



**ANNUAL AND SPECIAL MEETING  
OF SHAREHOLDERS**

**TO BE HELD ON THURSDAY, JUNE 29, 2023**

**NOTICE OF MEETING  
AND MANAGEMENT INFORMATION CIRCULAR**

*THIS NOTICE OF MEETING AND MANAGEMENT INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF CLEANTEK INDUSTRIES INC. OF PROXIES TO BE VOTED AT THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS OF CLEANTEK INDUSTRIES INC. TO BE HELD ON THURSDAY, JUNE 29, 2023.*

**TO BE HELD AT:**

**The Westin Calgary  
Banff Room  
320, 4<sup>th</sup> Avenue SW, Calgary, Alberta  
at 9:00 a.m. (Calgary Time)**

Dated: May 19, 2023



## CLEANTEK INDUSTRIES INC.

### NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON JUNE 29, 2023

TAKE NOTICE that an Annual and Special Meeting (the "**Meeting**") of the holders of common shares ("**Common Shares**") of Cleantek Industries Inc. (the "**Corporation**") will be held at the Westin Calgary, Banff Room, 320, 4th Avenue SW, Calgary, Alberta, on Thursday, June 29, 2023 at 9:00 a.m. (Calgary time), and at any adjournment thereof, for the following purposes:

1. to receive the audited financial statements of the Corporation for the year ended December 31, 2022 and the report of the auditors thereon;
2. to elect directors for the ensuing year as described in the accompanying management information circular (the "**Information Circular**");
3. to appoint auditors for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditors;
4. to consider and, if thought fit, approve, with or without modification, an ordinary resolution of the disinterested shareholders of the Corporation approving certain amendments to the Corporation's omnibus equity incentive plan (the "**Omnibus Plan**"), as more particularly described in the Information Circular accompanying this Notice of Meeting (the "**Information Circular**");
5. to consider and, if thought fit, approve, with or without modification, an ordinary resolution to re-approve the Corporation's Omnibus Plan, as more particularly described in the Information Circular;
6. to consider and, if thought fit, approve, with or without modification, by ordinary resolution of the disinterested shareholders of the Corporation, the amendment to certain option grants and issuance of restricted share units and deferred share units to certain insiders of the Corporation as more fully described in the Information Circular; and
7. to transact such other business that may properly come before the Meeting or any adjournment thereof.

The details of all matters to be put before shareholders at the Meeting are set forth in the Information Circular accompanying this Notice of Meeting. At the Meeting, shareholders will be asked to approve each of the foregoing items.

The board of directors (the "**Board**") has fixed the close of business on May 15, 2023 as the record date for determining holders of Common Shares who are entitled to notice of and to attend and vote at the Meeting.

A Shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting or any adjournment(s) thereof in person are requested to date and sign the enclosed form of proxy and mail it to, or deposit it with, Odyssey Trust Company, Trader's Bank Building, 702, 67 Yonge Street, Toronto, Ontario, M5E 1J8 (for physical delivery) or by email to [proxy@odysseytrust.com](mailto:proxy@odysseytrust.com) or you may vote online at <https://login.odysseytrust.com/pxlogin>. In order to be valid and acted upon at the Meeting, forms of proxy must be received not later than 9:00 a.m. (Calgary time) on June 27, 2023 or not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to any adjournment(s) of the Meeting.

If you are a non-registered shareholder and have received these materials from your broker or another intermediary, please complete and return the voting instruction form or other authorization form provided to you by your broker or intermediary in accordance with the instructions provided. Failure to do so may result in your Common Shares not being eligible to be voted at the Meeting.

The enclosed form of proxy confers discretionary authority with respect to: (i) amendments or variations to the matters of business to be considered at the Meeting; and (ii) other matters that may properly come before the Meeting. As of the date hereof, management of the Corporation knows of no amendments, variations or other matters to come before the Meeting other than the matters set forth in this "Notice of Meeting". Shareholders who are planning on returning the accompanying form of proxy are encouraged to review the Information Circular carefully before submitting the proxy form.

Your participation as a shareholder is very important to the Corporation. Please ensure your Common Shares are represented at the Meeting.

DATED at Calgary, Alberta, this 19<sup>th</sup> day of May 2023.

**BY ORDER OF THE BOARD OF DIRECTORS**

signed "*Richard F. McHardy*"

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Richard F. McHardy  
Chairman of the Board

## CLEANTEK INDUSTRIES INC.

### MANAGEMENT INFORMATION CIRCULAR

For the Annual and Special Meeting of Shareholders  
to be held on Thursday, June 29, 2023

### PROXIES

#### Solicitation of Proxies

This Information Circular is furnished in connection with the solicitation of proxies by the management of Cleantek Industries Inc. (the “Corporation”) for use at the Annual and Special Meeting of the holders (the “Shareholders”) of common shares (the “Common Shares”) of the Corporation to be held at the Westin Calgary, Banff Room, 4th Avenue SW, Calgary, Alberta, on Thursday, June 29, 2023 at 9:00 a.m. (Calgary time), and at any adjournment thereof (the “Meeting”), for the purposes set forth in the accompanying notice of meeting (the “Notice of Meeting”). Only Shareholders of record at the close of business on May 15, 2023 (the “Record Date”) are entitled to notice of, and to attend and vote at, the Meeting, unless a Shareholder has transferred any Common Shares subsequent to that date and the transferee Shareholder establishes ownership to the Common Shares and demands, not later than 10 days before the Meeting, that the transferee’s name be included on the list of Shareholders.

#### Appointment of Proxy

The individuals named in the accompanying form of proxy are directors and/or officers of the Corporation (the “Management Designees”). A Shareholder wishing to appoint some other person or company (who need not be a Shareholder) to represent the Shareholder at the meeting has the right to do so, either by inserting such person’s name in the blank space provided in the form of proxy or by completing another form of proxy and, in either case, delivering the completed proxy to the Corporation’s transfer agent, Odyssey Trust Company (the “Transfer Agent”), at the place and within the time specified below. Such a Shareholder should notify the nominee of the appointment, obtain the nominee’s consent to act as proxy and instruct the nominee on how the Shareholder’s shares are to be voted. In any case, the form of proxy should be dated and executed by the Shareholder or the Shareholder’s attorney authorized in writing, or if the Shareholder is a corporation, under its corporate seal, or by an officer or attorney thereof duly authorized.

Those Shareholders who wish to be represented at the Meeting by proxy must complete and deliver a proper form of proxy to the Corporation’s Transfer Agent, C/O Odyssey Trust Company, Trader’s Bank Building, 702, 67 Yonge Street, Toronto, Ontario, M5E 1J8, in the enclosed self-addressed envelope (for physical delivery) or by email to [proxy@odysseytrust.com](mailto:proxy@odysseytrust.com) or you may vote online at <https://login.odysseytrust.com/pxlogin>. In order to be valid, proxies must be received by the Transfer Agent at least 48 hours (excluding Saturdays, Sundays and holidays) prior to the Meeting or any adjournment(s) thereof.

#### Notice-And-Access

The Corporation has elected to use the “notice-and-access” provisions under National Instrument 54-101 - *Communications with Beneficial Owners of Securities of a Reporting Issuer* (“NI 54-101”) for the Meeting in respect of the mailing of the Meeting materials, to the Beneficial Shareholders, but not in respect of the registered Shareholders. The notice-and-access provisions are a set of rules developed by the Canadian Securities Administrators that reduce the volume of materials required to be physically mailed to shareholders by allowing a reporting issuer to post its proxy-related meeting materials online.

The Corporation will be using stratification procedures in relation to the use of the notice-and-access provisions. In relation to the Meeting, the Corporation’s registered Shareholders will receive a paper copy of the Notice of Meeting, the Information Circular and a form of proxy. The Corporation has provided copies of its annual financial statements and related management’s discussion and analysis to registered

Shareholders and Beneficial Shareholders that have opted to receive annual financial statements and related management's discussion and analysis and have indicated a preference for either delivery method. All Beneficial Shareholders will receive a notice-and-access notification and a proxy or voting instruction form and only those Beneficial Shareholders who responded to the supplemental mail card pursuant to National Instrument 51-102 – *Continuous Disclosure Obligations* will receive a copy of the annual and interim financial statements and related management's discussion and analysis.

The Information Circular and other proxy-related materials will be indirectly forwarded to non-objecting beneficial owners at the Corporation's expense.

Management of the Corporation does not intend to pay for intermediaries to forward to objecting Beneficial Shareholders under NI 54-101 the proxy-related materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary*, and, in the case of an objecting Beneficial Shareholder, the objecting Beneficial Shareholder will not receive the materials unless the objecting Beneficial Shareholder's intermediary assumes the cost of delivery.

### **Revocability of Proxy**

A Shareholder who has given a proxy has the power to revoke it. In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing signed by the Shareholder or by his or her attorney authorized in writing and either delivered to the Transfer Agent at the place specified above at any time up to and including the last business day preceding the day of the Meeting or any adjournment(s) thereof or deposited with the chairman of the Meeting on the day of the Meeting prior to the commencement of the Meeting.

### **Advice to Beneficial Holders of Common Shares**

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold shares in their own name. Beneficial Shareholders should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Common Shares will not be registered in the Shareholder's name on the records of the Corporation. Such Common Shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). In the United States of America, the majority of such shares are registered in the name of CEDE & Co., which company acts as a nominee for many brokerage firms.

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the form of proxy provided directly to registered Shareholders by the Corporation. However, its purpose is limited to instructing the registered Shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in Canada. Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote Common Shares directly at the Meeting. The voting instruction forms must be returned to Broadridge (or instructions respecting the voting of Common Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Common Shares voted. If you have any questions**

**respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

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

#### **Persons Making the Solicitation**

**This solicitation is made on behalf of management of the Corporation.** The costs incurred in the preparation and mailing of the form of proxy, Notice of Meeting and this Information Circular and the solicitation of proxies will be borne by the Corporation. In addition to the use of mail, proxies may be solicited by personal interviews, or by other means of communication or by the directors, officers and employees of the Corporation, who will not be remunerated therefor.

#### **Exercise of Discretion by Proxies**

The Common Shares represented by proxies in favour of Management Designees will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for at the Meeting and where the Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly.

**In the absence of such specification, such Common Shares will be voted IN FAVOUR of the matters to be acted upon as set out herein. The persons appointed under the form of proxy furnished by the Corporation are conferred with discretionary authority with respect to amendments or variations of those matters specified in the form of proxy and Notice of Meeting and with respect to any other matters which may properly be brought before the Meeting. In the event that amendments or variations to matters identified in the Notice of Meeting or any other matters are properly brought before the Meeting, it is the intention of the Management Designees in the enclosed form of proxy to vote in accordance with their best judgment on such matter. At the time of printing this Information Circular, the management of the Corporation knows of no such amendment, variation or other matter.**

#### **Quorum**

The by-laws of the Corporation provide that a quorum at a meeting of shareholders of the Corporation shall consist of two persons who are, or who represent by proxy, Shareholders, who in the aggregate, hold at least 5% of the outstanding Common Shares entitled to be voted at the Meeting.

#### **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of preferred shares. As at Record Date, the Corporation had 27,645,380 Common Shares issued and outstanding and no preferred shares issued and outstanding.

The Common Shares are the only shares entitled to be voted at the Meeting. Holders of Common Shares of record at the close of business on the Record Date are entitled to vote such Common Shares at the Meeting on the basis of one vote for each Common Share held except to the extent that, (a) the holder has transferred the ownership of any of their Common Shares after the Record Date, and (b) the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that they own the Common Shares, and demands not later than (10) days before the day of the Meeting that their name be included in the list of persons entitled to vote at the Meeting, in which case the transferee will be entitled to vote their Common Shares at the Meeting.

Except as set forth below, to the knowledge of the directors and the executive officers of the Corporation, as at Record Date, no person or company beneficially owns or controls or directs, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to any class of voting securities of the Corporation.

<b>Beneficial Owner</b>	<b>Number of Common Shares Held</b>	<b>Percentage of Outstanding Common Shares</b>
PillarFour Capital Partners Inc. <sup>(1)</sup>	7,614,639	27.54%
Lyle Wood Contracting Limited	3,285,719	11.89%

Note:

- Includes 6,248,023 Common Shares registered to PillarFour Capital Fund I LP, 125,000 Common Shares registered to PillarFour Capital Inc. and 1,241,616 Common Shares registered to PillarFour Capital Parallel Fund I LP, which are investment funds managed by PillarFour Capital Partners Inc.

## MATTERS TO BE ACTED UPON AT THE MEETING

### 1. Presentation of Financial Statements

The consolidated financial statements of the Corporation for the year ended December 31, 2022, together with the auditor's report on those financial statements, have been mailed to the registered Shareholders of the Corporation and those Beneficial Shareholders who responded to the Corporation's supplemental mail list request card. These financial statements will be placed before the Meeting, but no vote will be required by the Shareholders. The financial statements are available on the Corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com).

### 2. Election of Directors

#### ***Nominees for Election***

Management does not contemplate that any of the nominees will be unable to serve as a director of the Corporation. In the event that prior to the Meeting any vacancies occur in the slate of nominees herein listed, it is intended that discretionary authority shall be exercised by the person named in the proxy to vote the Common Shares represented by proxy for the election of any other person or persons as directors unless the Shareholder has directed that the Common Shares be withheld from voting on the election of directors.

The directors of the Corporation are elected by Shareholders at each annual meeting of Shareholders. All directors serve until the next annual meeting or until a successor is elected or appointed, unless her/his position is earlier vacated. The name, residence, date of appointment, principal occupation, and number of Common Shares beneficially owned or over which control or direction is exercised directly or indirectly, with respect to each of the seven nominees as directors of the Corporation, is set forth below.

<b>Name and Residence</b>	<b>Director Since</b>	<b>Principal Occupation</b>	<b>Common Shares Beneficially Owned or Controlled or Directed as at Record Date<sup>(1)</sup></b>
<b>Paul Colucci</b> <sup>(2)(3)(5)</sup> London, United Kingdom	October 29, 2021 <sup>(4)</sup>	Co-Founder, Managing Partner and Director of PillarFour Capital Partners Inc. (General Partner to PillarFour Capital Partners Funds). Previously served as CEO and Director at	7,614,639 27.54%



<b>Name and Residence</b>	<b>Director Since</b>	<b>Principal Occupation</b>	<b>Common Shares Beneficially Owned or Controlled or Directed as at Record Date<sup>(1)</sup></b>
		Dundee Securities Europe Limited.	
<b>Matt Gowanlock</b> Alberta, Canada	August 25, 2022	President and Chief Executive Officer of the Corporation	45,799 <1%
<b>Reginald J. Greenslade</b> <sup>(2)(6)</sup> Alberta, Canada	October 29, 2021 <sup>(4)</sup>	Independent businessman since February 2013. President, CEO and Director of Tuscany International Drilling Inc. from April 2010 to February 2013. Prior thereto, President and CEO of JED Oil. Chairman, President and CEO of Enterra Energy Trust, Enterra Energy Corp. and Big Horn Resources Ltd.	56,571 <1%
<b>Phillip R. Knoll</b> <sup>(2)(6)</sup> British Columbia, Canada	October 29, 2021 <sup>(4)</sup>	Director at Alta Gas Ltd. since October, 2015 and Headwater Exploration since February, 2020. Prior thereto, served as interim-CEO of Alta Gas Ltd. from June, 2018 to December, 2018 and CEO of Corridor Resources Inc. from 2010 to 2014.	11,428 <1%
<b>Christopher J. Lewis</b> <sup>(5)</sup> Alberta, Canada	October 29, 2021 <sup>(4)</sup>	Vice President, Strategic Growth for Paymentus Corp., a fintech company based out of Charlotte, NC since December 2021. Prior thereto, business unit head at Smart Utility System, doing business as Smart Energy Water from August 2020 to December 2021. Prior thereto, COO at Attabotics Inc. from August 2018 to July 2020 and Executive Vice President at Harris Utilities from June 2013 to July 2018. Mr. Lewis Holds a BA, communications.	11,428 <1%

Name and Residence	Director Since	Principal Occupation	Common Shares Beneficially Owned or Controlled or Directed as at Record Date <sup>(1)</sup>
Richard F. McHardy <sup>(6)</sup> Alberta, Canada	October 29, 2021 <sup>(4)</sup>	Chairman of the Board; Executive Chairman of Spartan Delta Corp., a TSX listed company. Prior thereto, President and Chief Executive Officer of Spartan Energy Corp., Spartan Oil Corp. and Spartan Exploration Ltd., all TSX listed companies, and was a partner at McCarthy Tetrault LLP, where he practiced securities and corporate law.	393,005 1.42%
Albert J. Stark <sup>(5)</sup> Alberta, Canada	October 29, 2021 <sup>(4)</sup>	Director and Chief Executive Officer of Ridgeline Exploration Inc. Independent businessman since May 2018. Prior thereto, Vice President Operations of Spartan Energy Corp., Spartan Oil Corp. and Spartan Exploration Ltd., all TSX listed companies. Mr. Stark holds a Bachelor of Mechanical Engineering and a Master of Chemical and Petroleum Engineering.	314,960 1.14%

**Notes:**

- (1) Common Shares beneficially owned or over which control or direction is exercised, directly or indirectly, as at the date hereof, is based upon the information furnished to the Corporation by the above individuals.
- (2) Directors who are currently members of the Corporation's Audit Committee. Mr. Colucci is the Chair.
- (3) Includes 6,248,023 Common Shares registered to PillarFour Capital Fund I LP, 125,000 Common Shares registered to PillarFour Capital Inc. and 1,241,616 Common Shares registered to PillarFour Capital Parallel Fund I LP, which are investment funds managed by PillarFour Capital Partners Inc. Mr. Colucci is the Co-Founder and Managing Partner of PillarFour Capital Partners Inc., an investment fund focused on technology investments that reduce carbon intensity in oilfield operations.
- (4) Effective October 29, 2021, the Corporation's predecessor, Raise Production Inc., amalgamated with Cleantek Industries Inc., carrying on as Cleantek Industries Inc. (the "**Transaction**"). Effective January 1, 2022, the Corporation amalgamated with its wholly-owned subsidiaries Horizon Oilfield Manufacturing Inc. and Apollo Energy Services Corp. carrying on as Cleantek Industries Inc.
- (5) Directors who are currently members of the Corporation's Compensation Committee. Mr. Stark is Chair.
- (6) Directors who are currently members of the Corporation's Governance Committee. Mr. Greenslade is Chair.

**Cease Trade Orders or Bankruptcies and Sanctions**

No proposed director is as at the date hereof, or has been within ten years before the date hereof, a director or chief executive officer or chief financial officer of any company (including the Corporation) that, while he or she was acting in such capacity: (i) was the subject of a cease trade or similar order, or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days; or (ii) was subject to an event that resulted, after the director ceased to be a director

or chief executive officer or chief financial officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days.

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

**Unless otherwise directed, the Common Shares of the Corporation represented by proxy in favour of Management Designees will be voted FOR the election of nominees herein listed.**

### 3. Appointment of Auditors

KPMG LLP are the current auditors of the Corporation. At the Meeting, Shareholders will be requested to re-appoint KPMG LLP as the independent auditors of the Corporation to hold office until the next annual general meeting of the Shareholders and to authorize the Corporation's board of directors (the "Board") to fix the auditors' remuneration. KPMG LLP was appointed as auditors of the Corporation on November 22, 2021.

**Unless otherwise directed, the Common Shares represented by proxies in favour of the Management Designees will be voted FOR the appointment of KPMG LLP as auditors of the Corporation, to hold office until the next annual meeting of the Shareholders and to authorize the directors to fix their remuneration as such.**

### 4. Disinterested Shareholder Approval of Amendments to the Omnibus Equity Incentive Plan

On August 25, 2022, the Shareholders approved the Corporation's Omnibus Plan, which was subsequently accepted by the TSX Venture Exchange ("TSXV") on October 5, 2022.

The Omnibus Plan is a "rolling" share-based compensation plan pursuant to which up to an aggregate of 10% of the Common Shares outstanding may be reserved for issuance under it and any other security-based compensation plans of the Corporation, with a sublimit of 5% of the Common Shares outstanding being reserved for restricted share units ("RSUs"), deferred share units ("DSUs") and performance share units ("PSUs"). On April 27, 2023, the Board approved, subject to receiving disinterested shareholder approval and TSXV acceptance, amending the Omnibus Plan to remove the 5% sublimit for RSUs, DSUs and PSUs awarded under the Omnibus Plan and to address certain housekeeping amendments requested by the TSXV. The purpose of the proposed amendments is to allow the Corporation to increase the use of RSU, DSU and PSU grants in its long-term compensation strategy. A blackline copy of the Omnibus Plan compared to the version last approved by the Shareholders and accepted by the TSXV is attached to this Information Circular as Schedule A.

The Corporation is seeking the approval of disinterested Shareholders at the Meeting to pass an ordinary resolution to approve the amendments to the Omnibus Plan. The amendments will remove the sublimit of 5% of the Common Shares outstanding being reserved for RSUs, DSUs and PSUs and address certain housekeeping amendments requested by the TSXV. If the disinterested Shareholders do not approve the amended Omnibus Plan, the existing 5% sublimit for RSUs, DSUs and PSUs awarded under the Omnibus Plan will remain in place.

In order to approve this ordinary resolution, a majority of the votes cast at the Meeting by disinterested Shareholders must be voted in favour of the resolution. For the purposes of this resolution, disinterested Shareholders are all Shareholders other than the directors and senior officers of the Corporation and any

associates and affiliates of these persons, being Matt Gowanlock, Orson Ross, Richard McHardy, Paul Colucci, Albert Stark, Reginald Greenslade, Christopher Lewis and Phillip Knoll. **As at Record Date, the Insiders and their associates and affiliates beneficially own, or control or direct an aggregate of 8,447,830 Common Shares. Unless otherwise directed, it is the intention of the Management Designees to vote proxies in the accompanying form in favour of this ordinary resolution.**

Disinterested Shareholders will be asked to consider, and if thought fit, to approve with or without variation, the following ordinary resolution:

**“BE IT RESOLVED as an ordinary resolution of the disinterested Shareholders as follows:**

- 1. the Omnibus Plan be amended to: (i) revise Section 4.1 to remove the 5% sublimit with respect to Common Shares available for issuance pursuant to the settlement of deferred share units, restricted share units and performance share units (and related dividend equivalents); and (ii) incorporate the housekeeping amendments requested by the TSX Venture Exchange. The amended Omnibus Plan, substantially in the form attached as Schedule “A” to this Information Circular, is hereby approved, confirmed and ratified; and**
- 2. any director or officer of the Corporation be and is hereby authorized to do such things and to sign, execute and deliver all documents that such director or officer may, in their discretion, determine to be necessary in order to give full effect to the intent and purpose of this resolution.”**

In order for the foregoing resolution to be passed, it must be approved by a majority of the votes cast by disinterested Shareholders who vote in person or by proxy at the Meeting. **Unless otherwise directed, the Common Shares of the Corporation represented by proxy in favour of Management Designees will be voted FOR the ordinary resolution approving the amended Omnibus Plan.**

#### **5. Annual Approval of Rolling 10% Omnibus Equity Incentive Plan**

The Corporation is seeking the approval of Shareholders at the Meeting to pass an ordinary resolution approving, ratifying and confirming its Omnibus Plan, and approving the issuance of up to 10% of the issued and outstanding Common Shares under the Omnibus Plan together with those Common Shares issued pursuant to any other share compensation arrangement, including DSUs, RSUs and PSUs. Share-based compensation is a critical component of the Corporation’s compensation program for its executives and directors, as described in more detail under the heading “*Statement of Director and Executive Officer Compensation*”.

The Omnibus Plan provides the Corporation with the flexibility to grant diverse equity awards as part of its objective to attract, retain and motivate highly qualified directors, officers, employees and consultants, all granted under one plan which will allow such awards to be subject to the same administration and overall limits.

The Omnibus Plan is a “rolling” share-based compensation plan pursuant to which up to an aggregate of 10% of the Common Shares outstanding may be reserved for issuance under it and any other security-based compensation plans of the Corporation. Pursuant to the policies of the TSXV, “rolling” share-based compensation plans must receive shareholder approval annually. The terms of the Omnibus Plan are more fully described in this Information Circular under the heading “Omnibus Plan” and a full copy of the Omnibus Plan is attached as Schedule A.

The Shareholders will be asked to consider, and if thought fit, to approve with or without variation, the following ordinary resolution:

**“BE IT RESOLVED as an ordinary resolution of the Shareholders as follows:**

- 1. the Omnibus Plan, substantially in the form attached as Appendix “A” to this Information Circular and the grant of options, deferred share units, restricted share units and performance**

shares units thereunder in accordance therewith, is hereby approved, confirmed and ratified and will remain in effect until further ratification is required pursuant to the rules of the TSX Venture Exchange or other applicable regulatory requirements;

2. the board of directors of the Corporation (the “Board”) (or any duly authorized committee of thereof) from time to time is authorized to grant awards in the capital stock of the Corporation pursuant to and in accordance with the Omnibus Plan and the Corporation is authorized to reserve and issue Common Shares in the capital of the Corporation for issuance upon exercise or settlement of awards granted pursuant to the Omnibus Plan;
3. the Corporation be hereby authorized and directed to issue such Common Shares pursuant to the Omnibus Plan as fully paid and non-assessable Common Shares of the Corporation;
4. the Board be authorized to make any changes to the Omnibus Plan, as may be required or permitted by the TSX Venture Exchange; and
5. any director or officer of the Corporation be and is hereby authorized to do such things and to sign, execute and deliver all documents that such director or officer may, in their discretion, determine to be necessary in order to give full effect to the intent and purpose of this resolution.”

In order for the foregoing resolution to be passed, it must be approved by a majority of the votes cast by Shareholders who vote in person or by proxy at the Meeting. **Unless otherwise directed, the Common Shares of the Corporation represented by proxy in favour of Management Designees will be voted FOR the ordinary resolution approving the Omnibus Plan.**

6. **Disinterested Shareholder Approval of Option Grant Amendments to Certain Officers and Directors of the Corporation**

Effective April 27, 2023, the Corporation issued 770,000 RSUs to officers and employees of the Corporation from its existing limits and sub-limits under its Omnibus Plan. An aggregate of 200,000 of these RSUs were issued to the Corporation’s CEO and CFO. These RSUs were issued as part of the Corporation’s annual incentive awards.

Immediately following the issuance of the above noted RSUs, the Corporation cancelled all of its existing stock option grants and issued 275,000 replacement RSUs and 450,000 replacement DSUs to officers, directors and employees of the Corporation to replace their cancelled stock options. An aggregate of 100,000 of the RSUs were issued to the Corporation’s CEO and CFO and 450,000 DSUs were issued to the Corporation’s directors. The stock options cancelled were originally issued at an exercise price of \$1.20 and \$1.40. These options accounted for a large portion of the available room under the Omnibus Plan and given the Corporation’s current share price, were no longer providing the intended incentive. As such, the Board believed it to be in the Corporation’s best interest to consolidate these long-term incentives into RSUs and DSUs.

Pursuant to TSXV Policy 4.4 – *Security Based Compensation*, if an issuer cancels any security-based compensation awarded to an insider and within one-year grants or issues new security-based compensation to the same person it is considered an amendment that requires TSXV acceptance and disinterested shareholder approval.

RSUs granted under the Omnibus Plan, denominated in units, receive a fully-paid and non-assessable Common Share issued from treasury upon settlement, subject to the terms of the Omnibus Plan and the applicable award agreement. The Corporation may, in its discretion, permit applicable participants to elect in their RSU Settlement Notice to receive an amount in cash (net of applicable withholding taxes) equal to all or a portion of the vested RSUs (and related dividend equivalents, if any) being settled by the participant pursuant to the RSU Settlement Notice multiplied by the VWAP as at the applicable settlement date.

DSUs granted under the Omnibus Plan, denominated in units, receive a fully-paid and non-assessable Common Share issued from treasury upon settlement, subject to the terms of the Omnibus Plan and the applicable award agreement. The Corporation may, in its discretion, permit applicable participants to elect in their DSU Settlement Notice to receive an amount in cash (net of applicable withholding taxes) equal to all or a portion of the vested DSUs (and related dividend equivalents, if any) being settled by the participant pursuant to the DSU Settlement Notice multiplied by the VWAP as at the applicable settlement date.

Under the Omnibus Plan the volume weighted average price (“**VWAP**”) means the volume weighted average trading price per share for the Common Shares on the TSXV for the five (5) consecutive trading days ending on the last trading day preceding the applicable day.

The following table summarizes the RSUs issued to the CEO and CFO on April 27, 2023, which were issued as part of the Corporation’s annual incentive awards and prior to the cancellation of the options:

Name	Position	RSU's <sup>(1)</sup>	Deemed Value \$ <sup>(2)</sup>
Matt Gowanlock	CEO and Director	100,000	14,000
Orson Ross	CFO	100,000	14,000
<b>TOTALS</b>		<b>200,000</b>	

Note:

- (1) The RSU's for all officers and employees as noted above shall vest as follows: (i) one-third on April 27, 2024; (ii) one-third on April 27, 2025; and (iii) one-third on April 27, 2026. All RSUs expire April 28, 2026.
- (2) Deemed Value is calculated using the VWAP of the Corporation’s Common Shares on the TSXV on April 27, 2023 being \$0.14 multiplied by the number of RSUs awarded.

The following table summarizes the options held by the CEO, CFO and directors which were cancelled effective April 27, 2023:

Optionee	Position	Grant Date	# of Options	Exercise Price	Original Expiry Date
Phillip Knoll	Director	Mar/03/2021	37,500	\$1.20	Mar/03/2026
Christopher Lewis	Director	Mar/03/2021	37,500	\$1.20	Mar/03/2026
Matt Gowanlock	CEO	Mar/03/2021	350,000	\$1.20	Mar/03/2026
Phillip Knoll	Director	June/30/2021	37,500	\$1.20	June/30/2026
Christopher Lewis	Director	June/30/2021	37,500	\$1.20	June/30/2026
Paul Colucci	Director	Nov/26/2021	100,000	\$1.40	Nov/11/2026
Richard McHardy	Director	Nov/26/2021	125,000	\$1.40	Nov/11/2026
Albert Stark	Director	Nov/26/2021	125,000	\$1.40	Nov/11/2026
Reginald Greenslade	Director	Nov/26/2021	125,000	\$1.40	Nov/11/2026
Christopher Lewis	Director	Nov/26/2021	75,000	\$1.40	Nov/11/2026
Phillip Knoll	Director	Nov/26/2021	75,000	\$1.40	Nov/11/2026
Matt Gowanlock	CEO	Nov/26/2021	100,000	\$1.40	Nov/11/2026
Orson Ross	CFO	Nov/26/2021	175,000	\$1.40	Nov/11/2026
<b>TOTAL</b>			<b>1,400,000</b>		

The following table summarizes the RSUs and DSUs issued to the CEO, CFO and directors on April 27, 2023 to replace their options which were cancelled on April 27, 2023:

Name	Position	RSUs <sup>(1)</sup>	DSUs <sup>(2)</sup>	Deemed Value \$ <sup>(3)</sup>
Matt Gowanlock	CEO	50,000	-	7,000
Orson Ross	CFO	50,000	-	7,000
Richard McHardy	Director		75,000	10,500
Paul Colucci	Director		75,000	10,500
Albert Stark	Director		75,000	10,500

Name	Position	RSUs <sup>(1)</sup>	DSUs <sup>(2)</sup>	Deemed Value \$ <sup>(3)</sup>
Reginald Greenslade	Director		75,000	10,500
Christopher Lewis	Director		75,000	10,500
Phillip Knoll	Director		75,000	10,500
<b>TOTALS</b>		<b>100,000</b>	<b>450,000</b>	

Note:

- (1) The RSU's noted above shall vest as follows: (i) one-third on April 27, 2024; (ii) one-third on April 27, 2025; and (iii) one-third on April 27, 2026. Vested RSUs may be settled at any time prior to their applicable expiry date by the participant. All RSUs expire April 28, 2026.
- (2) The DSU's noted above vest upon the directors' retirement or termination from the Corporation and expire 90 days after such director's retirement or termination.
- (3) Deemed Value is calculated using the VWAP of the Corporation's Common Shares on the TSXV on April 27, 2023 being \$0.14 multiplied by the number of RSUs or DSUs awarded.

At the Meeting, disinterested Shareholders will be asked to consider and, if thought appropriate, approve and adopt an ordinary resolution ratifying the issuance of the RSUs and DSUs to the CEO, CFO and directors of the Corporation.

In order to approve this ordinary resolution, a majority of the votes cast at the Meeting by disinterested Shareholders must be voted in favour of the resolution. For the purposes of this resolution, disinterested Shareholders are all Shareholders other than the insiders to whom these RSUs and DSUs were granted and any associates and affiliates of these persons, being Matt Gowanlock, Orson Ross, Richard McHardy, Paul Colucci, Albert Stark, Reginald Greenslade, Christopher Lewis and Phillip Knoll. **As at Record Date, these insiders and their associates and affiliates beneficially own, or control or direct an aggregate of 8,447,830 Common Shares. Unless otherwise directed, it is the intention of the Management Designees to vote proxies in the accompanying form in favour of this ordinary resolution.**

The complete text of the ordinary resolution to be considered at the Meeting for approval, confirmation and adoption, with or without modification, is substantially as follows:

**“BE IT HEREBY RESOLVED as an ordinary resolution of the disinterested Shareholders of the Corporation that, subject to acceptance by the TSX Venture Exchange:**

1. **the granting of the following restricted share units (“RSUs”) and deferred share units (“DSUs”) be and are hereby ratified and approved:**

Name	Position	RSUs <sup>(1)</sup>	DSUs <sup>(2)</sup>	Deemed Value \$ <sup>(3)</sup>
Matt Gowanlock	CEO	150,000	-	21,000
Orson Ross	CFO	150,000	-	21,000
Richard McHardy	Director		75,000	10,500
Paul Colucci	Director		75,000	10,500
Albert Stark	Director		75,000	10,500
Reginald Greenslade	Director		75,000	10,500
Christopher Lewis	Director		75,000	10,500
Phillip Knoll	Director		75,000	10,500
<b>TOTALS</b>		<b>300,000</b>	<b>450,000</b>	

2. **The RSU's shall vest as follows: (i) one-third on April 27, 2024; (ii) one-third on April 27, 2025; and (iii) one-third on April 27, 2026. Vested RSUs may be settled at any time prior to their applicable expiry date by the participant. All RSUs expire April 28, 2026.**
3. **The DSUs shall vest upon the directors' retirement or termination from the Corporation and will expire 90 days after such director's retirement or termination.**

4. Any one (or more) director(s) or officer(s) of the Corporation is/are authorized and directed, on behalf of the Corporation, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to this resolution.”

## STATEMENT OF DIRECTOR AND EXECUTIVE OFFICER COMPENSATION

### Oversight and Description of Director and Names Executive Officer Compensation

#### *Named Executive Officers*

The Corporation’s executive compensation program is available to the Named Executive Officers of the Corporation which is defined by securities legislation to mean each of the following individuals: (i) each individual who, during any part of the most recently completed financial year, served as the Chief Executive Officer (“**CEO**”) of the Corporation, including an individual performing functions similar to a chief executive officer; (ii) each individual who, during any part of the most recently completed financial year, served as the Chief Financial Officer (“**CFO**”) of the Corporation, including an individual performing functions similar to a chief financial officer; (iii) the Corporation’s (and its subsidiaries) most highly compensated executive officer, other than the CEO and the CFO, at the end of the most recently completed financial year whose total compensation was more than \$150,000 for that financial year; and (iv) each individual who would be a “Named Executive Officer” under (iii) above but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of the most recently completed financial year (the “**Named Executive Officer**” or “**NEO**”).

The Named Executive Officers of the Corporation for the year ended December 31, 2022 were:

Matt Gowanlock, President and CEO  
Orson Ross, CFO

#### *Compensation Discussion and Analysis*

Following the completion of the Transaction and looking forward to the ensuing fiscal year ending December 31, 2023, the Board, with guidance and recommendations to be provided by the Compensation Committee, has been focused on developing a compensation philosophy for NEOs that is designed to attract well-qualified individuals by paying competitive base salaries plus short and long-term incentive compensation in the form of stock options or other suitable long-term incentives. In making its determinations regarding the various elements of executive compensation, the Corporation will have access to and will rely on published studies of compensation paid in comparable businesses.

The duties and responsibilities of the CEO are typical of those of a business entity of the Corporation’s size in a similar business and include direct reporting responsibility to the Board, overseeing activities of all other executives of the Corporation, representing the Corporation, providing leadership and responsibility for achieving corporate goals, and implementing corporate policies and initiatives.

The objectives of the Corporation’s executive compensation program are reviewed by the Corporation’s Board, and are currently as follows:

- to attract, retain and motivate talented executives who create and sustain the Corporation’s continued success;
- to align the interests of the Corporation’s executives with the interests of the Corporation’s shareholders; and
- to provide total compensation to executives that is competitive with that paid by other companies of comparable size engaged in a similar business in appropriate regions.

Overall, the executive compensation program will aim to design executive compensation packages that mirror executive compensation packages for executives with similar talents, qualifications and



responsibilities at companies with similar financial, operating and industrial characteristics. The Corporation expects to undergo rapid growth and is committed to retaining its key executives for the next several critical years, while at the same time ensuring that executive compensation is tied to specific corporate goals and objectives. The Corporation's executive compensation program will be designed to reward executives for reinforcing the Corporation's business objectives and values, for achieving the Corporation's performance objectives, and for their individual performance.

The executive compensation program currently consists of a combination of base salary and stock option incentives. The Board (with assistance and recommendation from the Corporation's CEO) also anticipates considering and implementing a performance bonus for its NEOs in due course. The base salary of an NEO is intended to attract and retain executives by providing a reasonable amount of non-contingent remuneration.

The Corporation has adopted procedures to ensure that all employment, consulting, or other compensation arrangements between the Corporation and any director or executive officer of the Corporation or between any director or executive officer of a subsidiary of the Corporation are considered and approved by independent Directors, in accordance with TSXV policies.

### ***Omnibus Plan***

#### **General**

The Omnibus Plan was approved and adopted by the Board on July 5, 2022 and approved by the Corporation's shareholders on August 25, 2022. The Omnibus Plan is subject to annual approval of the Shareholders at the Meeting, as further described herein. As at Record Date, 1,395,000 RSUs, Nil PSUs, 450,000 DSUs and Nil Options (collectively, "**Awards**") have been granted under the Omnibus Plan, representing 6.7% of the Corporation's issued and outstanding Common Shares.

The Omnibus Plan is a long-term incentive plan that permits the grant of Awards to directors, officers and employees of, and consultants to, the Corporation and its subsidiaries. The purpose of the plan is to promote share ownership of the eligible individuals to align the interests of such individuals with the interest of our Shareholders.

A summary of the Omnibus Plan follows herein. For a full copy of the Omnibus Plan, refer to Schedule A.

Any undefined terms in this Information Circular in respect of the Omnibus Plan have the meaning ascribed to them in the Omnibus Plan.

#### **Limitations under the Omnibus Plan**

The aggregate number of Common Shares that may be reserved for issuance at any time under the Omnibus Plan, together with any Common Shares reserved for issuance under any other security-based compensation plans of the Corporation, shall be equal to 10% of outstanding Common Shares from time to time (on a non-diluted basis). Any Common Shares underlying Options under the Omnibus Plan and the Stock Option Plan that have been exercised, or disposed of or that have expired or been terminated for any reason (without being exercised), shall become available for subsequent issuance under the Omnibus Plan. Any Common Shares underlying DSUs, RSUs, PSUs under the Omnibus Plan that have been settled, or disposed of or that have expired or been terminated for any reason (without being settled), shall become available for subsequent issuance under the Omnibus Plan. Accordingly, the Omnibus Plan is a "rolling plan" and as a result, any and all increases in the number of outstanding Common Shares will result in an increase to the number of Awards available for grant under the plan.

In addition, any grant of Awards shall be subject to the following restrictions (subject to applicable Shareholder approval in accordance with the policies of the TSXV):

- (a) the aggregate number of Common Shares reserved for issuance pursuant to Awards, together with awards granted under any other security-based compensation plan of the Corporation, granted to any one person in any twelve (12) month period may not exceed 5% of the outstanding Common Shares (on a non-diluted basis) determined at the time of grant;
- (b) the aggregate number of Common Shares reserved for issuance pursuant to Awards, together with awards under any other security-based compensation plan of the Corporation, granted to insiders (as a group) may not exceed 10% of the outstanding Common Shares (on a non-diluted basis) at any point in time;
- (c) the aggregate number of Common Shares reserved for issuance pursuant to Awards, together with awards under any other security-based compensation plan of the Corporation, granted to insiders (as a group) in any twelve (12) month period shall not exceed 10% of the outstanding Common Shares (on a non-diluted basis) determined at the time of grant;
- (d) the aggregate number of Common Shares issuable pursuant to Awards, together with awards under any other security-based compensation plan of the Corporation, granted to any consultant in any twelve (12) month period shall not exceed 2% of the outstanding Common Shares (on a non-diluted basis) determined at the time of grant; and
- (e) Investor Relations Service Providers shall only be entitled to Options under the Omnibus Plan and the aggregate number of Common Shares issuable pursuant to Options under the Omnibus Plan, together with Options under any other security-based compensation plan of the Corporation, granted to all such persons in any twelve (12) month period shall not exceed 2% of the outstanding Common Shares determined at the time of grant.

Except as permitted by the Board, and to the extent that certain rights may pass to a beneficiary or legal representative upon death of a participant by will or as required by applicable law, Awards are not assignable or transferable.

#### **Description of Options issuable under the Omnibus Plan**

All Options granted under the Omnibus Plan will have an exercise price fixed by the Board when the Option is granted. Such price shall not be less than the volume weighted average trading price per Common Share on the TSXV for the five (5) consecutive trading days (“**VWAP**”) ending on the last trading day preceding the date that the Option is granted and such exercise price shall be determined in accordance with the policies of the TSXV or other applicable stock exchange.

#### **Exercise of Options**

Participants may exercise vested Options by providing payment in full of the exercise price for the Common Shares which are the subject of the exercise. Provided that the Common Shares are listed on the TSXV or another exchange, and that the Corporation is in compliance with applicable stock exchange requirements, the Corporation may permit a participant to elect that the Corporation satisfy any obligations to the participant in respect of any vested Options exercised by the participant by issuing such number of Common Shares to the Participant 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 VWAP of the underlying Common Shares and the exercise price of the subject Options by; (ii) the VWAP of the underlying Common Shares (the “**Net Share Exercise Right**”). The Net Share Exercise Right is not available to any Investor Relations Service Providers in accordance with the policies of the TSXV.

In addition, the Corporation may permit a broker-assisted cashless exercise whereby the participant elects to receive: (i) an amount in cash equal to the cash proceeds realized upon the sale in the capital markets of the Common Shares underlying the vested Options by a securities dealer designated by the Corporation, less the aggregate exercise price, any applicable withholding taxes, and any transfer costs charged by the securities dealer to sell the Common Shares; or (ii) an aggregate number of Common Shares that is equal

to the number of Common Shares underlying the vested Options minus the number of Common Shares sold in the capital markets by a securities dealer designated by the Corporation as required to realize cash proceeds equal to the aggregate exercise price, any applicable withholding taxes and any transfer costs charged by the securities dealer to sell the Common Shares; or (iii) a combination of (i) and (ii).

### **Description of RSUs, PSUs and DSUs issuable under the Omnibus Plan**

An RSU is a right to receive a Common Share issued from treasury upon settlement, subject to the terms of the Omnibus Plan and the applicable award agreement, which generally becomes vested, if at all, following a period of continuous employment or engagement. The vesting period of RSUs will be determined by the Board at the time of grant and is subject to the rules of the TSXV. For greater clarity, pursuant to TSXV Policy 4.4 – Security Based Compensation, no RSUs may vest before the date that is one year following the date it is granted or issued.

A PSU is a right to receive a Common Share issued from treasury upon settlement, subject to the terms of the Omnibus Plan and the applicable award agreement, which generally becomes vested, if at all, subject to the attainment of performance criteria established by the Board in its discretion at the time of grant. The vesting period and performance criteria for any PSUs granted will be determined by the Board at the time of the grant and is subject to the rules of the TSXV. For greater clarity, pursuant to TSXV Policy 4.4 – Security Based Compensation, no PSUs may vest before the date that is one year following the date it is granted or issued.

DSUs are the only type of share unit issuable under the Omnibus Plan that may be issued to non-employee directors of the Corporation. A DSU is a right to receive a Common Share issued from treasury upon settlement, subject to the terms of the Omnibus Plan and the applicable award agreement. The vesting period of DSUs will be determined by the Board at the time of grant and is subject to the rules of the TSXV. For greater clarity, pursuant to TSXV Policy 4.4 – Security Based Compensation, no DSUs may vest before the date that is one year following the date it is granted or issued.

### **Settlement of RSUs, PSUs and DSUs**

Vested RSUs, PSUs and DSUs may be settled by a participant at any time prior to their expiry date by the Corporation issuing to the participant such number of Common Shares that is equal to the number of vested RSUs, PSUs or DSUs (and related Dividend Equivalents, if any) being settled. Notwithstanding, the Corporation may, in its discretion, permit applicable participants to elect to receive an amount in cash (net of applicable withholding taxes) equal to all or a portion of the vested RSUs, PSUs or DSUs (and related Dividend Equivalents, if any) being settled by the participant multiplied by the VWAP prior to the applicable settlement date.

### **Dividend Equivalents**

A dividend equivalent is a right equivalent in value to an RSU, PSU or DSU credited to a participant who holds such Awards when dividends are declared by the Corporation and paid with respect to the outstanding Common Shares (“**Dividend Equivalents**”). The number of Dividend Equivalents to be credited to a participant is determined by multiplying the aggregate number of DSUs, RSUs or PSUs held by the participant on the relevant record date by the amount of the dividend paid by the Corporation on each Common Share and dividing the result by the closing price of a Common Share on the TSXV on the trading day immediately preceding the dividend payment date, rounded down to the nearest whole unit.

A Dividend Equivalent will be subject to the same vesting and settlement conditions applicable to the related DSU, RSU or PSU and shall be payable on the settlement date of the related DSU, RSU or PSU in the same form as the related DSU, RSU or PSU being settled, provided that, in no event will the settlement of Dividend Equivalents cause the maximum number of Common Shares issuable under the Omnibus Plan's reserve or participation limits (as described above) to be exceeded.

## **Expiry**

The expiry date of Awards granted pursuant to the Omnibus Plan is set by the Board and must not be later than ten (10) years from the date of grant. The Omnibus Plan contains provisions that address expiring Awards during, or within two (2) business days after, a self-imposed blackout period on trading securities of the Corporation. In such a case, the expiry date will be deemed to be extended to the tenth (10<sup>th</sup>) business day following the end of the blackout period.

## **Cessation of Employment or Services**

### *Termination without Cause or Voluntary Resignation*

Unless otherwise determined by the Board, if a participant's employment or engagement with the Corporation or a subsidiary ceases as a result of a termination without cause or the participant's resignation (including a resignation from the Board), all unvested Awards held by the participant shall automatically terminate and the participant may, within ninety (90) days after the termination date (or such shorter period as is remaining in the term of the Awards), exercise or settle the participant's vested Awards. At the end of such 90-day period (or such shorter period as is remaining in the term of the Awards), any outstanding Awards shall automatically terminate.

### *Termination for Cause*

Unless otherwise determined by the Board, if a participant's employment or engagement with the Corporation or a subsidiary ceases as a result of a termination for cause, all Awards held by the participant, whether vested or unvested, shall automatically terminate on the termination date.

### *Death or Disability*

Unless otherwise determined by the Board, if a participant's employment or engagement with the Corporation or a subsidiary ceases as a result of the participant's death or, in the case of an employee, the incurrance of a disability, all unvested Options held by the participant shall automatically terminate and the participant (or the participant's legal representative) may, within twelve (12) months after the participant's termination date or date of death (or such shorter period as is remaining in the term of the Options), exercise the participant's vested Options. At the end of such 12-month period (or such shorter period as is remaining in the term of the Options), any outstanding Options shall automatically terminate.

Unless otherwise determined by the Board, if a participant's employment or engagement with the Corporation or a subsidiary ceases as a result of the participant's death or, in the case of an employee, the incurrance of a disability, a pro rata portion of the unvested RSUs, PSUs and DSUs (and related Dividend Equivalents, if applicable) held by the participant will vest. The number of unvested RSUs and DSUs (and related Dividend Equivalents, if applicable) that will vest will be based on the number of days elapsed between the applicable date of grant and the termination date and the number of PSUs (and related Dividend Equivalents, if applicable) that will vest will be based on performance achieved up to the termination date as determined by the Board. All remaining unvested RSUs, PSUs and DSUs (and related Dividend Equivalents, if applicable) shall automatically terminate on the termination date. The participant (or the participant's legal representative) may, within twelve (12) months after the participant's termination date or date of death (or such shorter period as is remaining in the term of the Awards), elect to settle the participant's vested RSUs, PSUs and DSUs (and related Dividend Equivalents, if applicable). At the end of such 12-month period (or such shorter period as is remaining in the term of the Awards), any outstanding RSUs, PSUs and DSUs (and related Dividend Equivalents, if applicable) shall automatically terminate.

### *Termination of Consultants*

Notwithstanding the foregoing, the following will apply in the event of a termination of a consultant's engagement with the Corporation or a subsidiary.

Unless otherwise determined by the Board, if a consultant's engagement with the Corporation or a subsidiary ceases as a result of a termination by the Corporation or a subsidiary for cause, all Options held by the consultant, whether vested or unvested, shall automatically terminate on the termination date.

Unless otherwise determined by the Board, if a consultant's engagement with the Corporation or a subsidiary ceases for any reason other than for cause, all unvested Options held by the consultant shall automatically terminate on the termination date and the consultant may, within thirty (30) days after the consultant's termination date (or such shorter period as is remaining in the term of the Options), exercise the consultant's vested Options. At the end of such 30-day period (or such shorter period as is remaining in the term of the Options), the unexercised Options shall automatically terminate.

#### *Accelerated Vesting*

Subject to the requirements of the policies of the TSXV (including Shareholder approval if applicable), the Board may permit the acceleration of vesting of any or all Awards or waive termination of any or all Awards in connection with a cessation event described above.

### **Change of Control**

#### *Change of Control and Termination of Employment or Engagement*

Subject to the terms and conditions of any award agreement, if there is a change of control of the Corporation and a participant who is an employee or a director (in each case, other than an Investor Relations Service Provider) ceases employment as a result of a termination by the Corporation or a subsidiary without cause or ceases to be a director (for any reason other than for cause) and, in each case, his or her termination date is within twelve (12) months following the change of control, all unvested Options, RSUs and DSUs (and related Dividend Equivalents, if applicable) held by the participant on the participant's termination date shall immediately vest and the participant may, within six (6) months after the participant's termination date (or such shorter period as is remaining in the term of the Awards) exercise or settle the Awards. At the end of such 6-month period (or such shorter period as is remaining in the term of the Awards), the unexercised Awards shall automatically terminate.

Subject to the terms and conditions of any award agreement, if there is a change of control of the Corporation and a participant who is an employee (other than an Investor Relations Service Provider) ceases employment as a result of a termination by the Corporation or a subsidiary without cause and his or her termination date is within twelve (12) months following the change of control, a certain number of PSUs (and related Dividend Equivalents, if applicable) will vest based on performance achieved up to the termination date as determined by the Board. All unvested PSUs (and related Dividend Equivalents, if applicable) shall automatically terminate on the termination date. The participant may, within six (6) months days after the participant's termination date (or such shorter period as is remaining in the term of the applicable PSU), elect to settle the participant's vested PSUs (and related Dividend Equivalents, if applicable). At the end of such 6-month period (or such shorter period as is remaining in the term of the Awards), any outstanding PSUs (and related Dividend Equivalents, if applicable) shall automatically terminate.

#### *Discretion to Board*

Subject to the policies of the TSXV, in the event of an actual or potential change of control of the Corporation, the Board may, in its discretion: (a) accelerate, conditionally or otherwise, on such terms as it sees fit (including, but not limited to those set out in (c) and (d) below), the vesting date of any Awards; (b) permit the conditional settlement or exercise of any Awards, on such terms as it sees fit; (c) otherwise amend or modify the terms of any Awards, including for greater certainty by (1) permitting participants to exercise or settle any Awards to assist the participants to participate in the actual or potential change of control, or (2) providing that the surviving, successor or acquiring entity may assume any outstanding Awards or substitute similar awards for the outstanding Awards, as applicable; and (d) terminate, following the successful completion of a change of control, on such terms as it sees fit, the Awards not exercised or settled prior to the successful completion of such change of control, provided that, any accelerated vesting

in respect of any PSUs (and related Dividend Equivalents, if applicable) will be based on performance achieved up to the change of control as determined by the Board.

In the event that any Awards are conditionally exercised or settled and the change of control does not occur, the Board, may determine that any (a) Awards so exercised or settled shall be reinstated as the type of Award prior to such exercise or settlement, and (b) Common Shares issued be cancelled, any cash payments made to the participants be returned to the Corporation, and any exercise price or similar price received by the Corporation shall be returned to the participant.

### **Amendment**

The Board may, without notice and without shareholder approval, amend, modify, change, suspend or terminate the Omnibus Plan or any Awards as it determines appropriate, provided, however, that no such amendment, modification, change, suspension or termination of the plan or any Awards may materially impair any outstanding rights of a participant without the consent of the participant, unless the Board determines such adjustment is required or desirable in order to comply with any applicable securities laws or the policies of the TSXV.

Notwithstanding the foregoing and subject to any policies of the TSXV and/or any applicable regulatory authority, shareholder approval (including approval of the disinterested shareholders if required by the policies of the TSXV) must be obtained for any amendment that would have the effect of, among others:

- (a) increasing the percentage of Common Shares reserved for issuance under the plan, except pursuant to the provisions in the plan which permit the Board to make equitable adjustments in the event of transactions affecting the Corporation or its capital;
- (b) increasing or removing the participation limits set forth in the plan (including to insiders);
- (c) reducing the exercise price of an Option (for this purpose, a cancellation or termination of an Option prior to its expiry date for the purpose of reissuing an Option with a lower exercise price shall be treated as an amendment to reduce the exercise price of an Option), except pursuant to the provisions in the plan which permit the Board to make equitable adjustments in the event of transactions affecting the Corporation or its capital;
- (d) amending an Award that results in a benefit to an insider, in which case disinterested shareholder approval is required (including amending an Award to reduce the exercise price of an option or extending the term of an Award);
- (e) amending any method or formula for calculating prices, values or amounts under the plan that may result in a benefit to a Participant, including but not limiting to the formula for determining the exercise price of Options;
- (f) extending the term of an Award beyond the original expiry date (except where an expiry date would have fallen within a blackout period applicable to the participant);
- (g) permitting an Option to be exercisable beyond ten (10) years from its date of grant (except where an expiry date would have fallen within a blackout period);
- (h) increasing or removing the limits on the participation of non-employee directors;
- (i) amending the amendment provisions of the plan;
- (j) amending the termination or early termination provisions of the plan or any Award;

- (k) changing the eligible participants of the plan; or
- (l) amendments required to be approved by shareholders under applicable law (including the policies of the TSXV).

Without limiting the generality of the foregoing, the Board may, without shareholder approval, at any time or from time to time, amend the Omnibus Plan or award agreements for the purposes of:

- (a) making any amendments to the general vesting provisions of each Award;
- (b) making any amendment necessary to suspend or terminate the plan;
- (c) making any amendments to add covenants of the Corporation for the protection of participants, as the case may be, provided that the Board shall be of the good faith opinion that such additions will not be prejudicial to the rights or interests of the participants, as the case may be;
- (d) amendments necessary for Awards to qualify for favourable or intended tax treatment under applicable tax law;
- (e) making any amendments not inconsistent with the plan as may be necessary or desirable with respect to matters or questions which, in the good faith opinion of the Board, having in mind the best interests of the participants, it may be expedient to make, including amendments that are desirable as a result of changes in law in any jurisdiction where a participant resides, provided that the Board shall be of the opinion that such amendments and modifications will not be prejudicial to the interests of the participants; or
- (f) making such amendments of a “housekeeping” or administrative nature and such changes or corrections which, on the advice of counsel to the Corporation, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error, provided that the Board shall be of the opinion that such changes or corrections will not be prejudicial to the rights and interests of the participants.

### ***Broad-Based Benefits Programs***

All full-time employees, as well as the Corporation’s NEOs, may participate in the Corporation’s health and welfare benefit programs, including medical, dental and vision care coverage, disability insurance and life insurance. The Corporation does not intend to provide perquisites or personal benefits to its NEOs that are not otherwise generally available to other employees.

### ***Determination of the Amount of Each Element of the Executive Compensation Program***

#### Base Salary

The base salary review of any NEO will take into consideration the current competitive market conditions, experience, proven or expected performance, and the particular skills of the NEO. Base salary is not currently evaluated against a formal “peer group”.

#### Performance Bonuses

The Corporation’s Board will oversee the operation of the bonus plan by evaluating and approving the targets and the objectives to be met by the NEOs and the amount of bonus payable at specific levels of attainment of those targets and objectives. The bonus for any individual NEO will vary and be dependent upon the position and financial performance of the related business unit or corporate activity.

Each element of the compensation plan will be designed to meet one or more objectives of the overall program.

The fixed base salary of any NEO, combined with the granting of stock options, has been designed to provide total compensation which the Corporation's Board believes is competitive with that paid by other companies of comparable size engaged in similar business in appropriate regions.

### Option-Based Awards

The Omnibus Incentive Plan will be administered by the Compensation Committee that will provide recommendations for further consideration and final approval by the Board.

The value of option-based awards will be based on grant date fair value using the Black-Scholes option-pricing model.

### **Director Compensation**

Currently the non-executive directors receive no cash compensation but do receive Awards as determined by the Board from time to time and are reimbursement of reasonable travel expenses, with such compensation reviewed annually by the Compensation Committee.

### **Director and Named Executive Officer Compensation Excluding Compensation Securities**

The following table sets forth all compensation (other than compensation securities) paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Corporation, or a subsidiary of the Corporation to the Corporation's NEO's and directors for the two most recently completed financial years.

<b>Table of Compensation Excluding Compensation Securities</b>							
<b>Name and Position</b>	<b>Fiscal Year Dec. 31</b>	<b>Salary, consulting fee, retainer or commission (\$)</b>	<b>Bonus (\$)</b>	<b>Committee or meeting fees (\$)</b>	<b>Value of perquisites <sup>(4)</sup> (\$)</b>	<b>Value of all other compensation (\$)</b>	<b>Total compensation (\$)</b>
<b>Matt Gowanlock</b> <sup>(1)</sup> President and CEO	2022	200,000	66,268	N/A	21,000	N/A	287,268
	2021	33,846	60,000	N/A	2,077	N/A	95,923
<b>Orson Ross</b> <sup>(2)</sup> CFO	2022	200,000	66,268	N/A	17,000	N/A	283,268
	2021	33,846	N/A	N/A	2,077	N/A	35,923
<b>Paul Colucci</b> <sup>(3)</sup> Director	2022	N/A	N/A	N/A	N/A	N/A	N/A
	2021	N/A	N/A	N/A	N/A	N/A	N/A
<b>Phillip R. Knoll</b> <sup>(3)</sup> Director	2022	N/A	N/A	N/A	N/A	N/A	N/A
	2021	N/A	N/A	N/A	N/A	N/A	N/A
<b>Christopher J. Lewis</b> <sup>(3)</sup> Director	2022	N/A	N/A	N/A	N/A	N/A	N/A
	2021	N/A	N/A	N/A	N/A	N/A	N/A
<b>Richard F. McHardy</b> <sup>(3)</sup> Chair of the Board	2022	N/A	N/A	N/A	N/A	N/A	N/A
	2021	N/A	N/A	N/A	N/A	N/A	N/A
<b>Reginald J. Greenslade</b> <sup>(3)</sup> Director	2022	N/A	N/A	N/A	N/A	N/A	N/A
	2021	N/A	N/A	N/A	N/A	N/A	N/A
<b>Albert J. Stark</b> <sup>(3)</sup> Director	2022	N/A	N/A	N/A	N/A	N/A	N/A
	2021	N/A	N/A	N/A	N/A	N/A	N/A

**Notes:**



- (1) Effective the closing of the Transaction, being October 29, 2021, Mr. Gowanlock was appointed the Corporation's President. Effective December 14, 2021, Mr. Gowanlock was also appointed the Corporation's CEO.
- (2) Effective the closing of the Transaction, being October 29, 2021, Mr. Ross was appointed the Corporation's CFO.
- (3) Appointed to the Board subsequent to closing of the Transaction.
- (4) Consists of vehicle allowance and wellness benefit.

## Stock Options and Other Compensation Securities

The following table sets forth all compensation securities granted or issued to Named Executive Officers and directors by the Corporation or one of its subsidiaries during the year ended December 31, 2022.

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 (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
<b>Matt Gowanlock<sup>(1)</sup></b> President and CEO	RSUs	62,500 <sup>(3)</sup> (0.23%)	Dec. 14/22	N/A	0.27	0.23	Apr. 28/2026
<b>Orson Ross<sup>(2)</sup></b> CFO	RSUs	62,500 <sup>(3)</sup> (0.23%)	Dec. 14/22	N/A	0.27	0.23	Apr. 28/26

### Notes:

- (1) As at December 31, 2022, Mr. Gowanlock held 450,000 stock options. These options were cancelled on April 27, 2023.
- (2) As at December 31, 2022, Mr. Ross held 175,000 stock options. These options were cancelled on April 27, 2023.
- (3) Pursuant to the terms of the Messrs. Gowanlock's and Ross' RSU Agreements, their RSUs granted on December 14, 2022 vest in equal annual installments being: (i) 1/3 on December 14, 2023; (ii) 1/3 on December 14, 2024; and (iii) 1/3 on December 14, 2025. The RSUs expire on December 15, 2025.

## Exercise of Compensation Securities by Directors and NEOs

No compensation securities were exercised by the directors or NEOs during the year ended December 31, 2022.

## Employment and Consulting Agreements

### Termination and Change of Control Benefits

#### Orson Ross

Mr. Ross is subject to terms of employment which continue indefinitely and provides for payment of his annual base salary and participation in certain benefits provided by the Corporation until the employment agreement is terminated. The employment agreement contains provisions providing for the payment by the Corporation to Mr. Ross of certain amounts and benefits in the event of termination. The Corporation is entitled to immediately terminate the employment agreement with Mr. Ross at any time for just cause and is then obligated to pay Mr. Ross' outstanding wages and outstanding vacation pay earned but unpaid, up to and including the date of termination. The Corporation may immediately terminate Mr. Ross' employment at any time for any reason other than just cause by providing written notice of the termination date and is then obligated to pay Mr. Ross the following: (i) his *pro-rata* annual base salary earned for services rendered up to and including the termination date; (ii) all accrued and unused vacation pay and reimbursable expenses owing up to and including the termination date; and (iii) a termination amount equal to 12 months base salary. Mr. Ross may terminate his employment by giving 30 days' advance written notice of the termination date to the Board and in such an event, the Corporation will have no further obligations to Mr. Ross except for the payment of any outstanding wages and outstanding vacation pay earned but unpaid up to and including the termination date.

Matt Gowanlock

Mr. Gowanlock is subject to terms of employment which continue indefinitely and provides for payment of his annual base salary and participation in certain benefits provided by the Corporation until the employment agreement is terminated. The employment agreement contains provisions providing for the payment by the Corporation to Mr. Gowanlock of certain amounts and benefits in the event of termination. The Corporation is entitled to terminate the employment agreement with Mr. Gowanlock at any time for just cause by providing written notice of the termination date to Mr. Gowanlock and is then obligated to pay Mr. Gowanlock's *pro-rata* annual base salary earned for service rendered up to and including the termination date, plus any accrued vacation pay and reimbursable expenses owing up to and including the termination date.

The Corporation may immediately terminate Mr. Gowanlock's employment at any time for any reason other than just cause by providing written notice of the termination date and is then obligated to pay Mr. Gowanlock the following: (i) his *pro-rata* annual base salary earned for services rendered up to and including the termination date; (ii) all accrued and unused vacation pay and reimbursable expenses owing up to and including the termination date; and (iii) a termination amount equal to 12 months base salary in effect on the termination date and an amount equivalent to the average annual bonus paid to Mr. Gowanlock in the one calendar year immediately preceding the calendar year in which the termination date occurs (together the "**Severance Amount**").

If within 90 days of a change of control there is an event or events that constitute Good Reason, Mr. Gowanlock will be entitled to treat his employment as being "terminated without cause", and be entitled to the Severance Amount. Good Reason being defined as any material adverse change by the Corporation, without Mr. Gowanlock's agreement, in his annual base salary or in any of his duties, powers, rights, discretions, title or lines of reporting, such that immediately after such change or series of changes, Mr. Gowanlock's responsibilities and status, taken as a whole, are not at least substantially equivalent in the aggregate to those assigned to him immediately prior to such change or series of changes ("**Good Reason**").

A change of control is defined as: (i) the purchase or acquisition, without the prior consent of the Board of Directors, of any voting shares or convertible securities by a holder which results in the holder beneficially owning, or exercising control or direction over, voting shares or convertible securities such that, assuming only the conversion of convertible securities beneficially owned or over which control or direction is exercised by the holder, the holder would beneficially own, or exercise control or direction over, voting shares carrying the right to cast more than 50% of the votes attaching to all voting shares; or (ii) (A) the Corporation completes an amalgamation, arrangement, merger or other consolidation or combination of the Corporation with another corporation or entity which requires approval of the shareholders of the Corporation pursuant to its statute of incorporation, or (B) the purchase or acquisition, with or without the prior consent of the Board, of any voting shares or convertible securities by a holder which results in the holder beneficially owning, or exercising control or direction over, voting shares or convertible securities such that, assuming only the conversion of convertible securities beneficially owned or over which control or direction is exercised by the holder, the holder would beneficially own, or exercise control or direction over, voting shares carrying the right to cast more than 50% of the votes attaching to all voting shares, and immediately following the event described in paragraphs (A) and (B) above, as the case may be, the Board immediately prior to such event do not constitute a majority of the Board (or equivalent) of the successor or continuing corporation or entity immediately following such event; or (iii) the election at a meeting of the Corporation's shareholders of that number of persons which would represent a majority of the Board, as directors of the Corporation who are not included in the slate for election at such meeting as directors proposed to the Corporation's shareholders by the Corporation; or (iv) the liquidation, dissolution or winding-up of the Corporation; or (v) the sale, lease or other disposition of all or substantially all of the assets of the Corporation; or (vi) a determination by the Board that there has been a change, whether by way of a change in the holding of the voting shares of the Corporation or otherwise, in the ownership of the Corporation's assets or by any other means, as a result of which any person or group of persons acting jointly or in concert is in a position to exercise effective control of the Corporation. For the purposes of Mr. Gowanlock's executive employment agreement, "**Voting Shares**" means any securities of the Corporation ordinarily

carrying the right to vote at elections of directors, “**Convertible Securities**” means any securities convertible or exchangeable into Voting Shares or carrying the right or obligation to acquire Voting Shares, and “**Holder**” means a person, a group of persons or persons acting jointly or in concert or persons associated or affiliated, within the meaning of the *Securities Act* (Alberta), with any such person, group of persons or any of such persons acting jointly or in concert;

Mr. Gowanlock’s executive employment agreement contains standard non-solicitation provisions that prohibit him from soliciting the Corporation’s employees or consultants or customers, clients or suppliers for one year following the cessation of employment.

Mr. Gowanlock may terminate his employment by giving 30 days’ advance written notice of the termination date to the Corporation and in such an event, the Corporation’s obligation to compensate Mr. Gowanlock shall cease on the termination date, save and except only for payment of the *pro-rata* annual base salary earned for services rendered up to and including the termination date, plus any accrued vacation pay and reimbursable expenses owing up to and including the termination date.

The table below sets out an estimated aggregate amount that each of Messrs. Gowanlock and Ross would have been entitled to receive if they had been terminated without cause as at December 31, 2022.

<b>Name</b>	<b>Annual Salary Component (\$)</b>	<b>Loss of Benefits and Perquisites Component (\$)</b>	<b>Total Severance Amount (\$)<sup>(1)</sup></b>
Matt Gowanlock	266,268	12,000	212,000
Orson Ross	266,268	12,000	212,000

**Note:**

(1) Includes severance amounts related to bonuses accrued or payable to Messrs. Gowanlock and Ross for the year ended December 31, 2022.

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

The following table sets forth securities of the Corporation that are authorized for issuance under equity compensation plans as at the end of the Corporation’s most recently completed financial year.

<b>Plan Category</b>	<b>Number of Common Shares to be issued upon exercise of outstanding options, warrants and rights<sup>(1)</sup> (a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of Common Shares remaining available for issuance under equity compensation plans (excluding securities reflected in column a)</b>
Equity compensation plans approved by securityholders	1,980,000 <sup>(2)</sup>	1.32 <sup>(3)</sup>	784,538
Equity compensation plans not approved by securityholders	-	-	-
<b>Total</b>	<b>1,980,000</b>	<b>1.32</b>	<b>784,528</b>

**Note:**

(1) As at December 31, 2022, the Corporation had 27,615,000 Common Shares issued and outstanding.

(2) Includes 1,630,000 options and 350,000 treasury settled RSUs.

(3) Applies to options only. The deemed value of the RSUs is calculated using the VWAP of the Corporation’s Common Shares on the TSXV on December 14, 2022 being \$0.32 multiplied by the number of RSUs awarded.

### **AUDIT COMMITTEE INFORMATION**

National Instrument 52-110 - *Audit Committees* (“**NI 52-110**”) requires the Corporation, as a venture issuer, to disclose annually certain information concerning the composition of its Audit Committee and its relationship with its independent auditors, as set forth in the following discussion.

#### **Audit Committee Charter**

The Corporation’s Audit Committee is governed by an Audit Committee Charter, the text of which is attached as Schedule “B” to this Information Circular.

### **Composition of the Audit Committee**

The Audit Committee is currently comprised of three individuals, all of whom are financially literate and a majority of whom are independent as determined in accordance with NI 52-110. The current members of the Audit Committee are Messrs. Paul Colucci (Chair), Reginald J. Greenslade and Phillip R. Knoll.

### **Relevant Education and Experience**

The following relevant education and experience of the members of the Audit Committee have been used in assessing their financial literacy:

#### Paul Colucci

Mr. Colucci has over 20 years experience in the Finance and Investment industries. Mr. Colucci holds a Bachelor of Commerce Degree (Finance) from the University of Calgary and is also a CFA Charterholder.

#### Reginald J. Greenslade

In addition to the information provided in the Nominees for Election section of the Information Circular for Mr. Greenslade, Mr. Greenslade has served on the board and audit committee of numerous companies both public and private. He holds a Bachelor of Science degree in mechanical engineering from Montana State University.

#### Phillip R. Knoll

Mr. Knoll has held the position of President and CEO with various companies with full profit and loss responsibility and has served on the board and audit committee of numerous public and private companies.

### **Audit Committee Oversight**

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

### **Reliance on Certain Exemptions**

Since the commencement of the Corporation's most recently completed financial year, it has not relied on the exemption in section 2.4 (*De Minimus Non-audit Services*), an exemption in section 6.1.1 (*Composition of the Audit Committee*) or an exemption granted under Part 8 (*Exemptions*) of NI 52-110.

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

The Corporation will not engage external auditors to carry out any Prohibited Service, as such term is defined in the CICA revised Rules of Professional Conduct.

The Board, upon recommendation from the Audit Committee, will consider the pre-approval of permitted services to be performed by the external auditors in each of the following broad categories:

- Audit Services
- Audit Related Services
- Tax Services

Engagements of external auditors will only commence subsequent to Board pre-approval of audit services, and only a member of the Audit Committee, or the CEO or CFO shall be authorized to request services of external auditors.

### External Auditor Service Fees

The following table sets out the aggregate fees billed by our external auditor in each of the last two financial years for services provided to the Corporation:

Financial Year Ending December 31	Audit Fees <sup>(1)</sup>	Audit Related Fees <sup>(2)</sup>	Tax Fees <sup>(3)</sup>	All Other Fees <sup>(4)</sup>
2022	252,700	N/A	47,133	5,420
2021	200,000	590,000	47,000	63,000

**Notes:**

1. Fees paid for the audit of the annual financial statements, quarterly reviews and other regulatory audits and filings.
2. Fees paid for professional services related to audit procedures performed on the reverse take-over transaction with Raise Production Inc. that are reasonably related to the performance of the audit or review of the Corporation's financial statements that are not disclosed in the "Audit Fees" column.
3. Fees paid for tax compliance, tax advice, tax planning and advisory services.
4. Fees paid for professional services other than those listed in the previous three columns.

### Exemption

The disclosure in this section is being provided in reliance upon the exemption in Section 6.1 of NI 52-110 because the Corporation is a venture issuer and, therefore, it is not required to file an annual information form.

## DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES

### General

The Board and senior management of the Corporation consider good corporate governance to be central to the effective operation of the Corporation and are committed to maintaining a high standard of corporate governance.

The Board has delegated primary responsibility for the development of certain governance practices and mechanisms to the Governance Committee. The Governance Committee's charter provides that the responsibilities of such committee include: (i) making recommendations to the Board as deemed appropriate with respect to the monitoring, adoption and disclosure of corporate governance guidelines in effect from time to time and review those guidelines once a year; (ii) reviewing criteria regarding the composition of the Board and committees of the Board, such as size, proportion of inside to outside directors and qualifications including relatedness and independence and make recommendations to the Board; (iii) identifying individuals for Board membership and recommend them to the Board and Shareholders and in making its recommendations, the Governance Committee shall consider the competencies and skills that the Board considers to be necessary for the Board, as a whole; (iv) assess the effectiveness of the Board as a whole, the committees of the Board, the contribution of individual directors, and assessment of directors on an ongoing basis; and (v) annually reviewing and evaluating the efficacy of the Governance Committee's charter.

The overall purpose of the Governance Committee is to assist the Board in fulfilling its responsibilities by: (i) being satisfied that corporate governance policies are adopted, disclosed and applied; (ii) identifying individuals qualified to become new Board members and recommending to the Board the nominees for each annual meeting of shareholders of the Corporation; and (iii) such other matters delegated to the Governance Committee by the Board. In that regard, it recommends to the Board the composition of the Board and its committees, assists the Board in developing the Board Mandate, assists the Board with respect to the orientation of new directors and continuing education of existing directors, oversees the performance of the Board and its committees, monitors developments in corporate governance and ensures the Corporation's compliance with its key governance policies. As of the date hereof, the Governance Committee is comprised of Messrs. Greenslade, Knoll and McHardy, a majority of whom are independent directors.

The Board has devoted significant attention and resources to reviewing the Corporation's corporate governance practices and ensuring that the Corporation's system of corporate governance will meet applicable legal requirements on an ongoing basis. The Board adopted a number of policies to assist the Corporation in maintaining a high standard of corporate governance. With input from the relevant committees, the Board created the charters for its committees, the Audit Committee, Compensation Committee and Governance Committee.

The Governance Committee will, at least annually, conduct a review of the Corporation's governance policies, as well as its Board and committee charters and terms of reference. The Board is committed to continuing to monitor new developments relating to governance best practices to ensure the Corporation is achieving compliance and implementing processes accordingly.

Set out below is a description of certain corporate governance practices of the Corporation.

### **Board of Directors**

Pursuant to the TSXV Corporate Finance Manual, each issuer must have at least three directors, including at least two independent directors. The Board is responsible for assessing director independence. The Board has assessed the independence of each director nominee in accordance with National Instrument 58-101 – *Disclosure of Corporate Governance Practices* and NI 52-110. Following this assessment as at the date hereof, the Board concluded that each director nominee, other than Matt Gowanlock, the Corporation's President and Chief Executive Officer, are independent. Mr. Gowanlock is not independent as he is a current executive officer of the Corporation.

The Corporation and the Board recognize the significant commitment involved in being a member of the Board. Currently, the following directors serve on the boards of directors of other reporting issuers in Canada (or the equivalent in a foreign jurisdiction) as listed below.

<b>Director</b>	<b>Public Company Board Membership</b>
Phillip R. Knoll	AltaGas Ltd. - TSX Headwater Exploration Inc. - TSX
Richard F. McHardy	Spartan Delta Corp. - TSX
Reginald J. Greenslade	Spartan Delta Corp. - TSX

The Board holds formal meetings five times a year and additionally during the year as the need arises. In addition, the Board intends to hold informal update calls during the months when there are no regularly scheduled meetings. The frequency and length of meetings and the nature of agenda items depend upon the circumstances. Meetings are generally lengthy, detailed and well attended, and are conducted in an atmosphere that encourages participation and independence. In order to promote candid discussion among the independent directors, an in-camera session is considered at every Board and committee meeting, from which any management invitees in attendance are recused.

### **Orientation and Continuing Education**

Each director on the Board is provided with a director's manual, which will be updated on a regular basis. As new Board members join the Corporation, they will be provided with a director's manual and expected to review and become familiar with its contents. The director's manual contains the Corporation's key corporate policies and other relevant corporate and Board information.

The Corporation also provides directors with opportunities to increase their knowledge and understanding of the Corporation's business. Briefings on strategic issues are conducted regularly, and typically include reviews of the competitive environment, the Corporation's performance relative to its peers, and any other developments that could materially affect the Corporation's business. In addition, the Board is briefed on a regular basis on corporate governance developments and emerging best practices in corporate governance.

## **Ethical Business Conduct**

The Corporation has a formal written Code of Business Conduct and Ethics Policy (“**Code**”) covering ethical business conduct that applies to all Board members, executive officers, management, employees and consultants of the Corporation. The Code is available for viewing on the Corporation’s SEDAR profile at [www.sedar.com](http://www.sedar.com). Each Board member is responsible to ensure his or her conduct is consistent with the letter and spirit of this Code. The Governance Committee, on behalf of the Board, is responsible for setting the standards in the Code and updating these standards as deemed appropriate to reflect changes in the legal and regulatory environment, the business practices of the Corporation and the environment within which it operates.

The Board has also established a Whistleblower Policy, which establishes the complaint procedures for concerns about any aspect of the Corporation’s activities and operations. These policies assist in maintaining the ethical business conduct of the officers and directors.

In addition, in order to ensure independent judgment in considering transactions/agreements in which a director/officer has a material interest, all related party transactions are approved by the independent directors and all payments under related party transactions are approved by the Audit Committee.

## **Nomination of Directors**

The responsibility for identifying new candidates for Board nomination has been delegated to the Governance Committee. The Board and Governance Committee periodically consider if and when new individuals are proposed for election or appointment to the Board, having regard to the competencies, skills and personal qualities of the candidates and existing members of the Board.

## **Compensation**

The Compensation Committee is responsible for determining and approving compensation for directors and officers. The Compensation Committee reviews the performance and recommends the remuneration of the senior officers as well as the overall remuneration and personnel policies developed by management. The Board reviews and approves the compensation of directors annually, or sooner, if deemed appropriate. Additional information pertaining to compensation including the committee members can be found under the heading “*Statement of Director and Executive Officer Compensation*” elsewhere in this Information Circular.

## **Board Assessments**

The Governance Committee assists the Board with respect to assessments of the effectiveness and contribution of the members of the Board and its committees, which includes reviewing both the Board and its committees’ decision-making processes and the quality of information provided by management.

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

To the knowledge of the Board and management of the Corporation, no director or executive officer of the Corporation or anyone who has held office as such since the beginning of the last financial year of the Corporation nor any proposed nominee for election as a director of the Corporation or of any associate or affiliate of any of the foregoing has a material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting.

## **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

To the knowledge of the Board and management of the Corporation, none of the Corporation’s directors, executive officers or companies or persons that beneficially own or control or direct, directly or indirectly, or a combination of both, more than 10 percent of the Corporation’s Common Shares, proposed nominees for election as directors of the Corporation or any of their respective associates or affiliates, has any material interest in any transaction with the Corporation since the commencement of the Corporation’s last financial

year, or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

There is not currently, nor has there been since the beginning of the most recently completed financial year of the Corporation any outstanding indebtedness owing to the Corporation or, in each case, any subsidiary thereof, by: (i) any director, executive officer or employee of the Corporation, as the case may be; (ii) any former director, executive officer or employee of the Corporation, as the case may be; (iii) any proposed nominee for election as a director of the Corporation; or (iv) any affiliate of any current or former director, executive officer or proposed nominee for election as a director of the Corporation, either pursuant to an employee stock purchase program of the Corporation, as the case may be, or otherwise, and no individual is or has been indebted to any other entity where the indebtedness is the subject of a guarantee, support agreement, letter of credit, or similar arrangement or understanding by the Corporation, as the case may be.

### **OTHER MATTERS**

As of the date of this Information Circular, the Board and management know of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting; however, if any other matter properly comes before the Meeting, proxies in favour of management nominees will be voted on such matter in accordance with the best judgment of the person or persons voting the proxy.

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

### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information relating to the Corporation's most recently completed financial year is provided in the Corporation's comparative financial statements and management's discussion and analysis available on SEDAR. A Shareholder may contact the Corporation at Suite 3200, 500 – 4 Avenue SW, Calgary, Alberta, T2P 2V6, Attention: Chief Financial Officer, to obtain a copy of the Corporation's most recent financial statements and management's discussion and analysis.

Dated May 19, 2023



**SCHEDULE "A"**

**ATTACHED TO THE MANAGEMENT INFORMATION CIRCULAR IN  
CONNECTION WITH THE ANNUAL AND SPECIAL MEETING OF THE  
SHAREHOLDERS OF CLEANTEK INDUSTRIES INC.  
TO BE HELD ON JUNE 29, 2023**

**CLEANTEK INDUSTRIES INC.  
OMNIBUS EQUITY INCENTIVE PLAN**

**EFFECTIVE: AUGUST 25, 2022  
(AS AMENDED APRIL 27, 2023)**

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**CLEANTEK INDUSTRIES INC.**

**OMNIBUS EQUITY INCENTIVE PLAN**

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**ARTICLE 1 - PURPOSES OF THE PLAN**

1.1 Purposes of the Plan

The purposes of the Plan are to: (i) provide the Corporation with a mechanism to attract, retain and motivate highly qualified directors, officers, employees and consultants; (ii) align the interests of Participants with those of other shareholders of the Corporation generally; and (iii) enable and encourage Participants to participate in the long-term growth and success of the Corporation through the acquisition of Common Shares.

1.2 Effective Date

This Plan shall become effective upon the date of approval by the shareholders of the Corporation given by affirmative vote of the majority of the Common Shares represented at the meeting of the shareholders of the Corporation at which motion to approve the Plan is presented, being the Effective Date.

1.3 Successor Plan

From and after the Effective Date, the Plan shall serve as the replacement to the Corporation's Stock Option Plan, as amended or restated from time to time (the "**Option Plan**"), and no further grants shall be made under the Option Plan; however, all stock options that are outstanding under the Option Plan as of the Effective Date shall continue to be governed by the terms and conditions of the Option Plan.

**ARTICLE 2 - DEFINED TERMS**

2.1 Definitions

Where used herein, the following terms shall have the following meanings, respectively:

- (a) "**Actively Employed**" means when a Participant is employed and actively providing services to the Corporation or a Subsidiary, or a Participant is on a vacation or a leave of absence approved by the Corporation or a Subsidiary or authorized under applicable law. For purposes of this Plan, except as may be required to comply with minimum requirements of applicable employment standards legislation, a Participant is not Actively Employed if his or her employment has been terminated by the Participant's resignation or by the Corporation or a Subsidiary, regardless of whether the Participant's employment has been terminated with or without Cause, lawfully or unlawfully or with or without notice, and, except as may be required by minimum requirements of applicable employment standards legislation, being Actively Employed does not include any period during, or in respect of, which a Participant is receiving or is entitled to receive payments in lieu of notice (whether by way of lump sum or salary continuance), benefits continuance, severance pay, damages for wrongful dismissal or other termination related payments or benefits, in each case, whether pursuant to statute, contract, common law, civil law or otherwise;
- (b) "**Applicable Withholding Taxes**" means any and all taxes and other source deductions or other amounts which the Corporation or a Subsidiary is required by law to withhold from any amounts to be paid or credited hereunder;
- (c) "**Award**" means an Option or a Share Unit granted to a Participant pursuant to the terms of the Plan;

- (d) **“Award Agreement”** means an agreement entered into by the Corporation and a Participant setting forth the terms and conditions applicable to Awards granted under the Plan. All Award Agreements shall be deemed to incorporate the provisions of the Plan, subject to such modifications or additions as the Committee may, in its discretion, determine appropriate. An Award Agreement need not be identical to other Award Agreements either in form or substance;
- (e) **“Blackout Period”** means a period of time during which, pursuant to any applicable laws or policies of the Corporation (including the Corporation’s insider trading policy, as amended or restated from time to time), any securities of the Corporation may not be traded by Participants, including any period in which Insiders or other specified persons are in possession of material undisclosed information, but excluding any period during which a regulator has halted trading in the Corporation’s securities;
- (f) **“Board”** or **“Board of Directors”** means the board of directors of the Corporation as may be constituted from time to time;
- (g) **“Business Day”** means any day on which the Exchange is open for business;
- (h) **“Cause”** means: (i) if the Participant has a written agreement pursuant to which the Participant offers employment or services to the Corporation or a Subsidiary and the term “cause” is defined in such agreement, “cause” as defined in such agreement; or otherwise (ii): (a) the failure of the Participant to follow the Corporation’s or a Subsidiary’s reasonable instructions with respect to the performance of the Participant’s duties; (b) any material breach by the Participant of the Participant’s obligations under any code of ethics, any code of business conduct or any lawful policies or procedures of the Corporation or a Subsidiary (as applicable); (c) a Participant’s excessive absenteeism, flagrant neglect of duties or serious misconduct involving the property, business or affairs of the Corporation or a Subsidiary or the carrying out of the Participant’s duties with respect to the Corporation or a Subsidiary; (d) the Participant is convicted of, or pleads guilty to, a crime which constitutes an indictable offence; and (e) any other act or omission of the Participant which would be treated by the courts of the jurisdiction in which the Participant is employed or engaged to constitute cause for termination of employment or engagement, as applicable;
- (i) **“Change of Control”** means the occurrence of any one or more of the following:
  - (i) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Corporation or any of its Subsidiaries and another corporation or other entity, as a result of which the holders of Common Shares prior to the completion of the transaction hold less than 50% of the outstanding shares of the successor corporation after completion of the transaction;
  - (ii) the sale, lease, exchange or other disposition, in a single transaction or a series of related transactions, of assets, rights or properties of the Corporation and/or any of its Subsidiaries which have an aggregate book value greater than 50% of the book value of the assets, rights and properties of the Corporation and its Subsidiaries on a consolidated basis to any other person or entity, other than a disposition to a wholly-owned subsidiary of the Corporation in the course of a reorganization of the assets of the Corporation and its Subsidiaries;
  - (iii) a resolution is adopted to wind-up, dissolve or liquidate the Corporation;
  - (iv) any person, entity or group of persons or entities acting jointly or in concert (an **“Acquiror”**) acquires or acquires control (including, without limitation, the right to vote or direct the voting) of Voting Securities of the Corporation which, when added

to the Voting Securities owned of record or beneficially by the Acquiror or which the Acquiror has the right to vote or in respect of which the Acquiror has the right to direct the voting, would entitle the Acquiror and/or associates and/or affiliates of the Acquiror to cast or to direct the casting of 20% or more of the votes attached to all of the Corporation's outstanding Voting Securities which may be cast to elect directors of the Corporation or the successor corporation (regardless of whether a meeting has been called to elect directors);

- (v) as a result of or in connection with: (A) a contested election of directors; or (B) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Corporation or any of its Subsidiaries and another corporation or other entity, the nominees named in the most recent management information circular of the Corporation for election to the Board shall not constitute a majority of the Board; or
- (vi) the Board adopts a resolution to the effect that a Change of Control as defined herein has occurred or is imminent.

For the purposes of the foregoing, "**Voting Securities**" means Common Shares and any other shares entitled to vote for the election of directors of the Corporation and shall include any security, whether or not issued by the Corporation, which are not shares entitled to vote for the election of directors of the Corporation but are convertible into or exchangeable for shares which are entitled to vote for the election of directors of the Corporation including any options or rights to purchase such shares or securities;

- (j) "**Common Shares**" means the common shares of the Corporation, and such other shares or securities as may be substituted therefore as a result of any change to the shares of the Corporation or any capital reorganization, arrangement, amalgamation, combination, recapitalization, merger or other event affecting all of the common shares of the Corporation;
- (k) "**Committee**" means the Board of Directors or, if so delegated in whole or in part by the Board, any duly authorized committee of the Board appointed by the Board to administer the Plan from time to time;
- (l) "**Consultant**" means, in relation to the Corporation or a Subsidiary, an individual (other than a Director or Employee) or Company that: (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Corporation or to a Subsidiary, other than services provided in relation to a Distribution; (ii) provides the services under a written contract between the Corporation or a Subsidiary and the individual, as the case may be; and (iii) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or a Subsidiary;
- (m) "**Company**" means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual;
- (n) "**Corporation**" means Cleantek Industries Inc. and includes any successor corporation thereof;
- (o) "**Director**" means any individual who is a member of the Board of Directors and who is not also an Employee or Consultant;
- (p) "**Disability**" means any physical or mental incapacity, disease or affliction of the Participant which has resulted in, or which will result in, the Participant's inability to perform the

essential duties of the Participant's position, taking into account reasonable accommodation by the Corporation or a Subsidiary as applicable, for an aggregate period of twenty-four (24) months, and further prevents the Participant from being gainfully employed or providing services in any position with the Corporation or a Subsidiary thereafter;

- (q) **"Distribution"** has the meaning ascribed thereto in the Exchange Policies;
- (r) **"Dividend Equivalent"** means a right equivalent in value to a Share Unit credited to a Participant in accordance with Section 9.1;
- (s) **"DSU"** or **"Deferred Share Unit"** means a right granted under Article 6 herein, denominated in units, to receive a fully-paid and non-assessable Common Share issued from treasury upon settlement of the Award, subject to the terms of the Plan and the applicable Award Agreement;
- (t) **"Effective Date"** means the date this Plan shall become effective as described in Section 1.2;
- (u) **"Employee"** means any employee or officer (including executive officer) of the Corporation or a Subsidiary;
- (v) **"Exchange"** means the TSX Venture Exchange or, if the Common Shares are not then listed and posted for trading on TSX Venture Exchange, on such stock exchange on which such shares are listed and posted for trading as may be selected for such purpose by the Committee;
- (w) **"Exchange Policies"** means the policies of the Exchange, including those set forth in the Corporate Finance Manual of the Exchange, each as amended or restated from time to time;
- (x) **"Exercise Price"** means the price at which a Common Share may be purchased pursuant to the exercise of a particular vested Option, as the same may be adjusted in accordance with the terms of the Plan;
- (y) **"Expiry Date"** means the expiry date specified in the Award Agreement, following which an Award may no longer be exercised or settled. The Expiry Date shall not be later than the ten (10) year anniversary of the date the Award was granted, subject to Section 9.2;
- (z) **"Insider"** has the meaning ascribed thereto in the Exchange Policies;
- (aa) **"Investor Relations Service Providers"** has the meaning ascribed thereto in the Exchange Policies;
- (bb) **"Option"** means a right granted under Article 5 herein to purchase a Common Share issued from treasury at a stated Exercise Price for a specified period of time, subject to the terms of the Plan and the applicable Award Agreement;
- (cc) **"Participant"** means any Director, Employee or Consultant to whom an Award is granted under this Plan;
- (dd) **"Performance Period"** means, with respect to PSUs, the period of time specified in the Award Agreement during which the applicable performance criteria in respect of the PSUs may be achieved;

- (ee) **"Person"** shall mean any natural person, firm, partnership, limited liability company, association, corporation, company, trust, business trust, governmental authority or other entity and, for greater certainty, includes any Company;
- (ff) **"Plan"** means this Omnibus Equity Incentive Plan of the Corporation, as may be amended or restated from time to time, and including the Addendum for U.S. Participants attached hereto;
- (gg) **"PSU"** or **"Performance Share Unit"** means a right granted under Article 7 herein, denominated in units, to receive a fully-paid and non-assessable Common Share issued from treasury upon settlement, subject to the terms of the Plan and the applicable Award Agreement, which generally becomes vested, if at all, subject to the attainment of performance criteria established by the Board in its discretion at the time of the grant of the PSU;
- (hh) **"RSU"** or **"Restricted Share Unit"** means a right granted under Article 8 herein, denominated in units, to receive a fully-paid and non-assessable Common Share issued from treasury upon settlement, subject to the terms of the Plan and the applicable Award Agreement, which generally becomes vested, if at all, following a period of continuous employment or engagement;
- (ii) **"Securities Laws"** means the acts, policies, bylaws, rules and regulations of the securities commissions governing the granting of Awards by the Corporation, as amended or restated from time to time;
- (jj) **"Security Based Compensation Plan"** has the meaning ascribed thereto in the Exchange Policies;
- (kk) **"Share Unit"** means an RSU, PSU, DSU or Dividend Equivalent, as the context requires;
- (ll) **"Subsidiary"** means any corporation that is a subsidiary of the Corporation, as such term is defined under subsection 2(4) of the Business Corporations Act (Alberta), as amended or restated from time to time;
- (mm) **"Termination Date"** means (i) in respect of a Participant who is a Consultant or a Director, the date the Participant ceases to provide services to the Corporation or a Subsidiary (for any reason), and (ii) in respect of a Participant who is an Employee, the last day that the Participant is Actively Employed by the Corporation or a Subsidiary for any reason whatsoever, but in any case (a) regardless of whether the Participant's employment is terminated with or without Cause, through actions or events constituting constructive dismissal, lawfully or unlawfully, with or without any adequate reasonable notice, or with or without any adequate compensation in lieu of such reasonable notice, and without regard to whether the Participant continues thereafter to receive any compensatory payments or other amounts from the Corporation or a Subsidiary, and (b) except as may be required by minimum requirements of applicable employment standards legislation, does not include any severance period or notice period to which the Participant might then be entitled or any period of salary continuance or deemed employment or other damages paid or payable to the Participant in respect of his or her termination of employment, and, in the case of both subsections (a) and (b), whether pursuant to any applicable statute, contract, civil law, the common law or otherwise. Any such severance period or notice period shall not be considered a period of employment for the purposes of a Participant's rights under the Plan;
- (nn) **"U.S. Participant"** means a Participant who is a United States citizen or United States resident alien as defined for purposes of Section 7701(b)(1)(A) of the U.S. Internal



Revenue Code or for whom an Award is otherwise subject to taxation under the U.S. Internal Revenue Code; provided, however, that a Participant shall be a U.S. Participant solely with respect to those affected Awards; and

- (oo) **“VWAP”** means the volume weighted average trading price per share for the Common Shares on the Exchange for the five (5) consecutive trading days ending on the last trading day preceding the applicable day.

## 2.2 Interpretation

- (a) Whenever the Committee or the Corporation exercises discretion in the administration of this Plan, the term “discretion” means the sole and absolute discretion of the Committee or the Corporation, as applicable.
- (b) As used herein, the terms “Article”, “Section”, “Subsection” and “clause” mean and refer to the specified Article, Section, Subsection and clause of this Plan, respectively.
- (c) Words importing the singular include the plural and vice versa and words importing any gender include any other gender.
- (d) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period begins, including the day on which the period ends, and abridging the period to the immediately preceding Business Day in the event that the last day of the period is not a Business Day. In the event an action is required to be taken or a payment is required to be made on a day which is not a Business Day such action shall be taken or such payment shall be made by the immediately preceding Business Day.
- (e) Unless otherwise specified, all references to money amounts are to Canadian currency.
- (f) The headings used herein are for convenience only and are not to affect the interpretation of this Plan.

## **ARTICLE 3 - ADMINISTRATION OF THE PLAN**

### 3.1 Administration

The Plan shall be administered by a committee of the Board consisting of not less than three (3) directors. Subject to applicable laws, the Exchange Policies and the terms and conditions herein, the Committee has sole and complete authority, in its discretion, to determine the terms and provisions of Award Agreements, to interpret the terms and the intent of the Plan and any Award Agreement or other agreement ancillary to or in connection with the Plan, to determine eligibility for Awards, and to adopt such rules, regulations and guidelines for administering the Plan as the Committee may deem necessary or proper. Such authority shall include, but not be limited to, selecting Participants, establishing all Award terms and conditions, including grant, Exercise Price, vesting terms, determining any performance criteria applicable to Awards and whether such performance criteria has been achieved, and subject to Article 12, adopting any modifications and amendments to the Plan or any Award Agreement, including, without limitation, any that are necessary or appropriate to comply with the applicable laws or compensation practices of the jurisdictions in which the Corporation and its Subsidiaries operate.

### 3.2 Delegation

The Committee may delegate to one or more of its members any administrative duties or powers as it may deem advisable; provided, however, that any such delegation must be permitted under applicable

law. The day-to-day administration of the Plan may be delegated to such officers and employees of the Corporation as the Committee determines.

### 3.3 Determinations Binding

Any decision made or action taken by the Committee or any sub-delegate to whom authority has been delegated pursuant to Section 3.2 arising out of or in connection with the administration or interpretation of this Plan or any Award (including any Award Agreement) is final, conclusive and binding on the Corporation and all Subsidiaries, the affected Participant(s), their respective legal representatives and all other Persons.

### 3.4 Eligibility

All Employees, Consultants and Directors are eligible to participate in the Plan. Participation in the Plan is voluntary and eligibility to participate does not confer upon any Employee, Consultant or Director any right to receive any grant of an Award pursuant to the Plan. The extent to which any Employee, Consultant or Director is entitled to receive a grant of an Award pursuant to the Plan will be determined at the discretion of the Committee. The Committee and the Participant are responsible for ensuring and confirming that such Participant is a *bona fide* Employee, Consultant or Director.

## ARTICLE 4 - SHARES SUBJECT TO THE PLAN AND MAXIMUM AWARDS

### 4.1 Maximum Number of Common Shares Available for Awards

The aggregate maximum number of Common Shares available for issuance pursuant to the exercise or settlement, as applicable, of all Awards granted under the Plan, together with awards granted under the Security Based Compensation Plans of the Corporation, will be 10% of the total issued and outstanding Common Shares from time to time (on a non-diluted basis); ~~provided that, the aggregate maximum number of Common Shares available for issuance pursuant to the settlement of all DSUs, RSUs and PSUs (and related Dividend Equivalents, if applicable) granted under this Plan shall not exceed 5% of the total issued and outstanding Common Shares from time to time (on a non-diluted basis).~~ Any Common Shares underlying Options or stock options under the Option Plan that have been exercised, or disposed of or that have expired or been terminated for any reason (without being exercised), shall become available for subsequent issuance under the Plan. Any Common Shares underlying Share Units that have been settled, or disposed of or that have expired or been terminated for any reason (without being settled), shall become available for subsequent issuance under the Plan. The Plan is a "rolling plan" in respect of all Awards and as a result, any and all increases in the number of issued and outstanding Common Shares will result in an increase to the number of Awards available for grant.

### 4.2 Additional Limits on Grants of Awards

Any grant of Awards under the Plan shall be subject to the following restrictions (each on a non-diluted basis):

- (a) the aggregate number of Common Shares issuable pursuant to Awards under the Plan, together with awards under any other Security Based Compensation Plan of the Corporation, granted to any one individual (including any corporation wholly owned by such individual) in any twelve (12) month period shall not exceed 5% of the issued and outstanding Common Shares determined at the time of such grant (unless the Corporation has obtained the requisite acceptance and disinterested shareholder approval, if required, in accordance with the Exchange Policies, ~~including Part 6 of the TSX Venture Exchange Policy 4.4, as amended from time to time~~);
- (b) the aggregate number of Common Shares issuable pursuant to Awards under the Plan, together with awards under any other Security Based Compensation Plan of the Corporation, granted to Insiders (as a group) shall not exceed 10% of the issued and

outstanding Common Shares at any point in time (unless the Corporation has obtained the requisite disinterested shareholder approval in accordance with the Exchange Policies);

- (c) the aggregate number of Common Shares issuable pursuant to Awards under the Plan, together with awards under any other Security Based Compensation Plan of the Corporation, granted to Insiders (as a group) in any twelve (12) month period shall not exceed 10% of the issued and outstanding Common Shares determined at the time of such grant (unless the Corporation has obtained the requisite disinterested shareholder approval in accordance with the Exchange Policies);
- (d) the aggregate number of Common Shares issuable pursuant to Awards under the Plan, together with awards under any other Security Based Compensation Plan of the Corporation, granted to any one Person who is a Consultant in any twelve (12) month period shall not exceed 2% of the issued and outstanding Common Shares determined at the time of such grant (unless the Corporation has obtained the requisite disinterested shareholder approval, if required, in accordance with the Exchange Policies, ~~including Part 6 of the TSX Venture Exchange Policy 4.4, as amended from time to time~~);<sup>1</sup> and
- (e) Investor Relations Service Providers shall only be entitled to Options under the Plan and the aggregate number of Common Shares issuable pursuant to Options under the Plan, together with stock options under any other Security Based Compensation Plan of the Corporation, granted to all Investor Relations Service Providers in any twelve (12) month period, shall not exceed 2% of the issued and outstanding Common Shares determined at the time of grant.

#### 4.3 Award Agreements

Each Award under this Plan will be evidenced by an Award Agreement. Each Award Agreement will be subject to the applicable provisions of this Plan and will contain such provisions as are required by this Plan and any other provisions that the Committee may direct. Any one officer of the Corporation is authorized and empowered to execute and deliver, for and on behalf of the Corporation, any Award Agreement to a Participant granted an Award pursuant to this Plan.

#### 4.4 Non-transferability of Awards

Except as permitted by the Committee and subject to Exchange approval, and to the extent that certain rights may pass to a beneficiary or legal representative upon death of a Participant by will or as required by applicable law (and in accordance with Section 10.3), no assignment or transfer of Awards, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such Awards or under this Plan whatsoever in any assignee or transferee and immediately upon any assignment or transfer, or any attempt to make the same, such Awards will terminate and be of no further force or effect.

### ARTICLE 5 - OPTIONS

#### 5.1 Granting of Options

The Committee may, from time to time, grant Options to such Participants as it chooses and, subject to the restrictions herein, in such numbers as it chooses. The grant of Options will be subject to the terms and conditions contained herein and in the applicable Award Agreement and may be subject to additional conditions determined by the Committee from time to time. The grant of an Option to a Participant at any time shall neither entitle such Participant to receive, nor preclude such Participant from receiving, a subsequent grant of an Option.

## 5.2 Exercise Price

The Exercise Price shall be fixed by the Committee when the Option is granted, provided that such price shall be determined in accordance with the rules of the Exchange (as applicable) and shall not be less than the ~~VWAP as of the date of grant.~~ Discounted Market Price as defined in Exchange Policy 1.1 – Interpretation. If the Corporation does not issue a news release to announce the grant and the exercise price of an Option, the Discounted Market Price is the last closing price of the Corporation's Common Shares before the date of grant of the Options less the applicable discount.

## 5.3 Term of Options

An Option must be exercised no later than the Expiry Date set by the Committee at the time of grant, following which time the Option shall automatically terminate and be of no further force or effect, and no amount shall be payable to the Participant in respect thereof as compensation, damages or otherwise.

## 5.4 Vesting of Options

The vesting period or periods within the term following which an Option may be exercised by a Participant shall be determined by the Committee and set out in the applicable Award Agreement, subject to the rules of the Exchange.

Subject to Section 12.3, the Committee may, in its discretion at any time or in the Award Agreement in respect of any Options granted, accelerate or provide for the acceleration of, vesting of Options previously granted. However, notwithstanding the foregoing, Options granted to an Investor Relations Service Provider must vest in stages over a period of not less than twelve (12) months with no more than one quarter (1/4) of the Options vesting in any three (3) month period.

## 5.5 Exercise of Options

Subject to the provisions of the Plan and the applicable Award Agreement, a vested Option may be exercised from time to time by the Participant (or the Participant's legal representative in the case of the Participant's death) by delivery to the Corporation of a properly executed exercise notice in such form(s) as may be determined by the Committee from time to time (the "**Exercise Notice**"). The Exercise Notice shall state the intention of the Participant (or the Participant's legal representative, if applicable) to exercise the said Option.

## 5.6 Payment and Net Share Exercise Right

The Exercise Notice shall be accompanied by payment in full of the aggregate Exercise Price and any Applicable Withholding Taxes in respect of the vested Options being exercised, which shall be payable by cheque, bank draft or wire transfer. Notwithstanding the foregoing, provided that the Corporation is in compliance with the rules of the Exchange (if applicable), the Corporation may, in its discretion, permit the Participant to elect that the Corporation satisfy any obligations to the Participant in respect of any vested Options so exercised by the Participant by issuing such number of Common Shares to the Participant that is equal ~~in value to the~~ quotient obtained by dividing: (i) the product of the number of Options being exercised multiplied by the difference between: (i) the VWAP of the underlying Common Shares or, in the event that the ~~and the exercise price of the subject Options by; (ii) the VWAP of the underlying Common Shares as determined by the Board, in each case, on the applicable day; and (ii) the aggregate Exercise Price of the vested Options being exercised (the "**Net Share Exercise Right**").~~ the fair market value of the Common Shares are not listed and posted for trading on any stock exchange, the fair market value of the Common Shares as determined by the Board, in each case, on the applicable day; and (ii) the aggregate Exercise Price of the vested Options being exercised (the "**Net Share Exercise Right**"). The Net Share Exercise Right shall not be available to any Participants who are Investor Relations Service Providers.

Upon the issuance of Common Shares in connection with the exercise of any vested Options, such vested Options shall terminate and be of no further force or effect and the Participant shall cease to have any further rights in respect thereof.

## 5.7 Cashless Exercise Right

If permitted by the Corporation, the Exercise Notice may also be accompanied by the Participant's election to provide payment in full of the aggregate Exercise Price and any Applicable Withholding Taxes in respect of the vested Options being exercised pursuant to a broker-assisted cashless exercise whereby the Participant or his or her legal representative shall elect on the Exercise Notice to receive: (i) an amount in cash equal to the cash proceeds realized upon the sale in the capital markets of the Common Shares underlying the vested Options by a securities dealer designated by the Corporation, less the aggregate Exercise Price, any Applicable Withholding Taxes, and any transfer costs charged by the securities dealer to sell the Common Shares; or (ii) an aggregate number of Common Shares that is equal to the number of Common Shares underlying the vested Options minus the number of Common Shares sold in the capital markets by a securities dealer designated by the Corporation as required to realize cash proceeds equal to the aggregate Exercise Price, any Applicable Withholding Taxes and any transfer costs charged by the securities dealer to sell the Common Shares; or (iii) a combination of (i) and (ii).

## ARTICLE 6 - DEFERRED SHARE UNITS

### 6.1 Granting of DSUs

The Committee may, from time to time, grant DSUs to such Participants that are Directors as it chooses and, subject to the restrictions herein, in such numbers as it chooses. The grant of DSUs will be subject to the terms and conditions contained herein and in the applicable Award Agreement, and may be subject to additional conditions determined by the Committee from time to time. The grant of a DSU to a Participant at any time shall neither entitle such Participant to receive, nor preclude such Participant from receiving, a subsequent grant of a DSU. Notwithstanding the foregoing, DSUs may not be granted to Investor Relations Service Providers.

### 6.2 Term of DSUs

A DSU must be settled no later than the Expiry Date set by the Committee at the time of grant (if applicable), following which time the DSU (whether vested or unvested) shall automatically terminate and be of no further force or effect, and no amount shall be payable to the Participant in respect thereof as compensation, damages or otherwise.

### 6.3 Vesting of DSUs

The vesting period or periods within the term following which DSUs may be settled by a Participant shall be determined by the Committee and set forth in the applicable Award Agreement and shall be subject to the rules of the Exchange. For greater clarity, pursuant to Exchange Policy 4.4 – Security Based Compensation, no DSUs may vest before the date that is one year following the date it is granted or issued.

### 6.4 Settlement of DSUs

Subject to the provisions of the Plan and the applicable Award Agreement, vested DSUs may be settled at any time prior their applicable Expiry Date by the Participant (or the Participant's legal representative in the case of the Participant's death) delivering to the Corporation of a properly executed settlement notice in such form(s) as may be determined by the Committee from time to time (the "**DSU Settlement Notice**"). In respect of each vested DSU being settled by the Participant pursuant to the DSU Settlement Notice, the Corporation shall, subject to Section 9.3, issue to the Participant (or the Participant's legal representative, if applicable) such number of Common Shares that is equal to the number of vested DSUs (and related Dividend Equivalents, if any) being settled pursuant to the DSU Settlement Notice (rounded down to the nearest whole number), as fully paid and non-assessable Common Shares. Notwithstanding the ability of the Corporation to settle vested DSUs (and related Dividend Equivalents, if any) in Common Shares, the Corporation may, in its discretion, permit applicable Participants to elect in their DSU Settlement Notice to receive an amount in cash (net of Applicable Withholding Taxes) equal to all or a portion of the vested

DSUs (and related Dividend Equivalents, if any) being settled by the Participant pursuant to the DSU Settlement Notice multiplied by the VWAP as at the applicable settlement date.

Any DSUs (and Dividend Equivalents, if applicable) that are settled pursuant to this Section by the Participant shall be cancelled on the settlement date and the Participant shall have no further rights, title or interest with respect thereto.

## ARTICLE 7 - RESTRICTED SHARE UNITS

### 7.1 Granting of RSUs

The Committee may, from time to time, grant RSUs to such Participants (other than Consultants and Directors) as it chooses and, subject to the restrictions herein, in such numbers as it chooses. The grant of RSUs will be subject to the terms and conditions contained herein and in the applicable Award Agreement, and may be subject to additional conditions determined by the Committee from time to time. Notwithstanding the foregoing, RSUs may not be granted to Investor Relations Service Providers.

The grant of an RSU to a Participant at any time shall neither entitle such Participant to receive, nor preclude such Participant from receiving, a subsequent grant of an RSU. In all cases, RSUs shall be in addition to, and not in substitution for or in lieu of, ordinary salary and wages payable to a Participant in respect of the Participant's services to the Corporation or a Subsidiary.

### 7.2 Term of RSUs

A RSU must be settled no later than the Expiry Date set by the Committee at the time of grant, following which time the RSU (whether vested or unvested) shall automatically terminate and be of no further force or effect, and no amount shall be payable to the Participant in respect thereof as compensation, damages or otherwise.

### 7.3 Vesting of RSUs

The vesting period or periods within the term following which RSUs may be settled by a Participant shall be determined by the Committee and set forth in the applicable Award Agreement and shall be subject to the rules of the Exchange. For greater clarity, pursuant to Exchange Policy 4.4 – Security Based Compensation, no RSUs may vest before the date that is one year following the date it is granted or issued.

### 7.4 Settlement of RSUs

Subject to the provisions of the Plan and the applicable Award Agreement, vested RSUs may be settled at any time prior their applicable Expiry Date by the Participant (or the Participant's legal representative in the case of the Participant's death) delivering to the Corporation of a properly executed settlement notice in such form(s) as may be determined by the Committee from time to time (the "**RSU Settlement Notice**"). In respect of each vested RSU being settled by the Participant pursuant to the RSU Settlement Notice, the Corporation shall, subject to Section 9.3, issue to the Participant (or the Participant's legal representative, if applicable) such number of Common Shares that is equal to the number of vested RSUs (and related Dividend Equivalents, if any) being settled pursuant to the RSU Settlement Notice (rounded down to the nearest whole number), as fully paid and non-assessable Common Shares. Notwithstanding the ability of the Corporation to settle vested RSUs (and related Dividend Equivalents, if any) in Common Shares, the Corporation may, in its discretion, permit applicable Participants to elect in their RSU Settlement Notice to receive an amount in cash (net of Applicable Withholding Taxes) equal to all or a portion of the vested RSUs (and related Dividend Equivalents, if any) being settled by the Participant pursuant to the RSU Settlement Notice multiplied by the VWAP as at the applicable settlement date.

Any RSUs (and Dividend Equivalents, if applicable) that are settled pursuant to this Section by the Participant shall be cancelled on the settlement date and the Participant shall have no further rights, title or interest with respect thereto.

## ARTICLE 8 - PERFORMANCE SHARE UNITS

### 8.1 Granting of PSUs

The Committee may, from time to time, grant PSUs to such Participants (other than Consultants and Directors) as it chooses and, subject to the restrictions herein, in such numbers as it chooses. The grant of PSUs will be subject to the terms and conditions contained herein and in the applicable Award Agreement, and may be subject to additional conditions determined by the Committee from time to time. Each PSU Award Agreement shall set out the applicable performance criteria and Performance Period in respect of such PSUs. Notwithstanding the foregoing, PSUs may not be granted to Investor Relations Service Providers.

The grant of a PSU to a Participant at any time shall neither entitle such Participant to receive, nor preclude such Participant from receiving, a subsequent grant of a PSU. In all cases, PSUs shall be in addition to, and not in substitution for or in lieu of, ordinary salary and wages payable to a Participant in respect of the Participant's services to the Corporation or a Subsidiary.

### 8.2 Term of PSUs

A PSU must be settled no later than the Expiry Date set by the Committee at the time of grant, following which time the PSU (whether vested or unvested) shall automatically terminate and be of no further force or effect, and no amount shall be payable to the Participant in respect thereof as compensation, damages or otherwise.

### 8.3 Vesting of PSUs

The vesting period or periods within the term following which PSUs may be settled by a Participant shall be determined by Committee and set forth in the applicable Award Agreement and shall be subject to the rules of the Exchange. For greater clarity, pursuant to Exchange Policy 4.4 – Security Based Compensation, no PSUs may vest before the date that is one year following the date it is granted or issued.

### 8.4 Settlement of PSUs

Subject to the provisions of the Plan and the applicable Award Agreement, vested PSUs may be settled at any time prior their applicable Expiry Date by the Participant (or the Participant's legal representative in the case of the Participant's death) delivering to the Corporation of a properly executed settlement notice in such form(s) as may be determined by the Committee from time to time (the "**PSU Settlement Notice**"). In respect of each vested PSU being settled by the Participant pursuant to the PSU Settlement Notice, the Corporation shall, subject to Section 9.3, issue to the Participant (or the Participant's legal representative, if applicable) such number of Common Shares that is equal to the number of vested PSUs (and related Dividend Equivalents, if any) being settled pursuant to the PSU Settlement Notice (rounded down to the nearest whole number), as fully paid and non-assessable Common Shares. Notwithstanding the ability of the Corporation to settle vested PSUs (and related Dividend Equivalents, if any) in Common Shares, the Corporation may, in its discretion, permit applicable Participants to elect in their PSU Settlement Notice to receive an amount in cash (net of Applicable Withholding Taxes) equal to all or a portion of the vested PSUs (and related Dividend Equivalents, if any) being settled by the Participant pursuant to the PSU Settlement Notice multiplied by the VWAP as at the applicable settlement date.

Any PSUs (and Dividend Equivalents, if applicable) that are settled pursuant to this Section by the Participant shall be cancelled on the settlement date and the Participant shall have no further rights, title or interest with respect thereto.

## **ARTICLE 9 - ADDITIONAL AWARD TERMS**

### **9.1 Dividend Equivalents**

When normal cash dividends are paid on Common Shares, Dividend Equivalents shall be credited to a Participant with outstanding DSUs, RSUs or PSUs as of the dividend payment date. The number of Dividend Equivalents to be credited to a Participant shall be determined by multiplying the aggregate number of DSUs, RSUs or PSUs held by the Participant on the relevant record date by the amount of the dividend paid by the Corporation on each Common Share, and dividing the result by the closing price of a Common Share on the Exchange on the trading day immediately preceding the dividend payment date, rounded down to the nearest whole Share Unit, which Dividend Equivalents shall be in the form of DSUs, RSUs or PSUs, as applicable.

Dividend Equivalents shall be subject to the same vesting and settlement conditions applicable to the related DSU, RSU and PSU and shall be payable on the settlement date of the related DSU, RSU or PSU in the same form as the related DSU, RSU or PSU being settled, provided that, in no event shall the settlement of Dividend Equivalents cause the maximum number of Common Shares issuable under Article 4 (as applicable) to be exceeded. The number of additional Common Shares to be issued pursuant to this section shall be included in the maximum number of Common Shares issuable under Article 4 (as applicable).

The foregoing does not obligate the Corporation to declare or pay dividends on Common Shares and nothing in this Plan shall be interpreted as creating such an obligation.

### **9.2 Blackout Period**

Notwithstanding the provisions contained herein for the expiry of Awards, in the event that the Expiry Date of an Award falls during or within two (2) Business Days following the end of a Blackout Period, the Expiry Date of such Award shall be extended for a period of ten (10) Business Days following the end of the Blackout Period.

### **9.3 Withholding Taxes**

Notwithstanding any other terms of this Plan, the granting, exercise or settlement of each Award under this Plan is subject to the condition that if at any time the Committee determines, in its discretion, that the satisfaction of Applicable Withholding Taxes is necessary or desirable in respect of such grant, exercise or settlement, such action is not effective unless such withholding has been effected to the satisfaction of the Committee. In such circumstances, the Committee may require that a Participant pay to the Corporation the minimum amount as the Corporation or a Subsidiary is obliged to withhold or remit to the relevant taxing authority in respect of the granting, exercise or settlement of the Award. Any such additional payment is due no later than the date on which such amount with respect to the Award is required to be remitted to the relevant tax authority by the Corporation or a Subsidiary, as the case may be. Alternatively, and subject to any requirements or limitations under applicable law, the Corporation may (i) withhold any Applicable Withholding Taxes from any remuneration or other amount payable by the Corporation or any Subsidiary to the Participant, (ii) permit a Participant to authorize a securities dealer designated by the Corporation, on behalf of the Participant, to sell in the capital markets a portion of the Common Shares issued hereunder to realize cash proceeds to be used to satisfy the Applicable Withholding Taxes, or (iii) enter into any other suitable arrangements for the receipt of such amounts.

## **ARTICLE 10 - TERMINATION OF EMPLOYMENT OR ENGAGEMENT**

### **10.1 Termination without Cause or Voluntary Resignation**



Unless otherwise determined by the Committee, if a Participant's employment or engagement with the Corporation or a Subsidiary ceases as a result of a termination by the Corporation or a Subsidiary without Cause or the Participant's resignation (including a resignation from the Board in respect of Directors), all unvested Options held by the Participant on the Participant's Termination Date shall automatically terminate on the Termination Date and be of no further force or effect, and no amount shall be payable to the Participant in respect thereof as compensation, damages or otherwise, including on account of severance, payment in lieu of notice or damages for wrongful dismissal. The Participant may, within 90 days after the Participant's Termination Date, or such shorter period as is remaining in the term of the Options, exercise the Participant's vested Options in accordance with Section 5.5. At the end of such 90-day period or such shorter period as is remaining in the term of the Options, the unexercised Options shall automatically terminate and be of no further force or effect, and no amount shall be payable to the Participant in respect thereof as compensation, damages or otherwise, including on account of severance, payment in lieu of notice or damages for wrongful dismissal.

Unless otherwise determined by the Committee, if a Participant's employment or engagement with the Corporation or a Subsidiary ceases as a result of a termination by the Corporation or a Subsidiary without Cause or the Participant's resignation (including a resignation from the Board in respect of Directors), all unvested Share Units held by the Participant on the Participant's Termination Date shall automatically terminate on the Termination Date and be of no further force or effect, and no amount shall be payable to the Participant in respect thereof as compensation, damages or otherwise, including on account of severance, payment in lieu of notice or damages for wrongful dismissal. The Participant may, within 90 days after the Participant's Termination Date, or such shorter period as is remaining in the term of the Share Units, elect to settle the Participant's vested Share Units in accordance with Sections 6.4, 7.4 or 8.4, as applicable. At the end of such 90-day period or such shorter period as is remaining in the term of the Share Units, any outstanding Share Units shall automatically terminate and be of no further force or effect, and no amount shall be payable to the Participant in respect thereof as compensation, damages or otherwise, including on account of severance, payment in lieu of notice or damages for wrongful dismissal.

The provisions of this Plan may take away or limit a Participant's common or civil law rights, as applicable, to the Participant's Awards and any common or civil law rights, as applicable, to damages as compensation for the loss, or continued vesting, of the Participant's Awards during any reasonable notice period.

## 10.2 Termination for Cause

Unless otherwise determined by the Committee, if a Participant's employment or engagement with the Corporation or a Subsidiary ceases as a result of a termination by the Corporation or a Subsidiary for Cause, all Awards held by the Participant on the Participant's Termination Date, whether vested or unvested, shall automatically terminate on the Termination Date and be of no further force or effect, and no amount shall be payable to the Participant in respect thereof as compensation, damages or otherwise, including on account of severance, payment in lieu of notice or damages for wrongful dismissal.

## 10.3 Death or Disability

Unless otherwise determined by the Committee, if a Participant's employment or engagement with the Corporation or a Subsidiary ceases as a result of the Participant's death or, in the case of an Employee, the incurrence of a Disability, all unvested Options held by the Participant on the Participant's Termination Date or date of death, as applicable, shall automatically terminate on the Termination Date or date of death, as applicable, and be of no further force or effect, and no amount shall be payable to the Participant in respect thereof as compensation, damages or otherwise. The Participant (or the Participant's legal representative in the case of the Participant's death) may, within 12 months after the Participant's Termination Date or date of death, as applicable, or such shorter period as is remaining in the term of the Options, exercise the Participant's vested Options in accordance with Section 5.5. At the end of such 12-month period or such shorter period as is remaining in the term of the Options, the unexercised Options shall automatically terminate and be of no further force or effect, and no amount shall be payable to the

Participant (or the Participant's legal representative in the case of the Participant's death) in respect thereof as compensation, damages or otherwise.

Unless otherwise determined by the Committee, if a Participant's employment or engagement with the Corporation or a Subsidiary ceases as a result of the Participant's death or, in the case of an Employee, the incurrence of a Disability, a pro rata portion of the unvested Share Units held by the Participant on the Termination Date will vest. The number of unvested RSUs and DSUs (and related Dividend Equivalents, if applicable) that will vest will be based on the number of days elapsed between the applicable date of grant and the Termination Date and the number of PSUs (and related Dividend Equivalents, if applicable) that will vest will be based on performance achieved up to the Termination Date as determined by the Committee in its discretion. All unvested Share Units shall automatically terminate on the Termination Date and be of no further force or effect, and no amount shall be payable to the Participant in respect thereof as compensation, damages or otherwise.

The Participant (or the Participant's legal representative in the case of the Participant's death) may, within 12 months after the Participant's Termination Date or date of death, as applicable, or such shorter period as is remaining in the term of the Share Units, elect to settle the Participant's vested Share Units in accordance with Sections 6.4, 7.4 or 8.4, as applicable. At the end of such 12-month period or such shorter period as is remaining in the term of the Share Units, any outstanding Share Units shall automatically terminate and be of no further force or effect, and no amount shall be payable to the Participant in respect thereof as compensation, damages or otherwise.

#### 10.4 Termination of Consultants

Notwithstanding any provision herein to the contrary, only the provisions set forth in this Section 10.4 and Section 10.5 shall govern the treatment of Awards held by Consultants in connection with a cessation of a Consultant's engagement with the Corporation or a Subsidiary.

Unless otherwise determined by the Committee, if a Consultant's engagement with the Corporation or a Subsidiary ceases as a result of a termination by the Corporation or a Subsidiary for Cause, all Options held by the Consultant on the Consultant's Termination Date, whether vested or unvested, shall automatically terminate on the Termination Date and be of no further force or effect, and no amount shall be payable to the Consultant in respect thereof as compensation, damages or otherwise.

Unless otherwise determined by the Committee, if a Consultant's engagement with the Corporation or a Subsidiary ceases for any reason other than for Cause, all unvested Options held by the Consultant on the Consultant's Termination Date shall automatically terminate on the Termination Date and be of no further force or effect, and no amount shall be payable to the Participant in respect thereof as compensation, damages or otherwise. The Consultant may, within 30 days after the Consultant's Termination Date, or such shorter period as is remaining in the term of the Options, exercise the Consultant's vested Options in accordance with Section 5.5. At the end of such 30-day period or such shorter period as is remaining in the term of the Options, the unexercised Options shall automatically terminate and be of no further force or effect, and no amount shall be payable to the Participant in respect thereof as compensation, damages or otherwise.

#### 10.5 Discretion to Permit Acceleration

Notwithstanding the provisions of Sections 10.1, 10.2, 10.3 and 10.4, and subject to the requirement to obtain shareholder approval per the Exchange Policies and the rules of the Exchange, the Committee may, in its discretion, at any time prior to, or following the events contemplated in such Sections, or in an employment or service agreement, Award Agreement or other written agreement between the Corporation or a Subsidiary and the Participant, permit the acceleration of vesting of any or all Awards or waive termination of any or all Awards, all in the manner and on the terms as may be authorized by the Committee. Notwithstanding the following, Options granted to Investor Relations Service Providers cannot be accelerated without the prior acceptance of the Exchange.

## 10.6 Participants' Entitlements

The Plan does not confer upon a Participant any right with respect to continuation of employment or engagement by the Corporation or any of its Subsidiaries, nor does it interfere in any way with the right of the Participant or the Corporation or any Subsidiary to terminate the Participant's employment or engagement at any time and for any reason.

Awards shall not be affected by any change of employment or engagement of the Participant where the Participant continues to be employed or engaged by the Corporation or any of its Subsidiaries.

## **ARTICLE 11 - EVENTS AFFECTING THE CORPORATION**

### 11.1 General

The existence of any Award does not affect in any way the right or power of the Corporation or its shareholders to make, authorize or determine any adjustment, recapitalization, reorganization or any other change in the Corporation's capital structure or its business, or any amalgamation, combination, arrangement, merger or consolidation involving the Corporation, to create or issue any bonds, debentures, Common Shares or other securities of the Corporation or to determine the rights and conditions attaching thereto, 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 to effect any other corporate act or proceeding, whether of a similar character or otherwise, whether or not any such action referred to in this Article 11 would have an adverse effect on this Plan or on any Award granted hereunder. In the event of any corporate event or transaction involving the Corporation (including, but not limited to, a change in the Common Shares or the capitalization of the Corporation), such as a merger, consolidation, reorganization, recapitalization, separation, stock dividend, stock split, reverse stock split, split-up, spin-off, combination of shares, exchange of shares, dividend in kind, extraordinary cash dividend, amalgamation or other like change in capital structure (other than normal cash dividends to shareholders of the Corporation), or any similar corporate event or transaction, the Committee, to prevent dilution or enlargement of Participants' rights under the Plan, shall substitute or adjust, in its discretion: (i) the number and kind of shares or other securities that may be granted pursuant to Awards; (ii) the number and kind of shares or other securities subject to outstanding Awards; (iii) the Exercise Price applicable to outstanding Options; (iv) the number of outstanding Share Units held by the Participants; (v) the vesting of PSUs; and/or (vi) other value determinations (including performance criteria) applicable to the Plan or outstanding Awards; provided, however, that no adjustment will obligate the Corporation to issue or sell fractional securities. Any such adjustments shall be made in good-faith compliance with paragraph 7(1.4)(c) of the Income Tax Act (Canada), to the extent applicable. For the avoidance of doubt, the purchase of Common Shares or other equity securities of the Corporation by a shareholder of the Corporation or by any third party from the Corporation shall not constitute a corporate event or transaction giving rise to an adjustment pursuant to this Section 11.1. Notwithstanding the foregoing, any adjustment, other than in connection with a security consolidation or security split, to outstanding Awards granted pursuant to the Plan are subject to the prior acceptance of the Exchange, including any adjustments related to an amalgamation, merger, arrangement, reorganization, spin-off, dividend or recapitalization of the Corporation.

### 11.2 Change of Control

#### (a) Change of Control and Termination of Employment or Engagement

Subject to Section 11.3 and the terms and conditions of any Award Agreement and notwithstanding anything in Article 10 to the contrary, if there is a Change of Control and a Participant who is an Employee or a Director (in each case, other than an Investor Relations Service Provider) ceases employment as a result of a termination by the Corporation or a Subsidiary without Cause or ceases to be a Director (for any reason other than for Cause) and, in each case, his or her Termination Date is within 12 months following the Change of Control, all unvested Options held by the Participant on the Participant's Termination Date shall immediately vest. The Participant may, within 6 months after the Participant's Termination Date, or such shorter period as is remaining in the term of the Options, exercise the Participant's vested Options in

accordance with Section 5.5. At the end of such 6-month period or such shorter period as is remaining in the term of the Options, the unexercised Options shall automatically terminate and be of no further force or effect, and no amount shall be payable to the Participant in respect thereof as compensation, damages or otherwise, including on account of severance, payment in lieu of notice or damages for wrongful dismissal.

Subject to Section 11.3 and the terms and conditions of any Award Agreement and notwithstanding anything in Article 10 to the contrary, if there is a Change of Control and a Participant who is an Employee or a Director (in each case, other than an Investor Relations Service Provider) ceases employment as a result of a termination by the Corporation or a Subsidiary without Cause or ceases to be a Director (for any reason other than for Cause) and, in each case, his or her Termination Date is within 12 months following the Change of Control, all RSUs and DSUs (and related Dividend Equivalents, if applicable) held by the Participant on the Termination Date shall immediately vest on the Termination Date. The Participant may, within 6 months after the Participant's Termination Date, or such shorter period as is remaining in the term of the applicable Share Units, elect to settle the Participant's vested Share Units in accordance with Sections 6.4 or 7.4, as applicable. At the end of such 6-month period or such shorter period as is remaining in the term of the Share Units, any outstanding Share Units shall automatically terminate and be of no further force or effect, and no amount shall be payable to the Participant in respect thereof as compensation, damages or otherwise, including on account of severance, payment in lieu of notice or damages for wrongful dismissal.

Subject to Section 11.3 and the terms and conditions of any Award Agreement and notwithstanding anything in Article 10 to the contrary, if there is a Change of Control and a Participant who is an Employee (other than an Investor Relations Service Provider) ceases employment as a result of a termination by the Corporation or a Subsidiary without Cause and his or her Termination Date is within 12 months following the Change of Control, a certain number of PSUs (and related Dividend Equivalents, if applicable) will vest based on performance achieved up to the Termination Date as determined by the Committee in its discretion. All unvested PSUs (and related Dividend Equivalents, if applicable) shall automatically terminate on the Termination Date and be of no further force or effect, and no amount shall be payable to the Participant in respect thereof as compensation, damages or otherwise. The Participant may, within 6 months after the Participant's Termination Date, or such shorter period as is remaining in the term of the applicable Share Units, elect to settle the Participant's vested Share Units in accordance with Section 8.4. At the end of such 6-month period or such shorter period as is remaining in the term of the Share Units, any outstanding Share Units shall automatically terminate and be of no further force or effect, and no amount shall be payable to the Participant in respect thereof as compensation, damages or otherwise, including on account of severance, payment in lieu of notice or damages for wrongful dismissal.

The provisions of this Plan may take away or limit a Participant's common or civil law rights, as applicable, to the Participant's Awards and any common or civil law rights, as applicable, to damages as compensation for the loss, or continued vesting, of the Participant's Awards during any reasonable notice period.

- (b) Discretion to Board and Committee

Subject to the rules of the Exchange Policies, in the event of an actual or potential Change of Control, the Committee may, in its discretion, without the necessity or requirement for the agreement of any Participant: (i) accelerate, conditionally or otherwise, on such terms as it sees fit (including, but not limited to those set out in (iii) and (iv) below), the vesting date of any Awards; (ii) permit the conditional settlement or exercise of any Awards, on such terms as it sees fit; (iii) otherwise amend or modify the terms of any Awards, including for greater certainty by (1) permitting Participants to exercise or settle any Awards to assist the Participants to participate in the actual or potential Change of Control, or (2) providing that the surviving, successor or acquiring entity may assume any outstanding Awards or substitute similar awards for the outstanding Awards, as applicable; and (iv) terminate, following the successful completion of a Change of Control, on such terms as it sees fit, the Awards not exercised or settled prior to the successful completion of such Change of Control, provided that, any accelerated vesting in respect of any PSUs (and related Dividend Equivalents, if applicable) will be based on performance achieved up to the Change of Control as determined by the Committee in its discretion.

In the event that any Awards are conditionally exercised or settled pursuant to this Section 11.2 and the Change of Control does not occur, the Committee, may, in its discretion, determine that any (i) Awards so exercised or settled shall be reinstated as the type of Award prior to such exercise or settlement, and (ii) Common Shares issued be cancelled, any cash payments made to the Participants be returned to the Corporation, and any Exercise Price or similar price received by the Corporation shall be returned to the Participant.

(c) Agreement with Purchaser in a Change of Control

In connection with a Change of Control, the Committee may be permitted to condition any acceleration of vesting on the Participant entering into an employment, service, confidentiality, restrictive covenant or other agreement with the purchaser as the Committee deems appropriate.

11.3 Issue by Corporation of Additional Shares

Except as expressly provided in this Article 11, neither the issue by the Corporation of shares of any class or securities convertible into or exchangeable for shares of any class, nor the conversion or exchange of such shares or securities, affects, and no adjustment by reason thereof is to be made with respect to the number of Common Shares that may be acquired as a result of a grant of Awards or other entitlements of the Participants under such Awards.

11.4 Fractions

No fractional Common Shares will be issued pursuant to an Award. Accordingly, whether as a result of any adjustment under this Article 11, a Dividend Equivalent or otherwise, a Participant would become entitled to a fractional Common Share, the Participant has the right to acquire only the adjusted number of full Common Shares and no payment or other adjustment will be made with respect to the fractional Common Shares, which shall be disregarded.

## **ARTICLE 12 - AMENDMENT OR DISCONTINUANCE OF PLAN**

12.1 Shareholder Approval

This Plan is subject to the approval of the holders of a majority of the Common Shares present and voting in person or by proxy at a meeting of holders of Common Shares (including approval of the disinterested holders of Common Shares if required by Exchange Policies) and the approval of the Exchange and shall not be effective until such approvals are obtained. Awards cannot be granted under this Plan prior to receipt of all necessary approvals.

12.2 Amendment, Suspension, or Termination of the Plan

The Committee may from time to time, without notice and without approval of the holders of voting shares of the Corporation, amend, modify, change, suspend or terminate the Plan or any Awards granted pursuant to the Plan as it, in its discretion, determines appropriate, provided, however, that no such amendment, modification, change, suspension or termination of the Plan or any Awards granted hereunder may materially impair any outstanding rights of a Participant or materially increase any obligations of a Participant under the Plan without the consent of the Participant, unless the Committee determines such adjustment is required or desirable in order to comply with any applicable Securities Laws or the rules of the Exchange.

Notwithstanding the foregoing and subject to any rules of the Exchange or/and any applicable regulatory authority, approval of the holders of a majority of the Common Shares present and voting in person or by proxy at a meeting of holders of Common Shares (including approval of the disinterested holders of Common Shares if required by Exchange Policies) must be obtained for any amendment that would have the effect of, among others:

- (a) increasing the percentage of Common Shares reserved for issuance under the Plan, except pursuant to the provisions in the Plan which permit the Committee to make equitable adjustments in the event of transactions affecting the Corporation or its capital;
- (b) increasing or removing the percentage limits on Common Shares issuable or issued to any Person or category of Persons (i.e., Insiders) as set forth in Section 4.2;
- (c) reducing the Exercise Price of an Option (for this purpose, a cancellation or termination of an Option of a Participant prior to its Expiry Date for the purpose of reissuing an Option to the same Participant with a lower Exercise Price shall be treated as an amendment to reduce the Exercise Price of an Option) except pursuant to the provisions in the Plan which permit the Committee to make equitable adjustments in the event of transactions affecting the Corporation or its capital;
- (d) amending an Award that results in a benefit to an Insider, in which case disinterested shareholder approval is required (including amending an Award to reduce the Exercise Price of an Option or extending the term of an Award);
- (e) amending any method or formula for calculating prices, values or amounts under the Plan that may result in a benefit to a Participant, including but not limiting to the formula for determining the Exercise Price of Options;
- (f) extending the term of an Award beyond the original Expiry Date (except where an Expiry Date would have fallen within a Blackout Period applicable to the Participant);
- (g) permitting an Option to be exercisable beyond ten (10) years from its date of grant (except where an Expiry Date would have fallen within a Blackout Period);
- (h) increasing or removing the limits on the participation of Directors;
- (i) amending the amendment provisions in Sections 12.2 and 12.3;
- (j) amending the termination or early termination provisions of this Plan or any Award;
- (k) changing the eligible participants of the Plan; or
- (l) amendments required to be approved by shareholders under applicable law (including the rules, regulations and policies of the Exchange).

### 12.3 Permitted Amendments

Without limiting the generality of Section 12.2, the Committee may, without approval of the holders of a majority of the Common Shares, at any time or from time to time, amend the Plan or Award Agreements for the purposes of:

- (a) making any amendments to the general vesting provisions of each Award;
- (b) making any amendment necessary to suspend or terminate the Plan;
- (c) making any amendments to add covenants of the Corporation for the protection of Participants, as the case may be, provided that the Committee shall be of the good faith opinion that such additions will not be prejudicial to the rights or interests of the Participants, as the case may be;
- (d) amendments necessary for Awards to qualify for favourable or intended tax treatment under applicable tax law;
- (e) making any amendments not inconsistent with the Plan as may be necessary or desirable with respect to matters or questions which, in the good faith opinion of the Committee, having in mind the best interests of the Participants, it may be expedient to make, including amendments that are desirable as a result of changes in law in any jurisdiction where a Participant resides, provided that the Committee shall be of the opinion that such amendments and modifications will not be prejudicial to the interests of the Participants; or
- (f) making such amendments of a "housekeeping" or administrative nature and such changes or corrections which, on the advice of counsel to the Corporation, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error, provided that the Committee shall be of the opinion that such changes or corrections will not be prejudicial to the rights and interests of the Participants.

## **ARTICLE 13 – MISCELLANEOUS**

### **13.1 Legal Requirement**

The Corporation's obligation to issue and deliver Common Shares under any Award is subject to: (i) the completion of such registration or other qualification of such Common Shares or obtaining approval of such regulatory authority as the Corporation shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof; (ii) the admission of such Common Shares to listing on any stock exchange on which such Common Shares may then be listed; and (iii) the receipt from the Participant of such representations, agreements and undertakings as to future dealings in such Common Shares as the Corporation determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction. The Corporation shall take all reasonable steps to obtain such approvals, registrations and qualifications as may be necessary for the issuance of such Common Shares in compliance with applicable securities laws and for the listing of such Common Shares on any stock exchange on which such Common Shares are then listed. The Corporation may endorse such legend or legends upon the certificates for, or other evidence of, Common Shares issued upon the exercise or settlement of an Award and may issue such "stop transfer" instructions to its transfer agent in respect of such Common Shares as, in its absolute discretion, it determines to be necessary or appropriate. Awards may not be granted with a date of grant or effective date earlier than the date on which all actions required to grant the Awards have been completed. The inability or impracticability of the Corporation to obtain or maintain authority from any regulatory body having jurisdiction, which authority is deemed by the Corporation's counsel to be necessary to the lawful issuance and sale of any Common Shares hereunder shall relieve the Corporation of any liability in respect of the failure to issue or sell such Common Shares as to which such requisite authority shall not have been obtained.

### 13.2 No Liability

No amount will be paid to, or in respect of, a Participant under the Plan to compensate for a downward fluctuation in the price of a Common Share, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose.

### 13.3 Corporate Action

Nothing contained in this Plan or in an Award shall be construed so as to prevent the Corporation from taking corporate action which is deemed by the Corporation to be appropriate or in its best interest, whether or not such action would have an adverse effect on this Plan or any Award.

### 13.4 Rights of Participant

No Participant shall be induced to acquire, exercise or settle an Award by expectation of employment, engagement or other service or continued employment, engagement or other service. Nothing in this Plan may be construed to provide any Participant with any rights whatsoever to compensation or damages in lieu of notice or continued participation in, or entitlements under, the Plan as a consequence of a Participant's termination of employment, engagement or other service (regardless of the reason for the termination and the party causing the termination, including a termination without Cause). The Plan does not give any Participant any right to claim any benefit or compensation except to the extent specifically provided in the Plan. Awards shall not be considered Common Shares, nor shall they entitle a Participant to any interest in or title to any Common Shares or to exercise voting rights or any other rights attaching to the Common Shares.

### 13.5 Conflict

In the event of any conflict between the provisions of this Plan and an Award Agreement, the provisions of the Award Agreement shall govern. In the event of any conflict between or among the provisions of this Plan or any Award Agreement, on the one hand, and a Participant's employment or service agreement (or other written agreement) with the Corporation or a Subsidiary, as the case may be, on the other hand, the provisions of the employment or service agreement (or other written agreement) shall prevail.

### 13.6 Anti-Hedging Policy

By accepting an Award each Participant acknowledges that he or she is restricted from purchasing financial instruments such as prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of Awards.

### 13.7 Participant Information

Each Participant shall provide the Corporation with all information (including personal information) required by the Corporation in order to administer the Plan. Each Participant acknowledges that information required by the Corporation in order to administer the Plan may be disclosed to any custodian appointed in respect of the Plan and other third parties, and may be disclosed to such Persons (including Persons located in jurisdictions other than the Participant's jurisdiction of residence), in connection with the administration of the Plan. Each Participant consents to such disclosure and authorizes the Corporation to make such disclosure on the Participant's behalf.

### 13.8 Unfunded Plan

This Plan shall be unfunded and the Corporation will not secure its obligations hereunder. To the extent any individual holds any rights under the Plan, such rights (unless otherwise determined by the Committee) shall be no greater than the rights of an unsecured general creditor of the Corporation.



### 13.9 International Participants

With respect to Participants who reside or work outside Canada, the Committee may, in its discretion, amend, or otherwise modify, without shareholder approval, the terms of the Plan or Awards (including Award Agreements) with respect to such Participants in order to conform such terms with the provisions of local law, customs and tax practices, and the Committee may, where appropriate, establish one or more sub-plans to reflect such amended or otherwise modified provisions.

### 13.10 No Limit on Other Security-Based Compensations Arrangements

Nothing contained in this Plan shall prevent the Corporation from adopting or continuing in effect other security-based compensation arrangements subject to any required regulatory or shareholder approval, and such arrangements may be either generally applicable or applicable only in specific cases.

### 13.11 Other Employee Benefits

The amount of any compensation received or deemed to be received by a Participant as a result of the Participant's participation in the Plan will not constitute compensation, earnings or wages with respect to which any other employee benefits of that Participant are determined, including, without limitation, benefits under any bonus, pension, profit-sharing, insurance, termination, severance or salary continuation plan or any other employee benefit plans, nor under any applicable employment standards or other legislation, except as otherwise specifically determined by the Committee.

### 13.12 No Representations or Warranties

The Corporation makes no representation or warranty as to the value of any Award granted pursuant to this Plan or as to the future value of any Common Shares issued pursuant to any Award.

### 13.13 Successors and Assigns

The Plan shall be binding on all successors and assigns of the Corporation and its Subsidiaries or any receiver or trustee in bankruptcy or representative of the creditors of the Corporation or a Participant.

### 13.14 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.

### 13.15 Notices

All notices to be given by a Participant to the Corporation shall be delivered personally, e-mail or mail, postage prepaid, addressed as follows:

Cleantek Industries Inc.  
Suite 3200, 500 4th Avenue SW,  
Calgary, Alberta  
T2P 2V6  
Email: Orson Ross  
Attention: oross@cleantekinc.com

All notices to a Participant will be addressed to the principal address of the Participant on file with the Corporation. Either the Corporation or the Participant may designate a different address by written notice to the other. Such notices are deemed to be received, if delivered personally or by e-mail, on the date of delivery, and if sent by mail, on the fifth business day following the date of mailing; provided that in the event of any actual or imminent postal disruption, notices shall be delivered to the appropriate party and

not sent by mail. Any notice given by either the Participant or the Corporation is not binding on the recipient thereof until received.

#### 13.16 Governing Law.

This Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the internal laws of the Province of Alberta and the federal laws of Canada applicable therein, without reference to conflicts of law rules.

#### 13.17 Submission to Jurisdiction

The Corporation and each Participant irrevocably submits to the exclusive jurisdiction of the courts of competent jurisdiction in the Province of Alberta in respect of any action or proceeding relating in any way to the Plan, including, without limitation, with respect to the grant of Awards and any issuance of Common Shares made in accordance with the Plan.

### **ADDENDUM FOR U.S. PARTICIPANTS CLEANTEK INDUSTRIES INC. OMNIBUS EQUITY INCENTIVE PLAN**

The provisions of this addendum to the Plan (the “**Addendum**”) apply to Options and Share Units granted to or held while a U.S. Participant. All capitalized terms used but not defined in this Addendum have the meanings ascribed to them in the Plan. “Article” and “Section” references set forth below refer to articles and sections of the Plan. This Addendum shall have no effect on any other terms and provisions of the Plan or any Awards except as set forth below.

#### 1. **Definitions**

As used in this Addendum and/or the Plan with respect to any U.S. Participant:

- a. “**Change of Control**” has the meaning ascribed to such term in the Plan; provided, that a Change of Control shall be limited to a “change in control event” as defined under Code Section 409A to the extent necessary to avoid the imposition of taxes, penalties and interest under Code Section 409A in the case of a U.S. Participant.
- b. “**Code**” means the U.S. Internal Revenue Code of 1986, as amended from time to time.
- c. “**Disability**” of a U.S. Participant with respect to an Incentive Stock Option means “permanent and total disability” as defined in Section 22(e)(3) of the Code.
- d. “**Disqualifying Disposition**” means any disposition of Common Shares acquired upon exercise of an Incentive Stock Option where such disposition occurs on or before the later of (i) the second anniversary of the date of grant and (ii) the first anniversary of the exercise of such Incentive Stock Option (or the first anniversary of the date of vesting of such Common Shares, if initially subject to a substantial risk of forfeiture and no timely and effective election under Section 83(b) of the Code is made with respect thereto).
- e. “**Fair Market Value**” means the VWAP, or if the Common Shares are not publicly traded or quoted, then “Fair Market Value” shall mean the fair market value of a Common Share as determined in good faith by the Committee on the applicable day; provided, that Fair

Market Value shall be determined consistent with the principles of Code Sections 409A, 422 and/or 424 to the extent applicable in the case of a U.S. Participant.

- f. **"Incentive Stock Option"** means any Option designated and qualified as an "incentive stock option" as defined in Section 422 of the Code.
- g. **"Non-Qualified Stock Option"** means any Option that is not an Incentive Stock Option.
- h. **"Section 409A"** means Section 409A of the Code and the Treasury Regulations and other guidance promulgated thereunder.
- i. **"Separation from Service"** means, with respect to a U.S. Participant, any event that may qualify as a separation from service under Treasury Regulation Section 1.409A-1(h). A U.S. Participant shall be deemed to have separated from service if he or she dies, retires or otherwise has a termination of employment as defined under Treasury Regulation Section 1.409A-1(h).
- j. **"Specified Employee"** has the meaning set forth in Treasury Regulation Section 1.409A-1(i).
- k. **"Subsidiary Corporation"** means "subsidiary corporation" as defined in Section 424(f) of the Code.
- l. **"Ten Percent Owner"** means a U.S. Participant who, at the time an Option is granted, owns or is deemed to own (by reason of the attribution rules of Section 424(d) of the Code) shares possessing more than 10% of the total combined voting power of all classes of stock of the Corporation or any parent or subsidiary corporation, within the meaning of Section 422(b)(6) of the Code.
- m. **"Treasury Regulation"** means any U.S. Treasury Regulation promulgated under the Code.
- n. **"Vesting Date"** means, in the case of a U.S. Participant, the date or dates set out in the Award Agreement on which an Award will vest.

## 2. **Plan Not Subject to ERISA**

The Plan is not subject to the Employee Retirement Income Security Act of 1974, as amended.

## 3. **Options Granted to U.S. Participants**

- a. **Incentive Stock Options and Non-Qualified Stock Options.** Options granted under the Plan may be either Incentive Stock Options or Non-Qualified Stock Options. Notwithstanding any provision of the Plan to the contrary, Incentive Stock Options may only be granted to a Person who is an employee of the Corporation or a Subsidiary Corporation thereof (and not of any other affiliate of the Corporation). To the extent that any Option (or portion thereof) does not qualify as an Incentive Stock Option, such Option (or portion thereof) shall be deemed a Non-Qualified Stock Option.
- b. **Award Agreement.** The Award Agreement for U.S. Participants shall specify whether the Option subject to such Award Agreement is an Incentive Stock Option or a Non-Qualified Stock Option. If no such specification is made, the Option will be a Non-Qualified Stock Option. None of the Board, the Corporation or any of its subsidiaries or affiliates, or any of their respective employees or representatives shall be liable to any U.S. Participant or to

any other Person if it is determined that an Option does not qualify for any intended tax treatment.

- c. **Exercise Price.** In the case of an Incentive Stock Option that is granted to a Ten Percent Owner, the Exercise Price of such Incentive Stock Option shall not be less than 110% of the Fair Market Value determined as of the date of grant. For all other U.S. Participants, the Exercise Price of an Incentive Stock Option shall not be less than 100% of the Fair Market Value determined as of the date of grant. The Exercise Price of a Non-Qualified Stock Option for all U.S. Participants shall not be less than 100% of the Fair Market Value as determined as of the date of grant.
- d. **Method of Exercise of Options.** The net share exercise right provided in Section 5.6 of the Plan and the cashless exercise right provided in Section 5.7 shall not be available if the Option being exercised is an Incentive Stock Option.
- e. **Service Recipient Stock.** A Non-Qualified Stock Option may be granted to a U.S. Participant only if, with respect to such U.S. Participant, the Corporation is an “eligible issuer of service recipient stock” within the meaning of Section 409A.
- f. **Term of Option.** Notwithstanding any provision of the Plan to the contrary:
  - i. in no circumstances shall the term of an Option exceed ten (10) years from the date of grant or be exercisable after the expiration of ten (10) years from the date of grant; and
  - ii. in no circumstances shall the term of an Incentive Stock Option granted to a Ten Percent Owner exceed five (5) years from the date of grant or be exercisable after the expiration of five (5) years from the date of grant.
- g. **Termination of Option Due to Termination of Employment.** In the case of an Incentive Stock Option, notwithstanding any provision of the Plan to the contrary: (i) in the event of the Participant’s termination of employment due to death or Disability, the Incentive Stock Option shall expire on the earlier of the scheduled expiry date and one (1) year following the Termination Date, and (ii) in the event of the Participant’s termination of employment for any reason other than (A) Disability, (B) for cause, or (C) due to death, the Incentive Stock Option shall expire on the earlier of the scheduled expiry date and three (3) months following the Termination Date.
- h. **Plan Limit on Incentive Stock Options.** Subject to adjustment pursuant to Section 11.1 of the Plan and Sections 422 and 424 of the Code, the aggregate number of Common Shares which may be issued under the Plan in respect of Incentive Stock Options and all other security based compensation granted or issued under the Plan shall not exceed 10% of the total issued and outstanding Common Shares as of the Effective Date (on a non-diluted basis).
- i. **Annual Limit on Incentive Stock Options.** To the extent required for “incentive stock option” treatment under Section 422(d) of the US Code, the aggregate Fair Market Value (determined as of the date of grant) of the Common Shares with respect to which Incentive Stock Options granted under the Plan and any other plan of the Corporation and its parent and subsidiary corporations that become exercisable or vest for the first time by a U.S. Participant during any calendar year shall not exceed US\$100,000 or such other limit as may be in effect from time to time under Section 422 of the Code. To the extent that any Option (or portion thereof) exceeds this limit, such Option (or portion thereof) shall constitute a Non-Qualified Stock Option.

- j. **Notice of Disqualifying Disposition.** By accepting an Incentive Stock Option granted under the Plan, the Participant agrees to notify the Corporation in writing promptly after the Participant makes a Disqualifying Disposition of any Common Shares acquired pursuant to the exercise of such Incentive Stock Option, such notification to include the date and terms of the Disqualifying Disposition and such other information as the Corporation may reasonably require.

#### 4. **Settlement of Share Units**

Notwithstanding the timing of settlement described in Sections 6.4, 7.4 and 8.4 and Article 10 of the Plan and any other provision of the Plan to the contrary, but subject to Section 11 of this Addendum, settlements of vested Share Units (and any vested Dividend Equivalents) granted to a U.S. Participant shall in all events take place within 30 days after the earlier of (i) the Vesting Date specified in the Award Agreement and (ii) the date of the U.S. Participant's death, in any case, without regard to receipt of any notice of settlement of Share Units from the U.S. Participant, with the actual date of such settlement during such 30-day period to be determined by the Corporation in its sole discretion.

#### 5. **Change of Control**

Notwithstanding any other provision of this Plan, in the event of a Change of Control, the surviving, successor or acquiring entity may assume any outstanding Options and Share Units or, in accordance with Code Section 409A to the extent applicable, substitute similar options or share units for the outstanding Options or Share Units, as applicable. All such assumed Share Units or substituted share units shall be paid, if ever, solely in accordance with Section 4 of this Addendum.

If (i) the Change of Control is a "change in control event" as defined under Section 409A and (ii) the surviving, successor or acquiring entity does not assume outstanding Share Units or substitute similar share units for outstanding Share Units, or if the Committee otherwise determines in its sole discretion, the Corporation may terminate the Plan with respect to, and settle vested Awards held by, U.S. Participants in accordance with Section 409A.

#### 6. **No Acceleration or Delay**

The acceleration or delay of the time or schedule of any vesting, exercise, settlement or payment of any Award that is subject to (or would make such Award subject to) Section 409A, whether or not in connection with a Change of Control, is prohibited except as permitted under Section 409A.

#### 7. **Non-Assignability.**

Notwithstanding Section 4.4 of the Plan, no Incentive Stock Option shall be transferable by the Participant otherwise than by will or by the laws of descent and distribution and all Incentive Stock Options shall be exercisable, during the Participant's lifetime, only by the Participant, or by the Participant's legal representative or guardian in the event of the Participant's Disability. Section 4.4 of the Plan shall apply to U.S. Participants with respect to Non-Qualified Stock Options and Share Units to the extent permissible under applicable US securities and other laws and regulatory requirements.

#### 8. **Amendments.**

In addition to the provisions of Article 12 of the Plan, to the extent determined by the Board to be necessary or desirable to ensure that Incentive Stock Options granted under the Plan are qualified under Section 422 of the Code, Plan amendments as they relate to or affect U.S. Participants shall be subject to approval by the Corporation's shareholders entitled to vote at a meeting of shareholders to the extent such amendments require shareholder approval under Section 422 of the Code. Without limiting the foregoing, an amendment to increase the aggregate number of Common Shares which may be issued under the Plan in respect of

Incentive Stock Options must be approved by the Corporation's shareholders within 12 months of adoption of such amendment.

**9. Duration of Plan for Incentive Stock Options.**

The Plan including this Addendum was adopted by the Board as of [ ], 2022 (the "Adoption Date") and was approved by the Corporation's shareholders on [ ], 2022 (the "Approval Date"). No Incentive Stock Options may be granted under this Plan (including this Addendum) after the tenth anniversary of the earlier of the Adoption Date or the Approval Date.

**10. Priority.**

Except as specifically provided in this Addendum, the provisions of the Plan and the Participant's Award Agreement shall govern. For Participants who are U.S. Participants, in the event of any inconsistency or conflict between the provisions of (i) the Plan and/or the Participant's Award Agreement, and (ii) this Addendum, the terms of this Addendum shall prevail.

**11. Section 409A**

With respect to Awards to U.S. Participants under the Plan, each Option is intended to be exempt from, and each Share Unit (including each Dividend Equivalent) is intended to comply with, Section 409A, and each provision of the Plan (including this Addendum) and applicable Award Agreement shall be interpreted and construed consistent with the applicable intent.

With respect to Awards that are subject to Section 409A, all payments to be made upon or on a date determined by reference to a U.S. Participant's Termination Date shall only be made upon a Separation from Service, and in such a case, "termination," "separation" and similar terms will be construed accordingly. If on the date of the U.S. Participant's Separation from Service (i) the Corporation's stock (or stock of any other company that is required to be aggregated with the Corporation in accordance with the requirements of Section 409A) is publicly traded on an established securities market or otherwise, and (ii) the U.S. Participant is a Specified Employee, then any amounts payable to the Participant under the Plan due to, and upon or within 6 months following, the U.S. Participant's Separation from Service (other than due to death) will be postponed and instead paid in a single lump sum, without interest, within 30 days after the date that is 6 months following the U.S. Participant's Separation from Service; provided, that if the U.S. Participant dies prior to payment of any amounts postponed hereunder, such amounts shall be paid to the U.S. Participant's estate within 30 days following the U.S. Participant's death.

If any provision of the Plan, this Addendum or any Award or Award Agreement contravenes Section 409A or could cause a U.S. Participant to incur any tax, interest or penalties under Code Section 409A, the Committee may, in its sole discretion and without the U.S. Participant's consent, modify such provision to: (i) comply with, or avoid being subject to, Section 409A, or to avoid incurring taxes, interest and penalties under Section 409A; and/or (ii) maintain, to the maximum extent practicable, the original intent and economic benefit to the U.S. Participant of the applicable provision without materially increasing the cost to the Corporation or contravening Section 409A. However, the Corporation shall have no obligation to modify the Plan, this Addendum or any Award or Award Agreement and does not guarantee that Awards will not be subject to taxes, interest and penalties under Section 409A.

Notwithstanding anything herein to the contrary, neither the Corporation nor any of its subsidiaries or affiliates shall have any liability to any Participant or to any other Person if the Plan, this Addendum or any Award or Award Agreement (or any payment or benefit provided with respect to any Award) that is intended to be exempt from or compliant with Section 409A is not so exempt or compliant.

## SCHEDULE "B"

ATTACHED TO THE MANAGEMENT INFORMATION CIRCULAR IN CONNECTION WITH THE ANNUAL AND SPECIAL MEETING OF THE SHAREHOLDERS OF CLEANTEK INDUSTRIES INC. TO BE HELD ON JUNE 29, 2023

### AUDIT COMMITTEE CHARTER



### AUDIT COMMITTEE CHARTER

#### 1. Role of Audit Committee

The role of the Audit Committee is to assist the Board of Directors (the "Board") of Cleantek Industries Inc. ("Cleantek" or the "Corporation") in its oversight of the integrity of the financial and related information of the Corporation including its financial statements, the internal controls and procedures for financial reporting and the processes for monitoring compliance with legal and regulatory requirements and to review the independence, qualifications and performance of the external auditor of the Corporation. Management is responsible for establishing and maintaining those controls, procedures and processes and the Audit Committee is appointed by the Board to review and monitor them.

#### 2. Administrative Matters

The following general provisions shall have application to the Audit Committee:

##### (a) Appointment of Committee Members and Chairman

- (i) The Board shall, annually at their first meeting following each annual general meeting of shareholders of the Corporation, determine the number of members to serve on the Audit Committee, subject to the minimum size requirements contained herein, and shall elect the members of the Audit Committee from among their number to hold office until the close of the next annual general meeting.
- (ii) Any member of the Audit Committee may be removed or replaced at any time by resolution of the Board of the Corporation. A member of the Audit Committee shall automatically cease to be a member of the Audit Committee upon ceasing to be a director of the Corporation.
- (iii) Unless otherwise designated by the Board, the members of the Audit Committee shall elect a Chairman from among their number and the Chairman shall preside at all meetings of the Audit Committee and shall have a second and deciding vote in the event of a tie. In the absence of the Chairman, the Audit Committee shall appoint one of their members to act as Chairman.

**(b) Composition and Qualifications of Audit Committee**

- (i) **Size** The Audit Committee will consist of a minimum of three Directors.
- (ii) **Qualifications** Except as may be permitted by applicable securities laws, all members of the Audit Committee must be “independent” and “financially literate” within the meaning of Multilateral Instrument 52110 – Audit Committees and possess:
  - (A) an understanding of the accounting principles used by the Corporation to prepare its financial statements;
  - (B) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
  - (C) experience in preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can be reasonably be expected to be raised by the Corporation’s financial statements, or experience actively supervising one or more individuals engaged in such activities; and
  - (D) an understanding of disclosure controls and internal controls and procedures for financial reporting.

**(c) Meetings of the Committee and Attendees of Meetings**

- (i) **Number of Meetings** The Committee will meet at least four times a year to coincide with each three month ended financial period and each fiscal year end and may hold a portion of each meeting without the presence of management.
- (ii) **Time and Place** The time at which and the place where the meetings of the Audit Committee shall be held, the calling of meetings and the procedure at such meetings shall be determined by the Audit Committee having regard to the bylaws of the Corporation.
- (iii) **Quorum** A quorum of the Audit Committee shall be the attendance of two (2) members thereof.
- (iv) **Notice** Notice of every meeting of the Audit Committee shall be given to all members, the Chief Executive Officer (“CEO”) and the Chief Financial Officer (“CFO”), and to the external auditor of the Corporation.
- (v) **Minutes** Minutes shall be kept of all meetings of the Audit Committee.
- (vi) **Participation** A member or members of the Audit Committee may participate in a meeting of the Audit Committee by means of such telephonic, electronic or other communication facilities, as permits all persons participating in the meeting to communicate adequately with each other. A member participating in such a meeting by any such means is deemed to be present at the meeting.
- (vii) **Written Resolution** A written resolution signed by all the members of the Audit Committee entitled to vote on that resolution at a meeting of the Audit Committee is as valid as if it had been passed at a meeting of the Audit Committee.



- (viii) **Request of External Auditor** Upon the request of the external auditors, the Chairman of the Audit Committee shall convene a meeting of the Audit Committee to consider any matters which the external auditor believes should be brought to the attention of the Board or the shareholders of the Corporation.
- (ix) **Auditor Attendance** The external auditor of the Corporation shall be requested to appear before the Audit Committee at all meetings where financial results are reviewed and at other times when deemed necessary by the Audit Committee.
- (x) **Management Representatives Attendance** The CEO and the CFO shall be invited to attend all Audit Committee meetings, except private committee sessions and private sessions with the external auditors.
- (xi) **Invitees of Committee** The Audit Committee may invite such other officers, directors and employees of the Corporation or its affiliates as it may see fit from time to time to attend at meetings of the Audit Committee and to assist thereat in the discussion of matters being considered by the Audit Committee.
- (xii) **Independent Meetings** Notwithstanding that other parties may attend meetings of the Audit Committee, the Audit Committee: (i) shall meet with the external auditor independent of management; and (ii) may meet separately with management.
- (xiii) **Voting** – Each resolution or decision shall be determined by a majority of the votes cast.
- (xiv) **Communication** – The Audit Committee shall provide a summary of all meetings to the Board together with the minutes, or an oral report if the minutes are not prepared.

**(d) Authority of the Committee**

- (i) **Access** The members of the Audit Committee shall, for the purpose of performing their duties, have the right of inspecting all the books and records of the Corporation and its affiliates and of discussing such books and records in any manner relating to the financial position of the Corporation with the officers, employees and external auditor of the Corporation and its affiliates.
- (ii) **Independent Counsel** The Audit Committee shall have the authority to engage independent counsel or other advisors as it determines necessary to carry out its duties, to set and pay the compensation for any advisors employed by the Audit Committee and to communicate directly with the internal and external auditors.

**3. Mandate and Responsibilities**

In carrying out its role, the Audit Committee has the following mandate and responsibilities:

**(a) Financial Information and Reporting**

- (i) prior to public release, to review and discuss with management (including, but not limited to, the CEO and CFO) and the external auditor, as appropriate:

- (A) the annual audited financial statements and the interim financial statements including the accompanying management's discussion and analysis, and to understand the basis for management's conclusions;
  - (B) the disclosures required in the Corporation's annual and interim management's discussion and analysis regarding internal control over financial reporting and disclosure controls and procedures; and
  - (C) any annual and interim earnings releases and other press releases containing guidance or information taken from the Corporation's financial statements;
- (ii) to review the Corporation's financial reporting and accounting standards and principles and any proposed material changes to them or their application; and
  - (iii) prior to public release, to review and if appropriate, recommend to the Board for approval, all public disclosure documents containing audited or unaudited financial information, any prospectuses, information circulars, annual reports, annual information forms and management's discussion and analysis;

**(b) Internal Control**

- (i) to require management to implement and maintain appropriate systems of internal control, including internal controls over financial reporting and for the prevention and detection of fraud and error;
- (ii) to review the systems of internal control and meet with the CEO and CFO to assess the adequacy and effectiveness of these systems and to obtain on a regular basis reasonable assurance that the Corporation is in control; and
- (iii) to receive reports from the CEO and CFO as to the existence of any significant deficiency or material weakness in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Corporation's ability to record, process, summarize and report financial information and as to the existence of any fraud, whether or not material, that involves management or other employees who have a significant role in the Corporation's internal control over financial reporting;

**(c) Disclosure Controls and Procedures**

- (i) to require management to implement and maintain disclosure controls and procedures that are designed to provide reasonable assurance that information required to be disclosed by the Corporation in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation, including controls and procedures designed to ensure the information is accumulated and communicated to management, including the CEO and CFO, to allow timely decisions regarding required disclosure;
- (ii) to review the disclosure controls and procedures with the CEO and CFO to assess the adequacy and effectiveness of these controls and procedures; and
- (iii) to receive reports from the Corporation's Disclosure Committee;

**(d) External Audit**

- (i) to recommend to the Board, for shareholder approval, the appointment of the external auditor for the purpose of preparing or issuing an auditors' report or performing other audit, review or attest services for the Corporation;
- (ii) to review, at least annually, the qualifications of external auditor;
- (iii) to recommend to the Board the compensation of the external auditor;
- (iv) to evaluate and oversee the audit services provided by the external auditor, preapprove all audit fees and recommend to the Board, if necessary, the replacement of the external auditor;
- (v) to enquire into and determine the appropriate resolution of any conflict of interest in respect of the external auditor;
- (vi) to oversee the resolution of disagreements between management and the external auditor regarding financial reporting;
- (vii) to obtain and review, at least annually, a written report by the external auditor setting out the auditor's internal quality control procedures, any material issues raised by the auditor's internal quality control reviews and the steps taken to resolve those issues; and
- (viii) to monitor and review, at least annually, the relationship between the Corporation and the external auditor in order to establish the independence of the external auditor. If there is to be a change of external auditors, the Audit Committee shall review all issues and provide documentation related to the change, including the information to be included in the Notice of Change of Auditors and documentation required pursuant to National Instrument 51102 (or any successor legislation) of the Canadian Securities Administrators and the planned steps for an orderly transition period.;

**(e) Risk Management** to review and monitor the Corporation's major financial risks and risk management policies and the steps taken by management to mitigate those risks, including:

- (i) review of the Corporation's investment policy; and
- (ii) review of the amount and terms of Corporate insurance policies to be obtained or maintained, except Directors & Officers ("D&O") insurance, with respect to risks inherent in its operations; and

**(f) Compliance**

- (i) to review the Corporation's financial reporting procedures and policies to ensure compliance with all related legal and regulatory requirements and to investigate any nonadherence to those procedures and policies;
- (ii) to review and understand the basis upon which the Corporation's CEO and CFO made their conclusions, included in the annual and interim management's discussion and analysis, regarding the Corporation's disclosure controls and procedures and internal controls over financial reporting, including any material weaknesses;

- (iii) to receive a report from the Corporation's CEO and CFO and as to the existence of any fraud, whether or not material, that involves management or other employees who have a significant role in the Corporation's internal control over financial reporting; and
- (iv) to establish procedures for the receipt, retention and treatment of any complaint regarding accounting, internal accounting controls or auditing matters including procedures for the confidential, anonymous submissions by employees of concerns regarding questionable accounting or auditing matters.

#### **4. Specific Procedures**

- (a) **Review of Audited Financial Statements** The Audit Committee will review the Corporation's annual audited financial statements with the CEO and the CFO and then the full Board.
- (b) **Review of Interim Unaudited Financial Statements** - The Audit Committee will review the interim financial statements with the CEO and the CFO and may then review them with the full Board.
- (c) **Review of Releases and Presentations** The Audit Committee will review any news release containing financial information, including information taken from the Corporation's financial statements, prior to the release of the financial statements to the public. In addition, the CFO may review with the Audit Committee the substance of any presentations to analysts or rating agencies that contain a change in strategy or outlook.
- (d) **Approval of Audit and NonAudit Services** In addition to recommending the external auditor to examine the Corporation's financial statements, the Committee must approve any use of that external auditor to provide nonaudit services prior to its engagement. It is the Audit Committee's practice to restrict the nonaudit services that may be provided by the external auditor in order to minimize relationships that could appear to impair the objectivity of the external auditor.
- (e) **Review and Approval of Hiring Policies** The Audit Committee must review and approve the Corporation's hiring policies regarding the hiring of any partner, employee, and former partners and employees of the Corporation's existing and former external auditor. The Audit Committee should also consider the independence standards of the Canadian Institute of Chartered Accountants.
- (f) **Process for Handling Complaints about Accounting Matters** The Audit Committee has established the following procedures for the receipt, retention and treatment of any complaint received by the Corporation regarding accounting, internal accounting controls or auditing matters:
  - (i) The Chief Financial Officer will send out a company-wide communication at least annually informing all CLEANTEK employees of special mail and email addresses and telephone numbers for receiving complaints regarding accounting, internal accounting controls or auditing matters (Whistleblower Policy). This communication will specifically indicate that all communications to the Audit Committee will be kept confidential and no retaliation or adverse actions will be taken toward the employee for raising or helping to resolve a complaint with the Audit Committee.

- (ii) Copies of complaints received will be sent to the Chair of the Committee and will be logged and retained by the Chair for a reasonable period of time.
  - (iii) All complaints will be investigated by the Corporation's finance staff, except as otherwise directed by Chair of the Committee. The Chair of the Committee may request that outside advisors be retained to investigate any complaint.
  - (iv) The status of each complaint will be reported by the Chair of the Committee on a quarterly basis to the full Audit Committee and, if the full Audit Committee so directs, to the full Board.
  - (v) Any director, officer or employee of the Corporation is prohibited from retaliating or taking any adverse action against anyone for raising or helping to resolve a complaint.
- (g) **Evaluation** The Audit Committee will present to the Board an annual evaluation on the adequacy of this charter and recommend any proposed changes to the Board for approval.
- (h) **Report to Board** The Audit Committee shall report to the Board on such matters and questions relating to the financial position of the Corporation or any of its affiliates as the Board may from time to time refer to the Audit Committee.





