

**POND TECHNOLOGIES HOLDINGS INC.**



**NOTICE OF ANNUAL AND SPECIAL MEETING  
and  
INFORMATION CIRCULAR**

**WITH RESPECT TO THE  
ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS  
TO BE HELD ON JULY 30, 2024**

**Dated: June 21, 2024**

**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS  
OF POND TECHNOLOGIES HOLDINGS INC.**

NOTICE IS HEREBY GIVEN that an annual and special meeting (the “**Meeting**”) of the shareholders (the “**Shareholders**”) of Pond Technologies Holdings Inc. (the “**Corporation**”) will be held as at **250 Shields Court, Unit 8, Markham, ON L3R 9W2 on July 30, 2024 at 10:00 am (Toronto time)** for the following purposes:

1. to receive and consider the financial statements of the Corporation for the year ended December 31, 2023, together with the auditors’ report thereon;
2. to fix the number of directors to be elected at the Meeting at six (6) members;
3. to consider and, if thought appropriate, to pass an ordinary resolution electing six (6) directors of the Corporation;
4. to consider and, if thought appropriate, to pass an ordinary resolution to re-appoint the auditors of the Corporation and to authorize the directors to fix their remuneration as such;
5. to consider and, if thought appropriate, to pass, with or without variation, an ordinary resolution approving the existing stock option plan (the “**Legacy Stock Option Plan**”) of the Corporation;
6. to consider and, if thought appropriate, to pass, with or without variation, an ordinary resolution approving the existing omnibus equity incentive plan (the “**Equity Incentive Plan**”) of the Corporation; and
7. to transact such other business as may properly come before the Meeting or any adjournment or postponement thereof.

The specific details of the matters proposed to be put before the Meeting are set forth in the management information circular accompanying and forming part of this notice (the “**Information Circular**”).

Shareholders who are unable to attend the Meeting in person are requested to vote by proxy. A proxy will not be valid unless it is deposited with the Corporation’s transfer agent, Computershare Trust Company of Canada (“**Computershare**”), (i) by mail using the enclosed return envelope or (ii) by hand delivery to Computershare, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1. Alternatively, you may vote by telephone at 1-866-732-VOTE (8683) (toll free within North America) or 1-312-588-4290 (outside North America) or by internet using the 15-digit control number located at the bottom of your proxy at [www.investorvote.com](http://www.investorvote.com). All instructions are listed in the enclosed form of proxy. Your proxy or voting instructions must be received in each case no later than 10:00 a.m. (Toronto time) on July 26, 2024, or, if the Meeting is adjourned, 48 hours (excluding Saturdays, Sundays and holidays) before the beginning of any adjournment of the Meeting.

**Shareholders are cautioned that the use of the mail to transmit proxies is at each Shareholder’s risk.**

The Board of Directors of the Corporation has fixed the record date for the Meeting at the close of business on June 10, 2024 (the “**Record Date**”). Shareholders of record as at the Record Date are entitled to receive notice of the Meeting and to vote those shares included in the list of shareholders entitled to vote at the Meeting prepared as at the Record Date, unless any such shareholder transfers shares after the Record Date and the transferee of those shares, having produced properly endorsed certificates evidencing such shares or having otherwise established that he owns such shares, demands, not later than 10 days before the Meeting, that the transferee’s name be included in the list of shareholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such shares at the Meeting.

DATED at Markham, Ontario, this 21 day of June 2024.

BY ORDER OF THE BOARD

(signed) “*Grant Smith*”

Grant Smith  
Chief Executive Officer

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**POND TECHNOLOGIES HOLDINGS INC.**  
**INFORMATION CIRCULAR**  
**FOR THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**  
**TO BE HELD ON JULY 30, 2024**

Dated: June 21, 2024

Information in this Information Circular is given as at June 21, 2024 unless otherwise indicated.

**GENERAL INFORMATION CONCERNING THE MEETING AND VOTING**

**Solicitation of Proxies**

This Information Circular is furnished in connection with the solicitation of proxies by management of Pond Technologies Holdings Inc. (the “**Corporation**”) for use at the annual and special meeting (the “**Meeting**”) of the shareholders of the Corporation (the “**Shareholders**”) to be held at 250 Shields Court, Unit 8, Markham, ON L3R 9W2 on July 30, 2024 at 10:00 am (Toronto time) and at any adjournment thereof, for the purposes set forth in the Notice of Annual and Special Meeting of Shareholders accompanying this Information Circular. It is expected that the solicitation of proxies for the Meeting will be made primarily by mail; however, directors, officers and employees of the Corporation may also solicit proxies by telephone or in person in respect of the Meeting. **The solicitation of proxies for the Meeting is being made by or on behalf of management of the Corporation and the Corporation will bear the costs in respect of the solicitation of proxies for the Meeting.** In addition, the Corporation may reimburse brokers and nominees for their reasonable expenses in forwarding proxies and accompanying materials to beneficial owners of shares.

**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* for the Meeting in respect of the mailing of the Meeting materials, to the Beneficial Shareholders (as defined below), 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 Management Information Circular, a form of proxy and the annual financial statements and related management’s discussion and analysis. 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.

**Record Date**

The board of directors of the Corporation (the “**Board**”) has fixed the record date for the Meeting at the close of business on June 10, 2024 (the “**Record Date**”). Shareholders of record as at the Record Date are entitled to receive notice of the Meeting and to vote those shares included in the list of shareholders entitled to vote at the Meeting prepared as at the Record Date, unless any such shareholder transfers shares after the Record Date and the transferee of those shares, having produced properly endorsed certificates evidencing such shares or having otherwise established that he owns such shares, demands, not later than 10 days before the Meeting, that the transferee’s name be included in the list of shareholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such shares at the Meeting.

## Voting Shares and Principal Shareholders

The Corporation's authorized capital consists of an unlimited number of common shares ("Shares") and an unlimited number of first preferred shares. As at the Record Date, the Corporation has 78,092,225 Shares issued and outstanding, each Share carrying the right to one vote.

To the knowledge of the directors and executive officers of the Corporation, no person or company beneficially owns, directs, or controls, directly or indirectly, 10% or more of the voting rights attached any class of voting securities of the Corporation, other than Mr. Robert McLeese who owns 10,306,620 Shares representing 13.2% of the current issued and outstanding Shares and held by Colmac Holdings Limited, Georgian Villas Inc. and Colmac Power Inc., entities of which Mr. McLeese is a principal.

As at the Record Date, the directors and officers of the Corporation, as a group, beneficially owned, or controlled or directed, directly or indirectly, an aggregate of 19,179,200 Shares or approximately 24.6% of the issued and outstanding Shares.

## Voting by Proxies

Enclosed with this Information Circular is an instrument of proxy. The persons named in the proxy are officers and/or directors of the Corporation. **Shareholders whose names appear on the records of the Corporation as the registered holders of Shares (the "Registered Shareholders") may choose to vote by proxy whether or not they are able to attend the Meeting in person. A Registered Shareholder entitled to vote at the Meeting may appoint a person (who need not be a Shareholder) other than the persons already named in the proxy to represent such Shareholder at the Meeting by striking out the printed names of such persons and inserting the name of such other person in the blank space provided therein for that purpose. The person you appoint must attend the Meeting in person to vote your Shares.**

A proxy will not be valid unless it is deposited with the Corporation's transfer agent, Computershare Trust Company of Canada ("Computershare"), (i) by mail using the enclosed return envelope or (ii) by hand delivery to Computershare, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1. Alternatively, you may vote by telephone at 1-866-732-VOTE (8683) (toll free within North America) or by internet using the 15-digit control number located at the bottom of your proxy at [www.investorvote.com](http://www.investorvote.com). All instructions are listed in the enclosed form of proxy. Your proxy or voting instructions must be received in each case no later than 10:00 a.m. (Toronto time) on July 26, 2024, or, if the Meeting is adjourned, 48 hours (excluding Saturdays, Sundays and holidays) before the beginning of any adjournment of the Meeting.

In order to be effective, the proxy must be executed by a Registered Shareholder, exactly as his or her name appears on the register of Shareholders of the Corporation. Additional execution instructions are set out in the notes to the proxy. The proxy must also be dated where indicated. If the date is not completed, the proxy will be deemed to be dated on the day on which it was mailed to the Shareholders.

Management representatives designated in the proxy will vote or withhold from voting the Shares in respect of which they are appointed proxy in accordance with the instructions of the Shareholder as indicated on the proxy, and, if the Shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted accordingly. **In the absence of such direction, such Shares will be voted by the management representatives named in the proxy IN FAVOUR of the motions proposed to be made at the Meeting as set forth in this Information Circular and will be voted by such representatives on all other matters which may come before the Meeting in their discretion.**

The proxy, when properly signed, confers discretionary voting authority on those persons designated therein with respect to amendments or variations to the matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the date of this Information Circular, management does not know of any such amendments, variations or other matters. **However, if such amendments, variations or other matters which are not now known to management should properly come before the Meeting, the persons named in the proxy will be authorized to vote the Shares represented thereby in their discretion.**

## **Beneficial Shareholders**

**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.**

Shareholders who do not hold their Shares in their own name (the “**Beneficial Shareholders**”) should note that only proxies deposited by Registered Shareholders can be recognized and acted upon at the Meeting.

If Shares are listed in an account statement provided to a Shareholder by an intermediary, such as a brokerage firm, then, in almost all cases, those Shares will not be registered in the Shareholder’s name on the records of the Corporation. Such Shares will more likely be registered under the name of the Shareholder’s intermediary or an agent of that intermediary, and consequently the Shareholder will be a Beneficial Shareholder. In Canada, the vast majority of such shares are registered under the name CDS & Co. (being the registration name for the Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). The Shares held by intermediaries or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, an intermediary and its agents are prohibited from voting Shares for the intermediary’s clients. Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Shares are communicated to the appropriate person.

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

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purpose of voting Shares registered in the name of their broker, agent or nominee, a Beneficial Shareholder may attend the Meeting as a proxyholder for a Registered Shareholder and vote their Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Shares as proxyholder for a Registered Shareholder should contact their broker, agent or nominee well in advance of the Meeting to determine the steps necessary to permit them to indirectly vote their Shares as a proxyholder.

**BENEFICIAL SHAREHOLDERS ARE URGED TO CONTACT THEIR BROKERS FOR INSTRUCTIONS ON HOW TO VOTE.** All references to Shareholders in this Information Circular and the accompanying proxy and Notice of Meeting are to Registered Shareholders unless specifically stated otherwise.

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

### ***Non-Objecting Beneficial Owners***

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

If you are a Beneficial Shareholder and the Corporation or its agent has sent the Meeting materials to you directly, please be advised that your name, address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding your securities on your behalf. By choosing to send the Meeting materials to you directly, the Corporation (and not the intermediaries holding securities your behalf) has assumed responsibility for (i) delivering the proxy-related materials to you and (ii) executing your proper voting instructions as specified in the VIF.

### ***Objecting Beneficial Owners***

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

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

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

### **Revocation of Proxies**

A Shareholder who has submitted a proxy may revoke it at any time prior to the exercise thereof. If a person who has given a proxy attends personally at the Meeting at which such proxy is to be voted, such person may revoke the proxy and vote in person at the Meeting. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Shareholder or the Shareholder's attorney authorized in writing deposited either at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof, and upon either of such deposits, the proxy is revoked.

### **Quorum**

A quorum for the transaction of business at the Meeting will be present if there are not less than two (2) individuals present, each being a shareholder entitled to vote thereat or a duly appointed proxyholder or representative of a Shareholder so entitled to vote thereat, who together own or represent not less than 10% of the Shares entitled to vote at the Meeting.

## PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING

### 1. Financial Statements

Shareholders will receive and consider the Corporation's audited financial statements for the fiscal year ended December 31, 2023, together with the report of the auditor thereon. No vote of the Shareholders is required with respect to this item of business.

### 2. Fixing the Number of Directors

At the Meeting, it is proposed that the number of directors to be elected at the Meeting to hold office until the next annual general meeting of the Corporation or until their successors are elected or appointed, subject to the articles of incorporation or by-laws of the Corporation, be set at six (6). There are presently four (4) directors of the Corporation, each of whom will retire from office at the Meeting. **Accordingly, unless otherwise directed, it is the intention of management to vote proxies in favour of an ordinary resolution setting the number of directors to be elected at the Meeting at six (6).**

### 3. Election of Directors

There are currently four (4) directors of the Corporation, each of whom will retire from office at the Meeting. **Unless otherwise directed, it is the intention of management to vote proxies in favour of the election of the following six (6) nominees as directors of the Corporation:**

Grant Smith	J. William Asselstine
Robert McLeese	John M Farah Jr
Harold James Blake	John M Duncanson

If for any reason any of the proposed nominees does not stand for election or is unable to serve as such, the management designees, if named in this proxy, reserve the right to vote for any other nominee in their sole discretion unless you have specified in your proxy that your Shares are to be withheld from voting on the election of directors.

The names, province/state and country of residence of the persons nominated for election as directors, the number of voting securities of the Corporation beneficially owned, or controlled or directed, directly or indirectly, the period served as director and the principal occupation of each are set forth below. The information as to Shares beneficially owned, or controlled or directed, directly or indirectly, is based upon information furnished to the Corporation by the nominees as of June 21, 2024.

Name and Place of Residence	First Year Served as a Director	Principal Occupation	Number of Shares Beneficially Owned, Controlled or Directed
<b>Grant Smith</b> <sup>(3)</sup> <i>Markham, Ontario, Canada</i>	2020	Chief Executive Officer of the Corporation (April 2020 to present). Director of Blender Bites Company listed on the CSE (September 2021 to present). Mr. Smith has served as President of the Corporation's subsidiary, Pond Naturals Inc., since December, 2018. Mr. Smith is a 25-year veteran of the North American nutraceutical industry and has a strong track record of building strategic relationships and driving sustainable growth within an organization. Mr. Smith will be responsible for shepherding a company-wide effort to increase sales across all divisions as well as supporting the Corporation's technology licensing efforts through the sourcing of off-	1,812,664 (2.3%)



Name and Place of Residence	First Year Served as a Director	Principal Occupation	Number of Shares Beneficially Owned, Controlled or Directed
		take contracts for the high-value algae products that the Corporation's technology produces.	
<b>J. William Asselstine</b> <sup>(1),(2),(3)</sup> <i>Oakville, Ontario, Canada</i>	2018	Sustainability Consultant to St Marys Cement ("SMC") (in 2023) now retired; Vice President, Sustainability at SMC (2022 to 2023) and; Vice President Sustainability and Cement Sales Canada (2015 to 2022) Vice President, Logistics at SMC (2009 to 2015); Vice President, Promotion and Marketing Services (2005 to 2009); Director of Pond Technologies Inc. 2015 - 2018.	5,000 (0.01%)
<b>Robert McLeese CPA, CA</b> <sup>(1), (2), (3)</sup> <i>Toronto, Ontario, Canada</i>	2016	Chairman of Pond since December 2020; President and Director at Access Capital Corp. (1990 to present); President at ACI Energy, Inc. since 1998, Chair since 2011; President and Chair at Georgian Villas Inc. (2004 to present); President and Chair at Colmac Holdings Limited (2011 to present); Director at Export Development Canada (2015 to 2024) Director at Rand Capital Corp. (2015 to 2016); Director of Pond Technologies Inc. 2016-2018.	10,306,620 (13.2%) <sup>(4)</sup>
<b>John M Farah Jr. PhD</b> <sup>(1),(2)</sup> <i>Swarthmore, - Pennsylvania United States</i>	2021	Industry Advisor, Coulter-Drexel Translational Research Partnership, Drexel University (2015 -present); Managing Director, John M Farah Jr LLC (2011-present); Senior Clinical Consultant Veradigm, an Allscripts business (2018-2021); Independent Director, Aeolus Pharmaceuticals (AOLS) Audit Committee (2005-2018); Vice President (VP) International Pharmaceutical Operations, Cephalon, Inc (2003-2011); Independent Director, GenSpera, Inc. (GNSZ) Compensation & Governance Committees (2008-2010)	63,782 (0.08%)
<b>Harold James Blake</b> <i>Toronto, Ontario, Canada</i>	NA	Consultant to Asset Real Capital Inc. (July 2020 to present); Associate at Beard Winter LLP (2018 to 2020); Partner Mclean & Kerr LLP (1969 to 2018); Graduated from Osgood Hall Law School in 1967 with LLB and graduated from York University Osgood Hall Law School in 1970 with LL.M.	Nil
<b>John Macmillian Duncanson</b> <i>Toronto, Ontario, Canada</i>	NA	Owner and independent investment advisor Duncanson Investment Research Inc. (1989 to present); Partner Corton Capital Inc. (2019 to 2024); Canadian Securities Course – OSC 1988 - Partners, Directors and Senior Officers – OSC, ISO Auditor 1995 – QMI #5257 Dealing Representative 2019 – OSC #3846061	Nil

Notes:

- (1) Member of the Audit Committee.
- (2) Member of the Nomination and Compensation Committee.

- (3) Member of Governance Committee
- (4) Held by Colmac Holdings Limited, Georgian Villas Inc. and Colmac Power Inc., entities of which Mr. McLeese is a principal.
- (5) Directors elected at the Meeting will serve in such capacity until the next annual general meeting of Shareholders or until they resign or are removed from office.

### ***Cease Trade Orders or Bankruptcies***

To the knowledge of the Corporation, no proposed director of the Corporation is, as at the date of this Information Circular, or has been within the 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation) that:

- (a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, and which in all cases was in effect for a period of more than 30 consecutive days (an “**Order**”), which Order was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer of such company; or
- (b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer of such company.

Except as disclosed below, to the knowledge of the Corporation, no proposed director of the Corporation:

- (a) is, as at the date of this Information Circular, or has been within 10 years before the date of this Information Circular, 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; or
- (b) has, within 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his assets.

Mr. Farah acted as an independent director of Aeolus Pharmaceuticals, Inc., which became reliant solely upon U.S. Department of Health and Human Services service contracts from the Biomedical Advanced Research and Development Authority (“**BARDA**”) for public health medical emergencies associated with chemical, biological, radiological and nuclear accidents. Aeolus failed to access alternative funding after BARDA revenue was discontinued in March 2017, resulting in Aeolus commencing an out-of-court liquidation conducted by an Assignment for the Benefit of Creditors pursuant to Delaware law in March 2018.

### ***Penalties or Sanctions***

No proposed director of the Corporation has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

The foregoing information, not being within the knowledge of the Corporation, has been furnished by the proposed directors of the Corporation.

#### 4. Appointment of Auditor

Management proposes to re-appoint Baker Tilly WM LLP to act as the Corporation's independent auditor until the next annual meeting of shareholders, at a remuneration to be determined by the Board. Baker Tilly WM LLP was first appointed auditor of the Corporation on November 22, 2021.

**Unless otherwise directed, it is the intention of management to vote proxies in favour of an ordinary resolution re-appointing Baker Tilly WM LLP as the auditor of the Corporation, to hold office until the next annual meeting of the shareholders, at a remuneration to be determined by the Board.**

#### 5. Legacy Stock Option Plan Resolution

Pursuant to TSX Venture Exchange (the "TSXV") Policy 4.4 - *Incentive Stock Options* (the "TSXV Policy"), the Corporation is permitted to maintain a rolling stock option plan reserving for issuance, pursuant to the exercise of stock options of the Corporation, a number of Shares equal to up to a maximum of 10% of the issued Shares of the Corporation. In accordance with the TSXV Policy, rolling stock option plans must receive shareholder approval yearly at an annual meeting. The Corporation's stock option plan (the "**Legacy Stock Option Plan**") was previously approved by Shareholders at the annual and special meeting of the Corporation held on June 19, 2023. The Corporation is not proposing any changes to the Legacy Stock Option Plan. A copy of the Legacy Stock Option Plan is attached hereto as Schedule A. For additional information about the Legacy Stock Option Plan please see "*Securities Authorized for Issuance Under Equity Compensation Plans – Legacy Stock Option Plan*".

As further described in the Corporation's management information circular in respect of its annual and special meeting of the Corporation held on June 19, 2023, the Corporation has offered each holder of stock options (the "**Legacy Stock Options**") issued under the Legacy Stock Option Plan the opportunity to cancel their Legacy Stock Options and to receive restricted share units ("**RSUs**") or deferred share units ("**DSUs**") granted under the Corporation's equity incentive plan (the "**Equity Incentive Plan**") that was approved by the Shareholders at the annual and special meeting of the Corporation held on June 19, 2023. As there still remains holders of Legacy Stock Options who have not elected to cancel their Legacy Stock Options, the same continue to remain in force and are governed by the Legacy Stock Option Plan. **The Corporation will not issue any further stock options pursuant to the Legacy Stock Option Plan. The Corporation will only maintain the Legacy Stock Option Plan until the expiry or cancellation of all of the Legacy Stock Options governed thereby.**

Accordingly, at the Meeting, Shareholders will be asked to consider and, if thought appropriate, pass an ordinary resolution approving the Legacy Stock Option Plan (the "**Legacy Stock Option Plan Resolution**"), substantially in the form set forth below:

**"RESOLVED THAT:**

1. the Legacy Stock Option Plan of Pond Technologies Holdings Inc. (the "**Corporation**"), in the form appended as Schedule A to the Corporation's information circular in respect of the meeting of shareholders of the Corporation held on July 30, 2024, and as the same may be revised to satisfy the requirements of the TSX Venture Exchange, is hereby approved; and
2. any director or officer of the Corporation is hereby authorized and directed to do all such things and execute, for and on behalf of the Corporation, all such documents and other instruments as may be necessary or desirable in order to give effect the foregoing resolutions."

**Unless otherwise directed, the persons named in the enclosed form of proxy, if named as proxy, intend to vote for the Legacy Stock Option Plan Resolution.**

If approved, the implementation and effectiveness of the Legacy Stock Option Plan Resolution will be subject to its prior approval by the TSXV.

## 6. Equity Incentive Plan Resolution

Pursuant to TSXV Policy, the Corporation is permitted to maintain a “rolling” securities-based compensation plan, reserving for issuance, pursuant to the plan and under any other share compensation arrangement, a number of Shares equal to up to a maximum of 10% of the issued Shares of the Corporation. In accordance with the TSXV Policy, rolling securities-based compensation plans must receive shareholder approval yearly at an annual meeting. The Equity Incentive Plan was previously approved by Shareholders at the annual and special meeting of the Corporation held on June 19, 2023. The Corporation is not proposing any changes to the Equity Incentive Plan. A copy of the Equity Incentive Plan is attached hereto as Schedule B. For additional information about the Equity Incentive Plan please see “*Securities Authorized for Issuance Under Equity Compensation Plans – Equity Incentive Plan*”.

Accordingly, at the Meeting, Shareholders will be asked to consider and, if thought appropriate, pass an ordinary resolution approving the Equity Incentive Plan (the “**Equity Incentive Plan Resolution**”), substantially in the form set forth below:

### “RESOLVED THAT:

1. the Equity Incentive Plan of Pond Technologies Holdings Inc. (the “**Corporation**”), in the form appended as Schedule B to the Corporation’s information circular in respect of the meeting of shareholders of the Corporation held on July 30, 2024, and as the same may be revised to satisfy the requirements of the TSX Venture Exchange, is hereby approved; and
2. any director or officer of the Corporation is hereby authorized and directed to do all such things and execute, for and on behalf of the Corporation, all such documents and other instruments as may be necessary or desirable in order to give effect the foregoing resolutions.”

**Unless otherwise directed, the persons named in the enclosed form of proxy, if named as proxy, intend to vote for the Equity Incentive Plan Resolution.**

If approved, the implementation and effectiveness of the Equity Incentive Plan Resolution will be subject to its prior approval by the TSXV.

## STATEMENT OF EXECUTIVE COMPENSATION

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

The following table sets forth, for the years ended December 31, 2023 and 2022, all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Corporation or a subsidiary thereof to each of the Corporation’s directors and “named executive officers” (as defined under securities laws).

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission	Bonus	Committee or meeting fees	Value of perquisites	Value of all other compensation	Total compensation
Grant Smith Director and CEO	2023	\$192,000	NIL	NIL	NIL	\$3,488	\$195,488
	2022	\$192,000	\$20,000	NIL	NIL	\$3,738	\$215,738
Dan O'Connor COO	2023	\$187,000	NIL	NIL	NIL	NIL	\$187,000
	2022	\$155,000	NIL	NIL	NIL	NIL	\$155,000
Thomas Masney CPA, CA CFO	2023	\$192,000	NIL	NIL	NIL	\$3,215	\$195,215
	2022	\$192,000	\$15,000	NIL	NIL	\$3,435	\$210,435
J. William Asselstine Director	2023	NIL	NIL	\$5,500	NIL	NIL	\$5,500
	2022	NIL	NIL	\$6,750	NIL	NIL	\$6,750
Robert McLeese CPA, CA Chairman & Director	2023	NIL	NIL	\$5,250	NIL	NIL	\$5,250
	2022	NIL	NIL	\$5,750	NIL	NIL	\$5,750
John M Farah Jr. PhD Director	2023	NIL	NIL	\$6,250	NIL	NIL	\$6,250
	2022	\$17,500	NIL	\$5,750	NIL	NIL	\$23,250

#### Stock Options and Other Compensation Securities

The following table discloses all compensation securities granted or issued to each director and named executive officer by the Corporation in the most recently completed financial year for services provided or to be provided, directly or indirectly, to the Corporation or any of its subsidiaries.

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
Grant Smith Director and CEO	Restricted Share Units	1,000,000 (20.0%)	Mar. 24, 2023	Note 1	\$0.07	\$0.035	Mar 23, 2026
Dan O'Connor COO	Restricted Share Units	1,250,000 (25%)	Mar 24, 2023	Note 1	\$0.07	\$0.035	Mar 23, 2026
Thomas Masney CFO	Restricted Share Units	1,000,000 (20.0%)	Mar 24, 2023	Note 1	\$0.07	\$0.035	Mar 23, 2026
J. William Asselstine Director	Deferred Share Units	45,000 (5.2%)	Q1 11,250 Q2 11,250 Q3 11,250 Q4 11,250	Note 2	Quarterly average \$0.7	\$0.035	30 days subsequent to ceasing to be a director
Robert McLeese CPA, CA Director	Deferred Share Units	52,500 (6.0%)	Q1 13,125 Q2 13,125 Q3 13,125 Q4 13,125	Note 2	Quarterly average \$0.07	\$0.035	30 days subsequent to ceasing to be a director

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
John M Farah Jr. PhD Director	Deferred Share Units	42,500 (0.05%)	Q1 10,625 Q2 10,625 Q3 10,625 Q4 10,625	Note 2	Quarterly average \$0.07	\$0.035	30 days subsequent to ceasing to be a director

Notes:

- (1) The issue conversion or exercise price for Restricted Share Units (“RSU”) will be determined on the RSU Settlement Date based .... on the Market Value on the RSU Settlement Date multiplied by the number of vested RSUs in the Participant’s Account.
- (2) In respect of that portion of a Director’s director compensation that is payable on a quarter conversion date basis which is to be satisfied by crediting the Director’s Deferred Share Unit Account, the Corporation shall credit, and shall be deemed to have credited, as of the conversion date, the number of Deferred Share Units determined by dividing (i) the monetary amount of the Director’s director compensation to be satisfied in the form of Deferred Share Units by (ii) the greater of \$0.50 and the market value of the Shares on such date. DSUs will be fully vested upon being credited to a Director’s Deferred Share Unit Account and the Directors’ entitlement to the settlement of his or her Deferred Share Unit.
- (3) As at December 31, 2023, the total DSU compensation securities outstanding was 868,576.

### Stock Option Plans and Other Incentive Plans

#### *Legacy Stock Option Plan*

For details regarding the Corporation’s Legacy Stock Option Plan, see “*Securities Authorized for Issuance Under Equity Compensation Plans – Legacy Stock Option Plan*”.

#### *Equity Incentive Plan*

For details regarding the Corporation’s Equity Incentive Plan, see “*Securities Authorized for Issuance Under Equity Compensation Plans – Equity Incentive Plan*”.

### Employment, Consulting and Management Agreements

Pursuant to an employment agreement between Pond Naturals Inc. and Mr. Grant Smith dated December 1, 2018, Mr. Smith acted as President of the Corporation’s subsidiary, Pond Naturals Inc. On April 15, 2020 Mr. Smith was appointed as Chief Executive Officer of the Corporation and the terms of employment and annual compensation remained the same and are subject to review by the Nomination and Compensation Committee. Mr. Smith earned an annual salary of \$192,000 in 2023 and was entitled to participate in the health plans and any bonus incentive compensation plans that are established.

Pursuant to an Executive Services Agreement between Pond Technologies Inc. and O’Connor Holdings Limited dated June 27, 2022, Mr. Dan O’Connor is to provide the services of the Chief Operating Officer of the Corporation. The terms of the engagement and annual compensation are subject to review by the Nomination and Compensation Committee. Mr. O’Connor earned a fee of \$187,000 in 2023 and was entitled to any bonus incentive compensation plans that are established.

Pursuant to an employment agreement between the Corporation and Mr. Thomas Masney dated July 1, 2016 and the annual compensation reviews by the Nomination and Compensation Committee, Mr. Masney earned an annual salary of \$192,000 in 2023 and is entitled to participate in the health plans and any bonus incentive compensation plans that are established. In addition, the agreement imposes non-competition and non-solicitation obligations upon Mr. Masney during his employment and for one year after ceasing to be an employee. His employment may be terminated for cause without payment of any compensation for damages or anticipated earnings and may be terminated without cause on one months' notice or salary in lieu thereof. Mr. Masney may terminate his employment on one months' notice.

## **Oversight and Description of Director and Named Executive Officer Compensation**

### *Oversight*

The Corporation's Nomination and Compensation Committee is charged with the mandate to assist the Board in respect of, among other things, the compensation of members of the Board and of senior management.

The Nomination and Compensation Committee consists of a minimum of three directors and is currently comprised of John M Farah Jr. (Chair), Robert McLeese and William Asselstine.

The committee's duties include, among other things, assisting the Board with the development and implementation of principles and processes related to compensation, monitoring external events with regard to compensation with the view of keeping the Corporation proactive with respect to best practices and legislation affecting compensation, assessing the Corporation's compensation models, reviewing the adequacy and form of compensation for directors, the Board Chair, committee chairs and committee members, and administering the employment terms and compensation program of the Chief Executive Officer and any other member of senior management.

The committee members have practical experience with private and public companies that enable the committee to make decisions on the suitability of the company's compensation policies and practices

### *Executive Compensation Principles*

The main objectives of the Corporation's executive compensation program are to attract, recruit and retain individuals of high caliber to serve as officers of the Corporation, to motivate their performance in order to achieve the Corporation's strategic objectives and to align their interests with the long-term interests of the Shareholders and enhancement in share value. In approaching these key objectives, the Board recognizes that a "pay-for-performance" philosophy should be applied in compensation-related decisions and that such objectives are designed to promote the Corporation's continued growth.

The Corporation's compensation program is primarily designed to reward performance and, accordingly, the performance of the Corporation and its paid executives (and other executive officers who may become paid employees of the Corporation at a future date) are examined by the Nomination and Compensation Committee and the Board in conjunction with setting executive compensation packages. Some of the factors looked at by the Board in assessing the performance of the Corporation and its executive officers are as follows: (a) development and deployment of technology; (b) sales; (c) finding and reducing costs; (d) developing successful relationships with potential customers; and (e) the Corporation's performance for all of the above relative to its stated goals and objectives and in relation to the performance of its industry peer group.

Executive compensation consists of three principal components: (a) base salary; (b) bonuses; and (c) participation in long-term incentive compensation programs. The aggregate value of these principal components and related benefits is used as a basis for assessing the overall competitiveness of the Corporation's executive compensation package. Each element of the Corporation's executive compensation program is described below.

## *Elements of the Corporation's Executive Compensation Program*

### Base Salaries

The base salary component is intended to provide a fixed level of competitive pay that reflects the executive's primary duties and responsibilities. It also provides a foundation upon which performance-based incentive compensation elements are assessed and established. The Corporation intends to pay a base salary to its executives that is competitive with those of comparable companies in the technology sector. The Nomination and Compensation Committee compares the base salaries of its executives with that of officers at peer companies in the technology sector and expects to set the Corporation's pay level in-line with the average for such position while also considering the other components of its executive compensation package. Factors looked at in assessing peer companies will include total revenue, total assets, funds from operations, total level of capital expenditures, number of employees and revenue growth.

### Annual Cash Bonuses

The Nomination and Compensation Committee reviews the factors mentioned above relative to peer companies in order to determine whether an annual bonus is warranted. The annual cash bonus element of the compensation program is designed to reward both corporate and individual performance during the last completed financial year. The amount of any bonus paid is the result of analysis and subjective determination of both the Corporation's and the individual's performance and is approved by the Board. The Board has not established strict predetermined quantitative performance criteria linked to the payment of bonuses.

### Long Term Incentive Compensation

Options are granted under the Equity Incentive Plan to directors, officers, employees, consultants and other service providers, and are intended to align executive, employee, consultants, service provider and shareholder interests by attempting to create a direct link between compensation and shareholder return. Participation in the Equity Incentive Plan rewards overall corporate performance, as measured through the price of the Shares, which are traded on the TSXV. In addition, the Equity Incentive Plan enables executives to develop and maintain a significant ownership position in the Corporation. The outstanding amount of previously granted stock options to an individual is taken into account when considering new grants. See "*Securities Authorized for Issuance Under Equity Compensation Plans – Equity Incentive Plan*".

In addition, the Equity Incentive Plan allows the Corporation to grant RSUs and DSUs under that plan to attract and retain highly qualified individuals to serve officers, employees and as directors of the Corporation and its affiliates, and to relate such individuals' interests more closely to the Corporation's performance and its shareholders' interests.

### Pension Plan Benefits

The Corporation does not have a pension plan or similar benefit program.

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

The following sets forth information in respect of securities authorized for issuance under the Corporation's equity compensation plans as at December 31, 2023.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</b>
Equity compensation plans approved by securityholders	Stock Options – 705,000	\$0.39	See note 4
–	RSUs – 1,617,600	See note 2	See note 4



Stock Options, RSU and DSU	DSUs – 868,576	See note 3	See note 4
Equity compensation plans to be approved by securityholders	Nil	Nil	Nil
Equity compensation plans not approved by securityholders	Nil	N/A	Nil
Total	3,191,176	N/A	4,473,411

Notes:

- (1) The total amount of 3,191,176 shares related to securities being 4.2% of the issued and outstanding Shares as at December 31, 2023.
- (2) The exercise price of the RSUs will be determined on the RSU Settlement Date and will be based on the Market Value on the RSU Settlement Date multiplied by the number of vested RSUs.
- (3) The exercise price of the DSUs is determined by the greater of \$0.50 and the market value of the Shares at the time of settlement.
- (4) Pursuant to TSXV Policy, the Corporation is permitted to maintain a “rolling” securities-based compensation plan, reserving for issuance, pursuant to the plan and under any other share compensation arrangement, a number of Shares equal to up to a maximum of 10% of the issued Shares of the Corporation.

### Legacy Stock Option Plan

The Legacy Stock Option Plan permits the granting of options to purchase Shares to directors, officers, employees, consultants and other service providers (“**Optionees**”) of the Corporation. The Legacy Stock Option Plan is intended to afford persons who provide services to the Corporation an opportunity to obtain an increased proprietary interest in the Corporation by permitting them to purchase Shares and to aid in attracting as well as retaining and encouraging the continued involvement of such persons with the Corporation. The Legacy Stock Option Plan is administered by the Board.

Pursuant to the terms of the Legacy Stock Option Plan, the aggregate number of Shares reserved for issuance:

- (a) on exercise of all options issued under the Legacy Stock Option Plan at any given time shall not exceed 10% of the number of outstanding Shares;
- (b) to any one Optionee in a 12-month period shall not exceed 5% of the number of outstanding Shares;
- (c) to any one director or officer under the Legacy Stock Option Plan shall not exceed 5% of the number of outstanding Shares;
- (d) to any one consultant in a 12-month period shall not exceed 2% of the number of outstanding Shares; and
- (e) to all eligible charitable organizations shall not exceed 1% of the number of outstanding Shares,

subject to the terms of the Legacy Stock Option Plan. Further, the maximum number of securities of the Corporation issuable to insiders, as such terms is defined in the Legacy Stock Option Plan, at any time pursuant to the Legacy Stock Option Plan shall not exceed 10% of the number of outstanding Shares. The maximum number of securities of the Corporation issued to insiders, within any one-year period, under the Legacy Stock Option Plan, shall not exceed 10% of the number of outstanding Shares.

Options that are cancelled, terminated or expired prior to exercise of all or a portion thereof shall result in the Shares that were reserved for issuance thereunder being available for a subsequent grant of options pursuant to the Legacy Stock Option Plan. As the Legacy Stock Option Plan is a “rolling” plan, the issuance of additional Shares by the Corporation or the exercise of options will also give rise to additional availability under the Legacy Stock Option Plan.

Options granted pursuant to the Legacy Stock Option Plan have a term not exceeding five years and vest in such manner as determined by the Board. In the absence of any specific determination to the contrary by the Board, options will vest and be exercisable as to 1/3 on each of the first, second and third anniversaries of

the date of grant, subject to acceleration of vesting in the discretion of the Board. If an option is set to expire within 10 business days following the end of a Black Out Period (as such term is defined in the Legacy Stock Option Plan), the expiry date of the option shall be extended for 10 business days following the end of the Black Out Period.

The exercise price of the options granted pursuant to the Legacy Stock Option Plan is determined by the Board at the time of grant, provided that the exercise price shall not be less than the discounted market price, determined in accordance with the rules of the TSXV. For this purpose, discounted market price shall mean the closing trading price per Share on the last trading day preceding (a) the issuance of a news release in respect of the option grant; or (b) the date of grant, as applicable, on which there was a closing price, less the applicable discount.

In the event that an Optionee ceases to be a director, officer, employee or service provider to the Corporation or a subsidiary of the Corporation for any reason, including without limitation, resignation, dismissal or otherwise but excluding death, the Optionee may, prior to the expiry date of the options and within 90 days from the date of ceasing to be a director, officer, employee or service provider, exercise any options which are vested within such period, after which time any outstanding options shall terminate. In the event of death of the Optionee, the Optionee's legal representative may, within one (1) year from the Optionee's death and prior to the option expiry date, exercise the options which are vested within such period, after which time any remaining options shall terminate.

### **Equity Incentive Plan**

The following is a description of the key terms of the Equity Incentive Plan, which is qualified in its entirety by reference to the full text of the Equity Incentive Plan attached hereto as Schedule B. Capitalized terms used in this section and not otherwise defined have the meaning ascribed to them in the Equity Incentive Plan.

#### **Purpose**

The purpose of the Equity Incentive Plan is: (i) to increase the interest in the Corporation's welfare of those employees, executive officers, directors and Consultants (who are considered "**Eligible Participants**" under the Equity Incentive Plan), who share responsibility for the management, growth and protection of the business of the Corporation or a subsidiary of the Corporation; (ii) to provide an incentive to such Eligible Participants to continue their services for the Corporation or a subsidiary and to encourage such Eligible Participants whose skills, performance and loyalty to the objectives and interests of the Corporation or a subsidiary are necessary or essential to its success, image, reputation or activities; (iii) to reward Eligible Participants for their performance of services while working for the Corporation or a subsidiary; and (iv) to provide a means through which the Corporation or a subsidiary may recruit and retain key talent for the Corporation.

#### **Types of Awards**

The Equity Incentive Plan provides for the grant of Options, RSUs and DSUs (each an "**Award**" and, collectively, the "**Awards**"). All Awards are granted by an agreement or other instrument or document evidencing the Award granted under the Equity Incentive Plan (an "**Award Agreement**").

#### **Plan Administration**

The Equity Incentive Plan is administered by the Board, which may delegate its authority to a committee or plan administrator or trustee. Subject to the terms of the Equity Incentive Plan, applicable law and the rules of the TSXV or such other stock exchange on which the Corporation's shares may be listed from time to time, the Board (or its delegate) will have the power and authority to: (i) designate the Eligible Participants who will receive Awards (an Eligible Participant who receives an Award, a "**Participant**"), (ii) designate the types and amounts of Awards to be granted to each Participant, (iii) designate the number of shares to be covered by each Award, (iv) determine the terms and conditions of any Award, including any vesting conditions or conditions based on performance of the Corporation or of an individual ("**Performance Criteria**"); (v) subject to the terms of the Equity Incentive Plan, determine whether and to what extent

Awards will be settled in cash or shares (including shares that may be purchased in the secondary market by an administrator or trustee for delivery to a Participant), or both; (vi) to interpret and administer the Equity Incentive Plan and any instrument or agreement relating to it, or Award made under it; and (vii) make such amendments to the Equity Incentive Plan and Awards made under the Equity Incentive Plan as are permitted by the Equity Incentive Plan and the rules of the applicable stock exchange.

### **Shares Available for Awards**

Subject to adjustments as provided for under the Equity Incentive Plan, the maximum number of shares of the Corporation available for issuance under the Equity Incentive Plan and any other share compensation arrangement (which for greater certainty includes the Legacy Stock Option Plan) will not exceed 10% of the Corporation's issued and outstanding shares from time to time. The Corporation had an additional 3,425,635 shares available for issue under the Equity Incentive Plan, representing 5.2% of the outstanding shares.

The Equity Incentive Plan is considered to be an "evergreen" plan as shares of the Corporation covered by Awards which have been exercised or settled, as applicable, and Awards which expire or are forfeited, surrendered, cancelled or otherwise terminated or lapse for any reason without having been exercised, will be available for subsequent grant under the Equity Incentive Plan and the number of Awards that may be granted under the Equity Incentive Plan increases if the total number of issued and outstanding shares of the Corporation increases.

### **Limits with respect to other Share Compensation Arrangements, Insiders, Individual Grants, Annual Grant Limits.**

The Equity Incentive Plan provides the following limitations on grants:

- (a) The maximum number of shares issuable pursuant to the Equity Incentive Plan, the Legacy Stock Option Plan and any other share compensation arrangement, shall not exceed 10% of the issued and outstanding shares from time to time (calculated on a non-diluted basis).
- (b) The maximum number shares issuable to participants who are Insiders, together with shares reserved under any other share compensation arrangement, shall not exceed ten percent (10%) of the issued and outstanding shares from time to time (calculated on a non-diluted basis).
- (c) The maximum number of shares issued to participants who are Insiders within any one-year period shall not exceed ten percent (10%) of the issued and outstanding shares from time to time (calculated on a non-diluted basis).
- (d) Subject to the shares of the Corporation being listed on the TSXV, (a) the maximum number of shares issuable to any one participant under Awards in a 12-month period shall not exceed 5% of the issued and outstanding shares (unless requisite disinterested shareholder approval has been obtained to exceed); (b) the maximum number of shares issuable to any one consultant in a 12-month period shall not exceed 2% of the issued and outstanding shares; and (c) the maximum number of shares issuable to all participants retained to provide Investor Relations Activities (within the meaning of the policies of the TSXV) shall not exceed 2% of the issued and outstanding shares in any 12-month period, in each case measured as of the date of grant of an Award.

### **Eligible Participants**

Any employee, executive officer, director or Consultant of the Corporation or any of its subsidiaries is an "**Eligible Participant**" and considered eligible to be selected to receive an Award under the Equity Incentive Plan, provided that only directors and executive officers are eligible to receive DSUs. Eligibility for the grant of Awards and actual participation in the Equity Incentive Plan is determined by the Board or its delegate.

## **Description of Awards**

### **Options**

A share purchase option (each, an “**Option**”) is an option granted by the Corporation to a Participant entitling such Participant to acquire a designated number of shares from treasury at an exercise price set at the time of grant (the “**Option Price**”). Options are exercisable, subject to vesting criteria established by the Board at the time of grant, over a period as established by the Board from time to time which shall not exceed 10 years from the date of grant. If the expiration date for an Option falls within a black-out period the expiration date will be extended to the date which is ten business days after the end of the black-out period, which may be after the date that is 10 years from the date of grant. The Option Price shall not be set at less than the volume weighted average trading price of the shares on the applicable stock exchange for the five trading days immediately preceding the date of the grant. At the time of grant of an Option, the Board may establish vesting conditions in respect of each Option grant, which may include performance criteria related to corporate or individual performance. The Equity Incentive Plan also permits the Board to grant an option holder, at any time, the right to deal with such Option on a cashless exercise basis or to receive a cash payment equal to the difference between the market price of the shares on the day immediately prior to the date of the exercise of the cashless exercise right, and the Option Price (less applicable withholding taxes), subject to the rules of the applicable stock exchange on which the shares are listed from time to time.

The Board may grant Options to U.S. Participants that are qualified incentive stock options (“**ISOs**”) for the purposes of Section 422 of the United States Internal Revenue Code of 1986. ISOs may only be granted to employees of the Corporation or a subsidiary of the Corporation. Although the Board has the ability to grant ISOs under the terms of the Equity Incentive Plan, it has not granted any ISOs to-date and has no current intention to grant ISOs at this time.

### **Restricted Share Units**

A restricted share unit (each, an “**RSU**”) is an Award in the nature of a bonus for services rendered that, upon settlement, entitles the recipient to receive shares as determined by the Board or, subject to the provisions of the Equity Incentive Plan, to receive the Cash Equivalent or a combination thereof. The Board may establish conditions and vesting provisions, including Performance Criteria, which need not be identical for all RSUs. RSUs that are subject to Performance Criteria may not become fully vested prior to the expiry of the restricted period. RSUs expire no later than December 31 of the calendar year which commences three years after the calendar year in which the performance of services for which the RSU was granted, occurred. An RSU may be forfeited if conditions to vesting are not met. The Board, in its discretion, may award dividend equivalents with respect to Awards of RSUs. Such dividend equivalent entitlements will not be available until the RSUs are vested and paid out.

### **Deferred Share Units**

A deferred share unit (each, a “**DSU**”) is an Award attributable to a person’s duties as a director or executive officer that, upon settlement, entitles the recipient to receive such number of shares as determined by the Board, or to receive the cash equivalent or a combination thereof, as the case may be, and is payable after termination of the recipient’s service with the Corporation. Participants may elect annually to receive a percentage of their annual base compensation in DSUs. In addition, the Board may award such additional DSUs to a director or executive officer as the Board deems advisable to provide the Participant with appropriate equity-based compensation for the services he or she renders to the Corporation. The Board, in its discretion, may award dividend equivalents with respect to Awards of DSUs. DSUs must be settled no later than December 31 of the calendar year following the year in which the recipient of the DSU ceased to be a director, officer or employee of the Corporation.

### **Effect of Termination on Awards**

Unless otherwise provided for in an Award Agreement or determined by the Board on an individual basis, in the event of the Participant’s:

- (a) **Voluntary Resignation:** All of the Participant's unvested Awards are immediately forfeited on the termination date, and any vested Options remain exercisable until the earlier of, unless otherwise determined by the Board, in its sole discretion, thirty (30) days following the termination date and the expiry date of the Option;
- (b) **Termination for Cause:** All of the Participant's vested and unvested Options immediately terminate, and all unvested RSUs are immediately forfeited on the termination date;
- (c) **Termination not for Cause:** All of the Participant's unvested Options immediately terminate and any vested Options remain exercisable until the earlier of, unless otherwise determined by the Board, in its sole discretion, ninety (90) days following the termination date and the expiry date of the Option. All unvested RSUs are immediately forfeited on the termination date;
- (d) **Termination due to Disability or Retirement:** All unvested RSUs are immediately forfeited on the termination date. Any vested Options remain exercisable until the earlier of ninety (90) days following the vesting date of the Option and the expiry date of the Option;
- (e) **Termination Due to Death:** The Participant's unvested RSUs are immediately terminated upon the death of a Participant, and any vested Options remain exercisable by the Participant's beneficiary until the earlier of 12 months following the termination date and the expiry date of the Option; or
- (f) **Termination in Connection with a Change of Control:** If, after a Change of Control (described below), (i) a Participant who was also an officer or employee of, or a consultant to, the Corporation prior to the Change of Control, has their position, employment or consulting agreement terminated, or the Participant is constructively dismissed, or (ii) a director on or during the 12- month period immediately following a change in control, then all of the Participant's unvested RSUs immediately vest and shall be paid out, or in the case of Options shall vest and become exercisable. Any Options that become exercisable in these circumstances shall remain exercisable until the earlier of ninety (90) days following the termination date and the expiry date of the Option.

### **Change of Control**

In the event of a Change of Control (as described in the Equity Incentive Plan) the Board will have the power, in its sole discretion, to modify the terms of this Plan and/or the Awards to assist the Participants to tender into a take-over bid or participate in any other transaction leading to a Change of Control.

### **Assignment**

No Award or other benefit payable under the Equity Incentive Plan shall, except as otherwise provided by law or specifically approved by the Board, be transferred, sold, assigned, pledged or otherwise disposed in any manner other than by will or the law of descent.

### **Termination and Amendment**

The Board may suspend or terminate the Plan at any time.

The Board may from time to time, in its absolute discretion and without approval of the shareholders of the Corporation amend any provision of the Equity Incentive Plan or any Award, subject to any regulatory or stock exchange requirement at the time of such amendment, including, without limitation:

- (a) any amendment to the general vesting provisions, if applicable, of the Awards or the Equity Incentive Plan;
- (b) any amendment regarding the effect of termination of a Participant's employment or engagement;
- (c) any amendment which accelerates the date on which any Option may be exercised under the Equity Incentive Plan;

- (d) any amendment necessary to comply with applicable law or the requirements of the stock exchange or any other regulatory body;
- (e) any amendment of a “housekeeping” nature, including to clarify the meaning of an existing provision of the Equity Incentive Plan, correct or supplement any provision of the Equity Incentive Plan that is inconsistent with any other provision of the Equity Incentive Plan, correct any grammatical or typographical errors or amend the definitions in the Equity Incentive Plan;
- (f) any amendment regarding the administration of the Equity Incentive Plan;
- (g) any amendment to add provisions permitting the grant of Awards settled otherwise than with shares issued from treasury, a form of financial assistance or clawback, and any amendment to a provision permitting the grant of Awards settled otherwise than with shares issued from treasury, a form of financial assistance or clawback which is adopted; and
- (h) any other amendment that does not require the approval of the shareholders of the Corporation, as provided below.

Notwithstanding the foregoing:

- (a) no such amendment shall alter or impair the rights of any Participant, without the consent of such Participant except as permitted by the provisions of the Plan;
- (b) the Board shall be required to obtain shareholder approval to make the following amendments:
  - (i) any increase to the maximum number of shares issuable under the Plan (either as a fixed number or a fixed percentage of the outstanding shares), except in the event of an adjustment provided for in the Equity Incentive Plan;
  - (ii) any amendment that extends the term of Options beyond the original expiry date that benefits an Insider of the Corporation;
  - (iii) any amendment which extends the expiry date of any Award, or the Restriction Period, or the Performance Period of any RSU beyond the original expiry date or Restriction Period or Performance Period that benefits an Insider of the Corporation;
  - (iv) except in the case of an adjustment provided for in the Equity Incentive Plan, any amendment which reduces the exercise price of an Option or any cancellation of an Option and replacement of such Option with an Option with a lower exercise price;
  - (v) any amendment which increases the maximum number of shares that may be (i) issuable to Insiders at any time; or (ii) issued to Insiders under the Plan and any other proposed or established Share Compensation Arrangement in a one-year period, except in case of an adjustment provided for in the Equity Incentive Plan;
  - (vi) any amendment to the definition of an Eligible Participant under the Plan; and
  - (vii) any amendment to the amendment provisions of the Plan.

### **Clawback**

Any Award or the proceeds from the exercise of an Award will be subject to clawback if the Participant to whom the Award was granted violates (i) a non-competition, non-solicitation, confidentiality or other restrictive covenant by which he or she is bound, or (ii) any policy adopted by the Corporation applicable to

the Participant that provides for forfeiture or disgorgement with respect to incentive compensation that includes Awards under the Plan.

## **CORPORATE GOVERNANCE DISCLOSURE**

Set forth below is a description of the Corporation's current corporate governance practices, as prescribed by Form 58-101F2 of National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101").

### **Board of Directors**

The Board currently consists of four directors who provide the Corporation with a wide diversity of business experience. Three of the current Board members (representing 75% of the Board), being Messrs. McLeese, Asselstine and Dr. Farah, are independent directors as such term is defined by NI 58-101. Mr. Smith as a member of the Board and in his capacity as the Chief Executive Officer is not an independent director as that term is defined in NI 58-101. Each of the independent directors has no direct or indirect material relationship with the Corporation, including any business or other relationship, which could reasonably be expected to interfere with the director's ability to act with a view to the best interest of the Corporation or which could reasonably be expected to interfere with the exercise of the director's independent judgment, except for Mr. McLeese and the convertible promissory note issued by the Corporation to Georgian Villas Inc. an entity controlled by Mr. McLeese.

### **Directorships**

Grant Smith is a director of Pond's subsidiary companies. No other Board member is a director of the Corporation's subsidiary companies.

### **Orientation and Continuing Education**

The Board mandate obligates the Board to ensure that a comprehensive director orientation program is in place and that it is functioning on a timely basis and to ensure the provision of ongoing internal and third-party education programs for directors. These programs are currently being developed and implemented. As new directors join the Board, management will provide these individuals with corporate policies, historical information about the Corporation, as well as information on the Corporation's performance and its strategic plan with an outline of the general duties and responsibilities entailed in carrying out their duties. The Board believes that these procedures will prove to be a practical and effective approach in light of the Corporation's particular circumstances, including the size of the Corporation, limited changes to members of the Board and the experience and expertise of the members of the Board.

### **Ethical Business Conduct**

The Board has adopted a code of business conduct and ethics, mandating the honest use of time, funds and property in ethical dealings with co-workers and others and high standards of courtesy, professionalism and honesty in interactions with customers, shareholders, stakeholders, co-workers and the community. The Board mandate also includes obligations on the part of the Board to set an ethical and professional tone for the Corporation and its senior management, foster ethical and responsible decision-making behaviour of senior management and approve, regularly review and monitor compliance with the Corporation's code of business conduct and ethics.

### **Nomination of Directors**

The Corporation's Nomination and Compensation Committee, comprised of John M Farah Jr. (Chairman), Robert McLeese and William Asselstine, is charged with the mandate to assist the Board in respect of, among other things, the nomination of members of the Board. The Nomination and Compensation Committee will work with the Board and management to initially assess the need for a new candidate for the Board. Based on the initial assessment, the Nomination and Compensation Committee will review candidates put forward, review background information provided, meet with the proposed candidates and determine acceptability. A wider search will be undertaken if necessary.

## Compensation

The Corporation’s Nomination and Compensation Committee is charged with the mandate to assist the Board in respect of, among other things, the compensation of members of the Board and of senior management. The Nomination and Compensation Committee will review the compensation recommendations made by management and evaluate the recommendations before making a recommendation to the Board. See “*Statement of Executive Compensation – Compensation Governance*”.

## Other Board Committees

The Corporation’s Governance Committee, comprised of J. William Asselstine (Chairman), Robert McLeese and Grant Smith is charged with the mandate to assist the Board in respect of the review and evaluation of each of the Board related mandates including the Audit Committee mandate, Nomination and Compensation Committee mandate, and disclosure mandates including confidentiality and trading policy and other governance policies.

## Assessments

The Board makes annual assessments regarding the effectiveness of the Board itself, committees and individual directors in fulfilling their responsibilities.

## Audit Committee

### *Audit Committee Mandate and Terms of Reference*

The Mandate of the Audit Committee of the Board is attached hereto as Schedule C.

### *Composition of the Audit Committee*

The following table sets forth the names of each current member of the Audit Committee, whether such member is independent (in accordance with National Instrument 52-110 – *Audit Committees* (“NI 52-110”)), whether such member is financially literate and the relevant education and experience of such member:

<b>Name and Jurisdiction of Residence</b>	<b>Independent</b>	<b>Financially Literate</b>	<b>Relevant Education and Experience</b>
<b>J. William Asselstine</b> <i>Oakville, Ontario</i>	Yes	Yes	Vice President, Sustainability and Cement Sales Canada at SMC (2015 to present); Vice President, Logistics at SMC (2009 to 2015); Vice President, Promotion and Marketing Services (2005 to 2015); Director of Pond Technologies Holdings Inc. since 2015.
<b>Robert McLeese CPA, CA</b> <i>Toronto, Ontario</i>	No	Yes	President and Director at Access Capital Corp. (1990 to present); President at ACI Energy, Inc. since 1998, Chair since 2011; President and Chair at Georgian Villas Inc. (2004 to present); President and Chair at Colmac Holdings Limited (2011 to present); Director at Export Development Canada (2015 to 2024) Director at Rand Capital Corp. (2015 to 2016); Director of Pond Technologies Holdings Inc. since 2016.
<b>John M Farah Jr.</b> <i>Pennsylvania, United States</i>	Yes	Yes	Independent Director, Aeolus Pharmaceuticals (AOLS) Audit Committee (2005-2018); Independent Director, GenSpera, Inc. (GNSZ) Compensation & Governance Committees (2008-2010); Treasurer, Political Action Committee, Cephalon, Inc. (2009-2011).



### ***External Auditor Service Fees***

#### Audit Fees

The aggregate fees billed by the Corporation's external auditor in each of the last two fiscal years for audit services were \$145,000 in 2023 and \$138,000 in 2022.

#### Audit – Related Fees

The aggregate fees billed in each of the last two fiscal years for assurance related services by the Corporation's external auditor that are reasonably related to the performance of the audit or review of the Corporation's financial statements that are not reported under "*Audit Fees*" above were \$nil in 2023 and \$nil in 2022.

#### Tax Fees

The aggregate fees billed in each of the last two fiscal years for professional services rendered by the Corporation's external auditor for tax compliance, tax advice and tax planning were \$nil in 2023 and \$nil in 2022.

#### All Other Fees

The aggregate fees billed in each of the last two fiscal years for other professional services rendered by the Corporation's external auditor amounted to \$nil in 2023 and \$nil in 2022.

### ***Exemptions***

The Corporation relies on section 6.1 of NI 52-110 as the Corporation is a venture issuer.

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

No director, executive officer, employee or former director, executive officer or employee of the Corporation, or of its subsidiaries, or any associate of any such director, executive officer or employee is, or has been at any time since the beginning of the most recently completed financial year of the Corporation, indebted to the Corporation or to any of its subsidiaries in respect of any indebtedness that is still outstanding, nor is, or at any time since the beginning of the most recently completed financial year of the Corporation has, any indebtedness of any such person been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

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

There were no material interests, direct or indirect, of any directors or executive officers of the Corporation, any shareholder who beneficially owns or controls or directs, directly or indirectly, more than 10% of the voting rights attached to all outstanding voting securities of the Corporation, or any other "informed person" (as defined in NI 51-102 – *Continuous Disclosure Obligations*), in any transaction since commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries except as disclosed herein.

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

Management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise of any director or nominee for director, or executive officer of the Corporation or anyone who has held office as such since the beginning of the Corporation's last financial year or of any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting other than the election of directors.

### **ADDITIONAL INFORMATION**

Additional information respecting the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information respecting the Corporation is provided in the Corporation's comparative financial statements and

management's discussion and analysis for its most recently completed financial year. Shareholders can access this information on the SEDAR website or by request to the Chief Financial Officer of the Corporation at the following address:

Pond Technologies Holdings Inc., 250 Shields Court, Unit 8, Markham, Ontario, L3R 9W7, Phone: (416) 287-3835 Facsimile: (416) 287-3808.

#### **OTHER MATTERS**

Management knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Annual and Special Meeting. However, if any other matter properly comes before the Meeting, the accompanying proxy will be voted on such matter in accordance with the best judgment of the person or persons voting the proxy.

**SCHEDULE A  
LEGACY STOCK OPTION PLAN**

**1. Purpose of Plan**

The purpose of this plan (the “**Plan**”) is to develop the interest of Directors, Employees and Consultants of Pond Technologies Holdings Inc. (the “**Corporation**”) in the growth and development of the Corporation by providing them with the opportunity through share purchase options to acquire an increased proprietary interest in the Corporation.

**2. Administration**

The Plan shall be administered by the Board of Directors of the Corporation, or if appointed, by a committee of directors appointed from time to time by the Board of Directors of the Corporation pursuant to rules of procedure fixed by the Board of Directors (such committee, or if no such committee is appointed, the Board of Directors of the Corporation, is hereinafter referred to as the “**Committee**”). The Committee shall ensure that Optionees (as defined below) under the Plan are eligible to participate in the Plan, and, if required by the Exchange, shall represent and confirm that the Optionee is a bona fide Employee, Consultant or Management Company Employee, as the case may be.

**3. Granting of Options**

The Committee may from time to time designate Directors, Employees and Consultants of the Corporation and its subsidiaries (collectively, the “**Optionees**”) to whom options (“**Options**”) to purchase Common Shares of the Corporation (“**Shares**”) may be granted and the number of Shares to be optioned to each (and subject to such additional restrictions and limitations as the policies of the Exchange may impose):

- (a) the aggregate number of Shares reserved for issuance on exercise of all Options issued under the Plan at any given time shall not exceed 10% of the number of Outstanding Shares at such time, subject to the adjustment as set forth in Section 8 hereof and the other provisions hereof;
- (b) the aggregate number of Shares reserved for issuance to any one Optionee in a 12 month period shall not exceed 5% of the number of Outstanding Shares, unless the Corporation complies with the policies of the Exchange;
- (c) the aggregate number of Shares reserved for issuance to any one director or officer under the Plan shall not exceed 5% of the number of Outstanding Shares;
- (d) the aggregate number of Shares reserved for issuance to any one Consultant in a 12 month period shall not exceed 2% of the number of Outstanding Shares;
- (e) the aggregate number of Shares reserved for issuance to any one Optionee employed to provide Investor Relations Activities in a 12 month period shall not exceed 2% of the number of Outstanding Shares;
- (f) the aggregate number of Shares reserved for issuance to all Eligible Charitable Organizations will not exceed 1% of the number of Outstanding Shares;
- (g) the maximum number of securities of the Corporation issuable to Insiders at any time pursuant to the Plan shall not exceed 10% of the number of Outstanding Common Shares; and
- (h) the maximum number of securities of the Corporation issued to Insiders, within any one year period, under the Plan, shall not exceed 10% of the number of Outstanding Common Shares;

provided that for the purposes of paragraphs (g) and (h), an entitlement granted prior to the grantee becoming an Insider may be excluded in determining the number of Shares issuable to Insiders.

The Shares that are reserved for issuance on exercise of Options granted pursuant to this Plan that are cancelled, terminated or expire in accordance with the terms of the Plan prior to the exercise of all or a portion thereof shall be available for a subsequent grant of Options pursuant to this Plan to the extent of any Shares issuable thereunder that are not issued under such cancelled, terminated or expired Options.

#### 4. Vesting

(a) The Committee may, in its sole discretion, determine the time during which Options shall vest and the method of vesting, acceleration of vesting (including, without limitation, in the case of a takeover bid or other change of control), or that no vesting restriction shall exist. In the absence of any determination by the Committee as to vesting, vesting shall be as to one-third on each of the first, second and third anniversaries of the date of grant.

(b) Notwithstanding the foregoing, unless otherwise permitted by the Exchange, Options issued to Consultants performing Investor Relations Activities must vest in stages over a period of not less than 12 months, with no more than one quarter of the Options vesting in any three-month period.

#### 5. Exercise Price

(a) Subject to the policies of the Exchange, the exercise price (the “**Exercise Price**”) of any Option shall be fixed by the Committee when such Option is granted, provided that such price shall not be less than the Discounted Market Price of the Shares. For this purpose, “**Discounted Market Price**” shall mean the closing trading price per Share on the Exchange (or if the Shares are not listed on the Exchange, on such stock exchange as the Shares are then traded) on the last trading day preceding (i) the issuance of a news release in respect of the Option grant or (ii) the date of grant, as applicable, on which there was a closing price, less the applicable discount, or, if the Shares are not listed on any stock exchange, a price determined by the Committee.

(b) The Corporation must obtain disinterested shareholder approval for any reduction in the Exercise Price of an Option that is held by an Insider of the Corporation.

#### 6. Option Terms

The period during which an Option is exercisable shall, subject to the provisions of the Plan requiring acceleration of rights of exercise, be such period as may be determined by the Committee at the time of grant, provided that no Option may be exercised beyond five years from the date of grant. Each Option shall, among other things, contain provisions to the effect that the Option shall be personal to the Optionee (except as provided herein). In addition, each Option shall provide that:

(a) upon the death of the Optionee, provided the Optionee was a Service Provider for at least one year following the grant of the Options (unless otherwise determined by the Committee), the Option shall terminate on the date determined by the Committee, which shall not be more than one year from the date of death; and

(b) unless the directors of the Corporation determine otherwise, if the Optionee shall no longer be a Service Provider to the Corporation, the Option shall terminate on the expiry of the period (the “**Termination Date**”) not in excess of 90 days, and in the case of Optionees performing Investor Relations Activities, not in excess of 30 days, prescribed by the Committee at the time of grant, following the date that the Optionee ceases to be a Service Provider to the Corporation;

(c) If the expiry date of any Option falls within any Blackout Period or within ten business days following the end of any Blackout Period (the “**Restricted Options**”), then the expiry date of such Restricted Options shall, without any further action, be extended to the date that is ten business days following the end such Blackout Period. The foregoing extension applies to all Options whatever the date of grant and shall not be considered an extension of the term of the Options as referred to in Section 11 hereof.

provided that the number of Shares that the Optionee (or his heirs or successors) shall be entitled to purchase until the Termination Date shall be the number of Shares which the Optionee was entitled to purchase on the date of death or the date the Optionee ceased to be a Service Provider to the Corporation (other than if the Service Provider is terminated by the Corporation for cause).

An Option shall be non-assignable and non-transferable by the Optionee unless specifically provided for herein. The Corporation shall not recognize any attempted exercise or any purported assignee of an Optionee. During the lifetime of an Optionee, any Options granted hereunder may only be exercised by the Optionee and in the event of the death or permanent disability of an Optionee, by the person or persons to whom the Optionee’s rights under the Option pass by the Optionee’s will or the laws of descent and distribution.

## **7. Exercise of Option**

Subject to the Plan, an Optionee (or his or her legal personal representative) may exercise from time to time by delivery to the Corporation, at its head office in Markham, Ontario of a written notice of exercise (“**Exercise Notice**”) specifying the number of Shares with respect to which the Option is being exercised and accompanied by payment in full of the purchase price of the Shares then being purchased. Upon exercise of the Option, the Corporation will cause to be delivered to the Optionee a certificate or certificates, representing such Shares in the name of the Optionee or the Optionee’s legal personal representative or otherwise as the Optionee may or they may in writing direct.

For purposes of this Section 7, the Market Price shall have the meaning ascribed to such term in the TSX Venture Exchange Corporate Finance Manual (or, if the Shares are not then listed and posted for trading on the Exchange, such price as required by such stock exchange in Canada on which such shares are listed and posted for trading as may be selected for such purpose by the Board of Directors). In the event that the Shares are not listed and posted for trading on any stock exchange in Canada, the Market Price shall be determined by the Board in its sole discretion. Notwithstanding the foregoing sentence, in the event that there has been a publicly announced take-over bid, amalgamation or other transaction involving the Common Shares, while such transaction is still outstanding, the Market Price shall be the consideration offered pursuant to such transaction (in the event that the consideration is other than cash, the Board of Directors shall determine the cash equivalent for the purpose of this provision).

## **8. Alterations in Shares**

In the event, at any time or from time to time, that the share capital of the Corporation shall be consolidated or subdivided prior to the exercise by the Optionee, in full, of any Option in respect of all of the Shares granted, or the Corporation shall pay a dividend upon the Shares by way of issuance to the holders thereof of additional Shares, Options with respect to any Shares which have not been purchased at the time of any such consolidation, subdivision or stock dividend shall be proportionately adjusted so that the Optionee shall from time to time, upon the exercise of an Option, be entitled to receive the number of Shares he would have held following such consolidation, subdivision or stock dividend if the Optionee had purchased the Shares and had held such Shares immediately prior to such consolidation, subdivision or stock dividend. Upon any such adjustments being made, the Optionee shall be bound by such adjustments and shall accept the terms of such Options in lieu of the Options previously outstanding.

## **9. Option Agreements**

A written agreement will be entered into between the Corporation and each Optionee to whom an Option is granted hereunder, which agreement will set out the number of Shares subject to Option, the Exercise Price, provisions as to vesting and expiry and any other terms approved by the Committee, all in accordance with the provisions of this Plan. The agreement will be in such form as the Committee may from time to time approve or authorize the officers of the Corporation to enter into and may contain such terms as may be considered necessary in order that the Option will comply with this Plan, any provisions respecting Options in the income tax or other laws in force in any country or jurisdiction of which the person to whom the Option is granted may from time to time be a resident or citizen, and the rules of any regulatory body having jurisdiction over the Corporation.

## **10. Regulatory Authorities Approvals**

The Plan shall be subject to the approval, if required, of any stock exchange on which the Shares are listed for trading. Any Options granted prior to such approval shall be conditional upon such approval being given and no such Options may be exercised unless such approval, if required, is given.

## **11. Amendment or Discontinuance of the Plan**

- (a) Subject to the restrictions set out in this Section 11, the Board may, without shareholder approval:
- (i) amend or discontinue the Plan or any Options granted hereunder at any time;
  - (ii) reduce the percentage number of Common Shares which may be issued under the Plan;
  - (iii) reduce the exercise price of any outstanding Options not held by Insiders;
  - (iv) alter the vesting provisions relating to the Options; and

- (v) alter the surrender rights set out in the Plan,

provided any amendment to the Plan that requires approval of the Exchange may not be made without such approval.

- (b) Without the prior approval of the shareholders, as may be required by the Exchange, the Board may NOT:
  - (i) make any amendment to the Plan to increase the percentage of Common Shares issuable on exercise of outstanding Options at any time pursuant to Section 3 hereof;
  - (ii) reduce the exercise price of any outstanding Options held by Insiders;
  - (iii) extend the term of any outstanding Option beyond the original expiry date of such Option, except in accordance with an extension to include a Blackout Period;
  - (iv) make any amendment to Section 3(g) or 3(h) to increase the maximum limit on the number of securities that may be reserved for issuance and are issued to Insiders to greater than the 10% thresholds within the designated time periods;
  - (v) make any amendment to the Plan that would permit an Optionee to transfer or assign Options to a new beneficial Optionee other than in the case of death of the Optionee; or
  - (vi) make any amendment to this Section 11.

In addition, no amendment to the Plan or Options granted pursuant to the Plan may be made without the consent of the Optionee, if it adversely alters or impairs any Option previously granted to such Optionee under the Plan.

## **12. Shares Duly Issued**

Shares issued upon the exercise of an Option granted hereunder will be validly issued and allotted as fully paid and non-assessable upon receipt by the Corporation of the Exercise Price therefor in accordance with the terms of the Option and the issuance of Shares thereunder will not require a resolution or approval of the Board of Directors of the Corporation.

## **13. Options to Other Persons and Entities**

The provisions herein in respect of the grant of Options shall apply, with the appropriate modifications, to the grant of Options to any person or other entity to whom an Option could have been transferred as provided in the last paragraph of Section 6 hereof, in which case the Option shall nevertheless be deemed, for purposes of the Plan, to be held by the person that is the Service Provider to the Corporation in respect of such person or other entity to whom the Option is actually granted and the Options shall continue to be subject to the terms and conditions of the Plan as if the Service Provider remained the sole holder thereof.

## **14. Prior Plans**

This Plan shall come into force and effect on ratification approval by shareholders of the Corporation and of the Exchange and entirely replaces and supersedes prior share option plans enacted by the Board of Directors of the Corporation, or its predecessor corporations.

## **15. Definitions**

In this Plan, capitalized terms not otherwise defined in this Plan have the meanings set forth below. Notwithstanding the foregoing, where defined terms used herein are also defined in the policies of the Exchange and there are discrepancies between said defined terms, the defined term used in the policies of the Exchange shall prevail over the defined term used in this Plan during such period of time as the Corporation's Shares are listed on the Exchange.

- (a) A Company is an "Affiliate" of another Company if:
  - (i) one of them is the subsidiary of the other; or

- (ii) each of them is controlled by the same Company or individual.
- (b) “**Blackout Period**” means the period of time when, pursuant to any policies of the Corporation, any securities of the Corporation may not be traded by certain persons as designated by the Corporation, including any holder of an Option;
- (c) “**Board**” means the board of directors of the Corporation;
- (d) “**Company**”, unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity, other than an individual.
- (e) “**Consultant**” means, in relation to the Corporation, an individual or Consultant Company, other than an Employee or a Director of the Corporation, that:
  - (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Corporation or to an Affiliate of the Corporation, other than services provided in relation to a Distribution;
  - (ii) provides the services under a written contract between the Corporation or the Affiliate and the individual or the Consultant Company;
  - (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 an Affiliate of the Corporation; and
  - (iv) has a relationship with the Corporation or an Affiliate of the Corporation that enables the individual to be knowledgeable about the business and affairs of the Corporation.
- (f) “**Consultant Company**” means, for an individual consultant, a company or partnership of which the individual is an employee, shareholder or partner.
- (g) “**Directors**” means directors, senior officers and Management Company Employees of the Corporation, or directors, senior officers and Management Company Employees of the Corporation’s subsidiaries to whom Options can be granted in reliance on a prospectus exemption under applicable securities laws.
- (h) “**Distribution**” has the meaning ascribed thereto in the *Securities Act* (Alberta).
- (i) “**Employee**” means:
  - (i) an individual who is considered an employee of the Corporation or its subsidiary under the *Income Tax Act* (Canada) (i.e. for whom income tax, employment insurance and CPP deductions must be made at source);
  - (ii) an individual who works full-time for the Corporation or its subsidiaries providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source; or
  - (iii) an individual who works for the Corporation or its subsidiaries on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source.
- (j) “**Exchange**” means the TSX Venture Exchange Inc. or, if the Common Shares are not then listed and posted for trading on the Toronto Stock Exchange, on such stock exchange in Canada on which such shares are listed and posted for trading as may be selected for such purpose by the Board;
- (k) “**Insider**”, if used in relation to the Corporation, means:

- (i) a director or senior officer of the Corporation;
- (ii) a director or senior officer of a Company that is an Insider or subsidiary of the Corporation;
- (iii) a Company or individual that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the Corporation; or
- (iv) the Corporation itself if it holds any of its own securities.

(l) “**Investor Relations Activities**” means any activities, by or on behalf of the Corporation or a shareholder of the Corporation, that promote or reasonably could be expected to promote the purchase or sale of securities of the Corporation, but does not include:

- (i) the dissemination of information provided, or records prepared, in the ordinary course of business of the Corporation:
  - (A) to promote the sale of products or services of the Corporation; or
  - (B) to raise public awareness of the Corporation,
 that cannot reasonably be considered to promote the purchase or sale of securities of the Corporation;
- (ii) activities or communications necessary to comply with the requirements of:
  - (A) applicable securities laws; or
  - (B) Exchange Requirements (as defined in the policies of the Exchange) or the by-laws, rules or other regulatory instruments of any other self-regulatory body or exchange having jurisdiction over the Corporation;
- (iii) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if:
  - (A) the communication is only through the newspaper, magazine or publication; and
  - (B) the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or
- (iv) activities or communications that may be otherwise specified by the Exchange.

(m) “**Management Company Employee**” means an individual employed by a Company or individual providing management services to the Corporation, which are required for the ongoing successful operation of the business enterprise of the Corporation, but excluding a Company or individual engaged in Investor Relations Activities.

(n) “**Outstanding Common Shares**” at the time of any share issuance or grant of stock Options means the aggregate number of Shares that are outstanding immediately prior to the share issuance or grant of stock Options in question on a non-diluted basis, or such other number as may be determined under the applicable rules and regulations of all regulatory authorities to which the Corporation is subject, including, if listed thereon, the Exchange.

(o) “**Service Provider**” means a Director, Employee or Consultant of the Corporation.

(p) “**subsidiary**” has the meaning ascribed thereto in the *Securities Act* (Alberta) as from time to time amended, supplemented or re-enacted.



**SCHEDULE B  
EQUITY INCENTIVE PLAN**

Pond Technologies Holdings Inc. (the “**Company**”) hereby establishes an omnibus incentive plan for certain qualified directors, executive officers, employees or Consultants of the Company or any of its Subsidiaries.

**ARTICLE 1  
INTERPRETATION**

**Section 1.1 Definitions.**

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

“**Account**” means an account maintained for each Participant on the books of the Company which will be credited with Awards in accordance with the terms of this Plan;

“**Affiliates**” has the meaning ascribed thereto in National Instrument 45-106 – *Prospectus Exemptions*;

“**Annual Base Compensation**” means an annual compensation amount payable to directors and executive officers of the Company or any of its Affiliates, as established from time to time by the Board.

“**Award**” means any of an Option, DSU, or RSU granted to a Participant pursuant to the terms of the Plan;

“**Black-Out Period**” means a period of time when, pursuant to any policies of the Company (including the Company’s insider trading policy), any securities of the Company may not be traded by certain Persons designated by the Company;

“**Board**” has the meaning ascribed thereto in Section 2.2(1) hereof;

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

“**Cash Equivalent**” means the amount of money equal to the Market Value multiplied by the number of vested RSUs or DSUs, as applicable, in the Participant’s Account, net of any applicable taxes in accordance with Section 8.2, on the RSU Settlement Date or the Filing Date, as applicable;

“**Cashless Exercise Right**” has the meaning ascribed thereto in Section 3.6(3) hereof; “**Cause**” has the meaning ascribed thereto in Section 6.2(1) hereof;

“**Change of Control**” means, unless the Board determines otherwise, the happening, in a single transaction or in a series of related transactions, of any of the following events:

- (i) any transaction (other than a transaction described in clause (iii) below) pursuant to which any Person or group of Persons acting jointly or in concert acquires for the first time the direct or indirect beneficial ownership of securities of the Company representing 50% or more of the aggregate voting power of all of the Company’s then issued and outstanding securities entitled to vote in the election of directors of the Company, other than any such acquisition that occurs upon the

exercise or settlement of options or other securities granted by the Company under any of the Company's equity incentive plans;

- (ii) there is consummated an arrangement, amalgamation, merger, consolidation or similar transaction involving (directly or indirectly) the Company and, immediately after the consummation of such arrangement, amalgamation, merger, consolidation or similar transaction, the shareholders of the Company immediately prior thereto do not beneficially own, directly or indirectly, either (A) outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving or resulting entity in such amalgamation, merger, consolidation or similar transaction or (B) more than 50% of the combined outstanding voting power of the parent of the surviving or resulting entity in such arrangement, amalgamation merger, consolidation or similar transaction, in each case in substantially the same proportions as their beneficial ownership of the outstanding voting securities of the Company immediately prior to such transaction;
- (iii) the sale, lease, exchange, license or other disposition, in a single transaction or a series of related transactions, of assets, rights or properties of the Company 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 Company and its Subsidiaries on a consolidated basis to any other person or entity, other than a disposition to a wholly-owned Subsidiary of the Company in the course of a reorganization of the assets of the Company and its wholly-owned Subsidiaries;
- (iv) the passing of a resolution by the Board or shareholders of the Company to substantially liquidate the assets of the Company or wind up the Company's business or significantly rearrange its affairs in one or more transactions or series of transactions or the commencement of proceedings for such a liquidation, winding-up or re-arrangement (except where such re-arrangement is part of a bona fide reorganization of the Company in circumstances where the business of the Company is continued and the shareholdings remain substantially the same following the re-arrangement);
- (v) individuals who, immediately prior to the effective date of the transaction giving rise to the Change of Control, are members of the Board (the "**Incumbent Board**") cease for any reason to constitute at least a majority of the members of the Board immediately after completion of the Change of Control; provided, however, that if the appointment or election (or nomination for election) of any new Board member was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member will, for purposes of this Plan, be considered as a member of the Incumbent Board; or
- (vi) the Board adopts a resolution to the effect that a Change of Control as defined herein has occurred or is imminent.

"**Company**" means Pond Technologies Holdings Inc., a corporation existing under the *Business Corporations Act* of Alberta, as amended from time to time;

"**Consultant**" means a person, other than an employee, executive officer or director of the Company or a Subsidiary, that provides ongoing services to the Company, and includes for an individual Consultant, a corporation of which the individual Consultant is an employee or shareholder, or a partnership of which the individual Consultant is an employee or partner;

**“Consulting Agreement”** means, with respect to any Participant, any written consulting agreement between the Company or a Subsidiary and such Participant;

**“Dividend Equivalent”** means a cash credit equivalent in value to a dividend paid on a Share credited to a Participant’s Account;

**“DSU”** or **“Deferred Share Unit”** means a right awarded to a Participant to receive a payment in the form of Shares, Cash Equivalent or a combination thereof upon Termination of Service, as provided in Article 5 and subject to the terms and conditions of this Plan;

**“DSU Agreement”** means a document evidencing the grant to a Participant of an Award of DSUs and the terms and conditions thereof;

**“DSU Settlement Amount”** means the amount of Shares, Cash Equivalent, or combination thereof, calculated in accordance with Section 5.6, to be paid to settle a DSU Award after the Filing Date;

**“Eligibility Date”** the effective date on which a Participant becomes eligible to receive long-term disability benefits (provided that, for greater certainty, such effective date shall be confirmed in writing to the Company by the insurance company providing such long-term disability benefits);

**“Eligible Participants”** means any director, executive officer, employee or Consultant of the Company or any of its Subsidiaries, but for the purposes of Article 5, this definition shall be limited to directors and executive officers of the Company or any of its Subsidiaries;

**“Employment Agreement”** means, with respect to any Participant, any written employment agreement between the Company or a Subsidiary and such Participant;

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

**“Filing Date”** has the meaning set out in Section 5.1 or Section 5.3(3), as applicable; **“Full Value Award”** means a DSU or an RSU;

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

**“Incentive Stock Option”** or **“ISO”** means an Option that is granted to a U.S. Participant, as described in Section 3.8;

**“Insider”** has the meaning set out in the applicable rules and policies of the Stock Exchange;

**“Market Value”** means at any date when the market value of Shares is to be determined, (i) if the Shares are listed on a Stock Exchange, the volume weighted average trading price of the Shares on such Stock Exchange for the five trading days immediately preceding the relevant time as it relates to an Award; or (ii) if the Shares are not listed on any stock exchange, the value as is determined solely by the Board, acting reasonably and in good faith and such determination shall be conclusive and binding on all Persons;

**“Option”** means a right granted by the Company to a Participant entitling such Participant to acquire a designated number of Shares from treasury at the Option Price, but subject to the provisions hereof, and includes an ISO;

**“Option Agreement”** means a document evidencing the grant to a Participant of an Award of Options and the terms and conditions thereof;

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

“**Option Term**” has the meaning ascribed thereto in Section 3.4 hereof;

“**Outstanding Issue**” means the number of Shares that are issued and outstanding, on a non-diluted basis;

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

“**Performance Criteria**” means specified criteria, other than the mere continuation of employment or the mere passage of time, the satisfaction of which is a condition for the grant, exercisability, vesting or full enjoyment of an Award;

“**Performance Period**” means the period determined by the Board at the time any Award is granted or at any time thereafter during which any Performance Criteria and any other vesting conditions specified by the Board with respect to such Award are to be measured;

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

“**Plan**” means this Omnibus Incentive Plan of the Company, including any amendments or supplements hereto made after the effective date hereof;

“**Restriction Period**” means the period determined by the Board pursuant to Section 4.3 hereof;

“**RSU**” means a right awarded to a Participant to receive a payment in the form of Shares, Cash Equivalent or a combination thereof as provided in Article 4 hereof and subject to the terms and conditions of this Plan;

“**RSU Agreement**” means a document evidencing the grant to a Participant of an Award of RSUs and the terms and conditions thereof;

“**RSU Settlement Date**” has the meaning determined in Section 4.5(1);

“**RSU Vesting Determination Date**” has the meaning described thereto in Section 4.4 hereof;

“**Shares**” means the common shares in the share capital of the Company;

“**Share Compensation Arrangement**” means a stock option, stock option plan, employee stock purchase plan, long-term incentive plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares to one or more full-time employees, directors, officers, Insiders, or Consultants of the Company or a Subsidiary including a share purchase from treasury by a full-time employee, director, officer, Insider, or Consultant which is financially assisted by the Company or a Subsidiary by way of a loan, guarantee or otherwise provided, however, that any such arrangements that do not involve the issuance from treasury or potential issuance from treasury of Shares of the Company are not “Share Compensation Arrangements” for the purposes of this Plan;

“**Stock Exchange**” means the stock exchange on which the majority of the trading volume and value of the Shares occurs, at the applicable time;

“**Subsidiary**” means a corporation, company or partnership that is controlled, directly or indirectly, by the Company;

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

**“Termination”** means that a Participant has ceased to be an Eligible Participant, including for greater certainty, the earliest date on which both of the following conditions are met: (i) the Participant has ceased to be employed by, or otherwise have a service relationship with, the Company or any Subsidiary thereof for any reason whatsoever; and (ii) the Participant is not a member of the Board nor a director of the Company or any of its Subsidiaries;

**“Termination Date”** means (i) in the event of a Participant’s resignation, the date on which such Participant ceases to be a director, executive officer, employee or Consultant of the Company or one of its Subsidiaries and (ii) in the event of the termination of the Participant’s employment, or position as director, executive or officer of the Company or a Subsidiary, or Consultant, the effective date of the termination as specified in the notice of termination provided to the Participant by the Company or the Subsidiary, as the case may be, and, for greater certainty, without regard to any period of notice, pay in lieu of notice, or severance that may follow the Termination Date pursuant to the terms of the Participant’s employment or services agreement (if any), the applicable employment standards legislation or the common law (if applicable), and regardless of whether the Termination was lawful or unlawful, except as may otherwise be required to meet minimum standards prescribed by the applicable standards legislation;

**“Termination of Service”** means that a Participant has ceased to be an Eligible Participant, including for greater certainty, the earliest date on which both of the following conditions are met:

- (i) the Participant has ceased to be employed by the Company or any Subsidiary or has ceased providing ongoing services as a Consultant to the Company or any Subsidiary thereof for any reason whatsoever; and
- (ii) the Participant is not a director of the Company or any of its Subsidiaries;

**“Trading Session”** means a trading session on a day which the applicable Stock Exchange is open for trading;

**“TSXV Share Limits”** means: (i) the maximum number of Shares issuable to any one Participant under Awards in a 12-month period shall not exceed 5% of the Outstanding Issue (unless requisite disinterested shareholder approval has been obtained to exceed); (ii) the maximum number of Shares issuable to any one Consultant in a 12-month period shall not exceed 2% of the Outstanding Issue; and (iii) Investor Relations Services Providers (within the meaning of the policies of the TSX Venture Exchange) may only be granted Options under an Award and the maximum number of Shares issuable to all Investor Relations Services Providers under any Options awarded shall not exceed 2% of the Outstanding Issue in any 12-month period, in each case measured as of the date of grant of an Award;

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

**“U.S. Participant”** means any Participant who, at any time during the period from the date an Award is granted to the date such award is exercised, redeemed, or otherwise paid to the Participant, is subject to income taxation in the United States on the income received for services provided to the Company or a Subsidiary and who is not otherwise exempt from United States income taxation under the relevant provisions of the U.S. Tax Code or the Canada-U.S. Income Tax Convention, as amended;

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

**“U.S. Tax Code”** means the United States Internal Revenue Code of 1986, as amended; and “Vested Awards” has the meaning described thereto in Section 6.2(5) hereof.

**Section 1.2 Interpretation.**

- (1) Whenever the Board is to exercise discretion or authority in the administration of the terms and conditions of this Plan, the term “discretion” or “authority” means the sole and absolute discretion of the Board.
- (2) The division of this Plan into Articles, Sections and other subdivisions and the insertion of headings are for convenient reference only and do not affect the interpretation of this Plan.
- (3) In this Plan, words importing the singular shall include the plural, and vice versa and words importing any gender include any other gender.
- (4) The words “including”, “includes” and “include” and any derivatives of such words mean “including (or includes or include) without limitation”. As used herein, the expressions “Article”, “Section” and other subdivision followed by a number, mean and refer to the specified Article, Section or other subdivision of this Plan, respectively.
- (5) Unless otherwise specified in the Participant’s Grant Agreement, all references to money amounts are to Canadian currency.
- (6) For purposes of this Plan, the legal representatives of a Participant shall only include the administrator, the executor or the liquidator of the Participant’s estate or will.
- (7) If any action may be taken within, or any right or obligation is to expire at the end of, a period of days under this Plan, then the first day of the period is not counted, but the day of its expiry is counted.

**ARTICLE 2  
PURPOSE AND ADMINISTRATION OF THE PLAN; GRANTING OF AWARDS**

**Section 2.1 Purpose of the Plan.**

The purpose of the Plan is to permit the Company to grant Awards to Eligible Participants, subject to certain conditions as hereinafter set forth, for the following purposes:

- (a) to increase the interest in the Company’s welfare of those Eligible Participants, who share responsibility for the management, growth and protection of the business of the Company or a Subsidiary;
- (b) to provide an incentive to such Eligible Participants to continue their services for the Company or a Subsidiary and to encourage such Eligible Participants whose skills, performance and loyalty to the objectives and interests of the Company or a Subsidiary are necessary or essential to its success, image, reputation or activities;
- (c) to reward Participants for their performance of services while working for the Company or a Subsidiary; and
- (d) to provide a means through which the Company or a Subsidiary may attract and retain able Persons to enter its employment or service.

## **Section 2.2 Implementation and Administration of the Plan.**

- (1) The Plan shall be administered and interpreted by the board of directors of the Company (the “**Board**”) or, if the Board by resolution so decides, by a committee or plan administrator appointed by the Board. If such committee or plan administrator is appointed for this purpose, all references to the “Board” herein will be deemed references to such committee or plan administrator. Nothing contained herein shall prevent the Board from adopting other or additional Share Compensation Arrangements or other compensation arrangements, subject to any required approval.
- (2) Subject to Article 7 and any applicable rules of a Stock Exchange, the Board may, from time to time, as it may deem expedient, adopt, amend and rescind rules and regulations or vary the terms of this Plan and/or any Award hereunder for carrying out the provisions and purposes of the Plan and/or to address tax or other requirements of any applicable jurisdiction.
- (3) Subject to the provisions of this Plan, the Board is authorized, in its sole discretion, to make such determinations under, and such interpretations of, and take such steps and actions in connection with, the proper administration and operations of the Plan as it may deem necessary or advisable. The Board may delegate to officers or managers of the Company, or committees thereof, the authority, subject to such terms as the Board shall determine, to perform such functions, in whole or in part. Any such delegation by the Board may be revoked at any time at the Board’s sole discretion. The interpretation, administration, construction and application of the Plan and any provisions hereof made by the Board, or by any officer, manager, committee or any other Person to which the Board delegated authority to perform such functions, shall be final and binding on the Company, its Subsidiaries and all Eligible Participants.
- (4) No member of the Board or any Person acting pursuant to authority delegated by the Board hereunder shall be liable for any action or determination taken or made in good faith in the administration, interpretation, construction or application of the Plan or any Award granted hereunder. Members of the Board or and any person acting at the direction or on behalf of the Board, shall, to the extent permitted by law, be fully indemnified and protected by the Company with respect to any such action or determination.
- (5) The Plan shall not in any way fetter, limit, obligate, restrict or constrain the Board with regard to the allotment or issuance of any Shares or any other securities in the capital of the Company. For greater clarity, the Company shall not by virtue of this Plan be in any way restricted from declaring and paying stock dividends, repurchasing Shares or varying or amending its share capital or corporate structure.

## **Section 2.3 Participation in this Plan.**

- (1) The Company makes no representation or warranty as to the future market value of the Shares or with respect to any income tax matters affecting any Participant resulting from the grant of an Award, the exercise of an Option or transactions in the Shares or otherwise in respect of participation under the Plan. Neither the Company, nor any of its directors, officers, employees, shareholders or agents shall be liable for anything done or omitted to be done by such Person or any other Person with respect to the price, time, quantity or other conditions and circumstances of the issuance of Shares hereunder, or in any other manner related to the Plan. For greater certainty, no amount will be paid to, or in respect of, a Participant under the Plan or pursuant to any other arrangement, and no additional Awards will be granted to such Participant to compensate for a downward fluctuation in the price of the Shares, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose. The Company and its Subsidiaries do not assume and shall not have responsibility for the income or other tax consequences resulting to any Participant and each Participant is advised to consult with his or her own tax advisors.

- (2) Participants (and their legal representatives) shall have no legal or equitable right, claim, or interest in any specific property or asset of the Company or any of its Subsidiaries. No asset of the Company or any of its Subsidiaries shall be held in any way as collateral security for the fulfillment of the obligations of the Company or any of its Subsidiaries under this Plan. Unless otherwise determined by the Board, this Plan shall be unfunded. To the extent any Participant or his or her estate holds any rights by virtue of a grant of Awards under this Plan, such rights (unless otherwise determined by the Board) shall be no greater than the rights of an unsecured creditor of the Company.
- (3) Unless otherwise determined by the Board, the Company shall not offer financial assistance to any Participant in regards to the exercise of any Award granted under this Plan.
- (4) The Board may also require that any Eligible Participant in the Plan provide certain representations, warranties and certifications to the Company to satisfy the requirements of applicable laws, including, without limitation, exemptions from the registration requirements of the U.S. Securities Act, and applicable U.S. state securities laws.
- (5) In connection with an Award to be granted to any Eligible Participant, it shall be the responsibility of such person and the Company to confirm that such person is a bona fide Eligible Participant for the purposes of participation under the Plan.

**Section 2.4 Shares Subject to the Plan.**

- (1) Subject to adjustment pursuant to Article 7 hereof, the securities that may be acquired by Participants under this Plan shall consist of authorized but unissued Shares.
- (2) The maximum number of Shares issuable at any time pursuant to outstanding Awards under this Plan, together with all other Share Compensation Arrangements of the Company, shall be equal to 10% of the Outstanding Issue, as measured as at the date of grant or issuance of the Award.
- (3) No Award that can be settled in Shares issued from treasury may be granted if such grant would have the effect of causing the total number of Shares subject to such Award to exceed the above-noted total numbers of Shares reserved for issuance pursuant to the settlement of Awards.
- (4) The Plan is an “evergreen” plan, as Shares of the Company covered by Awards which have been exercised or settled, as applicable, and Awards which expire or are forfeited, surrendered, cancelled or otherwise terminated or lapse for any reason without having been exercised, will be available for subsequent grant under the Plan and the number of Awards that may be granted under the Omnibus Plan increases if the total number of issued and outstanding Shares of the Company increases. Shares will not be deemed to have been issued pursuant to the Plan with respect to any portion of an Award that is settled in cash.

**Section 2.5 Limits with Respect to other Share Compensation Arrangements, Insiders, Individual Limits, and Annual Grant Limits.**

- (1) The maximum number of Shares issuable pursuant to this Plan and any other Share Compensation Arrangement shall not exceed the limits set out in Section 2.4(2).



- (2) The maximum number of Shares issuable to Eligible Participants who are Insiders (as a group), at any time, under this Plan and any other Share Compensation Arrangement, shall not exceed ten percent (10%) of the Outstanding Issue from time to time.
- (3) The maximum number of Shares issued to Eligible Participants who are Insiders (as a group), within any one year period, under this Plan and any other Share Compensation Arrangement, shall not exceed ten percent (10%) of the Outstanding Issue from time to time.
- (4) Subject to the policies of the applicable Stock Exchange, any Award granted pursuant to the Plan, or securities issued under any other Share Compensation Arrangement, prior to a Participant becoming an Insider, shall be excluded from the purposes of the limits set out in Section 2.5(2) and Section 2.5(3).
- (5) The TSXV Share Limits shall apply to the Shares issued or issuable under any Award granted under the Plan and any other Share Compensation Arrangement, subject to the Shares being listed for trading on the TSX Venture Exchange.

#### **Section 2.6 Granting of Awards.**

Any Award granted under the Plan shall be subject to the requirement that, if at any time the Company shall determine that the listing, registration or qualification of the Shares subject to such Award, if applicable, upon any stock exchange or under any law or regulation of any jurisdiction, or the consent or approval of any stock exchange or any governmental or regulatory body, is necessary as a condition of, or in connection with, the grant of such Awards or exercise of any Option or the issuance or purchase of Shares thereunder, if applicable, such Award may not be accepted or exercised in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions acceptable to the Board. Nothing herein shall be deemed to require the Company to apply for or to obtain such listing, registration, qualification, consent or approval.

#### **Section 2.7 TSX Venture Exchange Vesting Restrictions**

While the Shares are listed for trading on the TSX Venture Exchange:

- (a) no Award (other than Options), may vest before the date that is one year following the date the Award is granted or issued, provided that this requirement may be accelerated for a Participant who dies or who ceases to be an Eligible Participant under the provisions hereof in connection with a Change of Control, take-over bid, reverse take-over or other similar transaction; and
- (b) any Options granted to any Investor Relations Service Provider must vest in stages over a period of not less than 12 months, in accordance with the vesting restrictions set out in Section 4.4(c) of Policy 4.4 of the TSX Venture Exchange.

### **ARTICLE 3 OPTIONS**

#### **Section 3.1 Nature of Options.**

An Option is a right granted by the Company to a Participant entitling such Participant to acquire a designated number of Shares from treasury at the Option Price, but subject to the provisions hereof. For the avoidance of doubt, no Dividend Equivalents shall be granted in connection with an Option.

### **Section 3.2 Option Awards.**

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

### **Section 3.3 Option Price.**

The Option Price for Shares that are the subject of any Option shall be determined and approved by the Board when such Option is granted, but shall not be less than the Market Value of such Shares at the time of the grant, and in any event not less than the minimum exercise price imposed by the stock exchanges on which the Shares are listed from time to time.

### **Section 3.4 Option Term.**

- (1) The Board shall determine, at the time of granting the particular Option, the period during which the Option is exercisable, which shall not be more than ten years from the date the Option is granted (“**Option Term**”).
- (2) Should the expiration date for an Option fall within a Black-Out Period or within ten Business Days following the expiration of a Black-Out Period, such expiration date shall be automatically extended without any further act or formality to that date which is the tenth (10th) Business Day after the end of the Black-Out Period, such tenth (10th) Business Day to be considered the expiration date for such Option for all purposes under the Plan.

### **Section 3.5 Exercise of Options.**

Prior to its expiration or earlier termination in accordance with the Plan, each Option shall be exercisable at such time or times and/or pursuant to the achievement of such Performance Criteria and/or other vesting conditions as the Board at the time of granting the particular Option, may determine in its sole discretion. For greater certainty, any exercise of Options by a Participant shall be made in accordance with any insider trading policies implemented by the Company and as compliant with any provisions respecting Options in the income tax laws or other laws in force in any country or jurisdiction of which the Participant may from time to time be resident or citizen or the rules of any regulatory body having jurisdiction over the Company’s process of exercising such rights

### **Section 3.6 Method of Exercise and Payment of Purchase Price.**

- (1) Subject to the provisions of the Plan, an Option granted under the Plan shall be exercisable (from time to time as provided in Section 3.5 hereof) by the Participant (or by the liquidator, executor or administrator, as the case may be, of the estate of the Participant) by delivering a fully completed Exercise Notice to the Company at its registered office to the attention of the Chief Financial Officer of the Company (or the individual that the Chief Financial Officer of the Company may from time to time designate) or give notice in such other manner as the Company may from time to time designate, which notice shall specify the number of Shares in respect of which the Option is being exercised and shall be accompanied by full payment, by cash, certified cheque, bank draft or any other form of payment deemed acceptable by the Board of the purchase price for the number of Shares specified therein and, if required by Section 8.2, the amount necessary to satisfy any taxes.
- (2) Upon the exercise, the Company shall, as soon as practicable after such exercise but no later than ten Business Days following such exercise, forthwith cause the transfer agent and registrar of the Shares either to:

- (a) deliver to the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) a certificate in the name of the Participant representing in the aggregate such number of Shares as the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall have then paid for and as are specified in such Exercise Notice; or
  - (b) in the case of Shares issued in uncertificated form, cause the issuance of the aggregate number of Shares as the Participant (or the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall have then paid for and as are specified in such Exercise Notice to be evidenced by a book position on the register of the shareholders of the Company to be maintained by the transfer agent and registrar of the Shares.
- (3) Subject to the rules and policies of the Stock Exchange, the Board may, in its discretion and at any time, determine to grant a Participant the alternative, when entitled to exercise an Option, to deal with such Option on a “cashless exercise” basis, on such terms as the Board may determine in its discretion (the “**Cashless Exercise Right**”). Without limitation, the Board may determine in its discretion that such Cashless Exercise Right, if any, grants a Participant the right to terminate such Option in whole or in part by notice in writing to the Company and in lieu of receiving Shares pursuant to the exercise of the Option, receive, without payment of any cash other than pursuant to Section 8.2
- (a) that number of Shares, disregarding fractions, which when multiplied by the Market Value on the day immediately prior to the exercise of the Cashless Exercise Right, have a total value equal to the product of that number of Shares subject to the Option multiplied by the difference between the Market Value on the day immediately prior to the exercise of the Cashless Exercise Right and the Option Price; or
  - (b) a cash payment equal to the difference between the Market Value on the day immediately prior to the date of the exercise of the Cashless Exercise Right, and the Option Price, less applicable withholding taxes as determined and calculated by the Company, excluding fractions.
- (4) In the event the Company determines to accept the Participant’s request pursuant to a Cashless Exercise Right, the Company shall make an election pursuant to subsection 110(1.1) of the Tax Act.

### **Section 3.7 Option Agreements.**

Options shall be evidenced by an Option Agreement, in such form not inconsistent with the Plan as the Board may from time to time determine. The Option Agreement may contain any such terms that the Company considers necessary in order that the Option will comply with any provisions respecting options in the income tax or other laws in force in any country or jurisdiction of which the Participant may from time to time be resident or citizen or the rules of any regulatory body having jurisdiction over the Company.

### **Section 3.8 Incentive Stock Options.**

- (1) ISOs are available only for Participants who are employees of the Company, or a “parent corporation” or “subsidiary corporation” (as such terms are defined in Section 424(e) and (f) of the U.S. Tax Code), on the date the Option is granted. In addition, a Participant who holds an ISO must continue as an employee, except that upon termination of employment the Option will continue to be treated as an ISO for up to three months, after which the Option will no longer qualify as an ISO, except as provided in this Section 3.8(1). A Participant’s employment will be deemed to continue during period of sick leave, military leave or other bona fide leave of absence, provided

the leave of absence does not exceed three months, or the Participant's return to employment is guaranteed by statute or contract. If a termination of employment is due to permanent disability, an Option may continue its ISO status for up to one year, and if the termination is due to death, the ISO status may continue for the balance of the Option's term. Nothing in this Section 3.8(1) will be deemed to extend the original expiry date of an Option.

- (2) A Participant who owns, or is deemed to own, pursuant to Section 424(e) of the U.S. Tax Code, Shares possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company may not be granted an Option that is an ISO unless the Option Price is at least one hundred and ten percent (110%) of the Market Value of the Shares, as of the date of the grant, and the Option is not exercisable after the expiration of five (5) years from the date of grant.
- (3) To the extent the aggregate Market Value (determined as of the date of grant) of Shares with respect to which ISOs are exercisable for the first time by a Participant during any calendar year (under all plans of the Company and any affiliates) exceeds One Hundred Thousand United States Dollars (US\$100,000), the Options or portions thereof that exceed such limit (according to the order in which they were granted) shall be treated as Options other than ISOs, notwithstanding any contrary provision in the applicable Option Agreement.

## **ARTICLE 4 RESTRICTED SHARE UNITS**

### **Section 4.1 Nature of RSUs.**

A "Restricted Share Unit" (or "RSU") is an Award in the nature of a bonus for services rendered that, upon settlement, entitles the recipient Participant to acquire Shares as determined by the Board or to receive the Cash Equivalent or a combination thereof, as the case may be, pursuant and subject to such restrictions and conditions as the Board may determine at the time of grant, unless such RSU expires prior to being settled. Vesting conditions may, without limitation, be based on continuing employment (or other service relationship) and/or achievement of Performance Criteria. Unless otherwise determined by the Board in its discretion, the Award of an RSU is considered a bonus for services rendered in the calendar year in which the Award is made.

### **Section 4.2 RSU Awards.**

- (1) The Board shall, from time to time by resolution, in its sole discretion, (i) designate the Eligible Participants who may receive RSUs under the Plan, (ii) fix the number of RSUs, if any, to be granted to each Eligible Participant and the date or dates on which such RSUs shall be granted, (iii) determine the relevant conditions and vesting provisions (including the applicable Performance Period and Performance Criteria, if any) and the Restriction Period of such RSUs, (provided, however, that no such Restriction Period shall exceed the 3 years referenced in Section 4.3) and (iv) any other terms and conditions applicable to the granted RSUs, which need not be identical and which, without limitation, may include non-competition provisions, subject to the terms and conditions prescribed in this Plan and in any RSU Agreement.
- (2) Subject to the vesting and other conditions and provisions in this Plan and in the RSU Agreement, each vested RSU awarded to a Participant shall entitle the Participant to receive one Share, the Cash Equivalent or a combination thereof upon confirmation by the Board that the vesting conditions (including the Performance Criteria, if any) have been met and no later than the last day of the Restriction Period. For greater certainty, RSUs that are subject to Performance Criteria may not become fully vested by the last day of the Restricted Period.

### **Section 4.3      Restriction Period.**

The applicable restriction period in respect of a particular RSU shall be determined by the Board but in all cases shall end no later than the 31<sup>st</sup> of December of the calendar year which commences three years after the calendar year in which the performance of services occurred for which such RSU was granted (“**Restriction Period**”). All unvested RSUs shall be cancelled on the RSU Vesting Determination Date (as such term is defined in Section 4.4) and, in any event: (i) all unvested RSUs shall be cancelled no later than the last day of the Restriction Period.

### **Section 4.4      RSU Vesting Determination Date.**

The vesting determination date means the date on which the Board determines if the Performance Criteria and/or other vesting conditions with respect to an RSU have been met (the “**RSU Vesting Determination Date**”), and as a result, establishes the number of RSUs that become vested, if any. For greater certainty, the RSU Vesting Determination Date must fall after the end of the Performance Period, if any, but no later than; (i) the 15<sup>th</sup> of December of the calendar year which commences three years after the calendar year in which the performance of services occurred for which such RSU was granted. Notwithstanding the foregoing, for any U.S. Participant, the RSU Vesting Determination Date shall occur no later than March 15 of the calendar year following the end of the Performance Period.

### **Section 4.5      Settlement of RSUs.**

- (1) Except as otherwise provided in the RSU Agreement, all of the vested RSUs covered by a particular grant shall be settled as soon as practicable and in any event within ten Business Days following their RSU Vesting Determination Date and no later than the end of the Restriction Period (the “**RSU Settlement Date**”).
- (2) Settlement of RSUs shall take place promptly following the RSU Settlement Date and no later than the end of the Restriction Period, and shall take the form determined by the Board, in its sole discretion. Settlement of RSUs shall be subject to Section 8.2 and shall take place through:
  - (a) in the case of settlement of RSUs for their Cash Equivalent, delivery of a cheque to the Participant representing the Cash Equivalent;
  - (b) in the case of settlement of RSUs for Shares (which may include Shares purchased in the secondary market by a trustee or administrative agent appointed by the Board):
    - (i) delivery to the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) of a certificate in the name of the Participant representing in the aggregate such number of Shares as the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall be entitled to receive (unless the Participant intends to simultaneously dispose of any such Shares); or
    - (ii) in the case of Shares issued in uncertificated form (such as a direct registration advice), issuance of the aggregate number of Shares as the Participant (or the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall be entitled to receive to be evidenced by a book position on the register of the shareholders of the Company to be maintained by the transfer agent and registrar of the Shares; or
  - (c) in the case of settlement of the RSUs for a combination of Shares and the Cash Equivalent, a combination of (a) and (b) above.

- (3) Notwithstanding the foregoing, for any U.S. Participant, the RSU Settlement Date and delivery of Shares or Cash Equivalent, if any, shall each occur no later than March 15 of the calendar year following the end of the Performance Period.

**Section 4.6 Determination of Amounts.**

- (1) For purposes of determining the Cash Equivalent of RSUs to be made pursuant to Section 4.5, such calculation will be made on the RSU Settlement Date based on the Market Value on the RSU Settlement Date multiplied by the number of vested RSUs in the Participant's Account to settle in cash.
- (2) For the purposes of determining the number of Shares to be issued or delivered to a Participant upon settlement of RSUs pursuant to Section 4.5, such calculation will be made on the RSU Settlement Date based on the whole number of Shares equal to the whole number of vested RSUs then recorded in the Participant's Account to settle in Shares.

**Section 4.7 RSU Agreements.**

RSUs shall be evidenced by an RSU Agreement in such form not inconsistent with the Plan as the Board may from time to time determine. The RSU Agreement may contain any such terms that the Company considers necessary in order that the RSU will comply with any provisions respecting restricted share units in the income tax or other laws in force in any country or jurisdiction of which the Participant may from time to time be resident or citizen or the rules of any regulatory body having jurisdiction over the Company.

**Section 4.8 Award of Dividend Equivalents.**

Dividend Equivalents may, as determined by the Board in its sole discretion, be awarded in respect of unvested RSUs in a Participant's Account on the same basis as cash dividends declared and paid on Shares as if the Participant was a shareholder of record of Shares on the relevant record date.

In the event that the Participant's applicable RSUs do not vest, all Dividend Equivalents, if any, associated with such RSUs will be forfeited by the Participant and returned to the Company's account.

**ARTICLE 5  
DEFERRED SHARE UNITS**

**Section 5.1 Nature of DSUs.**

A Deferred Share Unit is an Award attributable to a Participant's duties as a director or executive officer of the Company or a Subsidiary and that, upon settlement, entitles the recipient Participant to receive such number of Shares (which may include Shares purchased in the secondary market by a trustee or administrative agent appointed by the Board) as determined by the Board, or to receive the Cash Equivalent or a combination thereof, as the case may be, and is payable after Termination of Service of the Participant.

**Section 5.2 DSU Awards.**

The Board shall, from time to time by resolution, in its sole discretion, (i) designate the Eligible Participants who may receive DSU Awards under the Plan, and (ii) fix the number of DSU Awards to be granted to each Eligible Participant and the date or dates on which such DSU Awards shall be granted, subject to the terms and conditions prescribed in this Plan and in any DSU Agreement. Each DSU awarded shall entitle the Participant to one Share, or the Cash Equivalent, or a combination thereof.

### **Section 5.3 Payment of Annual Base Compensation.**

- (1) Each Participant may elect to receive in DSUs any portion or all of their Annual Base Compensation by completing and delivering a written election to the Company on or before the 15<sup>th</sup> day of November of the calendar year ending immediately before the calendar year with respect to which the election is made. Such election will be effective with respect to compensation payable for fiscal quarters beginning during the calendar year following the date of such election. Elections hereunder shall be irrevocable with respect to compensation earned during the period to which such election relates.
- (2) Further, where an individual becomes a Participant for the first time during a fiscal year and, for individuals that are U.S. Participants, such individual has not previously participated in a plan that is required to be aggregated with this Plan for purposes of Section 409A of the U.S. Tax Code, such individual may elect to defer Annual Base Compensation with respect to fiscal quarters of the Company commencing after the Company receives such individual's written election, which election must be received by the Company no later than thirty days after the later of the Plan's adoption or such individual's appointment as a Participant. For greater certainty, new Participants will not be entitled to receive DSUs for any Annual Base Compensation earned pursuant to an election for the quarter in which they submit their first election to the Company or any previous quarter.
- (3) All DSUs granted with respect to Annual Base Compensation will be credited to the Participant's Account when such Annual Base Compensation is payable (the "**Grant Date**").
- (4) The Participant's Account will be credited with the number of DSUs calculated to the nearest thousandths of a DSU, determined by dividing the dollar amount of compensation payable in DSUs on the Grant Date by the Market Value of the Shares. Fractional Deferred Share Units will not be issued and any fractional entitlements will be rounded down to the nearest whole number.

### **Section 5.4 Additional Deferred Share Units.**

In addition to DSUs granted pursuant to Section 5.3, the Board may award such number of DSUs to a Participant as the Board deems advisable to provide the Participant with appropriate equity-based compensation for the services they render to the Company. The Board shall determine the date on which such DSUs may be granted and the date as of which such DSUs shall be credited to a Participant's Account. An award of DSUs pursuant to this Section 5.4 shall be subject to a DSU Agreement evidencing the Award and the terms applicable thereto.

### **Section 5.5 Settlement of DSUs.**

- (1) A Participant may receive their Shares, or Cash Equivalent, or a combination thereof, to which such Participant is entitled upon Termination of Service, by filing a redemption notice on or before the 15<sup>th</sup> day of December of the first calendar year commencing after the date of the Participant's Termination of Service. Notwithstanding the foregoing, if any Participant does not file such notice on or before that 15<sup>th</sup> day of December, the Participant will be deemed to have filed the redemption notice on the 15<sup>th</sup> day of December (the date of the filing or deemed filing of the redemption notice, the "**Filing Date**"). In all cases for each U.S. Participant, the U.S. Participant will be deemed to have filed the redemption notice on the date of their Termination of Service.
- (2) The Company will make payment of the DSU Settlement Amount as soon as reasonably possible following the Filing Date and in any event no later than the end of the first calendar year commencing after the Participant's Termination of Service. In all cases for each U.S. Participant, the Company will make payment of the DSU Settlement Amount as soon as reasonably possible

following the Filing Date and in any event no later than the 1<sup>st</sup> day of March of the calendar year following Termination of Service.

- (3) In the event of the death of a Participant, the Company will, subject to Section 8.2, make payment of the DSU Settlement Amount within two months of the Participant's death to or for the benefit of the legal representative of the deceased Participant. For the purposes of the calculation of the Settlement Amount, the Filing Date shall be the date of the Participant's death.
- (4) Subject to the terms of the DSU Award Agreement, including the satisfaction or, at the discretion of the Board, waiver of any vesting conditions, settlement of DSUs shall take place promptly following the Filing Date, and take the form as determined by the Board, in its sole discretion. Settlement of DSUs shall be subject to Section 8.2 and shall take place through:
  - (a) in the case of settlement of DSUs for their Cash Equivalent, delivery of a cheque to the Participant representing the Cash Equivalent;
  - (b) in the case of settlement of DSUs for Shares:
    - (i) delivery to the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) of a certificate in the name of the Participant representing in the aggregate such number of Shares as the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall be entitled to receive (unless the Participant intends to simultaneously dispose of any such Shares); or
    - (ii) in the case of Shares issued in uncertificated form, issuance of the aggregate number of Shares as the Participant (or the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall be entitled to receive to be evidenced by a book position on the register of the shareholders of the Company to be maintained by the transfer agent and registrar of the Shares; or
  - (c) in the case of settlement of the DSUs for a combination of Shares and the Cash Equivalent, a combination of (a) and (b) above.

#### **Section 5.6 Determination of DSU Settlement Amount.**

- (1) For purposes of determining the Cash Equivalent of DSUs to be made pursuant to Section 5.5 such calculation will be made on the Filing Date based on the Market Value on the Filing Date multiplied by the number of vested DSUs in the Participant's Account to settle in cash.
- (2) For the purposes of determining the number of Shares to be issued or delivered to a Participant upon settlement of DSUs pursuant to Section 5.5, such calculation will be made on the Filing Date based on the whole number of Shares equal to the whole number of vested DSUs then recorded in the Participant's Account to settle in Shares.

#### **Section 5.7 DSU Agreements.**

DSUs shall be evidenced by a DSU Agreement in such form not inconsistent with the Plan as the Board may from time to time determine. The DSU Agreement may contain any such terms that the Company considers necessary in order that the DSU will comply with any provisions respecting deferred share units in the income tax or other laws in force in any country or jurisdiction of which the Participant may from time to time be resident or citizen or the rules of any regulatory body having jurisdiction over the Company.



**Section 5.8 Award of Dividend Equivalents.**

Dividend Equivalents may, as determined by the Board in its sole discretion, be awarded in respect of DSUs in a Participant's Account on the same basis as cash dividends declared and paid on Shares as if the Participant was a shareholder of record of Shares on the relevant record date.

**ARTICLE 6  
GENERAL CONDITIONS**

**Section 6.1 General Conditions Applicable to Awards.**

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

- (1) **Vesting Period.** Each Award granted hereunder shall vest in accordance with the terms of the Grant Agreement entered into in respect of such Award. The Board has the right to accelerate the date upon which any Award becomes exercisable notwithstanding the vesting schedule set forth for such Award, regardless of any adverse or potentially adverse tax consequence resulting from such acceleration.
- (2) **Employment.** Notwithstanding any express or implied term of this Plan to the contrary, the granting of an Award pursuant to the Plan shall in no way be construed as a guarantee by the Company or a Subsidiary to the Participant of employment or another service relationship with the Company or a Subsidiary. The granting of an Award to a Participant shall not impose upon the Company or a Subsidiary any obligation to retain the Participant in its employ or service in any capacity. Nothing contained in this Plan or in any Award granted under this Plan shall interfere in any way with the rights of the Company or any of its Affiliates in connection with the employment, retention or termination of any such Participant. The loss of existing or potential profit in Shares underlying Awards granted under this Plan shall not constitute an element of damages in the event of termination of a Participant's employment or service in any office or otherwise.
- (3) **Grant of Awards.** Eligibility to participate in this Plan does not confer upon any Eligible Participant any right to be granted Awards pursuant to this Plan. Granting Awards to any Eligible Participant does not confer upon any Eligible Participant the right to receive nor preclude such Eligible Participant from receiving any additional Awards at any time. The extent to which any Eligible Participant is entitled to be granted Awards pursuant to this Plan will be determined in the sole discretion of the Board. Participation in the Plan shall be entirely voluntary and any decision not to participate shall not affect an Eligible Participant's relationship or employment with the Company or any Subsidiary.
- (4) **Rights as a Shareholder.** Neither the Participant nor such Participant's personal representatives or legatees shall have any rights whatsoever as shareholder in respect of any Shares covered by such Participant's Awards by reason of the grant of such Award until such Award has been duly exercised, as applicable, and settled and Shares have been issued in respect thereof. Subject to Section 4.8 and Section 5.8, no adjustment shall be made for dividends or other rights for which the record date is prior to the date such Shares have been issued.
- (5) **Conformity to Plan.** In the event that an Award is granted or a Grant Agreement is executed which does not conform in all particulars with the provisions of the Plan, or purports to grant Awards on terms different from those set out in the Plan, the Award or the grant of such Award shall not be in any way void or invalidated, but the Award so granted will be adjusted to become, in all respects, in conformity with the Plan.
- (6) **Non-Transferrable Awards.** Except as specifically provided in a Grant Agreement approved by the Board, each Award granted under the Plan is personal to the Participant and shall not be

assignable or transferable by the Participant, whether voluntarily or by operation of law, except by will or by the laws of succession of the domicile of the deceased Participant. No Award granted hereunder shall be pledged, hypothecated, charged, transferred, assigned or otherwise encumbered or disposed of on pain of nullity.

## **Section 6.2 General Conditions Applicable to Options.**

Each Option shall be subject to the following conditions:

- (1) **Termination for Cause.** Upon a Participant ceasing to be an Eligible Participant for Cause, any vested or unvested Option granted to such Participant shall terminate automatically and become void immediately. For the purposes of the Plan, the determination by the Company that the Participant was discharged for Cause shall be binding on the Participant. “Cause” shall include, among other things, gross misconduct, theft, fraud, breach of confidentiality or breach of the Company’s codes of conduct and any other reason determined by the Company to be cause for termination.
- (2) **Termination not for Cause.** Upon a Participant ceasing to be an Eligible Participant as a result of his or her employment or service relationship with the Company or a Subsidiary being terminated without Cause, (i) any unvested Option granted to such Participant shall terminate and become void immediately and (ii) any vested Option granted to such Participant may be exercised by such Participant. Unless otherwise determined by the Board, in its sole discretion, such Option shall only be exercisable within the earlier of 90 days after the Termination Date, or the expiry date of the Option set forth in the Grant Agreement, after which the Option will expire.
- (3) **Resignation.** Upon a Participant ceasing to be an Eligible Participant as a result of his or her resignation from the Company or a Subsidiary, (i) each unvested Option granted to such Participant shall terminate and become void immediately upon resignation and (ii) unless otherwise determined by the Board, in its sole discretion, each vested Option granted to such Participant will cease to be exercisable on the earlier of the 30 days following the Termination Date and the expiry date of the Option set forth in the Grant Agreement, after which the Option will expire.
- (4) **Permanent Disability/Retirement.** Upon a Participant ceasing to be an Eligible Participant by reason of retirement (in accordance with any retirement policy implemented by the Company from time to time) or permanent disability, (i) any unvested Option shall terminate and become void immediately, and (ii) any vested Option will cease to be exercisable on the earlier of the 90 days from the date of retirement or the date on which the Participant ceases his or her employment or service relationship with the Company or any Subsidiary by reason of permanent disability, and the expiry date of the Option set forth in the Grant Agreement, after which the Option will expire.
- (5) **Death.** Upon a Participant ceasing to be an Eligible Participant by reason of death, any vested Option granted to such Participant may be exercised by the liquidator, executor or administrator, as the case may be, of the estate of the Participant for that number of Shares only which such Participant was entitled to acquire under the respective Options (the “Vested Awards”) on the date of such Participant’s death. Such Vested Awards shall only be exercisable within 12 months after

the Participant's death or prior to the expiration of the original term of the Options whichever occurs earlier.

### **Section 6.3 General Conditions Applicable to RSUs.**

Each RSU shall be subject to the following conditions:

- (1) **Termination for Cause and Resignation.** Upon a Participant ceasing to be an Eligible Participant for Cause or as a result of his or her resignation from the Company or a Subsidiary, the Participant's participation in the Plan shall be terminated immediately, all RSUs credited to such Participant's Account that have not vested shall be forfeited and cancelled, and the Participant's rights to Shares or Cash Equivalent or a combination thereof that relate to such Participant's unvested RSUs shall be forfeited and cancelled on the Termination Date. The Participant shall not receive any payment in lieu of cancelled RSUs that have not vested.
- (2) **Death or Termination.** Except as otherwise determined by the Board from time to time, at its sole discretion, upon a Participant ceasing to be an Eligible Participant as a result of (i) death, (ii) retirement, (iii) Termination for reasons other than for Cause, (iv) his or her employment or service relationship with the Company or a Subsidiary being terminated by reason of injury or disability or (v) becoming eligible to receive long-term disability benefits, all unvested RSUs in the Participant's Account as of such date relating to a Restriction Period in progress shall be terminated, and the Participant shall not receive any payment in lieu of cancelled RSUs.
- (3) **General.** For greater certainty, where a Participant's employment or service relationship with the Company or a Subsidiary is terminated pursuant to Section 6.3(1) or Section 6.3(2) hereof following the satisfaction of all vesting conditions in respect of particular RSUs but before receipt of the corresponding distribution or payment in respect of such RSUs, the Participant shall remain entitled to such distribution or payment.

## **ARTICLE 7 ADJUSTMENTS AND AMENDMENTS**

### **Section 7.1 Adjustment to Shares.**

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

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

**Section 7.2 Change of Control.**

- (1) In the event of a potential Change of Control, the Board shall have the power, in its sole discretion, subject to Section 7.3, to modify the terms of this Plan and/or the Awards to assist the Participants to tender into a take-over bid or to participate in any other transaction leading to a Change of Control.
- (2) If the Company completes a transaction constituting a Change of Control and within 12 months following the Change of Control (i) a Participant who was also an officer or employee of, or Consultant to, the Company prior to the Change of Control has their position, employment or Consulting Agreement terminated, or the Participant is constructively dismissed, or (ii) a director ceases to act in such capacity, then all unvested RSUs shall immediately vest and shall be paid out, and all unvested Options shall vest and become exercisable. Any Options that become exercisable pursuant to this Section 7.2(2) shall remain open for exercise until the earlier of their expiry date as set out in the Award Agreement and the date that is 90 days after such termination or dismissal.
- (3) Notwithstanding any other provision of this Plan, this Section 7.2 shall not apply with respect to any DSUs held by a Participant where such DSUs are governed under paragraph 6801(d) of the regulations under the Tax Act or any successor to such provision.
- (4) Notwithstanding any other provision of this Plan, for all U.S. Participants, “Change of Control” as defined herein shall be as “Change in Control” is defined in 409A of the U.S. Tax Code.

**Section 7.3 Amendment or Discontinuance of the Plan.**

- (1) The Board may suspend or terminate the Plan at any time. Notwithstanding the foregoing, any suspension or termination of the Plan shall be such that the Plan continuously meets the requirements of paragraph 6801(d) of the regulations under the Tax Act or any successor to such provision.
- (2) The Board may from time to time, in its absolute discretion and without approval of the shareholders of the Company amend any provision of this Plan or any Award, subject to any regulatory or stock exchange requirement at the time of such amendment, including, without limitation:
  - (i) any amendment to the general vesting provisions, if applicable, of the Plan or of the Awards;
  - (ii) any amendment regarding the effect of termination of a Participant’s employment or engagement;
  - (iii) any amendment which accelerates the date on which any Option may be exercised under the Plan;
  - (iv) any amendment necessary to comply with applicable law or the requirements of the Stock Exchange or any other regulatory body;
  - (v) any amendment of a “housekeeping” nature, including to clarify the meaning of an existing provision of the Plan, correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan, correct any grammatical or typographical errors or amend the definitions in the Plan;
  - (vi) any amendment regarding the administration of the Plan;

- (vii) any amendment to add provisions permitting the grant of Awards settled otherwise than with Shares issued from treasury, a form of financial assistance or clawback, and any amendment to a provision permitting the grant of Awards settled otherwise than with Shares issued from treasury, a form of financial assistance or clawback which is adopted; and
  - (viii) any other amendment that does not require the approval of the shareholders of the Company under Section 7.3(3)(b).
- (3) Notwithstanding Section 7.3(2):
- (a) no such amendment shall alter or impair the rights of any Participant, without the consent of such Participant except as permitted by the provisions of the Plan;
  - (b) the Board shall be required to obtain shareholder approval to make the following amendments:
    - (i) any increase to the maximum number of Shares issuable under the Plan (either as a fixed number or fixed percentage of the Outstanding Issue), except in the event of an adjustment pursuant to Article 7;
    - (ii) except in the case of an adjustment pursuant to Article 7, any amendment which reduces the exercise price of an Option or any cancellation of an Option and replacement of such Option with an Option with a lower exercise price;
    - (iii) any amendment to the definition of an Eligible Participant under the Plan; and
    - (iv) any amendment to the amendment provisions of the Plan.
  - (c) the Board shall be required to obtain disinterested shareholder approval to make the following amendments:
    - (i) any amendment that extends the term of Options beyond the original expiry date that benefits an Insider of the Company;
    - (ii) any amendment which extends the expiry date of any Award, or the Restriction Period, or the Performance Period of any RSU beyond the original expiry date or Restriction Period or Performance Period, that benefits an Insider of the Company; and
    - (iii) any amendment which increases the maximum number of Shares that may be (i) issuable to Insiders at any time; or (ii) issued to Insiders under the Plan and any other proposed or established Share Compensation Arrangement in a one-year period, except in case of an adjustment pursuant to Article 7.
- (4) Subject to the Shares being listed on the TSX Venture Exchange, any shareholder approval required under Section 7.3(3)(b) shall be disinterested shareholder approval (within the meaning of the policies of the TSX Venture Exchange).
- (5) Notwithstanding the foregoing, any amendment of the Plan shall be such that the Plan continuously meets the requirements of paragraph 6801(d) of the regulations under the Tax Act or any successor to such provision.

#### **Section 7.4 TSX Venture Exchange Approval of Adjustments**

While the Shares are listed for trading on the TSX Venture Exchange, any adjustment, other than in connection with a subdivision of the Shares into a greater number of Shares pursuant to Section 7.1(a) or a

consolidation of Shares into a lesser number of Shares pursuant to Section 7.1(b), to any Award pursuant to the provisions hereof is subject to the prior acceptance of the TSX Venture Exchange, including adjustments related to an amalgamation, merger, arrangement, reorganization, spin-off, dividend or recapitalization.

## **ARTICLE 8 MISCELLANEOUS**

### **Section 8.1 Use of an Administrative Agent and Trustee.**

The Board may in its sole discretion appoint from time to time one or more entities to act as administrative agent or trustee to administer the Awards granted under the Plan, including for the purposes of making secondary market purchases of Shares for delivery on settlement of an Award, if applicable, and to act as trustee to hold and administer the assets that may be held in respect of Awards granted under the Plan, the whole in accordance with the terms and conditions determined by the Board in its sole discretion. The Company and the administrative agent will maintain records showing the number of Awards granted to each Participant under the Plan.

### **Section 8.2 Tax Withholding.**

- (1) Notwithstanding any other provision of this Plan, all distributions, delivery of Shares or payments to a Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) under the Plan shall be made net of such withholdings, including in respect of applicable taxes and source deductions, as the Company determines. If the event giving rise to the withholding obligation involves an issuance or delivery of Shares, then, the withholding may be satisfied in such manner as the Company determines, including by (a) having the Participant elect to have the appropriate number of such Shares sold by the Company, the Company's transfer agent and registrar or any trustee appointed by the Company pursuant to Section 8.1 hereof, on behalf of and as agent for the Participant as soon as permissible and practicable, with the proceeds of such sale being delivered to the Company, which will in turn remit such amounts to the appropriate governmental authorities, or (b) any other mechanism as may be required or determined by the Company as appropriate.
- (2) Notwithstanding Section 8.2(1), the applicable tax withholdings may be waived where a Participant directs in writing that a payment be made directly to the Participant's registered retirement savings plan in circumstances to which subsection 100(3) of the regulations made under the Tax Act apply.

### **Section 8.3 US Tax Compliance.**

- (1) DSU Awards granted to U.S. Participants are intended to comply with, and Option and RSU Awards granted to U.S. Participants are intended to be exempt from, all aspects of Section 409A of the U.S. Tax Code and related regulations ("**Section 409A**"). Notwithstanding any provision to the contrary, all taxes associated with participation in the Plan, including any liability imposed by Section 409A, shall be borne by the U.S. Participant.
- (2) For purposes of interpreting and applying the provisions of any DSU or other Award to subject to Section 409A, the term "termination of employment" or similar phrase will be interpreted to mean a "separation from service," as defined under Section 409A, provided, however, that with respect to an Award subject to the Tax Act, if the Tax Act requires a complete termination of the employment relationship to receive the intended tax treatment, then "termination of employment" will be interpreted to only include a complete termination of the employment relationship.
- (3) If payment under any DSU or other Award subject to Section 409A is in connection with the U.S. Participant's separation from service, and at the time of the separation from service the Participant is subject to the U.S. Tax Code and is considered a "specified employee" (within the meaning of Section 409A), then any payment that would otherwise be payable during the six-month period following the separation from service will be delayed until after the expiration of the six-month period, to the extent

necessary to avoid taxes and penalties under Section 409A, provided that any amounts that would have been paid during the six-month period may be paid in a single lump sum on the first day of the seventh month following the separation from service.

#### **Section 8.4 Clawback.**

Notwithstanding any other provisions in this Plan, any Award which is subject to recovery under any law, government regulation or stock exchange listing requirement, will be subject to such deductions and clawback as may be required to be made pursuant to such law, government regulation or stock exchange listing requirement (or any policy adopted by the Company pursuant to any such law, government regulation or stock exchange listing requirement). Without limiting the generality of the foregoing, the Board may provide in any case that outstanding Awards (whether or not vested or exercisable) and the proceeds from the exercise or disposition of Awards or Shares acquired under Awards will be subject to forfeiture and disgorgement to the Company, with interest and other related earnings, if the Participant to whom the Award was granted violates (i) a non-competition, non-solicitation, confidentiality or other restrictive covenant by which he or she is bound, or (ii) any policy adopted by the Company applicable to the Participant that provides for forfeiture or disgorgement with respect to incentive compensation that includes Awards under the Plan. In addition, the Board may require forfeiture and disgorgement to the Company of outstanding Awards and the proceeds from the exercise or disposition of Awards or Shares acquired under Awards, with interest and other related earnings, to the extent required by law or applicable stock exchange listing standards, including and any related policy adopted by the Company. Each Participant, by accepting or being deemed to have accepted an Award under the Plan, agrees to cooperate fully with the Board, and to cause any and all permitted transferees of the Participant to cooperate fully with the Board, to effectuate any forfeiture or disgorgement required hereunder. Neither the Board nor the Company nor any other person, other than the Participant and his or her permitted transferees, if any, will be responsible for any adverse tax or other consequences to a Participant or his or her permitted transferees, if any, that may arise in connection with this Section 8.4.

#### **Section 8.5 Securities Law Compliance.**

- (1) The Plan (including any amendments to it), the terms of the grant of any Award under the Plan, the grant of any Award and exercise of any Option, and the Company's obligation to sell and deliver Shares in respect of any Awards, shall be subject to all applicable federal, provincial, state and foreign laws, rules and regulations, the rules and regulations of applicable Stock Exchanges and to such approvals by any regulatory or governmental agency as may, as determined by the Company, be required. The Company shall not be obliged by any provision of the Plan or the grant of any Award hereunder to issue, sell or deliver Shares in violation of such laws, rules and regulations or any condition of such approvals.
- (2) No Awards shall be granted in the United States and no Shares shall be issued in the United States pursuant to any such Awards unless such Shares are registered under the U.S. Securities Act and any applicable state securities laws or an exemption from such registration is available. Any Awards granted in the United States, and any Shares issued pursuant thereto, will be "restricted securities" (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act). Any certificate or instrument representing Awards granted in the United States or Shares issued in the United States pursuant to such Awards pursuant to an exemption from registration under the U.S. Securities Act and applicable state securities laws shall bear substantially the following legend restricting transfer under applicable United States federal and state securities laws:  
THE SECURITIES REPRESENTED HEREBY [and for Awards, the following will be added: AND THE SECURITIES ISSUABLE PURSUANT HERETO] HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A) TO THE COMPANY, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATIONS UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) PURSUANT TO THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY (1) RULE 144 THEREUNDER, IF AVAILABLE, OR (2) RULE 144A THEREUNDER, IF AVAILABLE, AND IN EACH CASE IN COMPLIANCE WITH APPLICABLE STATE SECURITIES

LAW OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, AND, IN CONNECTION WITH ANY TRANSFERS PURSUANT TO (C)(1) OR (D) ABOVE, THE SELLER HAS FURNISHED TO THE COMPANY AN OPINION OF COUNSEL OF RECOGNIZED STANDING OR OTHER EVIDENCE, IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE COMPANY, TO THAT EFFECT. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.

- (3) No Awards shall be granted, and no Shares shall be issued, sold or delivered hereunder, where such grant, issue, sale or delivery would require registration of the Plan or of the Shares under the securities laws of any jurisdiction or the filing of any prospectus for the qualification of same thereunder, and any purported grant of any Award or purported issue or sale of Shares hereunder in violation of this provision shall be void.
- (4) The Company shall have no obligation to issue any Shares pursuant to this Plan unless upon official notice of issuance such Shares shall have been duly listed with a Stock Exchange. Shares issued, sold or delivered to Participants under the Plan may be subject to limitations on sale or resale under applicable securities laws.
- (5) If Shares cannot be issued to a Participant upon the exercise of an Option due to legal or regulatory restrictions, the obligation of the Company to issue such Shares shall terminate and any funds paid to the Company in connection with the exercise of such Option will be returned to the applicable Participant as soon as practicable.

**Section 8.6 Reorganization of the Company.**

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

**Section 8.7 Quotation of Shares.**

So long as the Shares are listed on one or more Stock Exchanges, the Company must apply to such Stock Exchange or Stock Exchanges for the listing or quotation, as applicable, of the Shares underlying the Awards granted under the Plan, however, the Company cannot guarantee that such Shares will be listed or quoted on any Stock Exchange.



**Section 8.8 No Fractional Shares.**

No fractional Shares shall be issued upon the exercise or vesting of any Award granted under the Plan and, accordingly, if a Participant would become entitled to a fractional Share upon the exercise or settlement of such Award, or from an adjustment permitted by the terms of this Plan, such Participant shall only have the right to purchase or receive, as the case may be, the next lowest whole number of Shares, and no payment or other adjustment will be made with respect to the fractional interest so disregarded.

**Section 8.9 Governing Laws.**

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

**Section 8.10 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.

**Section 8.11 Effective Date of the Plan**

The Plan was adopted by the Board on May 17, 2022 and approved by the shareholders of the Company on June 28, 2022, and shall take effect on June 28, 2022.

**SCHEDULE C**  
**AUDIT COMMITTEE MANDATE**

**I. PURPOSE OF THE AUDIT COMMITTEE**

- A. The purpose of the Audit Committee is to fulfill the applicable public company's audit committee's legal and regulatory obligations and to provide assistance to the Board to enable it to fulfill its oversight responsibilities in relation to the financial reporting process, the system of internal controls, the audit process and management of the Corporation's risks as they relate to financial reporting.

**II. STRUCTURE OF THE COMMITTEE**

**A. Composition**

The Audit Committee shall be a standing committee of the Board of Pond and shall be composed of no less than three directors, a majority of who shall be independent and all of whom shall be financially literate, as such terms are defined in applicable securities regulations. In addition, the Chair of the Board may be a non-voting, ex officio member of the Audit Committee.

**B. Quorum**

Quorum for any meeting of the Audit Committee shall be a majority of voting Members present in person, by teleconference or any combination thereof.

**C. Appointment of Members**

Members of the Audit Committee shall be appointed by the Board annually on the recommendation of the Governance Committee and shall hold office at the pleasure of the Board. Where practical, no more than two members of the Audit Committee will rotate in any given year.

**D. Role and Responsibilities of Committee**

The roles and responsibilities of the Audit Committee shall be clearly defined to ensure that Members of the Committee understand their duties and responsibilities.

**E. Chair of the Audit Committee**

At the first meeting of the Audit Committee following its formation each year, or at such other times as may be required, the Members of the Audit Committee shall appoint from amongst themselves a Chair of the Audit Committee. The Committee shall report such appointment back to the Board at its next meeting for its confirmation. The duties of the Chair are set out in Section IV hereof.

In the absence of the Chair at any Audit Committee meeting, those Members present shall appoint a voting Member of the Audit Committee to be the Chair for the purposes of the conduct of that meeting.

**F. Qualification of Members**

Members of the Audit Committee shall, during their tenure on such committee, meet applicable requirements and guidelines for audit committee service, including those relating to being independent and unrelated to the Corporation and financially literate. Determination as to whether a particular Director satisfies the requirements for membership on the Audit Committee shall be made by the full Board.

**G. Vacancy**

A vacancy occurring in the membership of the Audit Committee may be filled by the Board at its discretion, provided that the Board shall fill any vacancy to ensure that there is a minimum of three members on the Audit Committee at all times.

**H. Compensation for Committee Members**

No Audit Committee Member shall receive any non-expense compensation from the Corporation other than what that Member is entitled to as a member of the Board or as an Audit Committee Member.

**I. Number and Timing of Meetings**

The Audit Committee shall meet at least four times a year, which meetings shall be scheduled to permit timely review of quarterly and annual financial statements and related documents.

Additional meetings may be held at the discretion of the Chair of the Audit Committee or at the request of a Member of the Audit Committee, the external auditors or Senior Management.

**J. Secretary**

A secretary of the Audit Committee shall be designated by the Audit Committee, and that person shall act as recording secretary for the Audit Committee and produce minutes of all meetings of the Committee in a timely manner. The secretary may, but need not be, a member of the Audit Committee.

**K. Meetings with Senior Management and the External Auditors**

The Audit Committee shall meet separately with Senior Management and the external auditors at least once per financial quarter and shall meet at such other times as the Audit Committee deems appropriate.

**L. Notice and Place of Meetings**

Notice of any meeting of the Audit Committee may be given orally, by facsimile, electronically, including by email, or in writing to each Audit Committee Member at least 48 hours in advance of such meeting, provided that any Member may waive such notice. Attendance by a Member of the Audit Committee at any meeting shall be deemed a waiver of notice of such meeting unless his or her attendance is made for the purpose of objecting to the manner in which the meeting was called.

A Member of the Audit Committee who attends a meeting for the purpose of objecting to whether the meeting was lawfully called shall not be considered to have waived the required notice.

**M. Invitees**

By invitation of the Chair of the Audit Committee, individuals who are not members of the Audit Committee may attend meetings, or portions thereof, from time to time, and may participate in discussions related to issues before the Audit Committee. However, only voting Members of the Audit Committee are entitled to vote at any such meeting.

**N. Minutes and Procedures of Meetings**

Subject to statutory requirements and the By-laws of the Corporation, the Audit Committee may set its own procedures at meetings, keep records of its proceedings and report to the Board when the Audit Committee considers it appropriate, but in any event, not later than at the next following Board Meeting. Minutes of an Audit Committee meeting shall be tabled at the next Board Meeting following the approval of such minutes by the Committee.

**O. Delegation of Responsibilities**

The Audit Committee may delegate to any person or subcommittee of the Audit Committee any of the Audit Committee's responsibilities that may be lawfully delegated.

**P. External Auditors**

The external auditors of the Corporation are ultimately accountable to the Board and shall report directly to the Audit Committee, in each case as representatives of the shareholders.

**Q. Mandate**

The Audit Committee shall review and reassess the adequacy of the Audit Committee Mandate on an annual basis to ensure that it accurately specifies the scope of the Committee's responsibilities and adequately sets out how the Committee is to carry out these responsibilities.

**III. DUTIES OF THE COMMITTEE**

The duties of the Audit Committee include, inter alia,

**A. Compliance**

- i. ensuring the Corporation's compliance with legal and regulatory requirements with respect to financial reporting and disclosure;
- ii. ensuring that Senior Management has implemented appropriate systems to identify and monitor Senior Management's and the Board's response to such issues as:
  - a. business risks;
  - b. legal, ethical and regulatory compliance; and
  - c. internal systems of control and the effectiveness of such internal controls to ensure compliance with policies and procedures relating to both financial transactions and financial reporting;

**B. Meetings**

- i. ensuring that accurate Minutes of all meetings of the Audit Committee are taken and approved at the next following meeting of the Committee and subsequently submitted to the Board at its next meeting for acceptance;

**C. Internal Controls**

- i. maintaining the integrity and quality of the Corporation's financial reporting and systems of internal control by overseeing Senior Management's system of internal control and reporting process in respect of such controls;

**D. External Auditors**

- i. reviewing and ensuring the qualifications and independence of the Corporation's external auditors;
- ii. making recommendations to the Board in respect of the appointment or re-appointment of external auditors for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation;
- iii. overseeing and evaluating the performance of the external auditors;
- iv. reviewing the annual audit plan prepared by the external auditors and Senior Management, as well as the proposed audit fees;
- v. reviewing the external audit process and determining whether it has been effectively carried out and whether any matters that the external auditors wish to bring to the attention of the Board have been afforded adequate attention;
- vi. making recommendations to the Board regarding remuneration for external auditors;

- vii. pre-approving all auditing services and permitted non-audit services to be performed for the Corporation by the external auditors;
- viii. meeting separately with the Corporation's internal auditor (if applicable), external auditors and Senior Management at least quarterly to assess issues and make determinations on whether issues need to be taken to the Board for review and assessment;
- ix. evaluating the independence of the external auditors in accordance with applicable professional requirements, and determining whether disclosed relationships or services may impact the objectivity and independence of the external auditors and ensuring that such independence has been documented in written correspondence to the Audit Committee;
- x. having responsibility for overseeing the work of the external auditors, including the resolution of disagreements regarding financial reporting between Senior Management and the external auditors; and
- xi. evaluating the external audit process and determining whether the external audit has been completed in accordance with applicable law;

**E. Financial Reporting**

- i. reviewing interim and annual financial statements of the Corporation;
- ii. reviewing changes in significant accounting policies and evaluating the impact of such changes on the current and future financial statements of the Corporation;
- iii. preparing, if required, an Audit Committee report for inclusion in the Corporation's annual Management Information Circular in accordance with applicable securities regulations;
- iv. reviewing and monitoring the effectiveness of disclosure controls and procedures to ensure material information or material changes which require public disclosure is appropriately disclosed in a timely fashion;
- v. being satisfied that adequate procedures are in place for the timely review of the Corporation's public disclosure of financial and other information extracted or derived from the Corporation's financial statements and periodically assessing the adequacy of those procedures;
- vi. reviewing and recommending to the Board for its approval the public release and filing of annual audited consolidated financial statements and quarterly unaudited consolidated financial statements of the Corporation, including news releases and management's discussion and analysis (MD&A);
- vii. reviewing the information contained in the Corporation's quarterly reports, annual report to the shareholders, MD&A, Annual Information Form, prospectuses and other public disclosure material to ensure that such information is complete and presented fairly;
- viii. reviewing material litigation and tax assessments in order to determine whether any such matters may have a material impact on the financial position of the Corporation; and
- ix. considering the Corporation's annual financial statements and ascertaining, after a review with external auditors and Senior Management, whether such statements present fairly and in all material respects, the financial position of ILA in accordance with generally accepted accounting principles, whether the selection of accounting policies is appropriate for the Corporation, and whether the financial statements should be recommended to the Board for its approval;

**F. Reviewing Terms of Reference and Committee's Performance**

- i. routinely assessing its effectiveness against the Audit Committee Mandate and reporting the results of such assessment regularly to the Governance Committee and Board;

#### **G. Reviewing Reports to Shareholders**

- i. as required by applicable regulations, including for inclusion in the Corporation's annual report to shareholders, or as more often as the Audit Committee deems appropriate, preparing reports to shareholders regarding the activities undertaken by it in the discharge of its responsibilities;

#### **H. General**

- i. reviewing the Corporation's hiring policies regarding employees and former employees of the present and former external auditors of the Corporation;
- ii. reviewing business practices undertaken by Senior Management to assess compliance with corporate policies and procedures;
- iii. reviewing ILA's complaint procedures to ensure that they adequately track and record complaints to Senior Management regarding accounting, internal accounting controls or auditing matters;
- iv. engaging independent counsel and other special advisors as the Audit Committee deems necessary or desirable from time to time in order to carry out its duties and responsibilities;
- v. investigating any activity of the Corporation as it deems appropriate, and ensuring that all employees of the Corporation fully cooperate with the efforts or enquiries of the Audit Committee;
- vi. communicating with the Board to ensure sufficient funding for the Audit Committee to permit it to fulfill its duties and responsibilities;
- vii. making provision for confidential, anonymous submission by employees of the Corporation of concerns regarding accounting, internal accounting controls or auditing matters, ensuring that the existing processes adequately provide for such submission, and establishing a process whereby the external auditor will receive timely notice of any such submissions;
- viii. reviewing, at least annually, the risk management programs and insurance policies of the Corporation to ensure their adequacy;
- ix. reviewing any issues referred to the Audit Committee by the Board, Senior Management or the external auditors; and
- x. reviewing, at least annually, the Audit Committee Mandate and making recommendations as to any changes to the Audit Committee and the Board as it deems appropriate.

The duties and responsibilities of the Audit Committee set forth herein have been set out as guidelines only, and do not necessarily represent all duties and responsibilities of the Audit Committee in all circumstances. The Audit Committee shall consider such other matters as may be referred to them or which they may become aware of, and take such actions as it determines necessary or advisable in the circumstances, which may include referring such matters to another Committee of the Board or the Board as a whole.

#### **IV. DUTIES OF THE CHAIR OF THE COMMITTEE**

In addition to the duties and responsibilities set out in the Board of Directors Mandate and any other applicable mandate or position description, the duties of the Chair of the Audit Committee shall include, inter alia,

- A. Providing overall leadership to facilitate the effective functioning of the Audit Committee, including, without limitation:
  - i. overseeing the structure, composition, membership and activities delegated to the Audit Committee;
  - ii. chairing every meeting of the Audit Committee and encouraging free and open discussion at meetings of the Audit Committee;

- iii. scheduling and setting the agenda for Audit Committee meetings with input from other Audit Committee members, the Chair of the Board of Directors and senior management as appropriate;
  - iv. facilitating the timely, accurate and proper flow of information to and from the Audit Committee;
  - v. arranging for management, internal and external auditors and others to attend and present at Audit Committee meetings as appropriate;
  - vi. arranging sufficient time during Audit Committee meetings to fully discuss agenda items;
  - vii. encouraging Audit Committee members to ask questions and express viewpoints during meetings;  
and
  - viii. taking all other reasonable steps to ensure that the responsibilities and duties of the Audit Committee, as outlined in its Mandate, are well understood by Audit Committee members and executed as effectively as possible.
- B. Fostering ethical and responsible decision making by the Audit Committee and its individual members.
- C. Encouraging the Audit Committee to meet in separate, regularly scheduled, non-management, closed sessions with the independent auditors.
- D. Following each meeting of the Audit Committee, reporting to the Board of Directors on the activities, findings and any recommendations of the Audit Committee.
- E. Carrying out such other duties as may reasonably be requested by the Board of Directors.

