



NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

**MANAGEMENT INFORMATION CIRCULAR (as at July 25, 2014)
FOR THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

TO BE HELD ON SEPTEMBER 17, 2014

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LETTER TO SHAREHOLDERS

July 25, 2014

Fellow Shareholders,

You are invited to attend Empire Industries Ltd.'s ("Empire") Annual and Special General Meeting of Shareholders, which will be held at the TSX Gallery, 130 King Street West, Toronto, Ontario, M5X 1J2, on September 17, 2014 at 2:00 PM (Eastern time). We look forward to seeing you as we present our views on our 2013 achievements, the first half of 2014, and some of our future plans. We hope you can join us.

This Information Circular contains important information about the Annual and Special General Meeting of Shareholders, including the business to be conducted, voting, director nominations, corporate governance practices, and compensation of our executive officers and directors. If you cannot attend the Annual and Special General Meeting in person, and are a holder of our common shares, please use the enclosed proxy or voting instruction form to submit your vote prior to the meeting.

The board of directors would like to recognize and thank Campbell McIntyre, who is not standing for re-election this year, for his years of service on the Empire board and for his service in the role as Empire's Chief Financial Officer from 2006 through 2008 and again from 2011 through 2012, as well as 38 years of service with Empire Iron Works Ltd., 17 years of which as President.

We are also excited to introduce our new director nominee for 2014: Peter White-Robinson. Peter has many years of experience with international contracting businesses, and we are looking forward to benefiting from his advice and leadership. You can read more about Peter in the "Matters to be Acted Upon – Election of Directors" section of the Information Circular.

Sincerely,

A handwritten signature in black ink that reads 'Guy Nelson'.

Guy Nelson
Executive Chairman and
Chief Executive Officer

A handwritten signature in black ink that reads 'Ian Macdonald'.

Ian Macdonald
Non-executive Chairman

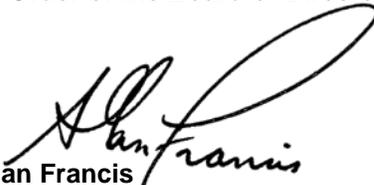
EMPIRE INDUSTRIES LTD. NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

TAKE NOTICE that the annual and special meeting of the shareholders of Empire Industries Ltd. (the "Corporation") will be held at the TSX Gallery, 130 King Street West, Toronto, Ontario, M5X 1J2, on September 17, 2014 at 2:00 PM (Eastern time) for the purposes of:

1. receiving and considering the audited financial statements of the Corporation for the year ended December 31, 2013, and the report of its auditors;
2. passing an ordinary resolution of the shareholders to fix the number of directors of the Corporation to be elected at eight (8);
3. electing the directors of the Corporation for the ensuing year;
4. appointing auditors for the ensuing year and authorizing the directors to fix the auditor's remuneration;
5. approving the Corporation's Stock Option Plan, as more particularly described in the accompanying Information Circular; and
6. transacting such other business as may properly come before the said meeting or any adjournment thereof.

DATED: July 25, 2014

By Order of the Board of Directors



Allan Francis
Corporate Secretary

If you are unable to be present at the meeting, PLEASE SIGN AND RETURN THE ACCOMPANYING PROXY to: PROXY DEPT., Canadian Stock Transfer Company Inc., PO Box 721, Agincourt, ON M1S 0A1, or by email to proxy@canstockta.com or by fax at (416) 368-2502 (Toll Free: 1-866-781-3111 Canada & US only), not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays) before the time set for the Meeting or any adjournment thereof. A proxy is valid only at the Meeting in respect of which it is given or any adjournment(s) of that Meeting. Canadian Stock Transfer Company Inc. acts as the Administration Agent for CIBC Mellon Trust Company.



MANAGEMENT INFORMATION CIRCULAR FOR THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON SEPTEMBER 17, 2014

Information is as of July 25, 2014 unless otherwise stated

PROXY SOLICITATION

PURPOSE OF SOLICITATION

The information contained in this management information circular (the "Information Circular") is furnished to the holders of Common Shares (the "Shareholders" and each a "Shareholder") of Empire Industries Ltd. (the "Corporation") in connection with the solicitation by management and the directors of the Corporation of proxies to be used at the annual and special meeting (the "Meeting") of the Shareholders to be held at the TSX Gallery, 130 King Street West, Toronto, Ontario, M5X 1J2, on September 17, 2014 at 2:00 P.M. (Eastern time), and at all adjournments thereof, for the purposes set forth in the Notice of Meeting which accompanies this Information Circular.

The cost of such solicitation will be borne by the Corporation and will be made primarily by mail. Directors and officers of the Corporation may without special compensation solicit proxies by telephone, facsimile or in person.

APPOINTMENT AND REVOCATION OF PROXIES

Shareholders have the right to appoint a nominee (who need not be a shareholder) to represent them at the Meeting other than the persons designated in the enclosed form of proxy, and may do so by inserting the name of the appointed representative in the blank space provided in the form of proxy.

A form of proxy will not be valid for the Meeting or any adjournment unless it is completed by the Shareholder or by his attorney authorized in writing and must be delivered to: Proxy Department, Canadian Stock Transfer Company Inc., P.O. Box 721, Agincourt, ON, M1S 0A1, or by email to proxy@canstockta.com or by fax at (416) 368-2502 (Toll Free: 1-866-781-3111 Canada & US only), not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays) before the time set for the Meeting or any adjournment thereof. A proxy is valid only at the Meeting in respect of which it is given or any adjournment(s) of that Meeting. Canadian Stock Transfer Company Inc. acts as the Administration Agent for CIBC Mellon Trust Company.

In addition to revocation in any other manner permitted by law, a Shareholder who has given a proxy may revoke it as to any matter upon which a vote has not already been cast pursuant to the authority conferred by the proxy. A proxy may be revoked by either executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the Shareholder or by his authorized attorney in writing, or, if the Shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by depositing the proxy bearing a later date with CIBC Mellon Trust Company at any time not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays) before the time set for the Meeting or any adjournment at which the proxy is to be used, or by depositing the revocation of proxy with the chairman of the Meeting on the day of the Meeting, or any adjournment of the Meeting.

VOTING OF PROXIES

The persons named in the enclosed form of proxy are directors and/or officers of the Corporation and have indicated their willingness to represent as proxy the Shareholder who appoints them. Each shareholder may instruct his proxy how to vote his shares by completing the proxy form.

The person indicated in the accompanying proxy shall vote the Common Shares in respect of which they are appointed in accordance with the direction of the shareholder appointing them.

In the absence of a direction to vote or withhold the shares in respect of which they are appointed, the management appointees named in the accompanying proxy will vote such Common Shares in favour of:

- 1. fixing the number of directors of the Corporation to be elected at eight (8).**
- 2. the election of the persons proposed to be nominated by management as directors;**
- 3. the appointment of MNP LLP as auditors of the Corporation; and**
- 4. the approval of the Corporation's Stock Option Plan;**

all as more specifically described in this Information Circular.

The enclosed form of proxy confers discretionary authority upon the person indicated in the proxy with respect to amendments or variations to matters identified in the Notice of Annual and Special Meeting of Shareholders (the "Notice") and with respect to other matters, which may properly come before the Meeting.

At the time of printing of the Information Circular, the management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice and the Information Circular. If any matters which are not now known to the directors and senior officers of the Corporation should properly come before the Meeting, the persons named in the accompanying form of proxy will vote on such matters in accordance with their best judgment.

ADVICE TO BENEFICIAL SHAREHOLDERS

The information in this section is of significant importance to public Shareholders of the Corporation since most public Shareholders do not hold the Common Shares in their own name. Shareholders who do not hold their Common Shares in their own name (referred to herein as "Beneficial Shareholders") are advised that only proxies from Shareholders of record can be recognized and voted upon at the Meeting. If Common Shares are listed in the account statement provided to the Shareholder by a broker, then in almost all cases those shares will not be registered in the Shareholder's name. Such shares are more likely held under the name of the broker or a broker's agent clearing house. Applicable corporate law provides that Beneficial Shareholders may request that the Beneficial Shareholder or the Beneficial Shareholder's nominee be appointed as the proxyholder for such shares. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers or their nominees can only be voted (for or against motions) upon the instructions of the Beneficial Shareholder. Without specific instructions, the brokers/nominees are prohibited from voting the Common Shares for their clients.

The Corporation does not know for whom the Common Shares registered to CDS & Co. are held. Therefore, Beneficial Shareholders cannot be recognized by the Corporation at the Meeting. In order to ensure that their Common Shares are voted at the Meeting, Beneficial Shareholders should carefully follow the return instructions. Often, the form of proxy supplied to Beneficial Shareholders by their brokers is identical to that provided to registered Shareholders, however, its purpose is limited to instructing the brokers/registered Shareholder how to vote on behalf of the Beneficial Shareholder. The majority of the brokers now delegate the job of obtaining instructions from clients and voting Common Shares according to their client's instructions to a corporation named Broadridge Financial Solutions Inc. ("Broadridge"). Broadridge typically applies a special sticker to the proxy forms produced by the Corporation, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return these proxy forms to Broadridge. Broadridge then tabulates the results of all instructions received and then votes the Common Shares to be voted at the Meeting according to the instructions received. **A Beneficial Shareholder receiving a proxy with a Broadridge sticker on it cannot use that proxy to vote Common Shares at the Meeting. The proxy must be returned to Broadridge well in advance of the Meeting in order to have the Common Shares voted.**

Beneficial Shareholders who have not objected to their intermediary disclosing certain ownership information about themselves to the Corporation are referred to as non-objecting beneficial owners or "NOBOs". Those Beneficial Shareholders who have objected to their intermediary disclosing ownership information about themselves to the Corporation are referred to as objecting beneficial owners of "OBOs".

Pursuant to NI 54-101, the Corporation has distributed copies of proxy-related materials in connection with this Meeting (including this Information Circular) indirectly to all Beneficial Shareholders.

The Corporation is not relying on the notice and access delivery procedures outlined in NI 54-101 to distribute copies of the proxy related materials in connection with the Meeting.

The Corporation will bear the costs for intermediaries to deliver to OBOs (who have not otherwise waived their right to receive proxy-related materials) copies of the proxy-related materials and related documents.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his broker (or an agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the registered Shareholder and vote the Common Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered Shareholder, should enter their own names in the blank space on the Instrument of Proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

All references to Shareholders in this Information Circular, the accompanying instrument of proxy and Notice are to shareholders of record unless specifically stated otherwise.

VOTING SHARES AND PRINCIPAL SHAREHOLDERS

Only the holders of Common Shares of the Corporation are entitled to vote at the Meeting. As of the date of this Information Circular, 255,539,608 Common Shares without nominal or par value are issued and outstanding. Each Common Share entitles the holder to one vote on all matters to come before the Meeting. No group of Shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Common Shares of the Corporation.

The directors of the Corporation have fixed July 28, 2014 as the record date (the "Record Date") for determination of the persons entitled to receive notice of the Meeting. A Shareholder of record as of the Record Date is entitled to vote his Common Shares except to the extent that the Shareholder has transferred the ownership of any of its shares after the record date, and the transferee of those shares produces properly endorsed share certificates or otherwise establishes that it owns the shares, and demands, not later than 10 days before the Meeting, that its name be included in the Shareholder list before the Meeting, in which case the transferee is entitled to vote his shares at the Meeting.

To the knowledge of management of the Corporation, as of the date of this Information Circular, no person or company beneficially owned, directly or indirectly, or exercised control or direction over more than ten percent (10%) of the voting rights attached to all outstanding Common Shares of the Corporation other than those listed in the following table:

Name	Number of Voting Shares Owned or Controlled Directly or Indirectly	Percentage of Outstanding Voting Shares
Canada Zhoufa Agricultural Holding Company Ltd.	49,051,500	19.2%

INFORMATION CONCERNING THE CORPORATION

STATEMENT OF EXECUTIVE COMPENSATION

For the purposes of this section, "NEO" or "Named Executive Officers" means the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") and the three other most highly compensated executive officers of the Corporation and its subsidiaries, whose compensation, in the aggregate, exceeded \$150,000 for the most recently completed financial year.

Compensation Discussion and Analysis

The objectives of the Corporation's compensation program are to attract, retain and motivate key employees, and to align their interests with the interests of Shareholders. The compensation program is designed to reward profit performance (through the Incentive Bonus Program) and increases in Shareholder value (through the Stock Option based compensation). The Base Salary component is largely market driven.

The significant elements of compensation awarded to, earned by, paid to or payable to NEO's for the most recently completed financial year are: Base Salary, Incentive Bonus Program payments, and Stock Option based compensation. The Corporate Governance Committee is comprised of some members of the Board of Directors and serves as the Corporation's Compensation Committee. The Corporation has no formal policy regarding the allocation between Base Salary, Incentive Bonus Program payments, Stock Option based compensation or other forms of compensation, but the Corporate Governance Committee will consider and evaluate the total compensation package, including Base Salary, Incentive Bonus Program payments and Stock Option based compensation received or to be received by a particular executive officer, and seek to ensure that such total compensation package is fair, reasonable and competitive. In arriving at its compensation decisions, the Corporate Governance Committee considers a number of factors, including the responsibilities and experience of the individuals, the performance of the individuals with the Corporation, the overall performance of the Corporation and the long-term interest of the Corporation. The Corporate Governance Committee discusses their collective knowledge and understanding of salaries paid to executive officers at companies that the members have personal knowledge of however, no formal benchmark group of companies has been referenced. The Corporate Governance Committee has not considered the implications of the risks associated with the Corporation's compensation policies and practices.

The Corporate Governance Committee recommends the CEO's compensation package to the independent directors for their approval. The independent directors have sole authority to determine the CEO's compensation. The Corporate Governance Committee makes these recommendations based on the Corporation's performance and relative Shareholder returns, and the awards given to the Corporation's past CEOs where relevant.

The Corporate Governance Committee also reviews the recommendations of the CEO concerning overall compensation and other conditions of employment of executive management, including the other NEO's, and, in the Committee's discretion, makes recommendations to the Board for their consideration. This includes review and recommendation with respect to any incentive compensation plans and equity-based plans such as Stock Option grants. When recommending the Stock Option grants, consideration is given to the exercise price and the aggregate number of Common Shares which would be subject to Stock Options held by the individual after the grant under consideration, the evaluation of the former, current and

potential contribution of the individual to the success of the Corporation and the relative position of the individual.

The 2013 CEO incentive plan provided for bonus payments from 0% to 80% of Base Salary, based on a number of performance indicators, including the Corporation's financial and operating performance as well as the achievement of specific non-operational goals. \$200,000 was awarded by independent Board members for the CEO's 2013 performance, as shown in the Summary Compensation Table under Annual Incentive Plans.

The 2013 Executive incentive plan provides for bonus payments from 0% to 80% of Base Salary for other NEO's (other than Peter Schnabel, who is compensated under a different plan described below). The NEO plan is based on a number of performance indicators, including the Corporation's overall financial performance, specific financial performance in the NEO's area of responsibility, safety record, working capital management, and organic growth. The total awards for NEO's under this plan was \$198,000, as shown in the Summary Compensation Table under Annual Incentive Plans.

Peter Schnabel receives incentive payments on a commission basis for sales contracts signed. The commissions are earned progressively as the corresponding payments are received from the clients, often over the course of multiple years. These payments are shown in the Summary Compensation Table under Long Term Incentive Plans. In addition, Mr. Schnabel received a bonus payment of \$145,000 in 2013 based on efforts and achievements relating to 2012 and 2013. This payment is shown in the Summary Compensation Table under Long Term Incentive Plans, split equally between 2012 and 2013.

The Corporation does not disclose the specific performance targets of the incentive plan, because disclosing them would seriously prejudice the Corporation's interests.

Summary Compensation Table

The following table sets forth the total compensation earned by the Named Executive Officers during fiscal years 2013, 2012, and 2011.

Name and Principal Position	Year Ending Dec 31	Salary	Share-Based Awards ⁽¹⁾	Option-Based Awards ⁽²⁾	Non-Equity Incentive Plan Compensation		Pension Value ⁽⁵⁾	All Other Compensation	Total Compensation
					Annual Incentive Plans ⁽³⁾	Long-Term Incentive Plans ⁽⁴⁾			
Guy Nelson Chief Executive Officer	2013	\$308,251	Nil	\$162,638	\$200,000	Nil	Nil	Nil	\$670,889
	2012	\$308,290	Nil	Nil	Nil	Nil	Nil	Nil	\$308,290
	2011	\$274,126	Nil	\$84,916	Nil	Nil	Nil	Nil	\$359,042
Michael Martin Chief Financial Officer	2013	\$192,000	Nil	\$48,791	\$38,000	Nil	Nil	Nil	\$278,791
	2012	\$134,666	Nil	Nil	Nil	Nil	Nil	Nil	\$134,666
	2011	\$112,107	Nil	\$16,983	Nil	Nil	Nil	Nil	\$129,090

Name and Principal Position	Year Ending Dec 31	Salary	Share-Based Awards ⁽¹⁾	Option-Based Awards ⁽²⁾	Non-Equity Incentive Plan Compensation		Pension Value ⁽⁵⁾	All Other Compensation	Total Compensation
					Annual Incentive Plans ⁽³⁾	Long-Term Incentive Plans ⁽⁴⁾			
Peter Schnabel President – Dynamic Attractions	2013 2012 2011	\$128,500 \$96,000 N/A	Nil Nil N/A	\$32,528 Nil N/A	Nil Nil N/A	\$158,640 \$ 72,500 N/A	Nil Nil N/A	Nil Nil N/A	\$319,668 \$168,500 N/A
Bill Rollins President – Tornado Technologies	2013 2012 2011	\$223,597 \$162,313 \$138,106	Nil Nil Nil	\$43,099 Nil \$19,955	\$85,000 Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	\$351,696 \$162,313 \$158,061
Ye Zhou President – Dynamic Structures	2013 2012 2011	\$202,593 \$137,836 \$124,105	Nil Nil Nil	\$53,264 Nil \$23,140	\$75,000	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	\$330,857 \$137,836 \$147,245

Notes:

- (1) The Corporation does not have a share-based awards plan.
- (2) Option-based awards amounts do not represent cash received. They represent the theoretical value ascribed to options granted to the officers on the date of the grant. This value is determined using the Black-Scholes model, with various assumptions made at the time of grant relating to unit volatility and risk-free interest rates. All grants were made with exercise prices equal to or above the market price at the time of grant. As at December 31, 2013, none of the options granted were in-the-money.
- (3) The amounts set forth in this column are the cash bonuses and/or sales commissions earned by the Named Executive Officers.
- (4) These payments reflect commissions paid to Peter Schnabel, which can be earned and paid over the course of multiple years.
- (5) The Corporation does not have a pension plan.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table sets out the information in respect of all share-based awards and option-based awards outstanding at the end of the fiscal year ended December 31, 2013 to the Named Executive Officers.

Name	Option-Based Awards				Share-Based Awards	
	Number of Securities Underlying Unexercised Options	Option Exercise Price	Option Expiration Date	Value of Unexercised In-the-Money Options ⁽¹⁾	Number of Shares or Units that have not Vested	Market or Payout Value of Share-Based Awards that have not Vested
	#	\$		\$	#	\$
Guy Nelson	2,000,000	0.10	3-May-16	Nil	Nil	Nil
	2,000,000	0.09	10-Dec-18	Nil	Nil	Nil
Michael Martin	400,000	0.10	3-May-16	Nil	Nil	Nil
	600,000	0.09	10-Dec-18	Nil	Nil	Nil
Peter Schnabel	400,000	0.09	10-Dec-18	Nil	Nil	Nil
Bill Rollins	470,000	0.10	3-May-16	Nil	Nil	Nil
	530,000	0.09	10-Dec-18	Nil	Nil	Nil
Ye Zhou	30,000	0.62	24-Sep-14	Nil	Nil	Nil
	545,000	0.10	3-May-16	Nil	Nil	Nil
	655,000	0.09	10-Dec-18	Nil	Nil	Nil

Note:

(1) The closing market price on December 31, 2013 on the TSX Venture Exchange was \$0.09.

Value Vested or Earned During the Year

Name	Option-Based Awards – Value Vested During the Year ⁽¹⁾	Share-Based Awards – Value Vested During the Year ⁽²⁾	Non-Equity Incentive Plan Compensation Plan – Value Earned During the Year
	\$	\$	\$
Guy Nelson	Nil	Nil	200,000
Michael Martin	Nil	Nil	38,000
Peter Schnabel	Nil	Nil	158,640
Bill Rollins	Nil	Nil	85,000
Ye Zhou	Nil	Nil	75,000

Notes:

- (1) Outlines the net benefit the Named Executive Officer would have received had the Named Executive Officer exercised on the date of vesting.
- (2) The Corporation does not have a share-based awards plan.

Defined Benefit or Actuarial Plan Disclosure

The Corporation does not have a defined benefit or actuarial plan.

Termination and Change of Control Benefits

Except as disclosed herein, the Corporation does not have any compensatory plan or arrangement in respect of compensation received or that may be received by the Named Executive Officers in the Corporation's most recently completed or current financial year to compensate such executive officer in the event of the termination of employment or in the event of a change in control.

Guy Nelson has an employment contract which, if terminated without cause by the Corporation, provides for a termination payment equal to 2 years of current salary, plus two times the average annual bonus in the preceding two years. If there is a "change of control", as defined by TSX Venture Exchange (the "TSXV") policies, Mr. Nelson has a 90 day option to treat the change of control as a termination without cause by the Corporation. If these provisions had been triggered on the last business day of the most recently completed financial year, it would have resulted in a payment of approximately \$800,000.

Mike Martin has an employment contract which, if terminated without cause by the Corporation, provides for a termination payment equal to 1 year of current salary, plus the average annual bonus in the preceding two years. If there is a "change of control", as defined by TSXV policies, Mr. Martin has a 90 day option to treat the change of control as a termination without cause by the Corporation. If these provisions had been triggered on the last business day of the most recently completed financial year, it would have resulted in a payment of approximately \$160,000.

Peter Schnabel has an employment contract which, if terminated without cause by the Corporation, provides for a termination payment equal to 6 months of current salary, plus ongoing trailing commission payments for sales contracts signed prior to the termination date, provided such contracts are completed and paid for by the customer. If these provisions had been triggered on the last business day of the most recently completed financial year, and all commissionable work was executed and paid for by customers, it would have resulted in payments over time of approximately \$385,000.

Bill Rollins has an employment contract which, if terminated without cause by the Corporation, provides for a termination payment equal to 2 ½ years of current salary, plus two times the average annual bonus in the preceding two years. If these provisions had been triggered on the last business day of the most recently completed financial year, it would have resulted in a payment of approximately \$653,000.

Ye Zhou has an employment contract which, if terminated without cause by the Corporation, provides for a termination payment equal to 1 year of current salary. If these provisions had been triggered on the last business day of the most recently completed financial year, it would have resulted in a payment of approximately \$200,000.

Compensation to Directors

The following table sets out all amounts of compensation provided to the directors of the Corporation for the fiscal year ended December 31, 2013.

Name ⁽¹⁾	Fees Earned \$	Share-Based Awards \$(²)	Option-Based Awards \$(³)	Non-Equity Incentive Plan Compensation \$	Pension Value \$(⁴)	All Other Compensation \$	Total \$
Robert Marshall	\$33,000	Nil	\$24,396	Nil	Nil	Nil	\$57,396
Bruce Jackson	\$30,750	Nil	\$24,396	Nil	Nil	Nil	\$55,146
Ian Macdonald	\$82,500	Nil	\$24,396	Nil	Nil	Nil	\$106,896
Terence Quinn	\$67,500	Nil	\$48,791	Nil	Nil	Nil	\$116,291
Jane Lin	\$21,000	Nil	\$24,396	Nil	Nil	Nil	\$45,396
Jack Chang	\$10,000	Nil	\$24,396	Nil	Nil	Nil	\$34,396

Note:

- (1) Guy Nelson and Campbell McIntyre are directors who are members of management and do not receive compensation for providing their services as a director.
- (2) The Corporation does not have a share-based awards plan.
- (3) Option-based awards amounts do not represent cash received. They represent the theoretical value ascribed to options granted to the officers on the date of the grant. This value is determined using the Black-Scholes model, with various assumptions made at the time of grant relating to unit volatility and risk-free interest rates. All grants were made with exercise prices equal to the market price at the time of grant. As at December 31, 2013, none of the options granted were in-the-money.
- (4) The Corporation does not have a pension plan.

Non-management directors of the Corporation receive the following compensation:

EIL Non-management director compensation	Annual Retainer	Meeting Fees
Non-management director retainer	\$10,000	
Non-executive chairman retainer	\$5,000	
Audit Committee Chairman retainer	\$15,000	
Governance Committee Chair retainer	\$5,000	
HSEC Committee Chair retainer	\$5,000	
Committee member retainer (non-chair)	\$2,500	
ACE Board Directorship retainer	\$40,000	
China JV Board Directorship retainer	\$24,000	
EIL Board Meeting held in North America, attended in person		\$1,000
EIL Board Meeting held outside North America, attended in person		\$5,000
EIL Board Meeting, attended by conference call		\$300
EIL Committee Meeting, attended in person		\$500
EIL Committee Meeting, attended by conference call		\$300
Trips outside of North America (non Board Meeting) at the request of the CEO		\$5,000
Expenses: reasonable business expenses actually incurred in the conduct of director duties will be reimbursed upon presentation of receipts.		

In addition to the fees above, the Corporation intends to give Peter White-Robison, its new director nominee, a special assignment in 2014 to conduct a review of the risk management processes of the company, for which Mr. White-Robinson will be paid \$30,000 per quarter until the assignment is complete.

The Corporation has a formalized Stock Option Plan for the granting of incentive stock options to the directors, officers, key employees and consultants. The purpose of granting options pursuant to the Stock Option Plan is to assist the Corporation in compensating, attracting, retaining and motivating the directors, officers, key employees and consultants of the Corporation and to closely align the personal interests of such persons to that of the shareholders. Details regarding the Corporation's current Stock Option Plan are set out below under the heading "Particulars of Matters to be Acted Upon – Stock Option Plan".

Outstanding Share-Based Awards and Option-Based Awards

The following table sets out the information in respect of all share-based awards and option-based awards outstanding at the end of the fiscal year ended December 31, 2013 to the independent directors.

Name	Option-Based Awards				Share-Based Awards ⁽²⁾		
	Number of Securities Underlying Unexercised Options	Option Exercise Price	Option Expiration Date	Value of Unexercised In-the-Money Options ⁽¹⁾	Number of Shares or Units that have not Vested	Market or Payout Value of Share-Based Awards that have not Vested	Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed
	#	\$		\$	#	\$	\$
Robert Marshall	300,000 350,000 91,250	0.09 0.10 0.10	10-Dec-18 31-Aug-17 3-May-16	Nil Nil Nil	Nil	Nil	Nil
Bruce Jackson	300,000 300,000 305,000	0.09 0.10 0.10	10-Dec-18 31-Aug-17 3-May-16	Nil Nil Nil	Nil	Nil	Nil
Ian Macdonald	300,000 550,000 745,000	0.09 0.10 0.10	10-Dec-18 31-Aug-17 3-May-16	Nil Nil Nil	Nil	Nil	Nil
Terence Quinn	600,000 250,000 310,000	0.09 0.10 0.10	10-Dec-18 31-Aug-17 3-May-16	Nil Nil Nil	Nil	Nil	Nil
Jane Lin	300,000	0.09	10-Dec-18	Nil	Nil	Nil	Nil
Jack Chang	300,000	0.09	10-Dec-18	Nil	Nil	Nil	Nil

Note:

(1) The closing market price on December 31, 2013 on the TSX Venture Exchange was \$0.09.

(2) The Corporation does not have a share-based awards plan.

Value Vested or Earned During the Year

Name	Option-Based Awards – Value Vested During the Year (\$) ⁽¹⁾	Share-Based Awards – Value Vested During the Year (\$) ⁽²⁾	Non-Equity Incentive Plan Compensation Plan – Value Earned During the Year (\$)
Robert Marshall	Nil	Nil	Nil
Bruce Jackson	Nil	Nil	Nil
Ian Macdonald	Nil	Nil	Nil
Terence Quinn	Nil	Nil	Nil
Jane Lin	Nil	Nil	Nil
Jack Chang	Nil	Nil	Nil

Note:

- (1) Outlines the net benefit the Director would have received had the Director exercised on the date of vesting.
(2) The Corporation does not have a share-based awards plan.

EQUITY COMPENSATION PLANS

The following table sets forth details with respect to compensation plans under which equity securities of the Corporation are authorized for issuance as of year ended December 31, 2013.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weight-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
Equity compensation plans approved by securityholders	20,923,000	\$0.11	4,400,961 ⁽¹⁾
Total	20,923,000	\$0.11	4,400,961

Notes:

- (1) Common Shares reserved for issuance under the Corporation's "rolling" stock option plan, which automatically increases the number of Common Shares available for issuance to 10% of the Corporation's issued and outstanding Common Shares.

Details regarding the Corporation's current Stock Option Plan, and a proposed amendment to such plan are set out under the heading "Particulars of Matters to be Acted Upon – Stock Option Plan," below.

INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS

There is no indebtedness, now nor at any time since the beginning of the most recently completed financial year of the Corporation, of any director, executive officer, senior officer, proposed nominee for election as a director or associate of any of them to or guaranteed or supported by the Corporation or any of its subsidiaries either pursuant to an employee stock purchase program of the Corporation or otherwise.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No directors, director nominees, officers and principal shareholders of the Corporation or any associate or affiliate of the foregoing have had, or will have, a direct or indirect interest in any material transaction involving the Corporation since the commencement of the Corporation's last financial year or in any proposed material transaction.

MANAGEMENT CONTRACTS

The management functions of the Corporation are substantially performed by directors and senior officers of the Corporation, and not performed to any substantial degree by any other person with whom the Corporation has contracted.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as set out herein, no director or senior officer of the Corporation or any proposed nominee of management of the Corporation for election as a director of the Corporation, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the meeting.

AUDIT COMMITTEE

Audit Committee Charter

The Audit Committee Charter is attached to this Information Circular as Schedule A2.

Composition of the Audit Committee

Currently, the Audit Committee consists of Ian Macdonald, Campbell McIntyre, and Jack Chang, all whom are independent and financially literate. The Board of Directors proposes to change the Audit Committee membership to Ian Macdonald, Guy Nelson, and Terence Quinn, all of whom are financially literate. Ian Macdonald and Terence Quinn are both independent. Guy Nelson is not independent, as he is currently the Executive Chairman and Chief Executive Officer of the Corporation.

Relevant Education and Experience

Ian Macdonald is a Chartered Accountant. He holds an MBA from Queen's University. He has been Managing Director of Tricapital Management Limited since 1986. Tricapital is a merchant bank that raises capital for mid-sized private and public companies. Since 2003, he has been Chairman of Quadrant Cosmetics Corporation, Canada's largest independent distributor of prestige fragrances and cosmetics. He has also served as VP Finance and Treasurer of Bacardi International Limited, and as a member of the Strategic Planning Advice Unit of Currie Coopers & Lybrand, Management Consultants.

Campbell McIntyre (retiring director) has been President of Empire Iron Works since 1997. He was Chief Financial Officer of Empire Industries Ltd. from December 13, 2010 until May 14, 2012, and from June 15, 2006 until November 17, 2008. He has been a Director, Officer, and Controller with the Corporation and its predecessors since 1976. Mr. McIntyre is a Chartered Accountant.

Jack Chang (2013 audit committee member) is the founder and managing partner of Canadian Resources Capital, a private investment firm that is active in cross border businesses. Previously, he has been a portfolio manager with UBS Bank (Canada) and a financial advisor with CIBC. Mr. Chang is a Chartered Financial Analyst and a Financial Risk Manager.

Guy Nelson (proposed 2014 audit committee member) is the Executive Chairman and Chief Executive Officer of the Corporation. He was Chairman of Empire Iron since 1997. Chairman of Better Work Place Inc. from Sept. 2001 to present. CEO and Director of Associated Proteins LP from 2004 to 2007. Vice President and Director of Bracknell Corporation between 1991 and 1997. VP Investments, Cavendish Investing Ltd. from 1988 to 1991. Guy holds an MBA from the Ivey Business School and a B.Comm from University of Alberta.

Terence Quinn (proposed 2014 audit committee member) is Principal of Quinn Consulting, a mergers and acquisitions consulting practice focusing on industrial services and construction businesses in the western Canada oil and gas basin. Previously, he has been General Manager of Delta Catalytic Corporation, President of Tru-Way Group, General Manager and Partner of National Construction Corporation. He sits on the board of directors of three private industrial companies.

All current and proposed members of the Audit Committee are familiar with the regulatory reporting requirements and process for audit committees. They all have experience in analyzing and evaluating financial statements necessary to understand the accounting principles used by the Corporation to prepare its financial statements.

Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year were any Committee's recommendations to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year has it relied on any exemption under Section 2.4 (De Minimis Non-Audit Services) or Part 8 (Exemptions) of Multilateral Instrument 52-110.

Pre-Approval Policies and Procedures

The Board has approved a policy with respect to the engagement of non-audit services. This policy prohibits the Corporation from hiring external auditors to provide certain non-auditing services, such as bookkeeping and related functions, financial information systems design and implementation, appraisal/valuation/fairness opinions or contribution in kind reports, actuarial services, internal audit outsourcing, management functions, human resource functions, legal services, and expert services. In certain cases, the policy allows the Corporation to retain the services of external auditors for the purpose of rendering non-audit services, provided that such services are not prohibited and that they have received the prior approval of the Audit Committee.

A copy of the policy regarding the range of services offered by external auditors can be obtained free of charge, upon request, from the Corporation's Corporate Secretary at 717 Jarvis Avenue, Winnipeg, MB, R2W 3B4.

External Auditor Service Fees

The fees paid by the Corporation to its auditor in each of the last two fiscal years are:

	Fiscal Year 2013	Fiscal Year 2012
Audit Fees ⁽¹⁾	\$147,000	\$157,500
Audit Related Fees ⁽²⁾	Nil	Nil
Tax Fees ⁽³⁾	\$25,000	\$24,000
All Other Fees	Nil	\$41,893
Total	\$172,000	\$223,393

Note:

- (1) Audit Fees consist of fees for the audit of the Corporation's annual financial statements or services that are normally provided in connection with statutory and regulatory filings or engagements.
- (2) Audit Related Fees consist of fees for insurance and related services that are reasonably related to the performance of the audit or the review of the Corporation's financial statements and are not reported as Audit Fees.
- (3) Tax Fees consist of fees paid to the auditors for preparation of the Corporation's T-2 corporate income tax return and General Index of Financial Information required by Canada Revenue Agency.

Venture Issuer Exemption

The Corporation, as a "Venture Issuer", is relying upon section 6.1 of Multilateral Instrument 52-110 exempting it from certain requirements relating to the composition of the audit committee requirements and reporting obligations.

CORPORATE GOVERNANCE

Corporate governance relates to the activities of the board of directors (the "Board"), the members of which are elected by and are accountable to the Shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day to day management of the Corporation. The Board is committed to sound corporate governance practices, which are both in the interest of its Shareholders and contribute to effective and efficient decision making.

Pursuant to National Instrument 58-101 Disclosure of Corporate Governance Practices ("NI 58-101"), the Corporation provides disclosure of its corporate governance practices as set out in the attached Schedule A.

PARTICULARS OF MATTERS TO BE ACTED UPON

1. FINANCIAL STATEMENTS

Shareholders will be presented with the annual financial statements of the Corporation for the fiscal year ended December 31, 2013 and the auditors' report thereon; however, no action is required to be taken by Shareholders thereon.

2. FIX NUMBER OF DIRECTORS TO BE ELECTED AT THE MEETING

The Board has resolved that the number of directors to be elected at this Meeting for the ensuing year be set at eight (8). Accordingly, it is proposed that Shareholders of the Corporation consider and, if deemed advisable, approve an ordinary resolution fixing the number of directors to be elected at the Meeting at eight (8).

At the Meeting, it will be proposed that eight (8) directors be elected to hold office until the next annual general meeting or until their successors are elected or appointed. Unless otherwise directed, it is the intention of the individuals named in the form of proxy to vote in favour of the ordinary resolution fixing the number of directors to be elected at the Meeting at eight (8).

3. ELECTION OF DIRECTORS

At the Meeting it is proposed that eight (8) directors be elected to serve until the next annual general meeting or until their successors are elected or appointed in accordance with the Business Corporations Act (Alberta) and the bylaws of the Corporation. There are presently eight (8) directors of the Corporation.

The following table indicates the names of the eight (8) nominees for directors, the date each such person first became a director (if applicable), the principal occupation of each such person and the number of Common Shares of the Corporation beneficially owned or controlled (directly or indirectly) by each such person as of the date of this Information Circular. The information contained in this table as to the number of shares of the Corporation beneficially owned or controlled, directly or indirectly, is based upon information furnished to the Corporation by the respective nominees. Proposed members of the Audit Committee, Corporate Governance Committee and Health, Safety, Environment, Community Committee are indicated in the table.

Name, Municipality of Residence and Date First Became a Director	Principal Occupation during past five years	Common Shares beneficially owned or controlled
<p>Ian Macdonald(1,2) Toronto, Ontario June 16, 2010</p>	<p>Independent Chairman of Empire Industries Ltd. He has been Managing Director of Tricapital Management Limited since 1986. Tricapital is a merchant bank that raises capital for mid-sized private and public companies. Since 2003, he has been Chairman of Quadrant Cosmetics Corporation, Canada's largest independent distributor of prestige fragrances and cosmetics. He has also served as VP Finance and Treasurer of Bacardi International Limited, and as a member of the Strategic Planning Advice unit of Currie Coopers & Lybrand, Management Consultants. Ian is a Chartered Accountant and holds an MBA from Queen's University.</p>	<p>12,676,000</p>
<p>Guy Nelson (1) Toronto, Ontario June 15, 2006</p>	<p>Chief Executive Officer of Empire Industries Ltd. Chairman of Empire Iron since 1997. Chairman of Better Work Place Inc. from Sept. 2001 to present. CEO and Director of Associated Proteins LP from 2004 to 2007. Vice President and Director of Bracknell Corporation between 1991 and 1997. VP Investments, Cavendish Investing Ltd. from 1988 to 1991. Guy holds an MBA from the Ivey Business School and a B.Comm from University of Alberta.</p>	<p>19,500,000</p>
<p>Robert Marshall(2) Calgary, Alberta Nov. 30, 2007</p>	<p>President of RGM Engineering Ltd. and Director/co-owner of RAIMS International Inc., a Safety & Remote Medical Services company focused on providing services to the oil & gas and industrial construction sectors in western Canada and the Arctic. Robert is a professional engineer (BSc. CE; M.Eng.).</p>	<p>5,318,230</p>
<p>Bruce Jackson(2,3) Toronto, Ontario May 3, 2010</p>	<p>Partner of Hydropool Inc. (2010), CEO of Enviroshake Inc. (2007 – 2010). Part owner of Evolution Print and Design (2005 – 2009). He has served as Chief Executive Officer of several companies, including Dynamic Structures Inc. He has also served as a consultant in mergers and acquisitions for JR/Janus Merchant Brokers. In addition, he has served as an executive, manager, and engineer at several major steel fabrication businesses, including Canron, Niagara Steel, and Dominion Bridge. Bruce holds an MBA from McMaster University, as well as a B.A.Sc. Civil Engineering from the University of Toronto.</p>	<p>6,650,000</p>
<p>Terence Quinn(1,2,3) Oakville, Ontario June 16, 2010</p>	<p>Principal of Quinn Consulting, a mergers and acquisitions consulting practice focusing on industrial services and construction businesses in the western Canada oil and gas basin. Previously, he has been General Manager of Delta Catalytic Corporation, President of Tru-Way Group, General Manager and Partner of National Construction Corporation. He sits on the board of directors of three private industrial companies.</p>	<p>2,586,000</p>
<p>Chao Jian (Jane) Lin Vancouver, BC Dec 8, 2011</p>	<p>System developer/analyst for Accenture, a management consulting and information technology company. She is a Canadian citizen who was born and raised in China. She has degrees from Guangzhou University and the University of British Columbia.</p>	<p>Nil</p>

Name, Municipality of Residence and Date First Became a Director	Principal Occupation during past five years	Common Shares beneficially owned or controlled
Li-Ting (Jack) Chang Vancouver, BC July 10, 2013	Founder and managing partner of Canadian Resources Capital, a private investment firm that is active in cross border businesses. Previously, he has been a portfolio manager with UBS Bank (Canada) and a financial advisor with CIBC. Mr. Chang is a Chartered Financial Analyst and a Financial Risk Manager.	Nil
Peter White-Robinson (3,4) Victoria, BC Sept 17, 2014	Founder of the Fitzroy Group of Companies in New Zealand, including Fitzroy Engineering Group Ltd., which is New Zealand's largest heavy engineering company, and Babcock Fitzroy Ltd., a joint venture with Babcock (UK). Mr. White-Robinson is a Fellow of the Institute of Professional Engineers of New Zealand, and he currently resides in Victoria, BC.	Nil

Notes:

- (1) Proposed member of Audit Committee
- (2) Proposed member of Corporate Governance Committee
- (3) Proposed member of Health, Safety, Environment, Community Committee
- (4) The Corporation proposes to give Peter White-Robinson a special ad-hoc assignment reviewing the risk management processes and procedures of the Corporation.

Cease Trade Orders

To the knowledge of management of the Corporation, no proposed director of the Corporation is, or within the ten years before the date of this Information Circular has been, a director, chief executive officer or chief financial officer of any other issuer that:

- A. was the subject of a cease trade or similar order or an order that denied the other issuer access to any exemptions under Canadian securities legislation that lasted for a period of more than 30 consecutive days that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- B. was subject to a cease trade order or an order that denied the relevant issuer access to any exemption under securities legislation that lasted for a period of more than 30 consecutive days that was issued after the director or executive officer ceased to be a director, chief executive or chief financial officer and which resulted from an event that occurred while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer.

Bankruptcies and Insolvencies

To the knowledge of management of the Corporation, no proposed director of the Corporation:

- A. is, at the date of this Information Circular or has been within the ten years before the date of this Information Circular, a director or executive officer of any company that, while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- B. has, within the ten years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, officer or shareholder.

Penalties and Sanctions

To the knowledge of management of the Corporation, no proposed director of the Corporation has:

- A. been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with the Canadian securities regulatory authority; or
- B. been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

4. APPOINTMENT OF AUDITORS

The Shareholders of the Corporation will be asked to vote for the re-appointment of MNP LLP as auditors of the Corporation. Unless directed otherwise by a proxy holder, or such authority is withheld, the Management Designees, if named as proxy, intend to vote the Common Shares represented by any such proxy in favour of a resolution appointing MNP LLP as auditor of the Corporation for the next ensuing year, to hold office until the close of the next annual general meeting of shareholders or until the firm of MNP LLP is removed from office or resigns as provided by law or by the Corporation's Bylaws, and to authorize the directors to fix the remuneration of MNP LLP as auditor. MNP LLP have been the auditors of the Corporation since June 7, 2011.

5. STOCK OPTION PLAN

The Corporation has a Stock Option Plan (the “Plan”) previously approved by the Shareholders of the Corporation on August 20, 2013. A copy of the Plan is attached as Schedule B to the Corporation’s Management Information Circular dated July 11, 2013 and filed on SEDAR at www.sedar.com on July 22, 2013. The Plan is incorporated herein by reference.

Options granted pursuant to the Plan will not exceed a term of ten years and are granted at an option price and on other terms which the directors determine is necessary to achieve the goal of the Plan and in accordance with regulatory policies. The option price shall not be less than the market price of the stock.

The number of Common Shares allocated to the Plan will be determined by the Board from time to time. The aggregate number of shares reserved for issuance under the Plan may not exceed 10 percent of the issued and outstanding shares. In addition, the aggregate number of shares so reserved for issuance in any 12 month period to any one person shall not exceed 2 percent, of the issued and outstanding Common Shares.

The Common Shares, when fully paid for by a participant, are not included in the calculation of Common Shares allocated to or within the Plan. Should a participant cease to be eligible due to the loss of corporate office (being that of an officer or director) or employment, the option shall cease for varying periods not exceeding 90 days. Loss of eligibility for consultants is regulated by specific rules imposed by the directors when the option is granted to the appropriate consultant. The Plan also provides that estates of deceased participants can exercise their options for a period not exceeding one year following death.

The Board may from time to time make rules, regulations and amendments to the Plan. Should any rule, regulation or amendment materially differ from the provisions set out in this Information Circular, the Corporation shall obtain the necessary regulatory or shareholder approvals.

However, any amendment of the Plan which would:

- (i) materially increase the benefits of the Plan;
- (ii) materially increase the maximum number of Common Shares issuable under the Plan,
- (iii) materially modify the requirements as to eligibility for participation in the Plan;
- (iv) add any form of financial assistance and, if applicable, any amendment to any existing financial assistance provision which is more favourable to participants;
- (v) add a cashless exercise feature, payable in cash or securities which does not provide for a full deduction of the number of underlying securities from the Plan reserve; or
- (vi) otherwise require approval by Shareholders (or disinterested Shareholders as the case may be) in accordance with the requirements of any regulatory body having jurisdiction over the common shares of the Corporation

would be effective only upon the approval of the Shareholders (or disinterested Shareholders as the case may be) of the Corporation. Further, any amendment to any provision of the Plan would also remain subject to approval by any regulatory body having jurisdiction over the securities of the Corporation.

Should the expiration date for an Option fall within a blackout period or within nine business days following the expiration of a blackout period, such expiration date shall be automatically extended without any further act or formality to that date which is the tenth business day after the end of the blackout period, such tenth business day to be considered the expiration of the term of such option for all purposes under the Plan.

Policy 4.4 of the TSXV requires that rolling stock option plans must receive shareholder approval yearly. To be effective, the approval of the Plan must be given by resolution of the Shareholders. The Shareholders will be asked to consider and approve the following ordinary resolution:

IT IS RESOLVED THAT:

1. Subject to regulatory approval, the Stock Option Plan in the form set out in Schedule "B" to the Information Circular of the Corporation dated July 11, 2013 (the "Plan") be adopted and the same is approved;
2. Any one director or officer of the Corporation is hereby authorized and directed to do all things, carry out all actions, execute all instruments and documents as in his opinion may be necessary or desirable to carry out the foregoing, including without limitation, any reasonable amendments, changes or alterations to the foregoing, as such officer or director deems reasonable in the circumstances; and
3. The board of directors of the Corporation be, and it is hereby, authorized to cause all measures to be taken, such further agreements to be entered into and such further documents to be executed as may be deemed necessary or advisable to give effect to and fully carry out the intent of this resolution.

Unless otherwise directed, the persons named in the enclosed instrument of proxy intend to vote in favour of the above resolution. In order to be approved, this ordinary resolution must be passed by a simple majority of the votes cast in person or by proxy at the Meeting in respect of such resolution.

6. OTHER BUSINESS

The management of the Corporation is not aware of any matters to come before the Meeting other than those set out in the Notice of Meeting. If other matters come before the Meeting it is the intention of the individuals named in the form of proxy to vote the same in accordance with their best judgment in such matters.

ADDITIONAL INFORMATION

Financial information relating to the Corporation is provided in the Corporation's comparative audited financial statements and management's discussion and analysis of financial and operating results as at and for the year ended December 31, 2013. Copies of this Information Circular, the Corporation's audited financial statements, management's discussion and analysis and the auditor's report for the Corporation's most recently completed financial year, any interim financial statements of the Corporation subsequent to those statements, as filed with the applicable Canadian regulatory authorities, are available on SEDAR at www.sedar.com and may also be obtained without charge by contacting the Corporate Secretary at Empire Industries Ltd., 717 Jarvis Avenue Winnipeg, MB R2W 3B4. Additional information relating to the Corporation may also be found on SEDAR at www.sedar.com.

The contents and sending of the Information Circular have been approved by the directors of the Corporation.

SCHEDULE A FORM 58-101F1 CORPORATE GOVERNANCE DISCLOSURE

1. Board of Directors --

(a) Disclose the identity of directors who are independent.

- Robert Marshall, Bruce Jackson, Ian Macdonald, Terence Quinn and Jack Chang are independent.

(b) Disclose the identity of directors who are not independent, and describe the basis for that determination.

- Guy Nelson, Campbell McIntyre (retiring director) – are senior management of the Corporation.
- Jane Lin – is married to a senior officer of a subsidiary of the Corporation.
- Peter White-Robinson will be given a special ad-hoc assignment in 2014, reporting to the Chief Executive Officer, assessing the risk management processes and of the Corporation.

(c) Disclose whether or not a majority of directors are independent. If a majority of directors are not independent, describe what the board of directors (the “**Board**”) does to facilitate its exercise of independent judgment in carrying out its responsibilities.

- A majority of the Board is independent.

(d) 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 director and the other issuer.

- None

(e) Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year. If the independent directors do not hold such meetings, describe what the Board does to facilitate open and candid discussion among its independent directors.

- the Board ensures that there is an opportunity for in camera sessions with only the independent directors present to take place at each in-person Board meeting.

(f) Disclose whether or not the chair of the Board is an independent director. If the Board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the Board has neither a chair that is independent nor a lead director that is independent, describe what the Board does to provide leadership for its independent directors.

- Guy Nelson serves as the Executive Chairman of the Board. He is not independent, as he also serves as Chief Executive Officer. Ian Macdonald serves as the Non-executive

Chairman of the Board, who is independent. The Non-executive Chairman role includes the function of a lead director. He provides leadership to the directors, particularly the independent directors, to ensure that the Board operates smoothly and effectively. In this capacity, he serves as a key liaison between the independent directors and the Company, including the non-independent directors, the CEO, and the senior management team.

(g) Disclose the attendance record of each director for all Board meetings held since the beginning of the issuer's most recently completed financial year.

Director	Board Meeting Attendance
Guy Nelson	10 out of 10 (100%)
Campbell McIntyre	10 out of 10 (100%)
Robert Marshall	10 out of 10 (100%)
Ian Macdonald	10 out of 10 (100%)
Terence Quinn	10 out of 10 (100%)
Bruce Jackson	10 out of 10 (100%)
Jane Lin	10 out of 10 (100%)
Jack Chang (from July 10, 2013)	2 out of 3 (67%)

2. Board Mandate -- Disclose the text of the Board's written mandate. If the Board does not have a written mandate, describe how the Board delineates its role and responsibilities.

- The Board has adopted a written mandate, which is attached as Schedule A1.

3. Position Descriptions --

(a) Disclose whether or not the Board has developed written position descriptions for the chair and the chair of each Board committee. If the Board has not developed written position descriptions for the chair and/or the chair of each Board committee, briefly describe how the Board delineates the role and responsibilities of each such position.

- The Board has developed written position descriptions for the Executive Chairman of the Board, the Non-executive Chairman of the Board, and for the Chair of each Board Committee.

(b) Disclose whether or not the Board and CEO have developed a written position description for the CEO. If the Board and CEO have not developed such a position description, briefly describe how the Board delineates the role and responsibilities of the CEO.

- The Board and the Chief Executive Officer have developed a written position description for the Chief Executive Officer.

4. Orientation and Continuing Education --

(a) Briefly describe what measures the Board takes to orient new directors regarding

- (i) the role of the Board, its committees and its directors, and
(ii) the nature and operation of the issuer's business.

- Each new director brings a different skill set and professional background, and with this information, the Board is able to determine what orientation to the nature and operations of the Corporation's business will be necessary and relevant to each new director. Where appropriate, the Corporation will sometimes give a new director a special assignment as a way to help orient the new director in the Corporation.

(b) Briefly describe what measures, if any, the Board takes to provide continuing education for its directors. If the Board does not provide continuing education, describe how the Board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.

- The Corporation provides continuing education to its directors as such need arises and encourages open discussion at all meetings, which encourages learning by the directors.

5. Ethical Business Conduct --

(a) Disclose whether or not the Board has adopted a written code for the directors, officers and employees. If the Board has adopted a written code:

(i) disclose how a person or company may obtain a copy of the code;

- The Board has adopted a Code of Business Conduct and Ethics. A copy can be obtained free of charge, upon request, from the Corporation's Corporate Secretary at 717 Jarvis Avenue, Winnipeg, MB, R2W 3B4.

(ii) describe how the Board monitors compliance with its code, or if the Board does not monitor compliance, explain whether and how the Board satisfies itself regarding compliance with its code; and

- The Corporate Governance Committee reviews the terms of the Code of Business Conduct and Ethics on a regular basis, and monitors compliance with the Code.
- Each director and officer of the Corporation and its subsidiaries confirms in writing that he or she is in compliance with the Code of Conduct.

(iii) provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.

- There has not been any material change report filed in the 2013 financial year or since the beginning of the 2014 financial year that pertains to any conduct of a director or executive officer that constitutes a violation of the Code.

(b) Describe any steps the Board takes to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

- The Audit Committee is responsible for reviewing the financial and accounting aspects of transactions where a director or executive officer has a material interest. The Corporate Governance Committee satisfies itself that all such transactions comply with corporate governance rules.
- Each director is required to disclose to the Board or the Committees on which he or she sits, his or her interest in any transaction when it is brought up for discussion at meetings of the Board or the Committees.

(c) Describe any other steps the Board takes to encourage and promote a culture of ethical business conduct.

- Management submits at least once a year to the Board the budgets and strategic direction of the Corporation's business units. Directors are encouraged to ask questions and offer recommendations on the Corporation's business conduct.

6. Nomination of Directors --

(a) Describe the process by which the Board identifies new candidates for Board nomination.

- On an annual basis the Corporate Governance Committee examines and recommends to the Board a list of candidates for the composition of the Board and its committees. The list, as approved by the Board, is submitted for vote to the Shareholders at the Corporation's annual general meeting.
- In exceptional circumstances, the Board will appoint a new Board member directly to the Board, to serve until the next annual general meeting, when the Shareholders will vote on the matter.

(b) Disclose whether or not the Board has a nominating committee composed entirely of independent directors. If the Board does not have a nominating committee composed entirely of independent directors, describe what steps the Board takes to encourage an objective nomination process.

- The Corporate Governance Committee, composed entirely of independent directors, exercises the role of a nominating committee.

(c) If the Board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.

- The Corporate Governance Committee, composed entirely of independent directors, exercises the role of a nominating committee. With regard to nominations, the responsibilities of the Corporate Governance Committee are to assist the Board in establishing the minimum qualifications for a director nominee, including the qualities and skills that Board members are expected to possess; to lead the search for and identify individuals qualified to become Board members, consistent with criteria approved by the Board; and to recommend that the Board select, the director nominees to be presented for Shareholder approval at the next Annual Meeting of Shareholders, and one or more director nominees for each vacancy on the Board that occurs between Annual Meetings of Shareholders, subject to legal rights, if any, of third parties to

nominate or appoint directors. The Committee shall select or recommend individuals as director nominees who meet the minimum qualifications approved by the Board and who shall have high personal and professional integrity, who shall have financial literacy or other professional or business experience relevant to an understanding of the Corporation and its business, who shall have demonstrated an ability to think and act independently and with sound judgment and who shall be effective, in conjunction with the other nominees to the Board, in collectively serving the long-term interests of the Corporation and its Shareholders.

7. Compensation --

(a) Describe the process by which the Board determines the compensation for the issuer's directors and officers.

- The Corporate Governance Committee serves the function of a Compensation Committee. It recommends compensation and bonus plans for the CEO to the independent members of the Board, who make the final decisions. It also makes recommendations to the CEO with respect to compensation for senior officers of the Corporation. The same process is used to review and approve actual payouts under such bonus plans. Compensation of directors is handled in the same way, except that the full Board makes the final decisions in this regard.

(b) Disclose whether or not the Board has a compensation committee composed entirely of independent directors. If the Board does not have a compensation committee composed entirely of independent directors, describe what steps the Board takes to ensure an objective process for determining such compensation.

- The Corporate Governance Committee, which is composed entirely of independent directors, serves the function of a Compensation Committee.

(c) If the Board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.

- The Corporate Governance Committee serves the function of a Compensation Committee. It recommends compensation and bonus plans for the CEO to the independent members of the Board, who make the final decisions. It also makes recommendations to the CEO with respect to compensation for senior officers of the Corporation. The same process is used to review and approve actual payouts under such bonus plans. Compensation of directors is handled in the same way, except that the full Board makes the final decisions in this regard.

(d) If a compensation consultant or advisor has, at any time since the beginning of the issuer's most recently completed financial year, been retained to assist in determining compensation for any of the issuer's directors and officers, disclose the identity of the consultant or advisor and briefly summarize the mandate for which they have been retained. If the consultant or advisor has been retained to perform any other work for the issuer, state that fact and briefly describe the nature of the work.

- No such consultant was retained.

8. Other Board Committees -- If the Board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.

- In addition to the Audit and Corporate Governance Committees described above, the Corporation also has a standing Health, Safety, Environment, Community Committee (HSEC Committee). The role of the HSEC Committee is to ensure that the Corporation makes all decisions with due consideration of environmental protection and sustainable development, Foster a culture of employee safety, and ensure that the Corporation meets the standards of a good corporate citizen in all of the communities where it carries on business. The HSEC Committee meets directly with the Corporation's senior safety officer to review the safety performance of the Corporation, providing a direct conduit to the Board for any safety issues.

9. Assessments -- Disclose whether or not the Board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the Board satisfies itself that the Board, its committees, and its individual directors are performing effectively.

- It is the Corporate Governance Committee's responsibility to assess the overall effectiveness of the Board and of its committees. The Committee's findings are reported to the Board. The Corporate Governance Committee's Chair discusses with the Board Chair the performance of each director.

Appendix A1 BOARD MANDATE

The Board of Directors of Empire Industries Ltd. (the “Board”) is elected by the Corporation’s shareholders to supervise the management of the business and affairs of the Corporation pursuant to the powers vested in its articles and by-laws, and in accordance with the obligations under regulatory and public law.

Within its stewardship responsibility the Board is to preserve and enhance the viability of the Corporation and to ensure that it is managed in the interests of the shareholders as a whole in conformity with the law and legitimate interests of other stakeholders.

The Board delegates the responsibility for the day-to-day conduct of business to the management of the Corporation, through its Chief Executive Officer (“CEO”), within a policy framework established by the Board. In executing their responsibilities, each of the members of the Board is entitled to rely on the advice, reports and opinions of management.

CORE RESPONSIBILITIES

The core responsibilities of the Board include stewardship and oversight in the following areas:

Strategic Planning

The Board ensures that the Corporation adopts a strategic planning process to guide its activities. The Board meets periodically to review the plan. In addition, at each regular meeting, the Board reviews the Corporation’s overall business strategies, its business plan, as well as major strategic initiatives, to allow the Board to evaluate whether the Corporation’s proposed actions are generally in accordance with its objectives.

Identification of Principal Risks

The Board, directly and through the Audit, Corporate Governance, and Environment/Safety/Community Committees, reviews the principal risks of the Corporation’s business and the appropriateness of the systems put in place to manage these risks.

Selection and Remuneration of the CEO and the Senior Management Team

The Board is responsible for selecting the CEO and for approving the selection of the members of the senior management team. Communication with the management team is through the CEO and the Board is responsible for judging the effectiveness of this officer and replacing him if such action is deemed to be in the best interests of the Corporation. The Board is also responsible for providing an effective system of remuneration. These functions are performed with the benefit of advice from the Corporate Governance Committee.

Succession Planning

On a regular basis, the Board reviews a succession plan, developed by management, addressing the policies and principles for selecting a successor to the CEO and other key senior management positions, both in an emergency situation and in the ordinary course of business. The succession plan should include an assessment of the experience, performance, skills and planned career paths for possible successors to the CEO currently in the Corporation’s senior management.

Financial Reporting and Internal Controls

The Board, acting through the Audit Committee, oversees the financial reporting and regulatory filing and disclosures of the Corporation. This includes monitoring the implementation of appropriate internal control systems to ensure the accuracy and timeliness of the information.

Communication Policy

The Disclosure Policy established by the Board summarizes practices regarding disclosure of material information to investors, analysts and the media. The Board, in consultation with the Corporate Governance Committee, monitors and advises on compliance with this Policy.

Evaluating Board Performance

The Board, acting through the Corporate Governance Committee, conducts an evaluation, at least annually, to assess the effectiveness of the Board, its Committees, the Chairman, and individual Directors. In addition, the Corporate Governance Committee periodically considers the mix of skills and experience that Directors bring to the Board to assess whether the Board has the necessary tools to perform its oversight function effectively.

BOARD COMPOSITION

Board Composition

The composition of the Board should balance the following goals:

- i. The size of the Board should facilitate substantive discussions of the whole Board in which each Director can participate meaningfully;
- ii. The composition of the Board should encompass a broad range of skills, expertise, industry knowledge, diversity of opinion and contacts relevant to the Corporation's business; and
- iii. Membership on the Board shall include an appropriate number of Directors whom the Board has determined have no material relationship with the Corporation or its principal shareholders and who are otherwise considered independent as contemplated by the corporate governance guidelines published by the Canadian Securities Administrators (the "CSA Guidelines") and under the rules of the Toronto Stock Exchange ("TSX")

Selection of Directors

The Corporate Governance Committee is responsible for recommending to the Board, from time to time, a list of potential Directors meeting the Corporation's general criteria for Board membership, as well as suitable nominees to fill specific vacancies occurring between annual meetings of shareholders. The processes used by the Committee as well as the bases for its recommendations are outlined in the Corporate Governance Committee Charter. The Board is responsible for selecting nominees for election to membership on the Board for presentation at annual meetings of shareholders.

Orientation and Continuing Education

The Corporate Governance Committee is responsible for the continuing education of Directors as outlined in the Committee's Charter.

BOARD COMMITTEES

Standing Committees

The standing committees of the Board are the Audit Committee, the Corporate Governance Committee, and the Health/Environment/Safety/Community (HESC) Committee. Each of these three committees has a written Charter, satisfying at a minimum, applicable legislative and TSX rules.

All Directors, whether members of specific committees or not, may request attendance at any committee meeting and may make suggestions to committee chairs for additions to the agenda of his or her committee or to request that an item from a committee agenda be considered by the Board. Each committee chair will give periodic reports of his or her committee's activities to the Board.

Assignment of Committee Members

The Corporate Governance Committee is responsible, after consultation with the Chairman of the Board, for recommending the assignment of Board members to various committees and the selection of the committee chairs.

BOARD MEETING PROCEDURES

Frequency of Meetings

The Board holds regularly scheduled meetings on a quarterly basis as well as additional meetings to consider particular issues or strategic planning. Special meetings may be called from time to time as determined by the needs of the Corporation's business.

Selection of Agenda Items for Board Meetings

The Chairman, in consultation with the CEO and the Corporate Secretary, establishes the agendas for Board meetings. Any Board member, however, may recommend the inclusion of specific agenda items. The agenda is distributed in advance of a meeting to each Director.

Board Materials Distributed in Advance

Information, data and presentation materials that are important to the Board's understanding of the business are distributed in writing to the Board before each meeting. Management should provide materials that are as concise as possible while giving Directors sufficient information, and time for review (subject to availability of time sensitive materials), to make informed decisions. Under certain circumstances, written materials may be unavailable to Directors in advance of a meeting, and certain items to be discussed at Board meetings may be of a sensitive nature such that the distribution of materials on these matters prior to the Board meeting would not be appropriate.

Management at Meetings

The Board invites members of management, in addition to the CEO and the Chief Financial Officer ("CFO"), to attend Board meetings from time to time to make presentations and provide additional insight into the various operations of the Corporation.

Independent Director Meetings

To encourage free and open discussion and communication among the non-management Directors of the Board, the Directors meet during, or at the end of each Board meeting, without members of management present.

EXPECTATIONS OF DIRECTORS

Commitment and Attendance

All Directors should make every effort to attend all meetings of the Board and meetings of committees of which they are members. Although attendance in person is encouraged, members may attend by telephone to mitigate schedule conflicts.

Participation in Meetings

Each Director should be sufficiently familiar with the business of the Corporation, including its financial statements and capital structure, and the risks and competition it faces, to facilitate active and effective participation in the deliberations of the Board and of each committee on which the Board member serves.

Financial Knowledge

One of the most important roles of the Board is to monitor financial performance. A Director must know how to read financial statements, and should understand the use of financial ratios and other indices for evaluating financial performance.

Code of Conduct

The Corporation has adopted a Code of Conduct. Certain portions of this Code deal with the business conduct of Directors, particularly with respect to transactions in the securities of the Corporation, potential conflicts of interest, the taking of corporate opportunities for personal benefit, and competing with the Corporation. Directors should be familiar with the Code's provisions in these areas and should consult with the Corporation's counsel in the event of any issues or concerns.

Other Directorships

The Corporation values the experience Directors bring from other boards on which they serve, but recognizes that those boards may also present demands on a Director's time and availability, and may also present conflicts or legal issues. Directors should advise the Chair of the Corporate Governance Committee before accepting any new membership on other boards of directors or any other significant commitment involving an affiliation with other related businesses or governmental units.

Contact with Management

All Directors are invited to contact the CEO at any time to discuss any aspect of the Corporation's business. While respecting organizational relationships and lines of communication, Directors have complete access to other members of management. There will be frequent opportunities for Directors to meet with the CEO, CFO and other members of management in Board and committee meetings and in other formal or informal settings.

Confidentiality

The proceedings and deliberations of the Board and its committees are confidential. Each Director shall maintain the confidentiality of information received in connection with his or her services.

BOARD COMPENSATION

The Board, acting through the Corporate Governance Committee, conducts a review on a regular basis of the components and amount of Board compensation in relation to other similar companies.

POSITION DESCRIPTIONS: CHAIRMAN OF THE BOARD, COMMITTEE CHAIRS

The duties and responsibilities of the Chairman of the Board and the Committee Chairs are set out in their respective Position Descriptions.

Appendix A2

AUDIT COMMITTEE CHARTER

This Charter sets out the roles and responsibilities of the Audit Committee of Empire Industries Ltd. (the “Company”.) The roles and responsibilities described in this Charter must at all times be exercised in accordance with the requirements of the legislation and regulations governing the Company and its subsidiaries.

COMPOSITION

The audit committee is composed of three directors of the Company, all of whom shall meet the independence and experience requirements of the principal securities exchanges on which the Companies common shares are traded. The members of the Audit Committee must be “financially literate” as may be defined from time to time by the regulatory authorities. The quorum necessary to constitute a meeting of the Audit Committee is set at two directors.

“Independent” refers to an individual who has no direct or indirect material relationship with the Company. A material relationship refers to a relationship which could, in the view of the Company’s Board of Directors, reasonably interfere with the exercise of a member’s independent judgment.

“Financial literacy” means the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements.

The Audit Committee’s responsibilities extend to the Company and its subsidiaries.

AUDIT COMMITTEE OBJECTIVES

1. To assist the Board of Directors in meeting their responsibilities.
2. To establish effective lines of communication between the Board of Directors, Management and Auditor.
3. To ensure independence, qualifications and performance of the Company’s external auditors.
4. To ensure the integrity of published financial reports.
5. To ensure the compliance by the Company with applicable legal and regulatory requirements relating to audit and internal controls.
6. To strengthen the role of the directors by facilitating in-depth discussions among directors, management and the auditor.

AUDIT COMMITTEE RESPONSIBILITIES

1. Recommend to the Board of Directors:
 - a. the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company.
 - b. the compensation for the external auditor.
2. Oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting and the auditors shall report directly to the Audit Committee. However, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate. This is the responsibility of Management and the independent auditor.
3. Pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the Company's external auditor.
4. Review the Company's financial statements, MD&A and annual and interim earnings press releases before the Company publicly discloses this information.
5. Satisfy itself that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, other than the public disclosure referred to in (4) above, and periodically assess the adequacy of those procedures.
6. Establish procedures for:
 - a. the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters.
 - b. the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
7. Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company.
8. Recommend that the Board retain special legal, accounting or other consultants to advise the Committee and to conduct or authorize investigations into any matters within the scope of its responsibilities. The Audit Committee may request any officer or employee of the Company or the Company's outside counsel or independent auditor to attend any meeting of the Committee or to meet with any members of, or consultants to, the Committee.
9. Make regular reports to the Board. The Audit Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.