

ARCPOINT INC.



MANAGEMENT INFORMATION CIRCULAR

For the Annual and Special Meeting of Shareholders

To be held at 11:00 am (PT) on Thursday, June 29, 2023

MANAGEMENT INFORMATION CIRCULAR

GENERAL PROXY INFORMATION

THIS MANAGEMENT INFORMATION CIRCULAR (THE “CIRCULAR”) IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF ARCPPOINT INC. (THE “COMPANY”) OF PROXIES TO BE USED AT THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS OF THE COMPANY (THE “MEETING”) TO BE HELD AS A PHYSICAL AND VIRTUAL HYBRID MEETING AT 4388 STILL CREEK DR., BURNABY, BRITISH COLUMBIA, CANADA, V5C 6C6 AND THROUGH A ZOOM CONFERENCE CALL ON THURSDAY, JUNE 29, 2023 AT 11:00 A.M. (PACIFIC TIME), AND AT ANY ADJOURNMENT OR POSTPONEMENT THEREOF FOR THE PURPOSES SET OUT HEREIN AND IN THE NOTICE OF MEETING.

The purpose of this Circular is to:

- explain how you, as a Shareholder of the Company, can vote at the Meeting, either in person or by transferring your vote to someone else to vote on your behalf;
- request that you authorize the Chief Financial Officer (or his alternate) of the Company to vote on your behalf in accordance with your instructions set out on the accompanying form of proxy;
- inform you about the business to be conducted at the Meeting; and
- give you some important background information to assist you in deciding how to vote.

The Company provides detailed information on its business on its website at www.arcpointlabs.com. The Company’s news releases and other prescribed documents are required to be filed on the electronic database maintained by the Canadian Securities Administrators (known as SEDAR) located at www.sedar.com. A copy of this Circular is also available under the Company’s profile at www.sedar.com.

In this Circular, “**Subordinate Voting Shares**” or “**SVS**” means the Class A Subordinate Voting Shares of the Company. “**Proportionate Voting Shares**” or “**PVS**” means the Class B Proportionate Voting Shares of the Company. “**Shares**” means the Subordinate Voting Shares and the Proportionate Voting Shares of the Company. “**Registered Shareholders**” means shareholders of the Company who hold Shares in their own names and whose names appear on the register of the Company as the registered holders of Shares. “**Beneficial Shareholders**” means shareholders of the Company who do not hold Shares in their own names. “**Shareholders**” means the Registered Shareholders and the Beneficial Shareholders. The “**Board**” or the “**directors**” means the board of directors of the Company. “**Management**” means the management of the Company.

Unless otherwise indicated herein, all references to dollars, “\$” or “US\$” are to U.S. dollars, and all references to “C\$” are to Canadian dollars.

Hybrid Virtual Meeting

The Company will be hosting the Meeting as a physical and virtual hybrid Meeting. In order to streamline the Meeting process, the Company encourages Shareholders to vote in advance of the Meeting using the form of proxy or voting instruction form mailed to them with the Meeting materials. Registered

shareholders and duly appointed proxyholders will be able to attend, participate and vote at the Meeting in person physically or using the dial-in information provided below. Beneficial Shareholders who are not duly appointed proxyholders will be able to attend the Meeting as guests, but guests will not be able to vote at the Meeting.

Vitual Meeting Dial-in Information

Date: Thursday, June 29, 2023

Time: 11:00 am Pacific Time (UA and Canada)

Join Zoom Meeting:

<https://us02web.zoom.us/j/85993397224?pwd=Z1VQYkpUTExyRjR0aVBtUko3emt0Zz09>

Meeting ID: 859 9339 7224

Passcode: 884169

One tap mobile

+13017158592,,85993397224#,,,,*884169# US (Washington DC)

+13052241968,,85993397224#,,,,*884169# US

Dial by your location

+1 301 715 8592 US (Washington DC)

+1 305 224 1968 US

+1 309 205 3325 US

+1 312 626 6799 US (Chicago)

+1 346 248 7799 US (Houston)

+1 360 209 5623 US

+1 386 347 5053 US

+1 408 638 0968 US (San Jose)

+1 507 473 4847 US

+1 564 217 2000 US

+1 646 876 9923 US (New York)

+1 646 931 3860 US

+1 669 444 9171 US

+1 669 900 6833 US (San Jose)

+1 689 278 1000 US

+1 719 359 4580 US

+1 253 205 0468 US

+1 253 215 8782 US (Tacoma)

Notice & Access

The Company has elected to utilize the notice-and-access system (the “**Notice and Access System**”) under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) and National Instrument 51-102 – *Ongoing Requirements for Issuers and Insiders* (“**NI 51-102**”) of the Canadian Securities Administrators for delivery of the Circular to each of the Shareholders whose proxy is solicited for the Meeting. Notwithstanding the use of the Notice and Access System, under the applicable securities and corporate laws, the Company is still required to deliver, and

has delivered, paper copies of the notice of meeting (including in which the notice regarding the Company's election to use the Notice and Access System which directs the Shareholders to the website on which this Circular is posted) (the "Notice") and a form of proxy (the "Proxy") to its Shareholders eligible to attend the Meeting. Detailed information relating to the Notice and Access System is contained below under the heading "Notice and Access" and Shareholders are encouraged to read the information contained therein for an explanation of their rights.

SOLICITATION OF PROXIES

The enclosed form of Proxy is solicited by Management. The solicitation will be primarily by mail; however, proxies may be solicited personally or by telephone by directors, officers, and employees of the Company, to whom no additional compensation may be paid. The cost of solicitation, if any, will be borne by the Company.

These proxy-related materials are being sent to both Registered Shareholders and Beneficial Shareholders of the Company. If you are a Beneficial Shareholder and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding shares on your behalf. By choosing to send these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you; and (ii) executing your proper voting instructions as specified in the request for voting instructions.

Appointment of Proxyholders

The persons named in the Proxy are representatives of the Company (the "Proxyholders"). A Shareholder entitled to vote at the Meeting has the right to appoint a person (who need not be a Shareholder) to attend and act on the Shareholder's behalf at the Meeting other than the persons named in the accompanying Proxy. To exercise this right, a Shareholder shall strike out the names of the persons named in the accompanying Proxy and insert the name of the Shareholder's nominee in the blank space provided or complete another proper form of proxy.

Manner of Voting

The Shares represented by the Proxy will be voted for, or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for and, if the Shareholder specifies a choice on the Proxy with respect to any matter to be acted upon, the Shares will be voted accordingly. In the absence of instructions to the contrary, the Proxyholders intend to vote the Shares represented by each Proxy, properly executed, in favour of each matter identified in the Proxy. The Proxy, when properly signed, confers discretionary authority on the Proxyholders with respect to amendments or variations to the matters identified in the Notice and the Circular and with respect to other matters that may properly be brought before the Meeting. At the time of printing this Circular, Management is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any other matters which are not now known to Management should properly come before the Meeting, the proxies hereby solicited will be exercised on such matters in accordance with the best judgment of the Proxyholders.

Revocation of Proxy

A Shareholder who has given a Proxy may revoke it at any time before it is exercised. In addition to revocation in any other manner permitted by law, a Proxy may be revoked by instrument in writing

executed by the Shareholder or by his or her attorney authorized in writing, or, if the Shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer and deposited with the Company's registrar and transfer agent, Odyssey Trust company. (“Odyssey”) by hand or mail at 409 Granville Street, Suite 350, Vancouver, B.C. V6C 1T2, by email to proxy@odysseytrust.com, or by fax to the attention of the Proxy Department of Odyssey at 1-800-517-4553 (within Canada and the U.S.) or 1-416-263-9524 (outside North American) at any time up to and including the last business day preceding the day of the Meeting, or any adjournment or postponement of it, or to the Chair of the Meeting on the day of the Meeting or any adjournment or postponement of it. A revocation of a Proxy does not affect any matter on which a vote has been taken prior to the revocation.

Information for Registered Shareholders

The Registered Shareholders may choose to vote by Proxy whether or not they are able to attend the Meeting in person. Registered Shareholders who choose to submit a Proxy may do so by completing, signing, dating and depositing the Proxy with by hand or mail at 409 Granville Street, Suite 350, Vancouver, B.C. V6C 1T2, by email to proxy@odysseytrust.com or by fax to the attention of the Proxy Department of Odyssey at 1-800-517-4553 (within Canada and the U.S.) or 1-416-263-9524 (outside North American), or by internet <https://login.odysseytrust.com/pxlogin> not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment or postponement thereof. The Proxy may be signed by the Shareholder or by his or her attorney in writing, or, if the Registered Shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer.

To be effective, we must receive your completed Proxy form no later than 11:00 a.m. (Pacific Time) on June 27, 2023. If the Meeting is postponed or adjourned, we must receive your completed form of proxy by 11:00 a.m. (Pacific Time), two full business days before any adjourned or postponed Meeting. Late Proxies may be accepted or rejected by the Chair of the Meeting at his or her discretion and he or she is under no obligation to accept or reject a late Proxy. The Chair of the Meeting may waive or extend the Proxy cut-off without notice.

Information for Beneficial Shareholders

The information set forth in this section is of significant importance to the Beneficial Shareholders. Beneficial Shareholders should note that only Proxies deposited by Registered Shareholders can be recognized and acted upon at the Meeting. If Shares are listed in an account statement provided to a Shareholder by an intermediary, such as a brokerage firm, then, in almost all cases, those Shares will not be registered in the Shareholder's name on the records of the Company. Such Shares will more likely be registered under the name of the Shareholder's broker or an agent or nominee of that broker, and consequently the Shareholder will be a Beneficial Shareholder. In Canada, the vast majority of such Shares are registered under the name CDS & Co. (being the registration name for the Canadian Depository for Securities Inc., which acts as nominee for many Canadian brokerage firms). The Shares held by brokers, or their agents or nominees can only be voted upon the instructions of the Beneficial Shareholders. Without specific instructions, brokers are prohibited from voting Shares for their clients. Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Shares are communicated to the appropriate person. Please return your voting instructions as specified in the request for voting instructions.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purpose of voting Shares registered in the name of their broker, agent or nominee, a Beneficial Shareholder may attend the Meeting as a duly appointed Proxyholder for a Registered Shareholder and vote their Shares in that

capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Shares as proxyholder for a Registered Shareholder should contact their broker, agent, or nominee well in advance of the Meeting to determine the steps necessary to permit them to indirectly vote their Shares as a duly appointed Proxyholder.

There are two kinds of Beneficial Shareholders, those who object to their names being made known to the issuers of securities that they own (“**OBOs**” for ‘Objecting Beneficial Owners’) and those who do not object to the issuers of the securities they own knowing who they are (“**NOBOs**” for ‘Non-Objecting Beneficial Owners’).

Non-Objecting Beneficial Owners

Pursuant to National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), issuers can obtain a list of their NOBOs from intermediaries for distribution of proxy-related materials directly to NOBOs. This year, the Company will rely on those provisions of NI 54-101 that permit it to directly deliver proxy-related materials to its NOBOs. As a result, NOBOs can expect to receive a scannable voting instruction form (“**VIF**”) from the Company’s transfer agent, Odyssey. These VIFs are to be completed and returned to Odyssey in the envelope provided or by facsimile. In addition, Odyssey provides internet voting as described on the VIF itself, which contains complete instructions. Odyssey will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Shares represented by the VIFs they receive.

Objecting Beneficial Owners

Beneficial Shareholders, who are OBOs, should follow the instructions of their intermediary carefully to ensure that their shares are voted at the Meeting.

Applicable regulatory rules require intermediaries to seek voting instructions from OBOs in advance of shareholder meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by OBOs in order to ensure that their Shares are voted at the Meeting. The purpose of the Proxy or VIF provided to an OBO by its broker, agent or nominee is limited to instructing the registered holder of the Shares on how to vote such Shares on behalf of the OBO.

The Proxy provided to OBOs by intermediaries will be similar to the Proxy provided to Registered Shareholders. However, its purpose is limited to instructing the intermediary on how to vote your Shares on your behalf. The majority of intermediaries now delegate responsibility for obtaining instructions from OBOs to Broadridge Investor Communications (“**Broadridge**”). Broadridge typically supplies VIFs, mails those forms to OBOs, and asks those OBOs to return the forms to Broadridge or follow specific telephonic or other voting procedures. Broadridge then tabulates the results of all instructions received by it and provides appropriate instructions respecting the voting of the Shares to be represented at the Meeting. An OBO receiving a VIF from Broadridge cannot use that form to vote Shares directly at the Meeting. Instead, the VIF must be returned to Broadridge, or the alternate voting procedures must be completed well in advance of the Meeting in order to ensure that such Shares are voted. The Company intends to pay Broadridge to forward these meeting materials to OBOs.

Quorum

The by-laws of the Company provide that the presence of two persons entitled to vote for not less than 5

per cent of the outstanding Shares of the Company which may be voted at the Meeting, whether present in person at the Meeting or represented by proxy or by a duly authorized representative of a Shareholder, constitutes a quorum. If a quorum is present at the opening of the Meeting, the Shareholders present or represented by proxy may proceed with the business of the Meeting, notwithstanding that a quorum is not present throughout the Meeting.

NOTICE AND ACCESS

The Company has elected to utilize the Notice and Access System for delivery of the Circular to each of the Shareholders whose proxy is solicited for the Meeting.

Under the Notice and Access System, instead of delivering a paper copy of the Circular, the Company is permitted to provide its Shareholders with a notice directing them to a website where they can access an electronic copy of the Circular online and vote their Shares using their preferred method either through internet or via paper return. The Company anticipates that the Notice and Access System can directly benefit the Company through a substantial reduction in both postage and printing costs, and also promote environmental sustainability by reducing the large volume of paper documents generated by printing proxy related materials. As a corporation existing under the *Canada Business Corporations Act* (the “CBCA”), the Company is required to apply for, and has applied for, the requisite approval from Corporations Canada to exempt the Company from the requirement under the CBCA to deliver the prescribed Circular to its Shareholders.

In spite of the use of the Notice and Access System, under the applicable securities and corporate laws, the Company is still required to deliver paper copies of the Notice and the Proxy to its Shareholders eligible to attend the Meeting. In addition, the Company is required to deliver paper copies of the Audited Financial Statements and MD&A to its Registered Shareholders (unless such Registered Shareholder has informed the Company in writing declining to receive a paper copy of such annual documents) as well as its Beneficial Shareholders who have submitted a completed supplemental card to the Company or its transfer agent requesting for the delivery of such annual documents.

Website Where the Circular is Posted

The Shareholders can access the Circular for the Meeting on the following website: <https://odysseytrust.com/client/arcpoint-inc/> or by accessing the Company’s filings on SEDAR at www.sedar.com.

Requesting Paper Copies of the Circular

The Shareholders may also request paper copies of the Circular to be delivered to them by mail at no cost to them by calling the following toll-free number: 1-888-290-1175 (toll-free within North America) or 1-587-885-0960 (direct from outside North America) or by visiting www.odysseycontact.com. In order for the requesting Shareholder to receive the paper copy in advance of the deadline for submission of voting instructions and the date of the Meeting, the request must be made prior to 4:30 pm (Pacific Time) on June 19, 2023. The Shareholders may continue to request a paper copy of the Circular within one year from the date the Circular is filed on SEDAR. In the case of a request received prior to the date of the Meeting, a paper copy of the Circular so requested will be sent free of charge by the Company to the requesting Shareholder at the address specified in the request, by first class mail within three business days after receiving the request; in the case of a request received on or after the date of the Meeting, and within one year of the Circular being filed, a paper copy of the Circular will be sent free of charge by the Company to the requesting Shareholder within 10 calendar days after receiving the request, by prepaid mail, courier or the equivalent.

REQUIRED SHAREHOLDER APPROVALS

Unless otherwise noted under “PARTICULARS OF MATTERS TO BE ACTED UPON”, all resolutions which the Shareholders will be asked to pass must be approved by a majority of the votes cast by the Shareholders present in person or represented by proxy at the Meeting.

VOTING SHARES AND PRINCIPAL SHAREHOLDERS

Voting Shares

In accordance with the provisions of the CBCA, the Company has prepared a list of all persons who are Registered Shareholders as of May 15, 2023 (the “**Record Date**”) and the number of Shares registered in the name of each person on such date. Only Shareholders of record as of the close of business on the Record Date, who attend the Meeting in person either physically or virtually, or who have completed and delivered a form of proxy in the manner and subject to the provisions described above, shall be entitled to vote or to have their Shares voted at the Meeting.

The authorized capital of the Company consists of an unlimited number of Subordinate Voting Shares and an unlimited number of Proportionate Voting Shares. The Subordinate Voting Shares are listed for trading on the TSX Venture Exchange (“**TSXV**”) under the symbol “ARC”. Holders of the Subordinate Voting Shares are entitled to one (1) vote per Subordinate Voting Share on all matters proposed to be voted at the Meeting. Holders of the Proportionate Voting Shares are entitled to five hundred (500) votes per Proportionate Voting Share on all matters proposed to be voted at the Meeting.

As of the Record Date, the Company had a total of 27,300,744 Subordinate Voting Shares and 123,894 Proportionate Voting Shares issued and outstanding, with 30.59% of the aggregate voting rights of the total issued and outstanding Shares represented by the total issued and outstanding Subordinate Voting Shares.

Certain Rights of Holders of Subordinate Voting Shares

The following is a summary of the rights attaching to the Subordinate Voting Shares in the event that a take-over bid is made for the Proportionate Voting Shares. This summary shall be qualified in its entirety by the full text of the articles of the Company, a copy of which is available under the Company’s profile at www.sedar.com.

In the event that an offer is made to purchase Proportionate Voting Shares, and such offer is (A) required, pursuant to applicable securities legislation or the rules of any stock exchange on which the Proportionate Voting Shares or the Subordinate Voting which may be obtained upon conversion of the Proportionate Voting Shares may then be listed, to be made to all or substantially all of the holders of Proportionate Voting Shares in a province or territory of Canada to which the requirement applies (such offer to purchase, an “**Offer**”); and (B) not made to the holders of Subordinate Voting Shares for consideration per Subordinate Voting Shares equal to or greater than 1/500th of the consideration offered per Proportionate Voting Shares, each Subordinate Voting Share shall become convertible at the option of the holder into Proportionate Voting Shares on the basis of five hundred (500) Subordinate Voting Shares for one (1) Proportionate Voting Share, at any time while the Offer is in effect until one day after the time prescribed by applicable securities legislation or stock exchange rules for the offeror to take up and pay for such shares as are to be acquired pursuant to the Offer (the “**Conversion Right**”). The Conversion Right may be exercised without approval of the Board, but only for the purpose of depositing the Proportionate Voting Shares acquired upon conversion under such Offer, and for no other reason.

Principal Shareholders

To the knowledge of the Company's directors and executive officers, as at the date hereof, no person or company owns, or controls or directs, directly or indirectly, Shares carrying 10% or more of the voting rights attached all of the issued and outstanding Shares other than:

- Felix A. Mirando, the founder of ARCpoint Labs and a director of the Company, who owns and controls directly or indirectly 59,346 Proportionate Voting Shares and 913,333 Subordinate Voting Shares, representing 34.27% of the aggregate voting rights attached all of the issued and outstanding Shares; and
- John Constantine, the President, Chief Executive Officer and a director of the Company, who owns 53,056 Proportionate Voting Shares and 76,111 Subordinate Voting Shares, representing 29.81% of the aggregate voting rights attached all of the issued and outstanding Shares.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No director or executive officer of the Company, no proposed nominee for election as a director of the Company, and no associate or affiliate of any such person has any material interest, direct or indirect, by way of of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors of the Company.

PARTICULARS OF MATTERS TO BE ACTED UPON

I. FINANCIAL STATEMENTS

The Shareholders will receive the audited financial statements of the Company for the financial year ended December 31, 2022, together with the accompanying auditors' report, copies of which have been mailed to all persons who are Registered Shareholders as of the Record Date (unless such Registered Shareholder has informed the Company in writing declining to receive a paper copy of such annual documents) and Beneficial Shareholders who have completed a supplemental card requesting for such mailing.

II. ELECTION OF DIRECTORS

The term of office of each of the present directors expires at the conclusion of the Meeting. The persons named below will be presented for election at the Meeting as Management's nominees. Each director elected will hold office until the conclusion of the next annual general meeting of the Company or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the Articles and bylaws of the Company or the provisions of the CBCA.

The following table sets forth the name of each person proposed to be nominated by Management of the Company for election as a director, his principal occupation, business or employment, his current position held with the Company, if any, the period of time for which he has been a director of the Company, and the number of Shares beneficially owned, directly or indirectly, or subject to control or direction, by such person as of the date hereof.

Name and Municipality Of Residence	Director Since	Principal Occupation for the Past 5 Years	Number Of Shares Beneficially Owned or Controlled ⁽²⁾
John Constantine ⁽¹⁾ <i>President and CEO Greer, South Carolina, USA</i>	October 21, 2022	<ul style="list-style-type: none"> ARCpoint Inc., President & CEO (Oct 2022 to present) ARCpoint Group LLC, President & CEO (Sept 2021 to present) ARCpoint Franchise Group LLC, COO (Feb 2017 to Nov 2018), President & CEO (Nov 2018 to present) 	53,056 PVS and 76,111 SVS
Felix Mirando <i>Greenville, South Carolina, USA</i>	October 21, 2022	<ul style="list-style-type: none"> ARCpoint Group LLC, Executive Vice President (Sept 2021 to present) ARCpoint Franchise Group LLC, Founder, CEO and Chairman (Feb 2005 to Sept 2021), Executive Vice President (Sept 2021 to present) 	59,346 PVS and 913,333 SVS
Adam Ho <i>Calgary, Alberta, Canada</i>	August 24, 2016	<ul style="list-style-type: none"> Zincore Metals Inc., Interim Chief Financial Officer (Nov 2014 to July 14, 2022) and VP, Corporate Development (Sept 2013 to present) RSI International Systems Inc., Chief Executive Officer (Feb 2019 to Oct 2022) 	181,653 SVS
David Keys ⁽¹⁾ <i>Las Vegas, Nevada, USA</i>	August 24, 2016	<ul style="list-style-type: none"> Operations and Financial Consultant (April 2004 to present) 	Nil
Zelong He ⁽¹⁾ <i>Vancouver, BC, Canada</i>	May 2, 2023	<ul style="list-style-type: none"> GICMB Merchant Bank Corporation, Partner (Oct 2017 to present) Jun Hu Inc., Accounting Partner (June 2018 to present) Zecotek Image Singapore, Interim CFO (Nov 2018 to June 2019) 	Nil

Notes:

(1) Members of the Audit Committee.

(3) The information as to shares beneficially owned has been furnished and confirmed by the directors individually.

Pursuant to the business combination agreement dated April 27, 2022 as amended on June 28, 2022 and October 20, 2022 (the “**Business Combination Agreement**”) among the Company (under its prior name “RSI International Systems Inc.”), ARCpoint Group LLC (“**ARCpoint Group**”), ARCpoint Finance Corp., 10001151427 Ontario Inc. and all of the securityholders of ARCpoint Group (“**ARC Securityholders**”) in respect of a series of transactions resulting in the reverse take over of the Company by ARC Securityholders (the “**RTO**”), the parties thereto agreed that after giving effect to the RTO the Board of the Company shall consist of five directors comprised of one nominee from Adam Ho and one nominee from David Keys (together with Adam Ho, the “**RSI Principals**”) and three (3) nominees from ARCpoint Group. The board nomination right of the RSI Principals may be exercised up to the effective date of any management proxy circular (in connection with an annual general or special meeting of the Company) that is within eighteen (18) months from the closing date of the RTO (being October 21, 2022) (the “**Nomination Period**”).

On October 21, 2022, the RSI Principals entered into voting support agreements with ARC Securityholders pursuant to which ARC Securityholders agree to vote at any shareholders’ meeting of the

Company in favour of the appointment of the nominees of the RSI Principals (“**RSI Director Nominees**”) as directors of the Company provided that such nominees are nominated within the Nomination Period pursuant to the terms of the Business Combination Agreement.

The RSI Principals have nominated themselves as the RSI Director Nominees for this Meeting. To the best knowledge of Management, ARC Securityholders intend to vote in favour of the appointment of the RSI Director Nominees at the Meeting.

Unless a Proxy specifies that the Shares it represents are to be withheld from voting for the candidates proposed above, the persons named in Proxy intend to vote for the candidates proposed above. Management of the Company does not contemplate that any of the nominees will be unable to serve as a director of the Company for the ensuing year. However, if that should occur for any reason prior to the Meeting or any adjournment thereof, the persons named in the Proxy have the right to vote for the election of the remaining nominees and may vote for the election of a substitute nominee at their discretion.

Corporate Cease Trade Orders, Bankruptcies or Penalties

No proposed director, is as at the date hereof, or has been within the 10 years prior to the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:

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

No proposed director is, as at the date hereof, or has been within the past ten years prior to the date of this Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

No proposed director has, within the past ten years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

No proposed director has been subject to:

- c) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

- d) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

III. RE-APPOINTMENT OF AUDITORS

The Shareholders will be asked to approve the re-appointment of Davidson & Company LLP as the auditors of the Company to hold office until the conclusion of the next annual general meeting of the Company and to authorize the the Board to fix the remuneration of the auditors for the ensuing year.

Unless a Proxy specifies that the Shares it represents are to be withheld from voting for the re-appointment of Davison & Company LLP as the auditors of the Company to hold office until the close of the next annual general meeting of the Company and authorizing the Board to fix the remuneration of the auditors of the Company for the ensuing year, the persons named in the Proxy intend to vote for such re-appointment and authorization.

IV. ANNUAL APPROVAL OF OMNIBUS PLAN

The Shareholders will be asked to consider and, if thought appropriate, pass a resolution approving the continuation of the Company's omnibus equity incentive compensation plan (the "**Omnibus Plan**"). The Company's Omnibus Plan was initially approved by the Shareholder of the Company at the annual and special meeting of the shareholders held on June 28, 2022 and took effect on October 21, 2022, the closing date of the RTO. The Omnibus Plan replaced the Company's former stock option plan adopted by the Company (the "**Former Stock Option Plan**") and all of the Options granted under the Former Stock Option Plan have continued under the Omnibus Plan. Since the Omnibus Plan contains a 10% rolling option plan, the TSXV requires the Omnibus Plan to be approved by the Shareholders yearly at the Company's annual general meeting of Shareholders. A summary of the Omnibus Plan is set out under "SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS". A copy of the Omnibus Plan is attached as Schedule "B" to this Circular and may be obtained on written request to the Company at 101 North Main Street, Suite 301, Greenville, South Carolina, USA 29601.

The complete text of the resolution approving the Omnibus Plan which Management intends to place before the Meeting for approval, confirmation, and adoption, with or without modification is set out in Schedule "A" to this Circular. In order to be effective, this resolution requires the approval of a majority of the votes cast by the Shareholders who vote in respect of the resolution.

Unless a Proxy specifies that the Shares it represents are to be voted against the approval of the Omnibus Plan, the persons named in the Proxy intend to vote for such approval.

INFORMATION CONCERNING THE COMPANY

EXECUTIVE COMPENSATION

The purpose of this section is to describe the compensation of certain Named Executive Officers of the Company in accordance with Form 51-102F6V – *Statement of Executive Compensation – Venture Issuer* published by the Canadian Securities Administrators. When used in this Circular, "**Named Executive Officer**" means: (i) each person who acted as the Chief Executive Officer or the Chief Financial Officer of the Company (or in similar capacities thereof) during the most recently completed financial year of the Company; and (ii) the other three most highly compensated executive officers of the Company whose compensation exceeded C\$150,000 during the most recently completed financial year of the Company.

As of December 31, 2022, the last day of the most recently completed financial year of the Company, the Company has five (5) Named Executive Officers: John Constantine, President and Chief Executive Officer, Jason Tong, Chief Financial Officer of the Company, Dano Jukanovich, Chief Operating Officer of the Company, Felix Miranda, Executive Vice President of ARCpoint Group and Lou Ann Banks, Chief Marketing Officer, ARCpoint Franchise Group LLC (“ARCpoint Franchise”).

Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table provides information regarding all compensation paid to or earned by each of the Named Executive Officers and directors of the Company, other than stock options and other compensation securities, for each of the two most recently completed financial years:

Table of Compensation Excluding Compensation Securities							
Name and Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total Compensation (\$)
John Constantine ⁽¹⁾ , President, CEO & Director	2022	US\$290,000	US\$80,000	-	-	-	US\$370,00
	2021	N/A	N/A	N/A	N/A	N/A	N/A
Dano Jukanovich ⁽²⁾ , Chief Operating Officer	2022	US\$230,000	US\$60,000	-	-	-	US\$290,000
	2021	N/A	N/A	N/A	N/A	N/A	N/A
Jason Tong ⁽³⁾ , Chief Financial Officer	2022	US\$28,300	-	-	-	-	US\$28,300
	2021	N/A	N/A	N/A	N/A	N/A	N/A
Felix Miranda ⁽⁴⁾ , Director of the Company and Executive VP of ARCpoint Group	2022	US\$230,000	US\$25,000	-	-	-	US\$255,000
	2021	N/A	N/A	N/A	N/A	N/A	N/A
Lou Ann Banks ⁽⁵⁾ , Chief Marketing Officer, ARCpoint Franchise	2022	US\$227,500	US\$13,125	-	-	-	US\$240,625
	2021	N/A	N/A	N/A	N/A	N/A	N/A
Adam Ho ⁽⁶⁾ , Director	2022	C\$156,397.50	-	-	-	-	C\$156,397/50
	2021	C\$36,000	-	-	-	-	C\$36,000
David Keys, Director	2022	-	-	-	-	-	US\$472
	2021	-	-	-	-	-	-
Mark Orsmond,	2022	-	-	-	-	US\$472	US\$472

Table of Compensation Excluding Compensation Securities							
Name and Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total Compensation (\$)
Director ⁽⁷⁾	2021	-	-	-	-	-	-

Notes:

- (1) John Constantine received the aforementioned compensation in his capacity as President and Chief Executive Officer of ARCpoint Group which became a wholly owned subsidiary of the Company upon closing of the RTO on October 21, 2022. Mr. Constantine did not receive any additional compensation (other than options as described below) for serving as President, CEO and a director of the Company in the most recently completed financial year.
- (2) Dano Jukanovich received the aforementioned compensation in his capacity as Chief Financial Officer of ARCpoint Group which became a wholly owned subsidiary of the Company upon closing of the RTO on October 21, 2022. Mr. Jukanovich did not receive any additional compensation (other than options described below) for serving as Chief Operating Officer of the Company in the most recently completed financial year. Mr. Jukanovich resigned as the Chief Operating Officer of the Company and Chief Financial Officer of ARCpoint Group on April 1, 2023. Upon his resignation on April 1, 2023, Mr. Jukanovich received severance payment in the amount of US\$290,000.
- (3) Jason Tong was appointed as Chief Financial Officer of the Company upon closing of the RTO on October 21, 2022.
- (4) Felix Miranda received the aforementioned compensation in his capacity as Executive Vice President of ARCpoint Group which became a wholly owned subsidiary of the Company upon closing of the RTO on October 21, 2022. Mr. Miranda did not receive any additional compensation (other than options as described below) for serving as a director of the Company in the most recently completed financial year.
- (5) Lou Ann Banks received the aforementioned compensation in her capacity as Chief Marketing Officer of ARCpoint Franchise which became a wholly owned subsidiary of the Company upon closing of the RTO on October 21, 2022.
- (6) Adam Ho received C\$36,000 in his capacity as the former Chief Executive Officer of the Company (formerly known as RSI International Systems Inc.). Mr. Ho resigned as Chief Executive Officer of the Company upon closing of the RTO on October 21, 2022, but continues to serve as a director of the Company. He did not receive any additional compensation (other than options and other compensation securities as described below) for serving as a director of the Company in the most recently completed financial year. Mr. Ho was appointed as Vice President of the Company effective as of November 1, 2022. He received an initial fee of US\$75,000 (C\$101,737.50) and monthly fees in the aggregate amount of C\$18,660 in the most recently completed financial year pursuant to the Vice President consulting agreement he entered into with the Company.
- (7) Mark Orsmond resigned as a director of the Company on May 1, 2023.

Stock Options and Other Compensation Securities

The following table provides information regarding all compensation securities granted or issued to each of the Named Executive Officers and directors of the Company in the most recently completed financial year:

Compensation Securities							
Name and Position	Type of Compensation Security	Number of Compensation Securities, Number of Underlying Securities, and Percentage of Class	Date of Issue or Grant	Issue, Conversion or Exercise Price	Closing Price of Security or Underlying Security on Date of Grant (\$) ⁽¹⁾	Closing Price of Security or Underlying Security at Year End (\$)	Expiry Date
John Constantine, <i>President, CEO & Director</i>	Options	20,000 SVS	Oct 21, 2022	C\$0.45	C\$0.45	C\$0.20	Oct 21, 2027
Dano Jukanovich, <i>Chief Operating Officer</i>	Options	20,000 SVS	Oct 21, 2022	C\$0.45	C\$0.45	C\$0.20	Oct 21, 2027
Jason Tong, <i>Chief Financial Officer</i>	Options	120,000 SVS	Oct 21, 2022	C\$0.45	C\$0.45	C\$0.20	Oct 21, 2027
	RSU	128,000 SVS	Oct 21, 2022	1 RSU for 1 SVS	C\$0.045	C\$0.20	Dec 31, 2023
Felix Mirando, <i>Director of the Company and Executive VP of ARCpoint Group</i>	Options	20,000 SVS	Oct 21, 2022	C\$0.45	C\$0.45	C\$0.20	Oct 21, 2027
Lou Ann Banks, <i>Chief Marketing Officer, ARCpoint Franchise</i>	Options	20,000 SVS	Oct 21, 2022	C\$0.45	C\$0.45	C\$0.20	Oct 21, 2027
Adam Ho, <i>Director</i>	Options ⁽²⁾	180,500 SVS	Oct 21, 2022	C\$0.25	C\$0.45	C\$0.20	May 1, 2024
	RSU	225,000 SVS	Oct 21, 2022	1 RSU for 1 SVS	C\$0.45	C\$0.20	Dec 31, 2023
David Keys, <i>Director</i>	Options ⁽²⁾	180,500 SVS	Oct 21, 2022	C\$0.25	C\$0.45	C\$0.20	May 1, 2024
	Options	20,000 SVS	Oct 21, 2022	C\$0.45	C\$0.45	C\$0.20	Oct 21, 2027
Mark Orsmond, <i>Director</i>	Options	20,000 SVS	Oct 21, 2022	C\$0.45	C\$0.45	C\$0.20	Oct 21, 2027

Notes:

- (1) Closing price of the Subordinate Voting Shares on October 28, 2022, the date on which the Subordinate Voting Shares of the Company commenced trading on the TSXV.
- (2) Options issued under the new Omnibus Plan at closing of the RTO to replace the options existing under the former Stock Option Plan of the Company.
- (3) As of December 31, 2022, each of John Constantine, Dano Jukanovich, Felix Mirando, Lou Ann Banks and Mark Orsmond held 20,000 Options; Jason Tong held 120,000 Options and 128,000 RSU; Adam Ho held 180,500 SVS and 225,000 RSU; and David Keys held 200,500 Options. Each of the outstanding Option is exercisable to purchase one SVS and vested immediately upon grant. Each of the outstanding RSU vests on October 21, 2023 and entitles its holder to receive one (1) SVS per RSU.

None of the Named Executive Officers and directors exercised any Awards during the most recently completed financial year.

Omnibus Plan

The Company's Omnibus Plan was initially approved by the Shareholder of the Company at the annual and special meeting of the Shareholders held on June 28, 2022 and took effect on October 21, 2022, the closing date of the RTO. Subject to the Shareholders' approval of the Omnibus Plan at the Meeting, the Omnibus Plan is next required to be approved by Shareholders at the next annual general and special meeting of Shareholders to be held in 2024. A summary of the material terms of the Omnibus Plan is set out under "SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS".

Employment, Consulting and Management Agreements

John Constantine serves as President and Chief Executive Officer of the Company and ARCpoint Group, the wholly owned US subsidiary of the Company. Mr. Constantine does not have an employment or consulting agreement with the Company, but he has entered into an employment contract with ARCpoint Group on September 7, 2021. Pursuant to the contract, Mr. Constantine receives an annual base salary of US\$290,000 and is eligible to participate in ARCpoint Group's discretionary quarterly bonus plan arrangement, which shall be based on the ARCpoint Group's overall performance for that quarter, and, in addition, in any other current and future bonus plans as determined by the board of managers of ARCpoint Group ("**ARCpoint Board**"). Actual payments will be determined based on key performance indicators established in writing by the ARCpoint Board. The employment contract does not provide any change of control payments. However, If Mr. Constantine's employment with ARCpoint Group is involuntarily terminated for reasons other than cause, death, retirement, or disability, or if Mr. Constantine terminates employment with ARCpoint Group for Good Reasons (as defined below), he will be entitled to receive continued payment of his base salary during a period immediately following the date of termination that is equal to three (3) months for every year of service (including both service with ARCpoint and ARCpoint Franchise), not to exceed a maximum of twelve (12) months.

For the purpose of this section, "Good Reason" means the occurrence of any of the following events, without the employee's consent: (i) a reduction in the employee's base salary that is not in compliance with the employment contract, (ii) a change of the employee's principal place of employment to a location more than fifty (50) miles from its then current location, or (iii) a material breach of the employment contract by ARCpoint Group. For a termination to qualify as a termination for Good Reason, (A) the employee must have provided ARCpoint Group a written notice within thirty (30) days after first learning of the occurrence of an event that allegedly constitutes Good Reason specifying in reasonable detail the nature thereof, (B) ARCpoint Group must have failed to reverse the action or correct the situation constituting Good Reason within thirty (30) days after receiving the notice, and (C) the employee must have resigned within thirty (30) days following the expiration of the cure period.

Dano Jukanovich served as Chief Operating Officer of the Company and Chief Financial Officer of ARCpoint Group, and resigned in those capacities on April 1, 2023. Mr. Jukanovich did not have an employment or consulting with the Company, but he has entered into an employment contract with ARCpoint Group on September 7, 2021. Pursuant to the contract, Mr. Jukanovich received an annual base salary of US\$230,000 and was eligible to participate in ARCpoint Group's discretionary quarterly bonus plan arrangement, and, in addition, in any other current and future bonus plans as determined by the ARCpoint Board. The employment contract does not provide any change of control payments. However, If Mr. Jukanovich's employment with ARCpoint is involuntarily terminated for reasons other than cause, death, retirement, or disability, or if Mr. Jukanovich terminates employment with ARCpoint for Good

Reasons, he will be entitled to receive continued payment of his base salary during a period immediately following the date of termination that is equal to three (3) months for every year of service (including both service with ARCpoint Group and ARCpoint Franchise), not to exceed a maximum of twelve (12) months. Upon his resignation on April 1, 2023, Mr. Jukanovich received severance payment in the amount of US\$290,000.

Felix Miranda serves as Executive Vice President of ARCpoint Group. Mr. Miranda entered into an employment contract with ARCpoint Group on September 7, 2021. Pursuant to the contract, Mr. Miranda receives an annual base salary of US\$230,000 and is eligible to participate in ARCpoint Group's discretionary quarterly bonus plan arrangement, which shall be based on the ARCpoint Group's overall performance for that quarter, and, in addition, in any other current and future bonus plans as determined by the ARCpoint Board. The employment contract does not provide any change of control payments. However, If Mr. Miranda's employment with ARCpoint Group is involuntarily terminated for reasons other than cause, death, retirement, or disability, or if Mr. Miranda terminates employment with ARCpoint Group for Good Reasons, he will be entitled to receive continued payment of his base salary (i) if termination occurs prior to the second anniversary of the employment contract, during the period from the date of termination to the third anniversary of the date of the employment contract, or (ii) if termination occurs on or after the second anniversary of the employment contract, for twelve (12) months immediately following the date of termination.

Jason Tong serves as Chief Financial Officer of the Company. Mr. Tong, through his holding company Catapult Consulting Corp., entered into a consulting agreement with the Company on October 12, 2022. The agreement has a term of one year commencing on October 21, 2023 and ending October 31, 2023. Pursuant to the agreement, the Company agrees to pay Mr. Tong a fixed monthly fee of USD\$10,000, 120,000 Options each exercisable to acquire one (1) Subordinate Voting Share at an exercise price of C\$0.45 per share until October 21, 2027 and 128,000 RSU vesting on October 21, 2023. The Company may terminate the agreement for cause without notice or pay in lieu of notice or with a three (3) month notice without cause. Mr. Tong may terminate the agreement with a three (3) month notice to the Company.

Lou Ann Banks serves as Chief Marketing Officer of ARCpoint Franchise. Ms. Banks entered into an employment contract with the Company on June 8, 2021. Pursuant to the contract, Ms. Banks receives an annual base salary of US\$175,000 and has the opportunity to earn a variable bonus of up to 30% of the base salary solely at the discretion of company leadership. ARCpoint Franchise may terminate the employment at any time, with or without cause, and with or without notice.

The management functions of the Company are performed by the executive officers and directors of the Company. As of the date hereof, the Company has not entered into any management contracts with any third parties.

Oversight and Description of Director and Named Executive Officer Compensation

Compensation Committee

The Company has established a compensation committee (the "**Compensation Committee**") which provides oversight, and is responsible for setting policies, processes and practices on executive compensation. Among other things, the Compensation Committee may take into account recommendations of third-party advisors who specialize in providing guidance on executive compensation and human resource matters.

The Compensation Committee of the Company is comprised of Dey Keys and Zelong He, each of whom meets the requirements of independence under National Instrument 58-101 – *Disclosure of Corporate Governance Practices* and has a working familiarity with governance, human resources and compensation matters.

Compensation Process

The Company's compensation practices are designed to attract, retain and motivate its Named Executive Officers for their efforts in continuing to grow the Company in a manner aligned with the short-term and long-term success of the Company and for the benefit of its Shareholders. Both individual and team-based performance metrics will be taken into account when monitoring and continuing to set and refine compensation practices for Named Executive Officers of the Company.

The general objective of the Company's compensation is to: (i) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value; (ii) align management's interests with the long-term interests of shareholders; (iii) provide a compensation package that is commensurate with other health care companies in order to enable the Company to attract and retain talent; and (iv) ensure that the total compensation package is designed in a manner that takes into account the realities under which the Company will operate.

The Board, upon recommendation of the compensation committee of the Company, will seek to ensure that total compensation paid to all Named Executive Officers is fair and reasonable and accomplishes the objectives of (i) producing long-term, positive results for shareholders, (ii) aligning executive compensation with corporate performance, and (iii) providing market-competitive compensation and benefits that will enable the Company to recruit, retain and motivate the executive talent necessary to be successful.

The Board, upon recommendation of the Compensation Committee, will determine annual and long-term performance goals and objectives for the Named Executive Officers and directors. The Compensation Committee shall seek the input and recommendation of the CEO and the CFO with respect to the compensation and performance goals and objectives of the other senior employees and may also engage outside consultants with respect to any executive compensation matters as it sees fit.

The Compensation Committee will take into account executive compensation paid by companies comparable to the Company, although no specific benchmarking policy is expected to be put in place for determining compensation or any element of compensation.

Elements of Executive Compensation

Compensation for the Named Executive Officers of the Company consists of the following elements:

1. fixed compensation in the form of base salary;
1. short-term incentive in the form of quarterly performance bonus; and
2. long-term equity-based incentive in the form of Options, RSUs, PSUs and DSUs to be issued pursuant to the Omnibus Plan.

Base salary is designed to attract and retain executives by providing reasonable income certainty at a level that is competitive with the base salaries for Named Executive Officers with similar talents, qualifications and responsibilities at companies with similar financial, operating and industrial characteristics.

Quarterly performance bonuses are intended to provide short-term incentives to executives by rewarding them for their yearly individual contribution and achievement of the Company's performance objectives in the context of overall corporate performance.

Equity incentive awards are designed to, among other things, motivate Named Executive Officers to achieve longer-term sustainable business results and align their interests with those of the shareholders of the Company, since grantees of equity incentive awards benefit only if the market value of the underlying Subordinate Voting Shares appreciates.

Determination of the Amount of Each Compensation Element

Base Salary – Base salaries of the Named Executive Officers will be negotiated at the time of engagement and set forth in their respective employment or consulting agreements entered into with the Company. Upon engagement, the Named Executive Officers' base salaries are subject to annual review by the Compensation Committee. The determination of base salaries of Named Executive Officers is based on the assessment of several factors such as current competitive market conditions, experience of the Named Executive Officers with other issuers in the industry and factors particular to the Named Executive Officers, including individual performance in the context of the Company's overall performance, the scope of the Named Executive Officer's role with the Company and retention considerations.

Quarterly Performance Bonus – Cash bonuses may be awarded to recognize the achievement of quarterly corporate objectives and to recognize contributions that enhance the intrinsic value of the Company. It is anticipated that benefits commensurate with those paid to Named Executive Officers of companies of similar size and scope to the Company will be paid to its Named Executive Officers. The quarterly bonus plan will be a cash performance plan under which a payment is made to Named Executive Officers following the end of each fiscal quarter, based on the achievement of established corporate and individual goals and objectives. It is anticipated that the quarterly objectives of the Company will be presented to the Compensation Committee at the relevant time followed by periodic updates. Following the completion of the fiscal quarter, it is anticipated that an evaluation of corporate performance versus objectives would be undertaken and the Board, with recommendation from the Compensation Committee, would then be expected to have final approval of the amounts paid to the Named Executive Officers and their direct reports under the quarterly bonus plan.

Security-based awards – The Company has adopted the Omnibus Plan pursuant to which share-based Awards, including Options, RSUs, PSUs and DSUs may be granted to directors, officers, employees and consultants of the Company as an incentive to serve the Company in attaining its goal of improving shareholder value. Awards will generally be awarded to the Named Executive Officers on an annual basis. The determination of Awards to be granted to the Named Executive Officers is based on a variety of factors, such as the need to attract or retain key individuals, competitive market conditions and internal equity. The amounts and terms of historical and outstanding Awards are taken into account from time to time in the determination of Awards. Awards will be granted by the Board, subject to consideration and approval by the Compensation Committee, in a manner that ensures that the total number of Awards granted to any particular individual, including previous grants of Awards, is commensurate with the individual's level of ongoing responsibility and contribution to the Company.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Omnibus Plan

On October 21, 2022, the Company adopted the Omnibus Plan, which replaced the Former Stock Option Plan of the Company. The Omnibus Plan provides that the Board may from time to time, in its discretion, and in accordance with the requirements of the TSXV, grant to directors, officers, employees and technical consultants to the Company certain security based compensations. The principal terms of the Omnibus Plan are summarized below. The summary is qualified in its entirety by the full text of the Omnibus Plan, which is attached to this Circular as Schedule “B”.

The Omnibus Plan facilitates granting of Options, restricted share units (“RSUs”), performance share units (“PSUs”) and deferred share units (“DSUs” collectively with the RSUs and PSUs, the “Units”, and collectively with the Options, the “Awards”), representing the rights to receive SVS and/or cash equivalent, to the *bona fide* eligible directors, officers, employees and consultants of the Company and its subsidiaries in accordance with the terms of the Omnibus Plan (each such person having been granted an Award being, a “Participant”).

The maximum number of SVS issuable at any time pursuant to outstanding Awards under the Omnibus Plan will be equal to the following: (i) in respect to grants of Options under the Omnibus Plan, 10% of the total number of SVS that are issued and outstanding and that may be convertible from the PVS that are then issued and outstanding (the “Issued Shares”) as of the date of any Option grant, and (ii) in respect to grants of Units under the Omnibus Plan, 8,924,774 SVS (representing 10% of the Issued Shares of the Company as at October 21, 2022, the date of implementation of the Omnibus Plan).

SVS that are covered by the Awards that have been granted pursuant the Plan shall not be available for subsequent Award grants under the Plan provided that (i) SVS covered by Options which have been exercised, and Options which expired or are forfeited, surrendered, cancelled or otherwise terminated or lapse for any reason, will be available for subsequent Option grants under the Omnibus Plan; and (ii) SVS covered by Units which have been settled in cash, cancelled, terminated, surrendered, forfeited or expired without being exercised, and pursuant to which no SVS have been issued shall be available for subsequent Unit grants under the Omnibus Plan.

The number of SVS issuable to insiders, at any time, under all security-based compensation arrangements of the Company, may not exceed 10% of the Issued Shares and the number of SVS issued to insiders within any one-year period, under all security based compensation arrangements of the Company, may not exceed 10% of the Issued Shares. The maximum number of SVS that may be made issuable pursuant to Options made to any Participant under the Omnibus Plan together with any other security-based compensation arrangement in any 12-month period shall not exceed 5% of the Issued Shares calculated at the date of grant. The aggregate number of SVS that may be made issuable under all security-based compensation arrangements to any one Participant that is a Consultant in any 12-month period must not exceed 2% of the Issued Shares calculated at the date of grant.

Units may not be granted to Persons performing Investor Relations Activities, provided that such Persons may receive Options under the Omnibus Plan. The aggregate number of Options granted to all Persons retained to provide Investor Relations Activities must not exceed 2% of the Issued Shares in any 12-month period calculated at the date of grant (and including any Participant that performs Investor Relations Activities and/or whose role or duties primarily consist of Investor Relations Activities). Options granted to any Person retained to provide Investor Relations Activities must vest in a period of not less than 12 months from the date of grant and with no more than 25% of the Options vesting in any three-month period.

No Award (other than Options) may vest before the date that is one year following the date the Award is granted or issued, provided that this requirement may be accelerated for a Participant who dies or who ceases to be an eligible Participant under the provisions hereof in connection with a change of control, take-over bid, reverse take-over or other similar transaction.

The Omnibus Plan will provide that subject to approval by TSXV, appropriate adjustments, if any, will be made by the Board in connection with a reclassification, reorganization or other change of SVS, consolidation, distribution, merger or amalgamation, in the SVS issuable or amounts payable to preclude a dilution or enlargement of the benefits under the Omnibus Plan.

Other than by will or under the law of succession, or as expressly permitted by the Board, or as otherwise set forth herein, Awards are not assignable or transferable. Awards may only be exercised: (i) by the Participant to whom the Awards were granted; (ii) with the Company's prior written approval and subject to such conditions as the Company may stipulate; (iii) upon the Participant's death, by the legal representative of the Participant's estate; or (iv) upon the Participant's incapacity, the legal representative having authority to deal with the property of the Participant.

Options

The Board shall determine, at the time of granting the particular Option, the period during which the Option is exercisable, commencing on the date such Option is granted to the Participant and ending as specified in the Omnibus Plan or in the underlying option agreement, but in no event shall an Option expire on a date which is later than ten (10) years from the date the Option is granted. The price payable by a Participant to acquire a SVS upon exercising an Option ("**Option Price**") shall be fixed by the Board when such Option is granted, but shall not be less than the closing price of the SVS on the trading day prior to the Option grant date less any discount permitted by the policies of TSXV.

Should the expiration date for an Option fall within a Black-Out 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 Black-Out Period, such tenth (10th) business day to be considered the expiration date for such Option for all purposes under the Omnibus Plan. The ten (10) business day period may not be extended by the Board.

The Board has the discretion to determine the vesting schedule of any Option and the Board shall have the full power and authority to accelerate the vesting or exercisability of all or any portion of any Option. Once a portion of a Option that has vested becomes exercisable, it remains exercisable until expiration of termination of the Option, unless otherwise specified by the Board in connection with the grant of such Option.

The Omnibus Plan permits net exercise of Options by the Participants. Subject to approval by the Board, vested Options (excluding Options held by any Persons performing Investor Relations Activities), may be exercised without the Participant making any cash payment to the Company pursuant to which the Participant receives the number of SVS that is equal to the quotient obtained by dividing (i) the product of the number of Options being exercised multiplied by the difference between the volume weighted average trading price of SVS for the five trading days immediately prior to the exercise of the Option ("**VWAP**") and the exercise price of the Options, by (ii) the VWAP.

DSU

A DSU is an Award granted to a Participant as compensation for employment or consulting services provided by such Participant to the Company or its subsidiaries, which entitles him or her to receive, for

no additional cash consideration, SVS, the cash equivalent, or a combination thereof, as may be determined by the Board, on a deferred basis after retirement, termination of service or death of such Participant. A DSU may be subject to restrictions and conditions as the Board may determine at the time of grant which may be based on such factors as may be determined by the Board from time to time, including the achievement of pre-established vesting and performance goals and objectives.

The Board shall, from time to time, in its sole discretion, (i) designate the Participant who may receive DSUs under the Omnibus Plan, (ii) fix the number of DSUs and the date or dates on which such DSUs shall be granted, and (iii) determine the relevant conditions and vesting provisions of such DSUs, the whole subject to the terms and conditions prescribed in the Omnibus Plan.

Subject to vesting and other conditions and provisions set forth in the Omnibus Plan and in an agreement relating to a grant of DSUs the Board shall determine whether DSUs awarded to a Participant shall entitle the Participant: (i) to receive one (1) SVS issued from treasury or purchased on the open market for each DSU awarded; (ii) to receive the cash equivalent of one (1) SVS for each DSU awarded; or (iii) to receive a combination of cash and SVS.

Each Participant may elect to receive any portion, up to 100%, of his or her Remuneration in the form of DSUs (the “**Voluntary Portion**”). Each Participant who elects to participate will receive such number of DSUs as is obtained by dividing the Voluntary Portion payable quarterly (or such other period as may be determined by the Board) to the Participant by the VWAP on the date on which the DSUs are awarded.

A Participant who is not a U.S. Participant and who ceases to be a director or officer of the Company, ceases to be employed by the Company or its subsidiaries, or ceases to provide services to the Company or its subsidiaries, as applicable, (or, if deceased his or her estate, succession, heirs or legal representatives) may request the settlement of all (but not less than all) of his or her DSUs at any time during the period between the date on which he or she ceases to be a director (the “**Termination Date**”) and the business date preceding December 31 of the calendar year following the calendar year of the Termination Date. With respect to DSUs of a U.S. Participant, the DSU settlement date is the date of the U.S. Participant’s Separation from Service (as defined under Section 409A of the U.S. Tax Code, provided that if the U.S. Participant is a specified employee within the meaning of Section 409A of the U.S. Tax Code, the DSU settlement date will be the first day of the seventh (7th) month following the date of the U.S. Participant’s Separation from Service.

Notwithstanding any other provision of the Omnibus Plan, in the event that a DSU settlement date occurs during a Black-Out Period or other trading restriction imposed by the Company, then settlement of the applicable DSUs shall be automatically extended to the tenth (10th) business day following the date that such Black-Out Period or other trading restriction is lifted, terminated or removed.

PSU

A PSU is an Award entitling the recipient to receive payment in SVS and/or cash equivalent once such Award is earned and has vested, subject to such restrictions and conditions as the Board may determine at the time of grant. Conditions shall be based upon the achievement of pre-established performance criteria (the “**Performance Criteria**”) over the performance period (the “**Performance Period**”) as well as continuing employment or engagement with the Company or any of its subsidiaries.

The Board shall, from time to time by resolution, in its sole discretion, (i) designate the Participants who may receive PSUs under the Omnibus Plan (ii) fix the number of PSUs, if any, to be granted to such Participant and the date or dates on which such PSUs shall be granted, and (iii) determine the relevant

conditions and vesting provisions (including the applicable Performance Period and Performance Criteria), the whole subject to the terms and conditions prescribed in the Omnibus Plan and in any PSU agreement.

Subject to vesting and other conditions and provisions set forth in the Omnibus Plan and in an agreement relating to a grant of PSUs, the Board shall determine whether PSUs awarded to a Participant shall entitle the Participant: (i) to receive one (1) SVS issued from treasury or purchased on the open market for each PSU awarded; (ii) to receive the Cash Equivalent of one (1) SVS for each PSU awarded; or (iii) to receive a combination of SVS and cash.

For each award of PSUs, the Board shall establish the Performance Period in which any Performance Criteria and other vesting conditions, provided that such Performance Period may not expire after the last day of the Unit Restriction Period. For the purposes of the Omnibus Plan, “**Unit Restriction Period**” means the applicable restriction period in respect of a particular PSU or RSU, which period shall end on the Business Day preceding December 31 of the calendar year which is three (3) years after the calendar year in which the PSU or RSU is granted, or such shorter period as may be determined by the Board at the time the PSU or RSU is granted.

The Board shall also establish the vesting determination date for PSUs (the “**PSU Vesting Determination Date**”) upon which the Board determines if the Performance Criteria and all other vesting conditions with respect to a PSU have been met or have been waived or deemed satisfied by the Board in its sole discretion, and as a result, establishes the number of PSUs that become vested, if any.

In the event that the vesting conditions, the Performance Criteria and Performance Period of a PSU are satisfied, all of the vested PSUs covered by a particular grant to a Participant who is not a U.S. Participant may be settled at on any day (each such day being a “**PSU Settlement Date**”) beginning on the PSUs Vesting Determination Date and ending on or before the last day of the Unit Restriction Period by delivering a settlement notice (the “**Unit Settlement Notice**”) in respect of any or all vested PSUs held by such Participant. PSUs of a U.S. Participant will be settled by the Company on or before March 15th of the year immediately following the calendar year in which the PSU Vesting Determination Date occurred. The U.S. Participant shall have no ability to influence, directly or indirectly, the calendar year in which the PSUs will be settled; and (b) any vested PSU of a Participant who is not a U.S. Participant for which no Unit Settlement Notice has been delivered prior to the last day of the Unit Restriction Period shall be automatically settled on the last day of the Unit Restriction Period.

RSU

A RSU is an Award granted for services rendered in a particular year entitling the recipient to receive payment based on the value of one SVS once such Award has vested, subject to such restrictions and conditions as the Board may determine at the time of grant. Conditions may be based on continuing employment (or engagement) with the Company or any of its subsidiaries.

Unless otherwise set forth in a RSU agreement, each RSU shall vest as to 1/3 on each of the first, second and third anniversary of the date of grant provided the Participant remains in continuous service with the Company or any of its subsidiaries from the date of grant of the RSU through such vesting date (the “**RSU Vesting Date**”). Notwithstanding the foregoing, if the Board in its discretion waives all vesting conditions or deems them satisfied, the date of such determination by the Board will be the RSU Vesting Date. Subject to the vesting and other conditions and provisions set forth in the Omnibus Plan and in a RSU agreement, the Board shall determine whether RSUs awarded to a Participant shall entitle the Participant: (i) to receive one (1) SVS issued from treasury or purchased on the open market for each RSU awarded; (ii) to receive the cash equivalent of one (1) SVS for each RSU awarded; or (iii) to receive a combination of SVS and cash.

RSUs of a Participant who is not a U.S. Participant shall be settled by the Participant at any time beginning on the first Business Day following the RSU Vesting Date but no later than the last day of the Unit Restriction Period. RSUs of a U.S. Participant will be settled by the Company on or before March 15th of the year immediately following the calendar year in which the RSU Vesting Date occurred and the U.S. Participant shall have no ability to influence, directly or indirectly, the calendar year in which the RSUs will be settled.

Notwithstanding any other provision of the Omnibus Plan, in the event that a RSU Settlement Date falls during a Black-Out Period or other trading restriction imposed by the Company and the Participant or U.S. Participant has not delivered a Unit Settlement Notice, then such RSU Settlement Date shall be automatically extended to the tenth (10th) Business Day following the date that such Black-Out Period or other trading restriction is lifted, terminated or removed.

Omnibus Plan Information

The following table sets out the number of Subordinate Voting Shares reserved for issuance, the weighted average exercise price, and the number of Subordinate Voting Shares remaining for future issuance under the Company's Omnibus Plan as of December 31, 2022:

Omnibus Plan Information			
Plan Category	Number of Shares to be Issued on the Exercise of Outstanding Awards	Weighted-Average Exercise Price of Outstanding Awards	Number of Securities Remaining Available for Future Issuance under the Omnibus Plan
Plans Approved by Shareholders	1,234,554 ⁽¹⁾	\$0.32 ⁽²⁾	16,614,994 ⁽³⁾
Plans Not Approved by Shareholders	Nil	N/A	Nil
Total	1,234,554	\$0.32	16,614,994

Notes:

- (1) As of December 31, 2022, the Company has 881,554 Options and 353,000 RSU issued and outstanding. The Company did not issue any DSU or PSU in the financial year ended December 31, 2022.
- (2) Weighted average price of outstanding Options.
- (3) Of the 16,614,994 Awards that remained available for issuance under the Omnibus Plan as of December 31, 2022, 8,043,220 remained available for issuance of Options and 8,571,774 remained available for issuance of RSU, DSU and PSU under the Omnibus Plan.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the present or former directors, proposed nominees or senior officers of the Company or their respective associates or affiliates are, were or have been indebted to the Company or subject to a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company, at any time since the beginning of the last completed financial year of the Company and as at the date hereof.

CORPORATE GOVERNANCE

National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) adopted by the Canadian securities regulatory authorities requires that, if management of any issuer solicits proxies from its security holders for the purpose of electing directors, certain disclosure of its corporate governance practices must be included in its management information circular.

National Policy 58-201 – *Corporate Governance Guidelines* (“**NP 58-201**”) establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company’s practices comply with the guidelines. However, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development. Therefore, certain guidelines under NP 58-201 have not been adopted. The Company will continue to review and implement the corporate governance guidelines set out in NP 58-201 as the business of the Company progresses.

The following disclosure has been prepared in accordance with Form 58-101F2 – *Corporate Governance Disclosure (Venture Issuers)*, NI 58-101 and NP 58-201.

The Board of Directors

Independence of the Board of Directors

Two of the five current members of the Board, David Keys and Zelong He are independent within the meaning of NI 58-101. John Constantine and Felix Mirando are considered to be not independent because they are officers of the Company and/or its subsidiaries. Adam Ho is considered to be not independent because he has been an executive officer of the Company within the last three years.

To help ensure the functioning of the Board independently of Management, the independent directors hold informal meetings at which members of Management are not present. In addition, the compensation of the officers of the Company is considered in their absence by the Compensation Committee comprised of the independent members of the Board at least once a year.

Directorship with Other Reporting Issuers

Name of Director	Name of other Reporting Issuers
Adam Ho	Zincore Metals Inc. (NEX) HIRE Technologies Inc. (TSXV)
David Keys	SurgePays Inc. (NASDAQ)
Zelong He	Alset Capital Inc. (NEX)

Orientation and Continuing Education

The Board does not have a formal program for the orientation and education of new members. New members are briefed on their responsibilities by other directors of the Company. When a person joins the Board, he or she will be given the opportunity to become familiar with the Company by meeting with the other directors of the Company and with the officers and representatives of the Company. As each director has a different skill set and professional background, orientation and training activities will be tailored to the particular needs and experience of the individual director.

Ethical Business Conduct

The Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations, providing guidance to Management to help them recognize and deal with ethical issues, promoting a culture of open communication, honesty and accountability and ensuring awareness of disciplinary action for violations of ethical business conduct. While both the Management and the Board are committed to ensuring the ethical operation of the Company's business, the Company does not at present have a formal code of ethics.

Nomination of Directors

The Board does not at present have a formal policy for the nomination of new directors. The recruitment of new directors, when required, will be based on recommendations made by incumbent members of the Board and the Shareholders. Prior to standing for election, new nominees to the Board will be reviewed by the incumbent Board to ensure that they have adequate knowledge of corporate governance and experience in acting as director of reporting issuers in the health care sector.

Compensation

The Company has established a Compensation Committee which provides oversight, and is responsible for setting policies, processes and practices on executive compensation. The Board, with recommendation of the Compensation Committee, sets compensation for the directors and officers of the Company. See "EXECUTIVE COMPENSATION – Oversight and Description of Director and Named Executive Officer Compensation".

Committees of the Board of Directors

The Board currently has two standing committees, namely the the Audit Committee and the Compensation Committee. The Audit Committee is composed of a majority of members who are independent of the Company within the meaning of NI 58-101 (see "AUDIT COMMITTEE"). The Compensation Committee is composed of only members who are independent of the Company (See EXECUTIVE COMPENSATION – Oversight and Description of Director and Named Executive Officer Compensation – Compensation Committee). The Company does not have an Executive Committee or Corporate Governance Committee. Such functions are carried out by the Board.

Assessments

Due to the small size of the Board, there is no formal process for evaluating the effectiveness of the Board, its committees and Management. Management reports to the Board and evaluation of Management's performance takes place informally at the meetings of the Board or in informal meetings by the independent directors.

Director Term Limits

The Company currently has not adopted a policy with respect to the term limits for directors. While term limits can help ensure the Board gains fresh perspective, imposing this restriction means the Board would lose the contributions of longer serving directors who have developed a deep knowledge and understanding of the Company over time. The Board does not believe that long tenure impairs a director's ability to act independently of Management.

Diversity and Inclusion

The Company's senior Management and members of the Board have varying backgrounds and expertise and were selected on the belief that the Company and its stakeholders would benefit from such a broad range of talent and cumulative experience. The Board considers merit as the essential requirement for board and executive appointments, and as such, it has not adopted any specific target number or percentage, or a range of target numbers or percentages, respecting the representation of women, Indigenous peoples, persons with disabilities, or members of visible minorities (collectively, "**member of a designated group**") on the Board or in senior Management roles.

The Company has not adopted a written diversity policy and seeks to attract and maintain diversity at the executive and Board levels' informally through the recruitment efforts of Management in discussion with directors prior to proposing nominees to the Board as a whole for consideration. Although the level of representation of members of designated groups is one of the many factors taken into consideration in making Board and executive officer appointments, emphasis is placed on hiring or advancing the most qualified individuals. As of the date of this Circular, two directors and the CFO of the Company are members of a designated group.

AUDIT COMMITTEE

Audit Committee Charter

The full text of the Company's Audit Committee Charter is set out in Schedule "C" hereto.

Composition of the Audit Committee

The Audit Committee of the Company is currently comprised of David Keys, Zelong He and John Constantine. Each of the members of the Audit Committee is considered to be financially literate.

David Keys and Zelong He are considered to be independent members of the Audit Committee. This determination was made by the Board upon inquiry of their activities and relationship with the Company.

Relevant Education and Experience

David Keys is an independent financial and operations consultant. His current engagements include financial and operational oversight of a substantial real estate holdings and development company, commercial ranch and farming operations and a large investment portfolio consisting of a number of start-up and early-stage companies. After receiving his BS Accounting degree from Oklahoma State University in 1978, Mr. Keys began his career with Deloitte serving in the audit group. He has served as a senior executive and director of numerous public and private companies including: American Pacific Corporation, AmFed Financial Inc. Norwest Bank of Nevada, Wells Fargo Bank of Nevada, FM Global, Prosetta Biosciences Inc., Akonni Biosystems Inc., Walker Digital Table Systems, LLC, Hauls, Inc., and Coast Flight Training and Management Inc. In addition to being a Certified Public Accountant (CPA), Certified Valuation Analyst (CVA), Certified Management Accountant (CMA), Chartered Global Management Accountant (CGMA) and Certified Information Technology Professional (CITP), Mr. Keys is also Certified in Financial Forensics (CFF) and Financial Management (CFM).

Zelong He is a finance and accounting professional with over 10 years' experience in diverse areas of assurance, accounting, corporate finance and capital markets, including extensive experience in seeking growth capital from overseas institutions. Mr. He currently serves as a member of the board of directors of Alset Capital Inc. (NEX: KSUM.H) and as the CFO of Vortex Metals Inc. (TSXV: VMS) Mr. He is a Chartered Professional Accountant (CPA) and a Chartered Financial Analyst (CFA) charter holder.

John Constantine is the Chief Executive Officer and President of the Company and ARCpoint Group. He has been serving as the Chief Executive Officer of ARCpoint Franchise since November 2018. From February 2017 until November 2018, he served as the Chief Operating Officer for ARCpoint Franchise. Mr. Constantine has led organizational growth as the Vice President of Marketing for Bioconfirm Laboratories in Atlanta, Georgia from January 2016 through June 2016 and as Vice President of Strategy and of other various Vice President positions at Cordant Health Solutions in Denver, Colorado from June 2013 through January 2016. Before that, Mr. Constantine was a Vice President of Sales at TriAuto Advertising in Indianapolis, Indiana from May 2012 to June 2013 and National Director of Sales at AIT Laboratories in Indianapolis, Indiana from June 2004 through May 2012.

Audit Committee Oversight

Since the commencement of the Company’s most recently completed financial year, there have been no recommendations of the Audit Committee that the Board of the Company has not adopted.

Reliance on Certain Exemptions

At no time since the commencement of the Company’s most recently completed financial period has the Company relied on the exemption in Section 2.4 (*De Minimis Non-audit Services*) of National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. The Audit Committee will review the engagement of non-audit services as required.

External Auditor Services Fees

The following table sets out the aggregate fees billed by the Company’s external auditors in each of the last two financial years.

Category of Fees	Year Ended December 31, 2021	Year Ended December 31, 2022
Audit Fees ⁽¹⁾	US\$328,000	US\$320,079
Audit-Related Fees ⁽²⁾	-	-
Tax Fees ⁽³⁾	US\$16,300	US\$92,324
All Other Fees ⁽⁴⁾	-	-
Total	US\$344,300	US\$412,403

Notes:

“**Audit Fees**” include fees necessary to perform the annual audit and quarterly reviews of the Company’s financial statements and includes the fees of the Company’s auditors. Audit fees also include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

“**Audit-Related Fees**” include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

“**Tax Fees**” include fees for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

“**All Other Fees**” include all other non-audit service.

Reliance on Exemption for Venture Issuers

The Company is a “venture issuer” as the Shares are listed for trading on the TSXV. As such, the Company is not required to comply with Part 3 of NI 52-110 (Composition of the Audit Committee) and Part 5 of NI 52-110 (Reporting Obligations) based on the exemption for venture issuers contained in section 6.1 of NI 52-110.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The Company’s auditor is Davidson & Company LLP. The Company’s transfer agent and registrar is Odyssey Trust Company.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

An informed person is one who, generally speaking, is a director or executive officer or a 10% Shareholder. To the knowledge of Management of the Company, no informed person or nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect the Company or any of its subsidiaries during the financial year ended December 31, 2022, or has any interest in any material transaction in the current year other than as set out herein, other than John Constantine and Felix Miranda who are parties (in their personal capacity as securityholders of ARCpoint Group) to the Business Combination Agreement pursuant to which a series of transactions were completed on October 21, 2023 that resulted in the reverse takeover of the Company by the securityholders of ARCpoint Group.

ADDITIONAL INFORMATION

Additional information relating to the Company is filed on the System for Electronic Data Analysis and Retrieval (“**SEDAR**”) and can be accessed on the internet at www.sedar.com.

Financial information is provided in the Company’s comparative financial statements and management discussion and analysis (“**MD&A**”) for its most recently completed financial year. The Shareholders may request copies of such financial statements and MD&A by mailing a request to ARCpoint Inc. at 101 North Main Street, Suite 301, Greenville, South Carolina, USA 29601.

DIRECTORS’ APPROVAL

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

DATED the 17th day of May, 2023.

(Signed) “John Constantine”

John Constantine
President and Chief Executive Officer

SCHEDULE “A”

RESOLUTION TO APPROVE THE COMPANY’S OMNIBUS PLAN

RESOLVED as an ordinary resolution of the Shareholders that:

1. subject to approval by TSXV, the omnibus equity incentive compensation plan (the “**Omnibus Plan**”) attached as Schedule “B” to the management information circular of the Company dated May 17, 2023 is hereby approved, confirmed and ratified;
2. any director or officer of the Company is hereby authorized to amend the Omnibus Plan should such amendments be required to satisfy the requirements or requests of the TSXV or any other regulatory authorities without requiring further approval of the Shareholders; and
3. any director or officer is hereby authorized to execute and deliver all such agreements, certificates, instruments, documents and other writings and perform such acts as may be necessary in order to give effect to foregoing resolution and the Board, from time to time, is hereby authorized to grant the Awards (as defined in the Omnibus Plan) in accordance with the provisions of the Omnibus Plan and the policies of the TSXV.

SCHEDULE "B"

OMNIBUS PLAN

Please see attached.

ARCPOINT INC.

(Formerly known as “RSI International Systems Inc.”)

OMNIBUS INCENTIVE PLAN

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**ARCPOINT INC.
OMNIBUS INCENTIVE PLAN**

ARCpoint Inc. (formerly known as “RSI International Systems Inc.”) (the “**Corporation**”) hereby establishes an Omnibus Incentive Plan for certain eligible directors, officers, employees and Consultants (as defined herein) providing ongoing services to the Corporation and its Subsidiaries (as defined herein).

**ARTICLE 1
DEFINITIONS**

1.1 Definitions.

Where used herein or in any amendments hereto or in any communication required or permitted to be given hereunder, the following terms shall have the following meanings, respectively, unless the context otherwise requires:

“**Awards**” means Options, DSUs, PSUs and RSUs granted to a Participant pursuant to the terms of the Plan;

“**Black-Out Period**” means a period of time when pursuant to any policies of the Corporation, any securities of the Corporation may not be traded by certain persons designated by the Corporation;

“**Board**” means the Board of Directors of the Corporation;

“**Business Day**” means a day other than a Saturday, Sunday or statutory holiday, that is a Trading Day and a day when banks are generally open for business in Toronto, Ontario, Canada, for the transaction of banking business;

“**Cash Equivalent**” means (i) with respect to PSUs, the amount of money equal to the Market Value multiplied by the number of vested PSUs in the Participant’s Account, net of any applicable withholdings made in accordance with Section 9.2, on the applicable PSU Settlement Date, (ii) with respect to RSUs, the amount of money equal to the Market Value multiplied by the number of vested RSUs in the Participant’s Account, net of any applicable withholdings made in accordance with Section 9.2, on the applicable RSU Settlement Date; and (iii) with respect to DSUs, the amount of money equal to the Market Value multiplied by the number of vested DSUs in the Participant’s Account, net of any applicable withholdings made in accordance with Section 9.2 on the applicable DSU Settlement Date;

“**CBCA**” means the Canada Business Corporations Act;

“**Change of Control**” shall mean (i) the sale of all or substantially all of the assets of the Corporation on a consolidated basis, in one transaction or a series of related transactions, to a Person that is not a Subsidiary, (ii) a merger, reorganization, acquisition or consolidation pursuant to which a Person, or any associate or affiliated corporation of such Person hereafter acquires the direct or indirect “beneficial ownership” (as defined in the CBCA) of securities of the Corporation representing 50% or more of the aggregate voting power of all of the Corporation’s then issued and outstanding securities, (iii) a transaction pursuant to which the Corporation goes out of existence, (iv) the dissolution or liquidation of the Corporation except in connection with the distribution of assets of the Corporation to one or more Subsidiaries

prior to such event; or (iv) the occurrence of a transaction requiring approval of the Corporation's shareholders involving the acquisition of the Corporation by an entity through purchase of assets, by amalgamation, arrangement or otherwise;

“**Code**” means the United States Internal Revenue Code of 1986, as amended, or any successor thereto; any reference herein to a specific Code section shall be deemed to include all related regulations or other guidance with respect to such Code section;

“**Committee**” means the Compensation Committee of the Board, or such other committee of the Board as the Board may determine from time to time;

“**Consultant**” means a Person, other than an employee, executive officer or director of the Corporation or a Subsidiary, that provides ongoing *bona fide* services to the Corporation or a Subsidiary pursuant to a written contract between the Corporation or the Subsidiary and the Person, other than services provided in relation to a distribution or in connection with the offer or sale of securities in a capital-raising transaction, and does not directly or indirectly promote or maintain a market for the Corporation's securities and who (i) spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or a Subsidiary, and (ii) has a relationship with the Corporation or a Subsidiary that enables them to be knowledgeable about the business and affairs of the Corporation;

“**Disability**” means the circumstance whereby the Participant is permanently or substantially incapacitated so as to be prevented from properly and continuously performing in full his/her duties to the Corporation for a substantially continuous period of four months or more or for a cumulative six-month period in any consecutive 12-month period (provided that, with respect to U.S. Participants, “Disability” shall be defined in accordance with Section 409A of the Code if and to the extent required under Section 409A);

“**Discounted Market Price**” has the meaning ascribed thereto in Policy 1.1 of the TSXV Corporate Finance Manual, as same may be amended, supplemented or replaced from time to time;

“**DSU**” means a deferred share unit, which is a bookkeeping entry equivalent in value to a Subordinate Voting Share credited to a Participant's Account in accordance with Article 4;

“**DSU Agreement**” means a written letter agreement between the Corporation and a Participant evidencing the grant of DSUs and the terms and conditions thereof, in such form as may be determined by the Board from time to time in accordance with Section 4.6;

“**DSU Expiry Date**” means the earlier of: (i) the last Business Day that is one year from the date on which the Participant receiving the DSU ceases to be a director, officer, employee or Consultant of the Corporation or any of its Subsidiaries, or (ii) the Business Day preceding December 31 of the calendar year following the calendar year during which such Participant ceases to be a director, officer, employee or Consultant of the Corporation or any of its Subsidiaries;

“**DSU Settlement Date**” means, (i) with respect to DSUs awarded to a Participant who is not a U.S. Participant, the date of receipt of a DSU settlement request in accordance with Section 4.4.1 or the date of automatic settlement of a DSU pursuant to Section 4.4.2, as applicable; and (ii) with respect to DSUs awarded to U.S. Participants, the date of the U.S. Participant's Separation from Service;

“**Dual Status Taxpayer**” has the meaning ascribed thereto in Section 4.5;

“**Election Notice**” has the meaning ascribed thereto in Section 4.3.3;

“**Eligible Participants**” has the meaning ascribed thereto in Section 2.3.1;

“**Employment Agreement**” means, with respect to any Participant, any written agreement regarding a Participant’s employment or engagement with the Corporation or a Subsidiary and that is between the Corporation or a Subsidiary and such Participant;

“**Exchange**” means the TSXV or, if the Subordinate Voting Shares are not listed on the TSXV, the stock exchange on which the Subordinate Voting Shares are then principally listed from time to time;

“**Exercise Notice**” means a notice in writing signed by a Participant and stating the Participant’s intention to exercise a particular Award, if applicable;

“**Grant Agreement**” means an agreement evidencing the grant to a Participant of an Award, including an Option Agreement, a DSU Agreement, a PSU Agreement and a RSU Agreement;

“**Incentive Stock Option**” means an Option granted under Article 3 of the Plan that is intended to meet the requirements of Section 422 of the Code.

“**Insider**” has the meaning ascribed thereto in the TSXV Corporate Finance Manual, as same may be amended, supplemented or replaced from time to time;

“**Investor Relations Activities**” has the meaning ascribed thereto in the TSXV Corporate Finance Manual, as same may be amended, supplemented or replaced from time to time;

“**Issued Shares**” means the total number Subordinate Voting Shares that are: (A) then issued and outstanding and (B) convertible from the Proportionate Voting Shares that are then issued and outstanding;

“**Market Value**” means, (A) if the Subordinate Voting Shares of the Corporation are listed on an Exchange, (i) with respect to Options, at any date when the market value of Subordinate Voting Shares of the Corporation is to be determined, the closing price of the Subordinate Voting Shares on the Trading Day prior to such date on the Exchange less any discount permitted by the rules or policies of the Exchange and approved by the Board, provided that after giving effect to such discount, the Market Value shall not be lower than the Discounted Market Price, and no such discount will be permitted with respect to Options awarded to U.S. Participants, and (ii) with respect to Units, the volume weighted average trading price of the Subordinate Voting Shares on the Exchange for the five trading days preceding the date on which the Market Value is to be determined less any discount permitted by the rules or policies of the Exchange and approved by the Board, provided that after giving effect to such discount, the Market Value shall not be lower than the Discounted Market Price, or, (B) if the Subordinate Voting Shares of the Corporation are not listed on any Exchange, the value as is determined solely by the Board, acting reasonably and in good faith, and with respect to Options granted to U.S. Participants using valuation principles consistent with Section 409A and Section 422 of the Code;

“Non-Qualified Stock Option” means an Option granted under Article 3 of the Plan that is not an Incentive Stock Option;

“Option” means an Incentive Stock Option or a Non-Qualified Stock Option granted by the Corporation to a Participant entitling such Participant to acquire a designated number of Subordinate Voting Shares from treasury at the Option Price, but subject to the provisions hereof;

“Option Agreement” means a written letter agreement between the Corporation and a Participant evidencing the grant of Options and the terms and conditions thereof, in such form as may be determined by the Board from time to time in accordance with Section 3.8;

“Option Price” has the meaning ascribed thereto in Section 3.2;

“Option Term” has the meaning ascribed thereto in Section 3.4.1;

“Participants” means Eligible Participants that are granted Awards under the Plan;

“Participant’s Account” means an account maintained for each Participant’s participation in DSUs, PSUs and/or RSUs under the Plan;

“Performance Criteria” means criteria established by the Board which, without limitation, may include criteria based on the Participant’s personal performance and/or the financial performance of the Corporation and/or of its Subsidiaries, and that may be used to determine the vesting of the Awards, when applicable;

“Performance Period” means the period determined by the Board pursuant to Section 5.3.1;

“Person” means an individual, corporation, company, cooperative, partnership, trust, unincorporated association, entity with juridical personality or governmental authority or body, and pronouns which refer to a Person shall have a similarly extended meaning;

“Plan” means this Omnibus Incentive Plan, as amended and/or restated from time to time;

“PSU” means a performance share unit which provides a right to a Participant to receive a payment in the form of Subordinate Voting Shares and/or Cash Equivalent as provided in Article 5 and subject to the terms and conditions of this Plan;

“PSU Agreement” means a written letter agreement between the Corporation and a Participant evidencing the grant of PSUs and the terms and conditions thereof, in such form as may be determined by the Board from time to time in accordance with Section 5.7;

“PSU Settlement Date” has the meaning determined in Section 5.5.1(a);

“PSU Vesting Determination Date” has the meaning ascribed thereto in Section 5.4;

“Proportionate Voting Shares” means the Class A Proportionate Voting Shares in the share capital of the Corporation;

“Remuneration” means the salaries, consulting fees or retainer fees payable to a Participant as compensation for work or service rendered for the Corporation and/or any of its Subsidiaries;

“**RSU**” means a restricted share unit which provides a right to a Participant to receive a payment in the form of Subordinate Voting Shares and/or Cash Equivalent as provided in Article 6 and subject to the terms and conditions of this Plan;

“**RSU Agreement**” means a written letter agreement between the Corporation and a Participant evidencing the grant of RSUs and the terms and conditions thereof, in such form as may be determined by the Board from time to time in accordance with Section 6.5;

“**RSU Settlement Date**” has the meaning determined in Section 6.3.1(a);

“**RSU Vesting Date**” has the meaning ascribed thereto in Section 6.2.2;

“**Security-Based Compensation Arrangement**” a stock option, stock option plan, employee stock purchase plan, long-term incentive plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Proportionate Voting Shares or Subordinate Voting Shares from treasury, including a share purchase from treasury by a full-time employee, director, officer, Insider, or Consultant which is financially assisted by the Corporation or a Subsidiary by way of a loan, guarantee or otherwise;

“**Separation from Service**” means a separation from service as defined under Section 409A of the Code;

“**Specified Employee**” has the meaning ascribed thereto in Section 4.4.1;

“**Subordinate Voting Shares**” means the Class A Subordinate Voting Shares in the share capital of the Corporation;

“**Subsidiary**” has the meaning given to this term in the *Securities Act (British Columbia)*, as such legislation may be amended, supplemented or replaced from time to time (and, provided further, in the case of Incentive Stock Options, as defined under Section 424(f) of the Code);

“**Surrender**” has the meaning ascribed thereto in Section 3.6.2;

“**Surrender Notice**” has the meaning ascribed thereto in Section 3.6.2;

“**Tax Act**” means the *Income Tax Act* (Canada) and the regulations promulgated thereunder, as amended from time to time.

“**Termination Date**” means the date on which a Participant ceases to be an Eligible Participant;

“**Trading Day**” means any day on which the Exchange is opened for trading;

“**TSXV**” means the TSX Venture Exchange;

“**Unit**” means a PSU, a RSU or a DSU;

“**Unit Restriction Period**” means, subject to Section 8.3.1, the applicable restriction period in respect of a particular PSU or RSU, which period shall end on the Business Day preceding December 31 of the calendar year which is three (3) years after the calendar year in which the

PSU or RSU is granted, or such shorter period as may be determined by the Board at the time the PSU or RSU is granted;

“**Unit Settlement Notice**” means a notice by a Participant to the Corporation electing to settle vested Units;

“**United States**” or “**U.S.**” means the United States of America, its territories and possessions, any State of the United States, and the District of Columbia;

“**U.S. DSU Outside Settlement Date**” has the meaning ascribed thereto in Section 4.4.2;

“**U.S. Awardee**” means a Participant who is granted an Award pursuant to this Plan who is a “U.S. person” (within the meaning of Rule 902(k) of Regulation S under the U.S. Securities Act) or a person in the United States;

“**U.S. Participant**” means a Participant who is subject to income taxation under the Code with respect to his or her Awards under the Plan;

“**U.S. Securities Act**” means the United States Securities Act of 1933, as amended and the rules and regulations promulgated thereunder;

“**Voluntary Portion**” has the meaning set forth in Section 4.3.1; and

“**VWAP**” means the volume weighted average trading price of the Listed Shares on the Exchange calculated by dividing the total value by the total volume of such securities traded for the five (5) Trading Days immediately preceding the exercise of the subject Option.

ARTICLE 2

PURPOSE AND ADMINISTRATION OF THE PLAN; GRANTING OF AWARDS

2.1 Purpose of the Plan

The purpose of the Plan is to permit the Corporation to grant Awards to Eligible Participants, subject to certain conditions as hereinafter set forth, for the purposes of securing for the Corporation and its shareholders the benefits of incentive interest in Subordinate Voting Share ownership by the Eligible Participants.

2.2 Implementation and Administration of the Plan

2.2.1 The Plan is under the direction of the Board. The Committee makes recommendations to the Board in relation to the Plan and to the grants of Awards.

2.2.2 The Board may, from time to time, as it may deem expedient, adopt, amend and rescind rules and regulations for carrying out the provisions and purposes of the Plan, subject to any applicable rules of the Exchange. Subject to the provisions of the Plan, the Board is authorized, in its sole discretion, to make such determinations under, and such interpretations of, and take such steps and actions in connection with, the proper administration of the Plan, as it may deem necessary or advisable. The interpretation, construction and application of the Plan and any provisions hereof made by the Board shall be final and binding on all

Eligible Participants.

- 2.2.3 The Board may modify the terms and conditions of any Awards granted to Participants outside of Canada to comply with applicable foreign laws, and establish subplans and addendums and modify settlement procedures and other terms and procedures, to the extent the Board determines such actions to be necessary or advisable (and such subplans and addendums and/or modifications shall be attached to this Plan as addendums).
- 2.2.4 No member of the Board or of the Committee shall be liable for any action or determination taken or made in good faith in the administration, interpretation, construction or application of the Plan or any Award granted hereunder.
- 2.2.5 Any determination approved by a majority of the Board shall be deemed to be a determination of that matter by the Board.

2.3 Eligible Participants

- 2.3.1 The Persons who shall be eligible to receive Awards (“**Eligible Participants**”) shall be the directors, officers and employees of the Corporation or a Subsidiary, as well as Consultants providing ongoing services to the Corporation or its Subsidiaries, as determined by the Board from time to time, in its sole discretion. For greater certainty, a Person whose employment or engagement with the Corporation or a Subsidiary has ceased for any reason, or who has given notice or been given notice of such cessation, whether such cessation was initiated by such Person, the Corporation or such Subsidiary, as the case may be, shall cease to be eligible to receive Awards hereunder as of the date on which such Person provides notice to the Corporation or the Subsidiary, as the case may be, in writing or verbally, of such cessation, or on the Termination Date for any cessation of a Participant’s employment or engagement initiated by the Corporation or the Subsidiary.
- 2.3.2 Participation in the Plan shall be entirely voluntary and any decision not to participate shall not affect an Eligible Participant’s employment or engagement with the Corporation.
- 2.3.3 Notwithstanding any express or implied term of this Plan to the contrary, the granting of an Award pursuant to the Plan shall in no way be construed as a guarantee of employment by the Corporation or a Subsidiary to the Participant or the commencement, extension, continuation or modification of any engagement between the Corporation or a Subsidiary and the Participant.
- 2.3.4 A Participant shall have no rights as a shareholder of the Corporation with respect to any Subordinate Voting Shares underlying his or her Awards until he or she shall have become the holder of record of such Subordinate Voting Shares.
- 2.3.5 For Awards granted or issued to any Participant who is a director, officer, employee or Consultant of the Corporation, the Corporation and such Participant are responsible for ensuring that the Participant is a *bona fide* employee or Consultant of the Corporation, as the case may be.

2.4 Shares Subject to the Plan

- 2.4.1 Subject to adjustment pursuant to the provisions of Article 8, the securities that may be acquired by Participants under this Plan shall consist of authorized but unissued Subordinate Voting Shares.
- 2.4.2 The maximum number of Subordinate Voting Shares issuable at any time pursuant to outstanding Awards under this Plan shall be equal to the following:
- (a) in respect to grants of Options under this Plan, 10% of the total number of the Issued Shares as of the date of any Option grant; and
 - (b) in respect to grants of DSUs, RSUs and PSUs under this Plan, 8,924,774 Subordinate Voting Shares, representing 10% of the Issued Shares of the Corporation as at the date of implementation of this Plan.
- 2.4.3 No Award that can be settled in Subordinate Voting Shares issued from treasury may be granted if such grant would have the effect of causing the total number of Subordinate Voting Shares subject to such Award to exceed the above noted total numbers of Subordinate Voting Shares reserved for issuance pursuant to the settlement of Awards.
- 2.4.4 Subordinate Voting Shares of the Corporation that are covered by the Awards that have been granted pursuant the Plan shall not be available for subsequent Award grants under the Plan provided that:
- (a) Subordinate Voting Shares of the Corporation covered by Options which have been exercised, and Options which expired or are forfeited, surrendered, cancelled or otherwise terminated or lapse for any reason, will be available for subsequent Option grants under the Plan; and
 - (b) Subordinate Voting Shares of the Corporation covered by Units which have been settled in cash, cancelled, terminated, surrendered, forfeited or expired without being exercised, and pursuant to which no Subordinate Voting Shares have been issued shall be available for subsequent Unit grants under the Plan.

2.5 Granting of Awards

- 2.5.1 Any Award granted under the Plan shall be subject to the requirement that, if at any time counsel to the Corporation shall determine that the listing, registration or qualification of the Subordinate Voting Shares subject to such Award, if applicable, upon any securities exchange (including the Exchange) or under any law or regulation of any jurisdiction, or the consent or approval of any securities exchange (including the Exchange) or any governmental or regulatory body, is necessary as a condition of, or in connection with, the grant or exercise of such Award or the issuance or purchase of Subordinate Voting Shares thereunder, if applicable, such Award may not be accepted or exercised in whole or in part unless such listing, registration, qualification, consent or approval shall have been

effected or obtained on conditions acceptable to the Board. Nothing herein shall be deemed to require the Corporation to apply for or to obtain such listing, registration, qualification, consent or approval.

2.5.2 Any Award granted under the Plan shall be subject to the requirement that, the Corporation has the right to place any restriction or legend on any securities issued pursuant to this Plan including, but in no way limited to placing a legend to the effect that the securities have not been registered under the U.S. Securities Act and may not be offered or sold in the United States unless registration or an exemption from registration is available.

2.5.3 The Board or the Committee shall not grant any Awards that may be denominated or settled in Subordinate Voting Shares (or other securities) to residents of the United States unless such Awards and the Subordinate Voting Shares (or other securities) issuable upon exercise or settlement thereof are registered under the U.S. Securities Act or are issued in compliance with an available exemption from the registration requirements of the U.S. Securities Act.

2.6 Limits with Respect to Awards, Insiders, Individual Limits and Annual Grant Limits

2.6.1 The maximum number of Awards issuable to Insiders under the Plan, when combined with all of the Corporation's other Security-Based Compensation Arrangements (if any):

- (a) within a 12-month period, cannot exceed ten percent (10%) of the Issued Shares at the date an Award is granted to any Insider; and
- (b) cannot, at any point in time, exceed ten percent (10%) of the Issued Shares;

unless the approval of the disinterested shareholders of the Corporation is obtained.

2.6.2 The maximum number of Subordinate Voting Shares that may be made issuable pursuant to Awards made to any Eligible Participant under the Plan together with any other Security-Based Compensation Arrangement in any 12-month period shall not exceed five percent (5%) of the Issued Shares calculated at the date of grant.

2.6.3 The aggregate number of Awards granted to any one Eligible Participant that is a Consultant of the Corporation in any 12-month period must not exceed two percent (2%) of the Issued Shares calculated at the date of grant.

2.6.4 Units may not be granted to Persons performing Investor Relations Activities, provided that such Persons may receive Options under this Plan. The aggregate number of Options granted to all Persons retained to provide Investor Relations Activities must not exceed two percent (2%) of the Issued Shares in any 12-month period calculated at the date of grant (and including any Eligible Participant that performs Investor Relations Activities and/or whose role or duties primarily consist of Investor Relations Activities). Options granted to any Person retained to provide Investor Relations Activities must vest in a period of not less than 12 months from the date of grant and with no more than twenty-five percent (25%) of

the Options vesting in any three-month period notwithstanding any other provision of this Plan.

- 2.6.5 no Award (other than Options), may vest before the date that is one year following the date the Award is granted or issued, provided that this requirement may be accelerated for a Participant who dies or who ceases to be an eligible Participant under the provisions hereof in connection with a Change of Control, take-over bid, reverse take-over or other similar transaction.

ARTICLE 3 OPTIONS

3.1 Nature of Options

An Option is an option granted by the Corporation to a Participant entitling such Participant to acquire, for each Option issued, one Subordinate Voting Share from treasury at the Option Price, subject to the provisions hereof.

3.2 Option Awards

Subject to the provisions set forth in this Plan and any shareholder or regulatory approval which may be required, the Board shall, from time to time by resolution, in its sole discretion, designate the Eligible Participants who may receive Options under the Plan, (ii) fix the number of Options, if any, to be granted to each Eligible Participant and the date or dates on which such Options shall be granted, (iii) determine the price per Subordinate Voting Share to be payable upon the exercise of each such Option (the “**Option Price**”) and the relevant vesting provisions (including Performance Criteria, if applicable) and Option Term, the whole subject to the terms and conditions prescribed in this Plan, in any Option Agreement and any applicable rules of the Exchange.

3.3 Option Price

The Option Price shall be fixed by the Board when such Option is granted, but shall not be less than the Market Value of the Subordinate Voting Shares on the trading day immediately preceding the date of the granting of the Option.

3.4 Option Term and Vesting

- 3.4.1 The Board shall determine, at the time of granting the particular Option, the period during which the Option is exercisable (“**Option Term**”), commencing on the date such Option is granted to the Participant and ending as specified in this Plan, or in the Option Agreement, but in no event shall an Option expire on a date which is later than ten (10) years from the date the Option is granted. Unless otherwise determined by the Board, all unexercised Options shall be cancelled at the expiry of such Options.
- 3.4.2 Should the expiration date for an Option fall within a Black-Out Period, then except with respect to Incentive Stock Options such expiration date shall be automatically extended without any further act or formality to that date which is the tenth (10th) Business Day after the end of the Black-Out Period, such tenth (10th) Business Day shall be considered the expiration date for such Option for all

purposes under the Plan. Notwithstanding Section 8.2, the ten (10) Business Day-period referred to in this Section 3.4 may not be extended by the Board.

- 3.4.3 Unless otherwise specified by the Board at the time of any Option grant and except as otherwise provided in this Plan, Options granted under this Plan will vest and be exercisable immediately upon grant.
- 3.4.4 Once a portion of an Option that has vested becomes exercisable in accordance with Section 3.5, it remains exercisable until expiration or termination of the Option, unless otherwise specified by the Board in connection with the grant of such Option.

3.5 Exercise of Options

- 3.5.1 Subject to the provisions of this Plan, a Participant shall be entitled to exercise an Option granted to such Participant at any time prior to the expiry of the Option Term, subject to vesting limitations which may be imposed by the Board at the time such Option is granted.
- 3.5.2 Prior to its expiration or earlier termination in accordance with the Plan, each Option shall be exercisable as to all or such part or parts of the optioned Subordinate Voting Shares and at such time or times and/or pursuant to the achievement of such Performance Criteria and/or other vesting conditions as the Board, at the time of granting the particular Option, may determine in its sole discretion. For greater certainty, no Option shall be exercised by a Participant during a Black-Out Period.
- 3.5.3 An Option holder who is a U.S. Awardee may not exercise Options unless the Subordinate Voting Shares are registered under the U.S. Securities Act or are issued in compliance with an available exemption from the registration requirements of the U.S. Securities Act.

3.6 Method of Exercise and Payment of Purchase Price

- 3.6.1 Subject to the provisions of the Plan and the alternative exercise procedures set out herein, an Option granted under the Plan may be exercisable (from time to time as provided in Section 3.5) by the Participant (or by the liquidator, executor or administrator, as the case may be, of the estate of the Participant) in such manner as the Board may determine from time to time and in accordance with such rules and regulations as the Board may prescribe from time to time.
- 3.6.2 In addition, in lieu of exercising any vested Option other than an Incentive Stock Option in the manner described in this Section 3.6, and pursuant to the terms of this Section 3.6.2, a Participant (other than a Participant who provides Investor Relations Activities) may, subject to the approval of the Board, by surrendering an Option (“**Surrender**”) with a properly endorsed notice of Surrender to the Secretary of the Corporation, substantially in the form that may be approved by the Board from time to time (a “**Surrender Notice**”), elect to receive that number of Subordinate Voting Shares calculated using the following formula:

$$X = Y * (A-B) / A$$

Where:

X = the number of Subordinate Voting Shares to be issued to the Participant;

Y = the number of Subordinate Voting Shares underlying the Options to be Surrendered;

A = the VWAP of the Subordinate Voting Shares; and

B = the Option Price of such Options.

- 3.6.3 Where Subordinate Voting Shares are to be issued to the Participant pursuant to the terms of this Section 3.6, as soon as practicable following the receipt of the Exercise Notice and, if Options are exercised only in accordance with the terms of Section 3.6.1, the required bank draft, certified cheque or other acceptable form of payment, the Corporation shall duly issue such Subordinate Voting Shares to the Participant as fully paid and non-assessable.
- 3.6.4 Upon the exercise of an Option pursuant to Section 3.6.1 or Section 3.6.2, the Corporation shall, as soon as practicable after such exercise but no later than ten (10) Business Days following such exercise, forthwith cause the transfer agent and registrar of the Subordinate Voting Shares to either:
- (a) deliver to the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) a certificate in the name of the Participant representing in the aggregate such number of Subordinate Voting Shares as the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall have then paid for and as are specified in such Exercise Notice; or
 - (b) in the case of Subordinate Voting Shares issued in uncertificated form, cause the issuance of the aggregate number of Subordinate Voting Shares the Participant (or the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall have then paid for and as are specified in such Exercise Notice to be evidenced by a book position on the register of the shareholders of the Corporation to be maintained by the transfer agent and registrar of the Subordinate Voting Shares.

3.7 Terms Applicable to Incentive Stock Options

Subject to adjustment as provided in Article 8 of the Plan and without limiting Section 2.4.2 of the Plan, the maximum number of Subordinate Voting Shares available for issuance with respect to Incentive Stock Options shall equal 8,924,774. Any Options granted in excess of such number shall be Non-Qualified Stock Options. To the extent that an Option is designated as an Incentive Stock Option but does not to qualify, the Option (or portion thereof) shall be a Non-Qualified Stock Option. For greater certainty, such number of Subordinate Voting Shares stated above is a subset of, and not in addition to, the maximum number of Subordinate Voting Shares reserved for issuance pursuant to the Plan. The terms of any Incentive Stock Option granted under the Plan shall comply in all respects with

the provisions of Section 422 of the Code, and shall be subject to the following terms and conditions, with such additional restrictions or changes as the Committee determines are appropriate but not in conflict with Section 422 of the Code and the relevant regulations and rulings of the Internal Revenue Service:

- 3.7.1 Incentive Stock Options may be granted only to employees of the Corporation or of a parent or subsidiary corporation (as defined in Section 424 of the Code).
- 3.7.2 If, immediately before the Incentive Stock Option is granted, the Participant owns directly or by reason of the applicable attribution rules in Section 424(d) of the Code 10% or less of the total combined voting power of all classes of stock of the Corporation or a Subsidiary, the Option Price per share of the Subordinate Voting Shares covered by each Incentive Stock Option shall not be less than 100% of the Market Value per share of the Subordinate Voting Shares on the grant date of the Incentive Stock Option. If, immediately before the Incentive Stock Option is granted, the Participant owns directly or by reason of the applicable attribution rules in Section 424(d) of the Code more than 10% of the total combined voting power of all classes of stock of the Corporation or a Subsidiary, the Option Price per share of the Subordinate Voting Shares covered by each Incentive Stock Option shall not be less than 110% of the Market Value per share of the Subordinate Voting Shares on the grant date of the ISO.
- 3.7.3 For Participants who own 10% or less of the total combined voting power of all classes of stock of the Corporation or a Subsidiary, each Incentive Stock Option shall terminate not later than the tenth anniversary of the grant date or at such earlier time as the Grant Agreement may provide. For Participants who own more than 10% of the total combined voting power of all classes of stock of the Corporation or a Subsidiary as determined under Section 424(d) of the Code, each Incentive Stock Option shall terminate not later than the fifth anniversary of the grant date or at such earlier time as the Grant Agreement may provide.
- 3.7.4 The Grant Agreements shall restrict the amount of Incentive Stock Options which may vest and become exercisable in any calendar year (under this or any other plan of the Corporation or a Subsidiary pursuant to which Incentive Stock Options are awarded) so that the aggregate Market Value (determined on the grant date for each Incentive Stock Option) of the Subordinate Voting Shares with respect to which Incentive Stock Options are exercisable for the first time by the Participant in any calendar year does not exceed \$100,000. To the extent that the aggregate Market Value of the Subordinate Voting Shares with respect to which Incentive Stock Options are exercisable for the first time by the Participant during any calendar year (under all plans of the Corporation and any Subsidiary) exceeds \$100,000, such Options shall be treated as non-qualified options. For purposes of determining whether the \$100,000 vesting limitation is exceeded, Incentive Stock Options shall be taken into account in the order in which they were granted.
- 3.7.5 To the extent that an Incentive Stock Option is not exercised on or prior to the date that is three (3) months following the date on which the Participant ceases to be an employee of the Corporation (or a parent or subsidiary of the Corporation, as defined in Section 424 of the Code), such Option will no longer qualify as an Incentive Stock Option, and if the Option remains exercisable pursuant to its terms,

the Option automatically will be converted to a Non-Qualified Stock Option. Notwithstanding the foregoing, if a Participant's termination of employment is due to disability as defined in Section 22(e) of the Code or death, then to the extent that an Incentive Stock Option is not exercised on or prior to the date that is one year following the date on which the Participant ceases to be an employee of the Corporation (or a parent or subsidiary of the Corporation) such Option will cease to be an Incentive Stock Option. For greater certainty, the limitations in this paragraph govern the U.S. federal income tax treatment of an outstanding Option and whether it will continue to qualify as an Incentive Stock Option. Nothing in this paragraph shall have the effect of extending the period during which an Option otherwise may be exercised pursuant to its terms. For purposes of the paragraph, the Participant's employment will not be considered interrupted or terminated upon (A) sick leave, military leave or any other leave of absence approved by the Corporation that does not exceed ninety (90) days in the aggregate, provided however that if reemployment upon expiration of any such leave is guaranteed by contract of applicable law, such ninety (90) limitation will not apply, or (B) a transfer from one office of the Corporation (or a parent or subsidiary of the Corporation) to another office of the Corporation (or a parent or subsidiary) or a transfer between the Corporation and any parent or subsidiary of the Corporation.

- 3.7.6 Notwithstanding any other provision of the Plan, the Committee shall accept only such payment on exercise of an Incentive Stock Option as is also permitted by Section 422 of the Code.
- 3.7.7 Notwithstanding anything to the contrary in the Plan or Option Agreement, an Incentive Stock Option may be exercised during a Participant's lifetime only by such Participant, and an Incentive Stock Option may not be transferred, assigned, pledged or hypothecated or otherwise disposed of by the Participant except by will or the laws of descent and distribution.
- 3.7.8 Each Participant who receives Incentive Stock Options must notify the Corporation in writing immediately after the Participant makes a Disqualifying Disposition of any Subordinate Voting Shares acquired pursuant to the exercise of an Incentive Stock Option. A "Disqualifying Disposition" is defined in Section 424(c) of the Code and includes any disposition (including any sale or gift) of such Subordinate Voting Shares before the later of (A) two years after the date the Participant was granted the Incentive Stock Option, and (B) one year after the date the Participant acquired Subordinate Voting Shares by exercising the Incentive Stock Options except as otherwise provided in Section 424(c) of the Code. If the Participant dies before the Subordinate Voting Shares are sold, these holding period requirements do not apply and no Disqualifying Disposition can occur after the date of the Participant's death.
- 3.7.9 No Incentive Stock Option will be granted more than ten (10) years after the earlier of the date the Plan is adopted by the Board and the date this Plan is approved by the shareholders of the Corporation.
- 3.7.10 The Committee, at the written request of a Participant, may in its discretion take such actions as may be necessary to convert the Participant's Incentive Stock Options (or any portions thereof) that have not been exercised on the date of

conversion into non-qualified options at any time prior to the expiration of such Incentive Stock Options, regardless of whether the Participant is an employee of the Corporation or a subsidiary at the time of such conversion. At the time of such conversion, the Committee (with the consent of the Participant) may impose such conditions on the exercise of the resulting non-qualified options as the Committee in its discretion may determine, provided that the conditions are consistent with this Plan and do not violate Section 409A of the Code. Nothing in the Plan shall be deemed to give any Participant the right to have such Participant's Incentive Stock Options converted into non-qualified options, and no such conversion shall occur until and unless the Committee takes appropriate action. The Committee, with the consent of the Participant, may also terminate any portion of any Incentive Stock Options that has not been exercised at the time of the conversion.

- 3.7.11 In the event that the Plan is not approved by the shareholders of the Corporation as required by Section 422 of the Code within twelve (12) months before or after the date on which the Plan is adopted by the Board, any Incentive Stock Option granted under the Plan automatically will be deemed to be a Non-Qualified Stock Option.

3.8 Option Agreements

- 3.8.1 Options shall be evidenced by an Option Agreement or included in an Employment Agreement, in such form not inconsistent with the Plan as the Board may from time to time determine, provided that the substance of Article 3 and Article 7 be included therein. For Options granted to U.S. Participants, the Option Agreement will specify whether the Option is an Incentive Stock Option or a Non-Qualified Stock Option, and if no such designation is made, the Option will be a Non-Qualified Stock Option. The Option Agreement shall contain such terms that may be considered necessary in order that the Option will comply with any provisions respecting options in laws (including tax laws) in force in any country or jurisdiction of which the Participant may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the Corporation.
- 3.8.2 U.S. Awardees will acknowledge and agree in the Option Agreement that (i) the Options may not be exercised in the United States unless exempt from the registration requirements under the U.S. Securities Act and any applicable state securities laws; (ii) the Subordinate Voting Shares have not been and will not be registered under the U.S. Securities Act, and the Subordinate Voting Shares will be issued by the Corporation in reliance upon an exemption from registration under the U.S. Securities Act; and (iii) any Subordinate Voting Shares issued to the U.S. Awardee upon exercise of the subject Options will be deemed "restricted securities" (as defined in Rule 144(a)(3) of the U.S. Securities Act) and bear a restrictive legend to such effect.

ARTICLE 4 DEFERRED SHARE UNITS

4.1 Nature of DSUs

A DSU is an Award granted to an Eligible Participant as compensation for employment or consulting services provided by such Participant to the Corporation or its Subsidiaries, which entitles him/her to receive, for no additional cash consideration, Subordinate Voting Shares, the Cash Equivalent, or a combination thereof, as may be determined by the Board, on a deferred basis after retirement, termination of service or death of such Participant. A DSU may be subject to restrictions and conditions as the Board may determine at the time of grant which may be based on such factors as may be determined by the Board from time to time, including the achievement of pre-established vesting and performance goals and objectives.

4.2 DSU Awards

- 4.2.1 Subject to the provisions herein set forth and any shareholder or regulatory approval which may be required, the Board shall, from time to time by resolution, in its sole discretion, (i) designate the Eligible Participants who may receive DSUs under the Plan, (ii) fix the number of DSUs, if any, to be granted to each Eligible Participant and the date or dates on which such DSUs shall be granted, and (iii) determine the relevant conditions and vesting provisions of such DSUs, the whole subject to the terms and conditions prescribed in this Plan.
- 4.2.2 The DSUs are structured so as to be considered an arrangement described in Section 6801(d) of the *Income Tax Regulations* (Canada) or any successor to such provision.
- 4.2.3 Subject to the vesting and other conditions and provisions set forth herein and in any DSU Agreement relating to a grant of DSUs, the Board shall determine whether DSUs awarded to a Eligible Participant shall entitle the Eligible Participant: (i) to receive one (1) Subordinate Voting Share issued from treasury for each DSU awarded; (ii) to receive the Cash Equivalent of one (1) Subordinate Voting Share for each DSU awarded; or (iii) to receive a combination of Cash Equivalent and Subordinate Voting Shares.
- 4.2.4 DSUs will be credited in the registers maintained by the Corporation, but will not be represented by any certificate or other document.

4.3 Voluntary Participation

- 4.3.1 Subject to approval by the Board, each Eligible Participant may elect to receive, in accordance with Section 4.3.4, any portion, up to 100%, of the balance of his or her Remuneration in the form of DSUs (the “**Voluntary Portion**”).
- 4.3.2 Each Eligible Participant who elects to receive a portion or all of its Remuneration in the form of DSUs will receive such number of DSUs as is obtained by dividing the Voluntary Portion payable quarterly (or such other period as may be determined by the Board) to the Participant by the Market Value on the date on which the DSUs are awarded. DSUs shall be awarded to the Participant quarterly on the last day of each fiscal quarter (or, if not a Business Day, on the first Business Day following such day), unless otherwise determined by the Board.
- 4.3.3 Each Eligible Participant who elects to participate in the Plan in respect of the Voluntary Portion for a given calendar year must send to the Corporate Secretary a

written notice to that effect (an “**Election Notice**”) prior to December 31 of the previous calendar year. Each Participant who is newly elected or appointed by the Corporation or Subsidiary and who elects to participate in the Plan in respect of the Voluntary Portion for the then current calendar year must send to the Corporate Secretary an Election Notice within 15 days of his or her election or appointment, but prior to the receipt of the first Remuneration payment, and with respect to U.S. Participants such election will be effective only with respect to compensation earned after the date the election is received by the Corporate Secretary. For the calendar year ending December 31, 2022, each Eligible Participant who elects to participate in the Plan in respect of the Voluntary Portion must send to the Corporate Secretary an Election Notice within 15 days of the adoption of the Plan, and with respect to U.S. Participants such election will be effective only with respect to compensation earned after the date the election is received by the Corporate Secretary. The election made in an Election Notice in respect of the Remuneration of a given calendar year will be irrevocable for that calendar year.

- 4.3.4 The Election Notice shall be deemed to apply to all subsequent calendar years until such time as the Participant shall send to the Corporate Secretary an Election Notice containing different instructions or a termination notice (in which case the new Election Notice or the termination notice, as applicable, shall apply to the calendar year following the calendar year during which it was sent to the Corporate Secretary).
- 4.3.5 If no Election Notice is received in accordance with Section 4.3.4, and no prior Election Notice is deemed to apply in accordance with Section 4.3.5, the Participant shall be deemed not to have elected to participate in the Plan in respect of the Voluntary Portion and the corresponding portion of their Remuneration shall be paid in cash.
- 4.3.6 Each Eligible Participant is entitled to terminate his or her participation in the Plan in respect of the Voluntary Portion for a given calendar year by sending a written notice to that effect to the Corporate Secretary prior to December 31 of the previous calendar year.
- 4.3.7 No Election Notice, or amendment or termination of an election contemplated in this Section 4.3 shall be made during a Black-Out Period, and any Election Notice sent by a Participant during a Black-Out Period shall be null and void. To the extent that an Election Notice is sent during a Black-Out Period, or cannot be made during the period set forth in this Section 4.3.7 as a result of the existence of a Black-Out Period, the Participant shall continue to participate in the Plan in respect of a Voluntary Portion on the basis of the prior election made, or, if no prior election has been made, shall be deemed to have elected not to participate in the Plan in respect of an Voluntary Portion.

4.4 Settlement of DSUs

- 4.4.1 A Participant who is not a U.S. Participant and who (i) ceases to be a director or officer of the Corporation; (ii) ceases to be employed by the Corporation or its Subsidiaries; or (iii) ceases to provide services to the Corporation or its Subsidiaries, as applicable, (or, if deceased his or her estate, succession, heirs or

legal representatives) may request the settlement of all (but not less than all) of his or her DSUs at any time during the period between the date on which he or she ceases to be a director and the DSU Expiry Date, in such manner as the Board may determine from time to time and in accordance with such rules and regulations as the Board may prescribe from time to time. With respect to DSUs of a U.S. Participant, the DSU Settlement Date is the date of the U.S. Participant's Separation from Service, provided that if the U.S. Participant is a specified employee within the meaning of Section 409A of the Code (a "**Specified Employee**"), the DSU Settlement Date will be the first day of the seventh (7th) month following the date of the U.S. Participant's Separation from Service.

- 4.4.2 Any DSU of a Participant who is not a U.S. Participant which has not been settled prior to the DSU Expiry Date shall be automatically settled on the DSU Expiry Date, provided that with respect to DSUs of a U.S. Participant, settlement of DSUs shall take place on or before December 31st of the calendar year in which the Settlement Date occurs, or, if later, on or before the date that is two and one-half (2-½) months following the Settlement Date and the U.S. Participant shall have no ability to influence, directly or indirectly, the calendar year in which settlement will occur (the "**U.S. DSU Outside Settlement Date**").
- 4.4.3 Settlement of DSUs shall take place promptly following the DSU Settlement Date and, for greater certainty, before the DSU Expiry Date, through:
- (a) in the case of the settlement of DSUs for their Cash Equivalent, delivery of a cheque to the Participant representing the Cash Equivalent;
 - (b) in the case of the settlement of DSUs for Subordinate Voting Shares, delivery of a share certificate to the Participant or the entry of the Participant's name on the share register for the Subordinate Voting Shares; or
 - (c) in the case of settlement of the DSUs for a combination of Subordinate Voting Shares and the Cash Equivalent, a combination of 4.4.3(a) and 4.4.3(b) above.
- 4.4.4 Notwithstanding any other provision of this Plan, in the event that a DSU Settlement Date occurs during a Black-Out Period or other trading restriction imposed by the Corporation, then settlement of the applicable DSUs shall be automatically extended to the tenth (10th) Business Day following the date that such Black-Out Period or other trading restriction is lifted, terminated or removed, provided that with respect to DSUs of a U.S. Participant settlement will not be delayed beyond the U.S. DSU Outside Settlement Date unless settlement during such Black-Out Period would violate applicable securities laws or other applicable laws or unless a delay until the end of the Black Out Period would be permitted under Section 409A of the Code.
- 4.4.5 A DSU holder who is a U.S. Awardee may not settle their DSUs for Subordinate Voting Shares unless the Subordinate Voting Shares issuable upon settlement are registered under the U.S. Securities Act or are issued in compliance with an available exemption from the registration requirements of the U.S. Securities Act.

4.5 Provisions Applicable to Dual Status Taxpayers

4.5.1 If DSUs of a U.S. Participant are subject to tax under the income tax laws of Canada and also are subject to tax under Section 409A of the Code a “**Dual Status Taxpayer**”, the following special rules regarding forfeiture will apply. For greater clarity, these forfeiture provisions are intended to avoid adverse tax consequences under Section 409A and/or under Section 6801(d) of the *Income Tax Regulations* (Canada) or any successor to such provision, that may result because of the different requirements as to the time of distribution of DSUs (and thus the time of taxation) with respect to a Dual Status Taxpayer’s separation from service (under U.S. tax law) and his retirement or loss of office (under tax laws of Canada). The intended consequence of this Section 4.5 is that distributions with respect to DSUs of Dual Status Taxpayers only will occur if such Participant’s cessation of services triggering settlement of DSUs constitutes both a Separation From Service under Section 409A of the Code and a retirement or loss of office within the meaning of Section 6801(d) of the regulations under the Income Tax Act. By way of example, if a Dual Status Taxpayer otherwise would be entitled to payment of DSUs in any of the following circumstances, such DSUs shall instead be immediately and irrevocably forfeited:

- (a) a Dual Status Taxpayer who was awarded DSUs for services as an employee experiences a Separation From Service as a result of a permanent decrease in the level of services such Dual Status Taxpayer provides to the Corporation and its affiliates to less than 20% of his past service, but such Dual Status Taxpayer continues to provide some level of service to the Corporation or an affiliate such that he has not had a retirement from, or loss of office or employment with, the Corporation or a corporation related thereto, within the meaning of Section 6801(d) of the *Income Tax Regulations* (Canada) or any successor to such provision; or
- (b) a Dual Status Taxpayer experiences a Separation From Service as a result of ceasing to a member of the Board, but such person continues providing services as an employee of the Corporation or an affiliate, and as a result he has not experienced a retirement from, or loss of office or employment with, the Corporation or a corporation related thereto, within the meaning of Section 6801(d) of *Income Tax Regulations* (Canada) or any successor to such provision; or
- (c) a Dual Status Taxpayer experiences a retirement from, or loss of office or employment with, the Corporation or a corporation related thereto, within the meaning of Section 6801(d) of the *Income Tax Regulations* (Canada) or any successor to such provision, by virtue of ceasing employment as both an employee and as a director, but he continues to provide services as an independent contractor such that he has not experienced a Separation from Service.

4.5.2 In no event will a Dual Status Taxpayer receive a distribution of his DSUs as a result of his termination unless such termination also is a Separation From Service, applying the fifty percent common ownership standard for determining affiliate

status. For greater certainty, in no event will the settlement of a Dual Status Taxpayer's DSUs be delayed beyond the U.S. DSU Outside Settlement Date, unless such delay would be permitted in a manner in compliance with or exempt from Section 409A of the Code.

4.6 DSU Agreements

- 4.6.1 DSUs shall be evidenced by a DSU Agreement, in such form not inconsistent with the Plan as the Board may from time to time determine. The DSU Agreement shall contain such terms that may be considered necessary in order that the DSU will comply with any provisions respecting deferred share units in the laws (including tax laws) in force in any country or jurisdiction of which the Participant may be subject to or the rules of any regulatory body having jurisdiction over the Corporation.
- 4.6.2 U.S. Awardees will acknowledge and agree in the DSU Agreement that (i) the Subordinate Voting Shares issuable upon settlement of the DSUs have not been and will not be registered under the U.S. Securities Act, and the Subordinate Voting Shares will be issued by the Corporation in reliance upon an exemption from registration under the U.S. Securities Act; and (ii) any Subordinate Voting Shares issued to the U.S. Awardee upon settlement of the subject DSUs will be deemed "restricted securities" (as defined in Rule 144(a)(3) of the U.S. Securities Act) and bear a restrictive legend to such effect.

ARTICLE 5 PERFORMANCE SHARE UNITS

5.1 Nature of PSU

A PSU is an Award entitling the recipient to receive payment in Subordinate Voting Shares or Cash Equivalent once such Award is earned and has vested, subject to such restrictions and conditions as the Board may determine at the time of grant. Conditions shall be based upon the achievement of pre-established Performance Criteria over the Performance Period as well as continuing employment or engagement with the Corporation or a Subsidiary.

5.2 PSU Awards

- 5.2.1 Subject to the provisions herein set forth and any shareholder or regulatory approval which may be required, the Board shall, from time to time by resolution, in its sole discretion, (i) designate the Eligible Participants who may receive PSUs under the Plan, (ii) fix the number of PSUs, if any, to be granted to each Eligible Participant and the date or dates on which such PSUs shall be granted, and (iii) determine the relevant conditions and vesting provisions (including the applicable Performance Period and Performance Criteria) and Unit Restriction Period of such PSUs, the whole subject to the terms and conditions prescribed in this Plan and in any PSU Agreement.
- 5.2.2 Subject to the vesting and other conditions and provisions set forth herein and in the PSU Agreement, the Board shall determine whether PSUs awarded to a Participant shall entitle the Participant: (i) to receive one (1) Subordinate Voting

Share issued from treasury for each PSU awarded; (ii) to receive the Cash Equivalent of one (1) Subordinate Voting Share for each PSU awarded; or (iii) to receive a combination of Cash Equivalent and Subordinate Voting Shares.

- 5.2.3 PSUs of Participants who are not U.S. Participants shall be settled by the Participant at any time beginning on the first Business Day following their PSU Vesting Determination Date but no later than the last day of the Unit Restriction Period. PSUs of U.S. Participants will be settled by the Corporation on or before March 15th of the year immediately following the year in which the PSU Vesting Determination Date occurs, and the U.S. Participant shall have no ability to influence, directly or indirectly, the calendar year in which the PSUs will be settled (or shall otherwise be settled in a manner in accordance with or exempt from Section 409A of the Code). Unless otherwise determined by the Board, all unvested PSUs shall be cancelled on the PSU Vesting Determination Date and, in any event, no later than the last day of the Unit Restriction Period.
- 5.2.4 A PSU holder who is a U.S. Awardee may not settle their PSUs for Subordinate Voting Shares unless the Subordinate Voting Shares issuable upon settlement are registered under the U.S. Securities Act or are issued in compliance with an available exemption from the registration requirements of the U.S. Securities Act.

5.3 Performance Criteria and Performance Period

- 5.3.1 For each award of PSUs, the Board shall establish the period in which any Performance Criteria and other vesting conditions must be met in order for a Participant to be entitled to receive Subordinate Voting Shares in exchange for all or a portion of the PSUs held by such Participant (the “**Performance Period**”), provided that such Performance Period may not expire after the last day of the Unit Restriction Period.
- 5.3.2 For each award of PSUs, the Board shall establish any Performance Criteria and other vesting conditions which must be met during the Performance Period (unless waived or otherwise deemed to be satisfied by the Board in its sole discretion) in order for a Participant to be entitled to receive Subordinate Voting Shares in exchange for his or her PSUs.

5.4 PSU Vesting Determination Date

The vesting determination date for PSUs (the “**PSU Vesting Determination Date**”) means the date on which the Board determines if the Performance Criteria and all other vesting conditions with respect to a PSU have been met or have been waived or deemed satisfied by the Board in its sole discretion, and as a result, establishes the number of PSUs that become vested, if any. For greater certainty, the PSU Vesting Determination Date must fall after the end of the Performance Period (except in the case of the Board’s discretionary waiver of Performance Criteria and other vesting conditions), but no later than the last day of the Unit Restriction Period.

5.5 Settlement of PSUs

- 5.5.1 Except as otherwise provided in the PSU Agreement and subject to Section 8.3.1, in the event that the vesting conditions, the Performance Criteria and

Performance Period of a PSU are satisfied:

- (a) all of the vested PSUs covered by a particular grant to a Participant who is not a U.S. Participant may, be settled at on any day (each such day being a “**PSU Settlement Date**”) beginning on the PSUs Vesting Determination Date and ending on or before the last day of the Unit Restriction Period by delivering a Unit Settlement Notice in respect of any or all vested PSUs held by such Participant. PSUs of a U.S. Participant will be settled by the Corporation on or before March 15th of the year immediately following the calendar year in which the PSU Vesting Determination Date occurred and the U.S. Participant shall have no ability to influence, directly or indirectly, the calendar year in which the PSUs will be settled (or shall otherwise be settled in a manner in accordance with or exempt from Section 409A of the Code).
- (b) any vested PSU of a Participant who is not a U.S. Participant for which no Unit Settlement Notice has been delivered prior to the last day of the Unit Restriction Period shall be automatically settled on the last day of the Unit Restriction Period.

5.5.2 Subject to Section 8.3.1, settlement of PSUs shall take place promptly following the PSU Settlement Date and, for greater certainty, before the last day of the Unit Restriction Period, and with respect to U.S. Participants on or before March 15th of the year immediately following the year in which the PSU Vesting Determination Date occurs and the U.S. Participant shall have no ability to influence, directly or indirectly, the calendar year in which the PSUs will be settled (or otherwise in a manner in accordance with or exempt from Section 409A of the Code), through:

- (a) in the case of the settlement of PSUs for their Cash Equivalent, delivery of a cheque to the Participant representing the Cash Equivalent;
- (b) in the case of the settlement of PSUs for Subordinate Voting Shares, delivery of a share certificate to the Participant or the entry of the Participant’s name on the share register for the Subordinate Voting Shares; or
- (c) in the case of settlement of the PSUs for a combination of Subordinate Voting Shares and the Cash Equivalent, a combination of 5.5.2(a) and 5.5.2(b) above.

5.6 Determination of Amounts

5.6.1 **Cash Equivalent of PSUs.** For purposes of determining the Cash Equivalent of PSUs to be paid pursuant to Section 5.5 (if any), such calculation will be made on the PSU Settlement Date and shall be equal to the Market Value of one Subordinate Voting Share on the PSU Settlement Date multiplied by the number of vested PSUs in the Participant’s Account which the Participant desires to settle in cash pursuant to the Unit Settlement Notice.

5.6.2 **Payment in Subordinate Voting Shares.** For the purposes of determining the

number of Subordinate Voting Shares from treasury to be issued and delivered to a Participant upon settlement of a PSU pursuant to Section 5.5, such calculation will be made on the PSU Settlement Date and be the whole number of Subordinate Voting Shares equal to the whole number of vested PSUs then recorded in the Participant's Account which the Participant desires to settle in Subordinate Voting Shares pursuant to the Unit Settlement Notice. Subordinate Voting Shares will be issued from treasury, and the entitlement of the Participant under this Plan shall be satisfied in full by such issuance of Subordinate Voting Shares.

5.7 PSU Agreements

- 5.7.1 PSUs shall be evidenced by a PSU Agreement, in such form not inconsistent with the Plan as the Board may from time to time determine, provided that the substance of Article 5 and Article 7 be included therein. The PSU Agreement shall contain such terms that may be considered necessary in order that the PSU will comply with any provisions respecting performance share units in the laws (including tax laws) in force in any country or jurisdiction of which the Participant may be subject to or the rules of any regulatory body having jurisdiction over the Corporation.
- 5.7.2 U.S. Awardees will acknowledge and agree in the PSU Agreement that (i) the Subordinate Voting Shares issuable upon settlement of the PSUs have not been and will not be registered under the U.S. Securities Act, and the Subordinate Voting Shares will be issued by the Corporation in reliance upon an exemption from registration under the U.S. Securities Act; and (ii) any Subordinate Voting Shares issued to the U.S. Awardee upon settlement of the subject PSUs will be deemed "restricted securities" (as defined in Rule 144(a)(3) of the U.S. Securities Act) and bear a restrictive legend to such effect.

ARTICLE 6 RESTRICTED SHARE UNITS

6.1 Nature of RSUs

A RSU is an Award entitling the recipient to receive payment based on the value of one Subordinate Voting Share once such Award has vested, subject to such restrictions and conditions as the Board may determine at the time of grant. Conditions may be based on continuing employment (or engagement) with the Corporation or its Subsidiary.

6.2 RSU Awards

- 6.2.1 Subject to the provisions herein set forth and any shareholder or regulatory approval which may be required, the Board shall, from time to time by resolution, in its sole discretion, (i) designate the Eligible Participants who may receive RSUs under the Plan, (ii) fix the number of RSUs, if any, to be granted to each Eligible Participant and the date or dates on which such RSUs shall be granted, and (iii) determine the relevant conditions and vesting provisions and the Unit Restriction Period of such RSUs, the whole subject to the terms and conditions prescribed in this Plan and in any RSU Agreement.

- 6.2.2 Unless otherwise set forth in the RSU Agreement, each RSU shall vest as to 1/3 on each of the first, second and third anniversary of the date of grant provided the Participant remains in continuous service with the Corporation or an affiliate from the date of grant of the RSU through such vesting date (each such date being a “**RSU Vesting Date**”). Notwithstanding the foregoing and subject to Section 2.6.5, if the Board in its discretion waives all vesting conditions or deems them satisfied, the date of such determination by the Board will be the RSU Vesting Date.
- 6.2.3 Subject to the vesting and other conditions and provisions set forth herein and in the RSU Agreement, the Board shall determine whether RSUs awarded to a Participant shall entitle the Participant: (i) to receive one (1) Subordinate Voting Share issued from treasury for each RSU awarded; (ii) to receive the Cash Equivalent of one (1) Subordinate Voting Share for each RSU awarded; or (iii) to receive a combination of Cash Equivalent and Subordinate Voting Shares.
- 6.2.4 RSUs of a Participant who is not a U.S. Participant shall be settled by the Participant at any time beginning on the first Business Day following the RSU Vesting Date but no later than the last day of the Unit Restriction Period. RSUs of a U.S. Participant will be settled by the Corporation on or before March 15th of the year immediately following the calendar year in which the RSU Vesting Date occurred and the U.S. Participant shall have no ability to influence, directly or indirectly, the calendar year in which the RSUs will be settled (or shall otherwise be settled in a manner in accordance with or exempt from Section 409A of the Code).
- 6.2.5 A RSU holder who is a U.S. Awardee may not settle their RSUs for Subordinate Voting Shares unless the Subordinate Voting Shares issuable upon settlement are registered under the U.S. Securities Act or are issued in compliance with an available exemption from the registration requirements of the U.S. Securities Act.

6.3 Settlement of RSUs

- 6.3.1 Except as otherwise provided in the RSU Agreement and subject to Section 8.3.1:
- (a) all of the vested RSUs covered by a particular grant made to a Participant who is not a U.S. Participant may be settled at on any day (each such day being a “**RSU Settlement Date**”) on or before the last day of the Unit Restriction Period by delivering a Unit Settlement Notice in respect of any or all vested RSUs held by such Participant. RSUs of a U.S. Participant will be settled by the Corporation on or before March 15th of the year immediately following the calendar year in which the RSU Vesting Date occurred and the U.S. Participant shall have no ability to influence, directly or indirectly, the calendar year in which the RSUs will be settled (or shall otherwise be settled in a manner in accordance with or exempt from Section 409A of the Code); and
 - (b) any vested RSU of a Participant who is not a U.S. Participant for which no Unit Settlement Notice has been delivered prior to the last day of the Unit

Restriction Period, shall be automatically settled on the last day of the Unit Restriction Period.

- 6.3.2 Subject to Section 8.5, settlement of RSUs shall take place promptly following the RSU Settlement Date and, for greater certainty, before the last day of the Unit Restriction Period, and with respect to U.S. Participants on or before March 15th of the year immediately following the year in which the RSU Vesting Date occurs and the U.S. Participant shall have no ability to influence, directly or indirectly, the calendar year in which the PSUs will be settled (or shall otherwise be settled in a manner in accordance with or exempt from Section 409A of the Code), through:
- (a) in the case of settlement of RSUs for their Cash Equivalent, delivery of a cheque to the Participant representing the Cash Equivalent;
 - (b) in the case of settlement of RSUs for Subordinate Voting Shares, delivery of a share certificate to the Participant or the entry of the Participant's name on the share register for the Subordinate Voting Shares; or
 - (c) in the case of settlement of the RSUs for a combination of Subordinate Voting Shares and the Cash Equivalent, a combination of (a) and (b) above.

6.4 Determination of Amounts

- 6.4.1 **Cash Equivalent of RSUs.** For purposes of determining the Cash Equivalent of RSUs to be paid pursuant to Section 6.3 (if any), such calculation will be made on the RSU Settlement Date and shall be equal to the Market Value of one Subordinate Voting Share on the RSU Settlement Date multiplied by the number of vested RSUs in the Participant's Account which the Participant desires to settle in cash pursuant to the Unit Settlement Notice.
- 6.4.2 **Payment in Subordinate Voting Shares.** For the purposes of determining the number of Subordinate Voting Shares from treasury to be issued and delivered to a Participant upon settlement of RSUs pursuant to Section 6.3, such calculation will be made on the RSU Settlement Date and be the whole number of Subordinate Voting Shares equal to the whole number of vested RSUs then recorded in the Participant's Account which the Participant desires to settle in Subordinate Voting Shares pursuant to the Unit Settlement Notice. Subordinate Voting Shares will be issued from treasury, and the entitlement of the Participant under this Plan shall be satisfied in full by such issuance of Subordinate Voting Shares.

6.5 RSU Agreements

- 6.5.1 RSUs shall be evidenced by a RSU Agreement or included in an Employment Agreement, in such form not inconsistent with the Plan as the Board may from time to time determine, provided that the substance of Article 6 and Article 7 be included therein. The RSU Agreement shall contain such terms that may be considered necessary in order that the RSU will comply with any provisions respecting restricted share units in the laws (including tax laws) in force in any country or jurisdiction of which the Participant may be subject to or the rules of

any regulatory body having jurisdiction over the Corporation.

- 6.5.2 U.S. Awardees will acknowledge and agree in the RSU Agreement that (i) the Subordinate Voting Shares issuable upon settlement of the RSUs have not been and will not be registered under the U.S. Securities Act, and the Subordinate Voting Shares will be issued by the Corporation in reliance upon an exemption from registration under the U.S. Securities Act; and (ii) any Subordinate Voting Shares issued to the U.S. Awardee upon settlement of the subject PSUs will be deemed “restricted securities” (as defined in Rule 144(a)(3) of the U.S. Securities Act) and bear a restrictive legend to such effect.

ARTICLE 7 GENERAL CONDITIONS

7.1 General Conditions applicable to Awards.

Each Award, as applicable, shall be subject to the following conditions:

- 7.1.1 **Employment or Other Relationship.** The granting of an Award to a Participant shall not impose upon the Corporation or a Subsidiary any obligation to retain the Participant in its employ in any capacity or otherwise commence, extend, continue or modify any engagement between the Corporation or a Subsidiary and the Participant. For greater certainty, the granting of Awards to a Participant shall not impose any obligation on the Corporation to grant any Awards in the future nor shall it entitle the Participant to receive future grants.
- 7.1.2 **Rights as a Shareholder.** Neither the Participant nor such Participant’s personal representatives or legatees shall have any rights whatsoever as shareholder in respect of any Subordinate Voting Shares covered by such Participant’s Awards until the date of issuance of a share certificate to such Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) or the entry of such person’s name on the share register for the Subordinate Voting Shares. Without in any way limiting the generality of the foregoing, no adjustment shall be made for dividends or other rights for which the record date is prior to the date such share certificate is issued or entry of such person’s name on the share register for the Subordinate Voting Shares is made.
- 7.1.3 **Conformity to Plan.** In the event that an Award is granted or a Grant Agreement is executed which does not conform in all particulars with the provisions of the Plan, or purports to grant Awards on terms different from those set out in the Plan, the Award or the grant of such Award shall not be in any way void or invalidated, but the Award so granted will be adjusted to become, in all respects, in conformity with the Plan.
- 7.1.4 **Non-Transferability and Non-Assignability.** Other than by will or under the law of succession or as otherwise set forth herein, Awards are not assignable or transferable. Awards may be exercised only by:
- (a) the Participant to whom the Awards were granted; or

- (b) with the Corporation's prior written approval and subject to such conditions as the Corporation may stipulate, such Participant's family or retirement savings trust or any registered retirement savings plans or registered retirement income funds of which the Participant is and remains the annuitant; or
- (c) upon the Participant's death, by the legal representative of the Participant's estate; or
- (d) upon the Participant's incapacity, the legal representative having authority to deal with the property of the Participant;

provided that any such legal representative shall first deliver evidence satisfactory to the Corporation of entitlement to exercise any Award, and provided further that any grant of an Award to a U.S. Participant shall be subject to such additional restrictions as may apply under U.S. law (including but not limited to the Code and the U.S. Securities Act). A person exercising an Award may subscribe for Subordinate Voting Shares only in the person's own name or in the person's capacity as a legal representative.

7.2 Additional Conditions applicable to Awards

Each Award (other than DSUs granted to Eligible Participants which shall expire on the DSU Expiry Date irrespective of the circumstances) shall be subject to the following conditions:

- 7.2.1 **Termination for Cause.** Upon a Participant ceasing to be an Eligible Participant for "**Cause**", all unexercised or unsettled vested or unvested Awards granted to such Participant shall terminate as of the Termination Date. For the purposes of the Plan, the determination by the Corporation that the Participant was discharged for "**Cause**" shall be binding on the Participant. "**Cause**" shall include, among other things, any dishonest act such as gross misconduct, theft, fraud, embezzlement, misappropriation, breach of confidentiality, breach of loyalty or breach of duty of loyalty or placement in conflict of interest, and any other reason determined by the Corporation to be cause for termination.
- 7.2.2 **Resignation.** In the case of a Participant ceasing to be an Eligible Participant due to such Participant's resignation, subject to any later expiration dates determined by the Board which shall not be longer than one (1) year after the Termination Date,
 - (a) all vested and unexercised/unsettled Awards shall expire on the earlier of ninety (90) days after the Termination Date and the expiry date of the Awards; and
 - (b) all unvested Awards granted to such Participant shall terminate on the Termination Date caused by such resignation.
- 7.2.3 **Termination or Cessation.** In the case of a Participant ceasing to be an Eligible Participant for any reason other than for "**Cause**", resignation, death or after becoming subject to the Disability,

- (a) all vested and unexercised/unsettled Awards shall expire on the earlier of ninety (90) days after the Termination Date and the expiry date of the Awards; and
- (b) all unvested Awards granted to such Participant shall terminate on the Termination Date caused by such cessation.

7.2.4 **Death or Disability.** If a Participant dies while in his or her capacity as an Eligible Participant, or ceases to be an Eligible Participant as a result of a Disability,

- (a) all vested and unexercised/unsettled Awards shall expire on the earlier of one (1) year after the date of such Participant's death or Disability and the expiry date of the Awards; and
- (b) all unvested Awards granted to such Participant shall terminate on the Termination Date caused by death or Disability.

7.2.5 **Compliance.** Notwithstanding the foregoing, with respect to Awards (including but not limited to DSUs, RSUs and PSUs) awarded to U.S. Participants, nothing in this Section 7.2 will result in a failure to comply with the required timing of settlement of such Awards as otherwise specified in the Plan. Further provided, however, that if a Participant is determined to have breached any post-employment restrictive covenants in favour of the Corporation, then any Awards held by the Participant, whether vested or unvested, will immediately expire and the Participant shall pay to the Corporation any "in-the-money" amounts realized upon exercise of Awards following the Termination Date.

7.3 Unfunded Plan

Unless otherwise determined by the Board, this Plan shall be unfunded. To the extent any Participant or his or her estate holds any rights by virtue of a grant of Awards under this Plan, such rights (unless otherwise determined by the Board) shall be no greater than the rights of an unsecured creditor of the Corporation. Notwithstanding the foregoing, any such determinations made by the Board shall be made in such manner as to ensure that the Options continuously meet the requirements of Section 7 of the Tax Act and the DSUs continuously meet the requirements of Section 6801(d) of the *Income Tax Regulations* (Canada) or any successor provision thereto.

7.4 U.S. Securities Laws

Neither the Awards nor the securities which may be acquired pursuant to the exercise or settlement of the Awards have been registered under the U.S. Securities Act or under any securities law of any state of the United States and are considered "restricted securities" (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act) and any Subordinate Voting Shares issuable pursuant to the Plan shall be affixed with an applicable restrictive legend as set forth in the respective award agreement. The Awards may not be offered or sold, directly or indirectly, in the United States except pursuant to registration under the U.S. Securities Act and the securities laws of all applicable states or available exemptions therefrom, and the Corporation has no obligation or present intention of filing a registration statement under the U.S. Securities Act in respect of any of the Awards or the securities underlying the Awards, which could result in such U.S. Awardee not being able to dispose of any

Subordinate Voting Shares issued on exercise or settlement of Awards for a considerable length of time. Each U.S. Awardee will be required to complete an award agreement intended to include applicable United States restrictions.

Notwithstanding any provisions contained in the Plan to the contrary and to the extent required by applicable U.S. state corporate laws, U.S. federal and state securities laws, the Code, and the applicable laws of any jurisdiction in which stock-based Awards are granted under the Plan, the terms attached hereto as Addendum A shall apply to all such Awards granted to residents of the State of California, until such time as the Board or the Committee, as applicable, amends Addendum A or the Board or the Committee, as applicable, otherwise provides.

ARTICLE 8 ADJUSTMENTS AND AMENDMENTS

8.1 Adjustment to Subordinate Voting Shares Subject to Outstanding Awards

8.1.1 In the event of (i) any subdivision of the Subordinate Voting Shares into a greater number of Subordinate Voting Shares, (ii) any consolidation of Subordinate Voting Shares into a lesser number of Shares, (iii) any reclassification, reorganization or other change affecting the Issued Shares, (iv) any merger, amalgamation or consolidation of the Corporation with or into another corporation, or (v) any distribution to all holders of Issued Shares or other securities in the capital of the Corporation, of cash, evidences of indebtedness or other assets of the Corporation (excluding an ordinary course dividend in cash or Subordinate Voting Shares, but including for greater certainty shares or equity interests in a Subsidiary or business unit of the Corporation or one of its Subsidiaries or cash proceeds of the disposition of such a Subsidiary or business unit) or any transaction or change having a similar effect, then the Board shall in its sole discretion, subject to the required approval of TSXV, determine the appropriate adjustments or substitutions to be made in such circumstances in order to maintain the economic rights of the Participant in respect of such Award in connection with such occurrence or change, including, without limitation:

- (a) adjustments to the exercise price of such Award without any change in the total price applicable to the unexercised portion of the Award;
- (b) adjustments to the number of Subordinate Voting Shares to which the Participant is entitled upon exercise of such Award; or
- (c) adjustments to the number of Subordinate Voting Shares reserved for issuance pursuant to the Plan.

8.2 Amendment or Discontinuance of the Plan

8.2.1 The Board may amend the Plan or any Award at any time without the consent of the Participants provided that such amendment shall:

- (a) not adversely alter or impair any Award previously granted except as permitted by the provisions of Article 8;

- (b) be in compliance with applicable law and subject to any regulatory approvals including, where required, the approval of the Exchange; and
- (c) be subject to shareholder approval, including disinterested shareholder approval, where required by law, the requirements of the Exchange or the provisions of the Plan, provided that shareholder approval shall not be required for the following amendments and the Board may make any changes which may include but are not limited to:
 - (i) any amendment to the vesting provisions, if applicable, or assignability provisions of Awards;
 - (ii) any amendment which accelerates the date on which any Award may be exercised under the Plan (subject to any restrictions under Section 409A of the Code as to U.S. Participants);
 - (iii) any amendment necessary to comply with applicable law or the requirements of the Exchange or any other regulatory body;
 - (iv) any amendment of a “housekeeping” nature, including, without limitation, to clarify the meaning of an existing provision of the Plan, correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan, correct any grammatical or typographical errors or amend the definitions in the Plan;
 - (v) any amendment regarding the administration of the Plan; and
 - (vi) any other amendment that does not require the approval of the holders of Subordinate Voting Shares pursuant to the amendment provisions of the Plan.

The Board may, by resolution, but subject to applicable regulatory approvals, decide that any of the provisions hereof concerning the effect of termination of the Participant’s employment or engagement shall not apply for any reason acceptable to the Board, provided that any such Board decision will be undertaken with regard to U.S. Participants only if it does not result in adverse tax consequences with respect to outstanding Awards resulting from failure to comply with Section 409A of the Code.

8.2.2 Notwithstanding Section 8.2.1(c), the Board shall be required to obtain shareholder approval, including disinterested shareholder approval (when required by law, the requirements of the Exchange or the provisions of the Plan), to make the following amendments:

- (a) any amendment to the definition of “Eligible Participant”;
- (b) any change to the maximum number of Subordinate Voting Shares issuable from treasury under the Plan, except such increase by operation of Section 2.4.2(a) and in the event of an adjustment pursuant to Article 8, or

the maximum number of Subordinate Voting Shares issuable upon the exercise of ISOs (to the extent required under Section 422 of the Code);

- (c) any amendment to the limitations under the Plan on the number of Awards that may be granted to any one Person or any category of Persons (including Insiders and Persons retained to provide Investor Relations Activities);
- (d) the method for determining the Option Price of an Option;
- (e) any reduction in the Option Price of an Option held by an Insider;
- (f) any amendment which extends the expiry date of any Award held by an Insider, or the Unit Restriction Period of any Units beyond the original expiry date, except in case of an extension due to a Black-Out Period;
- (g) any amendment regarding the effect of termination of a Participant's employment or engagement;
- (h) any amendment to add or amend provisions permitting for the granting of cash-settled awards, a form of financial assistance or clawback; or
- (i) any amendment to the amendment provisions of the Plan.

8.2.3 The Board may, subject to regulatory approval, discontinue the Plan at any time without the consent of the Participants provided that such discontinuance shall not materially and adversely affect any Awards previously granted to a Participant under the Plan. Any amendment to outstanding Awards of U.S. Participants resulting from the application of this Section 8.2 shall be undertaken in a manner that complies with Section 409A of the Code to the extent it is applicable.

8.3 Change of Control

8.3.1 **Change of Control.** In the event of and in connection with a transaction that would constitute a Change of Control, notwithstanding anything else in this Plan but subject to the specific terms of any Grant Agreement to the contrary and the approval of the Exchange, if required, the Board shall have the right, in its discretion, to deal with any or all Award (or any portion thereof) issued under this Plan in the manner it deems fair and reasonable in the circumstances of the Change of Control, provided that with respect to Awards of U.S. Participants any such action or treatment of Awards will comply with the requirements of Section 409A of the Code, to the extent it is applicable. Without limiting the generality of the foregoing, in connection with a Change of Control, the Board, without any action or consent required on the part of any Participant, shall have the right to:

- (a) determine that the Awards, in whole or in part and whether vested or unvested, shall remain in full force and effect in accordance with their terms after the Change of Control;
- (b) provide for the conversion or exchange of any or all Awards (or any

portion thereof, whether vested or unvested) into or for options, rights, units or other securities in any entity participating in or resulting from a Change of Control;

- (c) cancel any unvested Awards (or any portions thereof) without payment of any kind to any Participant;
- (d) accelerate the vesting of outstanding Awards;
- (e) provide for outstanding Awards to be purchased;
- (f) accelerate the date by which any or all Awards or any portion thereof, whether vested or unvested, must be exercised or settled either in whole or in part;
- (g) deem any or all Awards or any portion thereof, whether vested or unvested (including those accelerated pursuant to this Plan) to have been exercised or settled in whole or in part, tender, on behalf of the Participant, the underlying Subordinate Voting Shares that would have been issued pursuant to the exercise or settlement of such Awards to any third party purchaser in connection with the Change of Control, and pay to the Participant on behalf of such third party purchaser an amount per underlying Subordinate Voting Share equal to the Change of Control price of the Subordinate Voting Share or, in the case of Options, the positive difference between the Change of Control price of the Subordinate Voting Share and the applicable Option Price;
- (h) cancel any or all outstanding Awards (including those accelerated under pursuant to this Plan) either in whole or in part and pay to the Participant an amount per underlying Subordinate Voting Share equal to the Change of Control price of the Subordinate Voting Share or, in the case of Options, the positive difference between the Change of Control price of the Subordinate Voting Share and the applicable Option Price; or
- (i) take such other actions or combinations of the foregoing actions or any other actions permitted under this Section 8.3.1, as it deems fair and reasonable under the circumstances.

8.4 Settlement of DSUs

Notwithstanding any other provision of this Plan, no amendment of the Plan or decision of the Board shall accelerate the settlement of a Participant's DSUs prior to the date on which the Participant (i) ceases to be a director of the Corporation; (ii) ceases to be employed by the Corporation or its Subsidiaries; (iii) ceases to provide services to the Corporation or its Subsidiaries, as applicable; or (iv) dies, as applicable. Further, with respect to U.S Participants no amendment of the Plan or decision of the Board shall accelerate the settlement of the Participant's DSUs prior to the date on which the Participant experiences a Separation from Service unless such acceleration is permitted under Section 409A of the Code.

8.5 Settlement of RSUs and PSUs during a Black-Out Period

Notwithstanding any other provision of this Plan, in the event that a PSU Settlement Date or a RSU Settlement Date falls during a Black-Out Period or other trading restriction imposed by the Corporation and a Participant who is not a U.S. Participant has failed to delivered a Unit Settlement Notice, then such PSU Settlement Date or RSU Settlement Date shall be automatically extended to the tenth (10th) Business Day following the date that such Black-Out Period or other trading restriction is lifted, terminated or removed. With respect to Awards of U.S. Participants, the deadline for settlement of such PSUs and RSUs as set forth in the Plan will not be extended due to a Black-Out Period unless settlement during such Black-Out Period would violate applicable securities laws or other applicable laws or unless a delay in settlement until the end of the Black Out Period would be permitted under Section 409A of the Code.

ARTICLE 9 MISCELLANEOUS

9.1 Use of an Administrative Agent and Trustee

The Board may in its sole discretion appoint from time to time one or more entities to act as administrative agent to administer the Awards granted under the Plan and, subject to Section 7.3 of the Plan, to act as custodian to hold and administer the assets that may be held in respect of Awards granted under the Plan, the whole in accordance with the terms and conditions determined by the Board in its sole discretion. The Corporation and the administrative agent will maintain records showing the holdings of the respective Awards, vesting periods, Performance Criteria and Participants.

9.2 Tax Withholding

9.2.1 Notwithstanding any other provision of this Plan, all distributions, delivery of Subordinate Voting Shares or payments to a Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) under the Plan shall be made net of all withholdings required by applicable law. If the event giving rise to a withholding obligation involves an issuance or delivery of Subordinate Voting Shares, then, the withholding obligation may be satisfied by (a) having the Participant elect to have the appropriate number of such Subordinate Voting Shares sold by the Corporation, the Corporation's transfer agent and registrar or any trustee appointed by the Corporation pursuant to Section 9.1, on behalf of and as agent for the Participant as soon as permissible and practicable, with the proceeds of such sale being delivered to the Corporation, which will in turn remit such amounts to the appropriate governmental authorities, or (b) any other mechanism as may be required or appropriate to conform with applicable law.

9.2.2 Notwithstanding Section 9.2.1, withholding in respect of Canadian income tax may be waived where a Participant who is not a U.S. Participant, who is an employee of the Corporation or a Subsidiary for the purposes of the Tax Act, directs in writing that a payment be made directly to the Participant's registered retirement savings plan and provides satisfactory written evidence that such payment is within the Participant's deduction limit for such plan for the taxation year in which the payment is made.

9.3 Reorganization of the Corporation

The existence of any Awards shall not affect in any way the right or power of the Corporation or its shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Corporation's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Corporation or to create or issue any bonds, debentures, shares or other securities of the Corporation or the rights and conditions attaching thereto or to effect the dissolution or liquidation of the Corporation or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

9.4 Section 409A of the Code.

The Plan is intended to be exempt from or otherwise to comply with the requirements of Section 409A of the Code and the provisions of the Plan and any Grant Agreement shall be interpreted in a manner that satisfies the requirements of Section 409A of the Code, and the Plan shall be operated accordingly. If any provision of the Plan or any term or condition of any Award is ambiguous such that an interpretation of the provision would otherwise frustrate or conflict with this intent, the provision, term or condition will be interpreted so as to avoid frustrating or conflicting with this intent. If an amount payable under an Award as a result of a U.S. Participant experiencing a Separation from Service (other than due to death) at a time when the U.S. Participant is a Specified Employee constitutes a deferral of compensation subject to Section 409A of the Code, then payment of such amount shall not occur until six months and one day after the date of the Participant's Separation from Service, except as permitted under Section 409A of the Code. If the Award includes a "series of installment payments" (within the meaning of Section 1.409A-2(b)(2)(iii) of the Treasury Regulations), the Participant's right to the series of installment payments shall be treated as a right to a series of separate payments and not as a right to a single payment, and if the Award includes "dividend equivalents" (within the meaning of Section 1.409A-3(e) of the Treasury Regulations), the Participant's right to the dividend equivalents shall be treated as a right to a payment or series of payments that is separate from the right to any other payments payable under the Award and such right shall be structured in a manner intended to be exempt from or to comply with Section 409A of the Code. For any Award that provides for accelerated distribution on a Change of Control of amounts that constitute "deferred compensation" (as defined in Section 409A of the Code), if the event that constitutes such Change of Control does not also constitute a change in the ownership or effective control of the Corporation, or in the ownership of a substantial portion of the Corporation's assets (in either case, as defined in Section 409A of the Code), such amount shall not be distributed on such Change of Control but instead shall vest as of such Change of Control and shall be distributed on the scheduled payment date specified in the Plan or applicable Grant Agreement, except to the extent that earlier distribution would not result in the Participant who holds such Award incurring interest or additional tax under Section 409A of the Code. With respect to any Award subject to Section 409A of the Code (and not exempt therefrom), a Participant will cease to be an Eligible Participant upon the occurrence of the Participant's Separation from Service. Notwithstanding the foregoing, the tax treatment of the benefits provided under the Plan or any applicable Grant Agreement is not warranted or guaranteed, and in no event shall the Corporation be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Participant on account of non-compliance with Section 409A of the Code.

9.5 Governing Laws

The Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

9.6 Severability

The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from the Plan.

9.7 Language

Each Participant agrees with the Corporation that this Plan and all agreements, notices, declarations and documents accessory to the Plan be drafted in English only. *Chaque participant consent avec la société à ce que ce Plan ainsi que toutes conventions, avis, déclarations et documents afférents au Plan soient rédigés en anglais seulement.*

9.8 Effective Date of the Plan

The Plan was approved by the Board on October 21, 2022, approved by its shareholders on June 29, 2022, and shall take effect on upon the completion of the Corporation's reverse take-over transaction.

ADDENDUM A

OMNIBUS INCENTIVE PLAN (California Participants)

Notwithstanding anything to the contrary in any section within the Plan itself, the terms set forth herein shall apply to Awards issued to California Participants until such time as the Board (or the Committee, as applicable) amends this Addendum or the Board (or the Committee, as applicable) otherwise provides. "California Participant" means a Participant whose Award is issued in reliance on Section 25102(o) of the California Corporations Code. All capitalized terms used herein but not otherwise defined shall have the respective meanings set forth in the Plan.

1. With respect to any Award granted in the form of an Option:
 - a. The exercise period shall be no more than one hundred twenty (120) months from the date the Option is granted.
 - b. In the event of a stock split, reverse stock split, stock dividend, recapitalization, combination, reclassification or other distribution of the Corporation's equity securities without receipt of consideration by the Corporation, of or on the Corporation's class or series of securities underlying the Option, the number of securities purchasable and the exercise price thereof shall be proportionately adjusted.
 - c. The following rules shall apply to any Option in the event of termination of the Participant's service to the Corporation or an affiliate:
 - i. If such termination was for reasons other than death, "Permanent Disability" (as defined below), or cause, the Participant shall have at least 30 days after the date of such termination to exercise his or her Option to the extent the Participant is entitled to exercise on his or her termination date, provided that in no event shall the Option be exercisable after the expiration of the term as set forth in the Option Agreement.
 - ii. If such termination was due to death or Permanent Disability, the Participant shall have at least 6 months after the date of such termination to exercise his or her Option to the extent the Participant is entitled to exercise on his or her termination date, provided that in no event shall the Option be exercisable after the expiration of the term as set forth in the Option Agreement.

"Permanent Disability" for purposes of this Addendum shall mean the inability of the Participant, in the opinion of a qualified physician acceptable to the Corporation, to perform the major duties of the Participant's position with the Corporation or any affiliate because of the sickness or injury of the Participant.

2. With respect to any Award other than in the form of an Option, in the event of a stock split, reverse stock split, stock dividend, recapitalization, combination, reclassification or other distribution of the Corporation's equity securities without receipt of consideration by the Corporation, of or on the Corporation's class of securities subject to the Award, the number of securities allocated to any eligible person under the Plan shall be proportionately adjusted.

3. Unless determined otherwise by the Board or the Committee, as applicable, Awards may not be

sold, pledged, assigned, hypothecated, or otherwise transferred in any manner other than by will or by the laws of descent and distribution, and may be exercised, during the lifetime of the Participant, only by the Participant. If the Board or the Committee, as applicable, makes an Award transferable, such Award may only be transferred (A) by will, (B) by the laws of descent and distribution, (C) to a revocable trust, or (D) as permitted by Rule 701 of the U.S. Securities Act.

4. Notwithstanding anything to the contrary in any section within the Plan itself, the Board or the Committee, as applicable, shall in any event make such adjustments as may be required by Section 25102(o) of the California Corporations Code.

5. Notwithstanding anything stated herein to the contrary, No Award shall be granted to a resident of California more than ten years after the earlier of the date of adoption of the Plan or the date the Plan is approved by the shareholders of the Corporation.

6. The Corporation shall furnish summary financial information (audited or unaudited) of the Corporation's financial condition and results of operations, consistent with the requirements of applicable law, at least annually to each California Participant during the period such Participant has one or more Awards outstanding, and in the case of an individual who acquired Subordinate Voting Shares, if and as applicable, pursuant to the Plan, during the period such Participant owns such Subordinate Voting Shares; provided, however, the Corporation shall not be required to provide such information if (i) the issuance is limited to key Persons whose duties in connection with the Corporation assure their access to equivalent information or (ii) the Plan or any Option Agreement complies with all conditions of Rule 701 under the U.S. Securities Act; provided that for purposes of determining such compliance, any registered domestic partner shall be considered a "family member" as that term is defined in Rule 701 under the U.S. Securities Act.

7. The Plan or any increase in the maximum aggregate number of Subordinate Voting Shares issuable thereunder as provided in the Plan (the "Authorized Shares") shall be approved by a majority of the outstanding securities of the Corporation entitled to vote by the later of (a) a period beginning twelve (12) months before and ending twelve (12) months after the date of adoption thereof by the Board or (b) the first issuance of any security pursuant to the Plan in the State of California (within the meaning of Section 25008 of the California Corporations Code). Awards granted prior to security holder approval of the Plan or in excess of the Authorized Shares previously approved by the security holders shall become exercisable no earlier than the date of shareholder approval of the Plan or such increase in the Authorized Shares, as the case may be, and such Awards shall be rescinded if such security holder approval is not received in the manner described in the preceding sentence. Notwithstanding the foregoing, a foreign private issuer, as defined by Rule 3b-4 of the United States Securities Exchange Act of 1934, as amended shall not be required to comply with this paragraph provided that the aggregate number of persons in California granted options under all option plans and agreements and issued securities under all purchase and bonus plans and agreements does not exceed 35.

8. The total number of securities issuable upon exercise of all outstanding Options and warrants and any purchase plan or agreement and the total number of securities called for under any bonus or similar plan or agreement shall not exceed a number of securities which is equal to 30% of the then outstanding securities of the Corporation (convertible preferred or convertible senior common shares of stock shall be counted on as if converted basis), exclusive of securities subject to promotional waivers under Section 260.141 of the California Code of Regulations, unless a percentage higher than 30% is approved by at least 2/3 of the outstanding securities entitled to vote. Notwithstanding the foregoing, the Corporation shall not be required to comply with such requirement when the Plan complies with all conditions of Rule 701 of the U.S. Securities Act; provided that for purposes of determining such compliance, any registered domestic partner shall be considered a "family member" as that term is defined in Rule 701. The 30%

limitation, or such other percentage as may be approved pursuant to Section 260.140.45 of Title 10 of the California Code of Regulations (“Reg. 260.140.45”), shall further be deemed satisfied if the Plan provides that at no time shall the total number of securities issuable upon exercise of all outstanding Options and the total number of shares provided for under any stock bonus or similar plan or agreement of the Corporation exceed the applicable percentage as calculated in accordance with Reg. 260.140.45, based on the Corporation’s outstanding securities at the time the calculation is made.

9. The Plan is intended to comply with Section 25102(o) of the California Corporations Code. Any provision of this Plan which is inconsistent with Section 25102(o), including without limitation any provision of this Plan that is more restrictive than would be permitted by Section 25102(o) as amended from time to time, shall, without further act or amendment by the Board, be reformed to comply with the provisions of Section 25102(o). If at any time the Board determines that the delivery of Subordinate Voting Shares under the Plan is or may be unlawful under the laws of any applicable jurisdiction, or federal or state securities laws, the right to exercise an Award or receive Subordinate Voting Shares pursuant to an Award shall be suspended until the Board determines that such delivery is lawful. The Company shall have no obligation to effect any registration or qualification of the Subordinate Voting Shares under federal or state laws.

SCHEDULE "C"

AUDIT COMMITTEE CHARTERHARTERH

Please see attached.

The Audit Committee Charter of ARCpoint Inc.

A. Purpose

The overall purpose of the Audit Committee (the "**Committee**") of ARCpoint Inc. (formerly, RSI International Systems Inc.) (the "**Company**") is to ensure that the Company's management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the consolidated financial statements and related financial disclosure of the Company, and to review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information. It is the intention of the Board that through the involvement of the Committee, the external audit will be conducted independently of the Company's Management to ensure that the independent auditors serve the interests of Shareholders rather than the interests of Management of the Company. The Committee will act as a liaison to provide better communication between the Board and the external auditors. The Committee will monitor the independence and performance of the Company's independent auditors.

B. Composition, Procedures and Organization

1. The Committee shall consist of at least three members of the Board of Directors (the "**Board**").
2. At least two (2) members of the Committee shall be independent and the Committee shall endeavour to appoint a majority of independent directors to the Committee, who in the opinion of the Board, would be free from a relationship which would interfere with the exercise of the Committee members' independent judgment. At least one (1) member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices applicable to the Company. For the purposes of this Charter, an individual is financially literate if he or she has 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.
3. The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
4. Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair and a secretary from among their number.
5. The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.
6. The Committee shall have access to such officers and employees of the Company and to the Company's external auditors, and to such information respecting the Company, as it considers to be necessary or advisable in order to perform its duties and responsibilities.
7. Meetings of the Committee shall be conducted as follows:
 - (a) the Committee shall meet at least four times annually at such times and at such locations as may be requested by the chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;
 - (b) the external auditors shall receive notice of and have the right to attend all meetings of the Committee; and

- (c) management representatives may be invited to attend all meetings except private sessions with the external auditors.
8. The internal auditors and the external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in the Company as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

C. *Roles and Responsibilities*

1. The overall duties and responsibilities of the Committee shall be as follows:
- (a) to assist the Board in the discharge of its responsibilities relating to the Company's accounting principles, reporting practices and internal controls and its approval of the Company's annual and quarterly consolidated financial statements and related financial disclosure;
 - (b) to establish and maintain a direct line of communication with the Company's internal and external auditors and assess their performance;
 - (c) to ensure that the management of the Company has designed, implemented and is maintaining an effective system of internal financial controls; and
 - (d) to report regularly to the Board on the fulfilment of its duties and responsibilities.
2. The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:
- (a) to recommend to the Board a firm of external auditors to be engaged by the Company, and to verify the independence of such external auditors;
 - (b) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;
 - (c) review the audit plan of the external auditors prior to the commencement of the audit;
 - (d) to review with the external auditors, upon completion of their audit:
 - (i) contents of their report;
 - (ii) scope and quality of the audit work performed;
 - (iii) adequacy of the Company's financial and auditing personnel;
 - (iv) co-operation received from the Company's personnel during the audit;
 - (v) internal resources used;
 - (vi) significant transactions outside of the normal business of the Company;
 - (vii) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
 - (viii) the non-audit services provided by the external auditors;
 - (e) to discuss with the external auditors the quality and not just the acceptability of the Company's accounting principles; and

- (f) to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management.
3. The duties and responsibilities of the Committee as they relate to the internal control procedures of the Company are to:
- (a) review the appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;
 - (b) review compliance under the Company's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate;
 - (c) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Company; and
 - (d) periodically review the Company's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.
4. The Committee is also charged with the responsibility to:
- (a) review the Company's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto;
 - (b) review and approve the financial sections of:
 - (i) the annual report to Shareholders;
 - (ii) the annual information form, if required;
 - (iii) annual and interim MD&A;
 - (iv) prospectuses;
 - (v) news releases discussing financial results of the Company; and
 - (vi) other public reports of a financial nature requiring approval by the Board,and report to the Board with respect thereto;
 - (c) review regulatory filings and decisions as they relate to the Company's consolidated financial statements;
 - (d) review the appropriateness of the policies and procedures used in the preparation of the Company's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
 - (e) review and report on the integrity of the Company's consolidated financial statements;
 - (f) review the minutes of any audit committee meeting of subsidiary companies;

- (g) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the consolidated financial statements;
- (h) review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information; and
- (i) develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board of Directors following each annual general meeting of shareholders.

5. The Committee shall have the authority:

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