adoption of any such changes.

**(g) Director Development and Evaluation**

Each new director shall participate in the Company's initial orientation program and each director shall participate in the Company's continuing director education programs. The Board shall, with the assistance of the Corporate Governance and Nominating Committee, review the adequacy of the orientation and continuing education program for members of the Board, and periodically review the recommendations of the Corporate Governance and Nominating Committee concerning proposed changes to the Company's initial orientation program and continuing director education programs and if advisable, approve, with or without modifications, the adoption of any such changes.

**(h) Conflicts of Interest**

The Board shall not engage in any activity, practice or act that conflicts, or may reasonably be expected to conflict or result in the appearance of a conflict, with the interests of the Company. Any conflict or perceived conflict involving a director must be disclosed in writing as soon as the conflict or perceived conflict is discovered. Directors shall comply with the Code and the Applicable Requirements and, to the extent required by the Code or the Applicable Requirements, abstain from voting on matters in which they have an interest and recuse themselves from any discussion on the matter.

From time to time on an *ad hoc* basis, if and when required or otherwise viewed by the Board as being prudent in the circumstances, the Board will form a special committee of disinterested directors to review and evaluate any material related party or other significant conflict of interest transactions involving the Company (except for material transactions solely involving the Company and one or more wholly-owned subsidiaries of the Company).



### *Environmental, Social and Governance Matters*

#### **(a) General**

In addition to the specific governance matters covered by this Mandate, the Board shall periodically review recommendations from the Corporate Governance and Nominating Committee concerning the Company's general strategy, policies and initiatives relating to material environmental and social matters.

### *Communications*

#### **(a) General**

The Board has adopted a Disclosure Policy for the Company. If consensus cannot be reached at a meeting of the disclosure committee created pursuant to the Disclosure Policy, the Board shall consider the matter.

#### **(b) Shareholders**

The Company will inform its shareholders of its progress through annual financial reporting materials, annual information form, quarterly interim reports and periodic press releases as required pursuant to the Applicable Requirements. Directors and management will meet with the Company's shareholders at the annual meeting and will be available to respond to questions at that time. In addition, the Company shall maintain on its website a contact email address that will permit shareholders to provide feedback directly to the Chair or, in the event the Board has determined that it is in the best interests of the Company to not require the Chair to be independent, the Lead Director.

### **5. Outside Advisors**

The Board shall have the authority to retain and terminate, from a source independent of management, external legal counsel, consultants or other advisors to assist it in fulfilling its responsibilities and to set and pay the respective reasonable compensation of these advisors without consulting or obtaining the approval of any officer of the Company. The Company shall provide appropriate funding, as determined by the Board, for the services of these advisors.

### **6. No Rights Created**

This Mandate is a statement of broad policies and is intended as a component of the flexible governance framework within which the Board, assisted by its committees, directs the affairs of the Company. While it should be interpreted in the context of all the Applicable Requirements, as well as in the context of the Company's articles and by-laws, it is not intended to establish any legally binding obligations.

### **7. Mandate Review**

The Board may review and recommend changes to this Mandate from time to time and the Corporate Governance and Nominating Committee may periodically review and assess the adequacy of this Mandate and recommend any proposed changes to the Board for consideration.