

# IMAGING DYNAMICS COMPANY LTD.

## STOCK OPTION PLAN

### 1. Purpose of the Plan

- 1.1 The purpose of this Plan, as amended or varied from time to time, is to provide the Participants with an opportunity to purchase Common Shares of the Corporation and benefit from the appreciation thereof. This proprietary interest in the Corporation will provide an increased incentive for the Participants to contribute to the future success and prosperity of the Corporation, thus enhancing the value of the Common Shares for the benefit of all the shareholders and increasing the ability of the Corporation and its Subsidiaries to attract and retain individuals of exceptional skill.

### 2. Defined Terms

- 2.1 Where used herein, the following terms shall have the following meanings:

- (a) “**Board**” means the board of the directors of the Corporation;
- (b) “**Black Out Period**” means the period during which designated persons cannot trade securities of the Corporation pursuant to any policy of the Corporation respecting restrictions on trading which is in effect at that time (which, for greater certainty, does not include the period during which a cease trade order is in effect to which the Corporation, or in respect of an insider, that insider, is subject);
- (c) “**Business Day**” means a day, other than a Saturday or Sunday or statutory holiday in Toronto, Ontario.
- (d) “**Common Shares**” means the Common Shares of the Corporation or, in the event of an adjustment contemplated by Article 8 hereof, such shares to which a Participant may be entitled upon the exercise of an Option as a result of such adjustment;
- (e) “**Consolidation**” means the share consolidation of the Corporation approved by the shareholders and more particularly set forth in the information circular of the Corporation dated August 11, 2021 providing for the consolidation of the issued and outstanding Common Shares on the basis of one post-consolidation Common Share for every 20 pre-consolidation Common Shares;
- (f) “**Consultant**” has the meaning ascribed to that term in TSX Venture Exchange Policy 4.4, as amended from time to time;
- (g) “**Corporation**” means Imaging Dynamics Company Ltd., and includes any successor corporation thereof;
- (h) “**Exchange**” means the TSX Venture Exchange or, if the Common Shares are not then listed and posted for trading on such exchange, then on any stock exchange in Canada on which such shares are listed and posted for trading or any other regulatory body having jurisdiction as may be selected for such purpose by the Board;
- (i) “**Exercise Notice**” means the notice in writing signed by the Participant or the Participant’s legal personal representatives addressed to the Corporation specifying an intention to exercise all or a portion of the Option;
- (j) “**Expiry Time**” means the time at which the Options will expire, being 4:00 p.m. (Calgary time) on a date to be fixed by the Board at the time the Option is granted, which date will not be more than ten years from the date of grant;

- (k) “**Insider**” has the meaning ascribed thereto in TSX Venture Exchange Policy 1.1, as amended from time to time;
- (l) “**Investor Relations Activities**” has the meaning ascribed thereto in TSX Venture Exchange Policy 4.4, as amended from time to time;
- (m) “**Market Price**” per Common Share at any date shall be the volume weighted average trading price of the Common Shares on the Exchange for the 5 trading days prior to the date of grant (or, if the Common 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). In the event that the Common 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;
- (n) “**Option**” means an option to purchase Common Shares from treasury granted by the Corporation to a Participant, subject to the provisions contained herein;
- (o) “**Option Price**” means the price per share at which Common Shares may be purchased under the Option, as the same may be adjusted herein;
- (p) “**Participants**” means the directors, officers, *bona fide* employees and other Service Providers of the Corporation or its Subsidiaries, as such terms are defined by the Exchange;
- (q) “**Permanent Disability**” means the mental or physical state of the Participant whereby such person has to a substantial degree been unable, due to illness, disease, mental or physical disability or similar cause, to fulfill his obligations as a director, officer or Service Provider of the Corporation either for any consecutive four (4) month period or for any period of six (6) months (whether or not consecutive) in any consecutive twelve (12) month period, and the Corporation has certified the same in writing, or a court of competent jurisdiction has declared the Participant to be mentally incompetent or incapable of managing his affairs;
- (r) “**Plan**” means this Stock Option Plan of the Corporation, as the same may be amended or varied from time to time;
- (s) “**Service Provider**” means:
  - (i) an *bona fide* employee or Insider of the Corporation or any of its Subsidiaries, or
  - (ii) any other person or Corporation engaged to provide *bona fide* ongoing management or consulting services for the Corporation or any of its Subsidiaries;
- (t) “**Subsidiary**” means any body corporate that is a subsidiary of the Corporation, as such term is defined under subsection 2(4) of the *Business Corporations Act* (Alberta), as such provision is from time to time amended, varied or re-enacted; and
- (u) “**Take-over Bid**” has the meaning ascribed thereto in the *Securities Act* (Alberta), as such provision is from time to time amended, varied or re-enacted.

### 3. Administration of the Plan

- 3.1 The Board shall administer this Plan. Options granted under the Plan shall be granted in accordance with determinations made by the Board pursuant to the provisions of the Plan as to: the Participants to whom, and the time or times at which, the Options will be granted; the number of Common Shares which shall be the subject of each Option; any vesting provisions attaching to the Option; and, the terms and provisions of the respective stock option agreements, provided, however, that each director, employee or service provider shall

have the right not to participate in the Plan and any decision not to participate shall not affect the employment by or engagement with, the Corporation. The Board shall ensure that Participants under the Plan are eligible to participate under the Plan, and, if required by the Exchange, shall represent, confirm and provide evidence of such eligibility as may be required.

#### **4. Granting of Option**

- 4.1 Participants may be granted Options from time to time. The grant of Options will be subject to the conditions contained herein and may be subject to additional conditions determined by the Board from time to time. Each Option granted hereunder shall be evidenced by an agreement in writing, signed on behalf of the Corporation and by the Participant, in such form as the Board shall approve from time to time. Each such agreement shall recite that it is subject to the provisions of this Plan.
- 4.2 Subject to adjustment as provided in Article 8 hereof, the aggregate number of authorized but unissued Common Shares of the Corporation allocated and made available to be granted to Participants under the Plan, together with any authorized but unissued Common Shares reserved but unissued under any previous stock option plan of the Corporation, shall not exceed ten (10%) percent (on a non-diluted basis) of the outstanding Common Shares at any time. Common Shares in respect of which Options are cancelled or not exercised prior to expiry, for any reason, shall be available for subsequent Option grants under the Plan. No fractional shares may be purchased or issued hereunder.
- 4.3 The Corporation shall at all times, during the term of the Plan, reserve and keep available such number of Common Shares as will be sufficient to satisfy the requirements of the Plan.
- 4.4 Any grant of Options under the Plan shall be subject to the following limitations:
- (a) the aggregate number of Common Shares issuable upon the exercise of all options granted under the Plan shall not exceed 1,000,000 Common Shares (after giving effect to the Consolidation);
  - (b) the aggregate number of Options granted to any one Participant (including entities wholly owned by that Participant) in a 12 month period must not exceed 5% of the Common Shares of the Corporation, calculated on the date an option is granted to the Participant (unless the Corporation has obtained the requisite disinterested shareholder approval);
  - (c) the aggregate number of Options granted to any one Participant that is a Consultant in a 12 month period must not exceed 2% of the Common Shares of the Corporation, calculated at the date an option is granted to the Participant;
  - (d) the aggregate number of Options granted to all Participants retained to provide Investor Relations Activities must not exceed 2% of the Common Shares of the Corporation in any 12 month period, calculated at the date an option is granted to any such Participant;
  - (e) the aggregate number of Common Shares reserved for issuance pursuant to Options granted to Insiders and pursuant to other share compensation arrangements may not exceed 10% of the issued and outstanding Common Shares (on a non-diluted basis);
  - (f) the issuance of Common Shares to Insiders pursuant to the Plan and other share compensation arrangements within a one-year period may not exceed 10% of the outstanding Common Shares (on a non-diluted basis); and
  - (g) the issuance of Common Shares to any one Insider and such Insider's associates within a one-year period pursuant to the Plan and other share compensation arrangements may not exceed 5% of the outstanding Common Shares (on a non-diluted basis).

The aforementioned limits of Common Shares reserved for issuance may be formulated on a diluted basis with the consent of the Exchange.

- 4.5 All Options granted pursuant to this Plan shall be subject to rules and policies of the Exchange and any other regulatory body having jurisdiction.
- 4.6 A Participant who has been granted an Option may, if otherwise eligible, and if permitted under the policies of the Exchange, be granted an additional Option if the Board so determines.

## **5. Option Price**

- 5.1 Subject to applicable Exchange approval, the Board shall fix the Option Price at the time the Option is granted to a Participant. In no event shall the price be less than the Market Price of the Common Shares on the Exchange at the time of grant or, if the Common Shares are not listed on any stock exchange, a price determined by the Board; provided that, if the Board, in its sole discretion, determines that the closing trading price on the trading day preceding the date of grant would not be representative, then the Market Price shall mean the greater of that closing trading price and the weighted average price per share for the Common Shares for five (5) consecutive trading days ending on the last trading day preceding the date of grant on which there was a closing price on the Exchange; the weighted average price shall be determined by dividing the aggregate sale price of all Common Shares sold on the Exchange during the said five (5) consecutive trading days, by the total number of Common Shares so sold.

## **6. Term of Option**

- 6.1 The term of the Option shall be a period of time fixed by the Board, provided that such date will not be later than 10 years from the date the Option is granted and, unless the Board determines otherwise, Options shall be exercisable in whole or in part at any time during this period in accordance with such vesting provisions, conditions or limitations (including applicable hold periods) as are herein contained or as the Board may from time to time impose or as may be required by the Exchange or under applicable securities laws.
- 6.2 Each Option and all rights thereunder shall be expressed to expire at the Expiry Time, but shall be subject to earlier termination in accordance with any stock option agreement entered into hereunder or in accordance with Article 11 hereof. Should the Expiry Time of an Option fall within a Black Out Period or within nine Business Days following the expiration of a Black Out Period, the Expiry Time of such Option shall be automatically extended without any further act or formality to that date which is the tenth Business Day after the end of the Black Out Period, such tenth Business Day to be considered the expiration date for such Option for all purposes under the Plan. Notwithstanding Article 13 hereof, the ten Business Day period referred to in this Section 6.2 may not be extended by the Board.
- 6.3 Subject to any specific requirements of the Exchange, the Board shall determine the vesting period or periods within the Option term during which a Participant may exercise Options or a portion thereof.

## **7. Exercise of Option**

- 7.1 Subject to the provisions of the Plan and the terms of any stock option agreement, an Option or a portion thereof may be exercised, from time to time, by delivery to the Corporation's principal office in Concord, Ontario of the Exercise Notice. The Exercise Notice shall state the intention of the Participant or the Participant's legal personal representative to exercise the said Option or a portion thereof, and specify the number of Common Shares in respect of which the Option is then being exercised, and shall be accompanied by the full purchase price of the Common Shares which are the subject of the exercise. Such Exercise Notice shall contain the Participant's undertaking to comply, to the satisfaction of the Corporation, with all applicable requirements of the Exchange and any applicable regulatory authorities.

## **8. Adjustments in Shares**

- 8.1 If the outstanding shares of the Corporation are increased, decreased, changed into or exchanged for a different number or kind of shares or securities of the Corporation through re-organization, merger, re-capitalization, re-classification, stock dividend, subdivision or consolidation, an appropriate and proportionate adjustment shall be made by the Board, in its discretion, in the number or kind of shares optioned and the exercise price per share, as regards previously granted and unexercised Options or portions thereof, and as regards Options which may be granted subsequent to any such change in the Corporation's capital.
- 8.2 Determinations by the Board as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. The Corporation shall not be obligated to issue fractional securities in satisfaction of any of its obligations hereunder.

## **9. Accelerated Vesting**

- 9.1 In the event that certain events such as a Take-over Bid, liquidation or dissolution of the Corporation or a re-organization, plan of arrangement, merger or consolidation of the Corporation with one or more entities, as a result of which the Corporation is not the surviving entity, are proposed or contemplated, the Board may, notwithstanding the terms of this Plan or stock option agreements issued hereunder (a) exercise its discretion, by way of resolution, to permit accelerated vesting of Options on such terms as the Board sees fit at that time, and (b) in the event of an acceleration of vesting as referred to in (a), exercise its discretion, by way of resolution, to cause the Options to terminate after the end of the period of accelerated vesting on such terms as the Board sees fit at that time, even if such termination of the Options is prior to the normal Expiry Time of the Options. If the Board, in its sole discretion, determines that the Common Shares subject to any Option granted hereunder shall vest on an accelerated basis, all Participants entitled to exercise an unexercised portion of Options then outstanding shall have the right at such time, upon written notice being given by the Corporation, to exercise such Options to the extent specified and permitted by the Board, and within the time period specified by the Board, which shall not extend past the Expiry Time.
- 9.2 In addition to the above, an Option may provide for acceleration of the vesting provisions contained therein upon other events of change of control of the Corporation, on such terms as the Board determines in its sole discretion at the time of the grant of the Option.
- 9.3 Where the accelerated vesting provisions of this Article 9 apply, the Corporation may satisfy any obligations to a Participant hereunder by paying to the Participant in cash the difference between the exercise price of all unexercised Options granted hereunder and the fair market value of the securities to which the Participant would be entitled upon exercise of all unexercised Options.

## **10. Decisions of the Board**

All decisions and interpretations of the Board respecting the Plan or Options granted thereunder shall be conclusive and binding on the Corporation and the Participants and their respective legal personal representatives and on all directors, officers, employees and consultants of the Corporation who are eligible to participate under the Plan.

## **11. Ceasing to be a Director, Officer, Employee or Service Provider**

- 11.1 Subject to the terms of the applicable stock option agreement, in the event of the Participant ceasing to be a director, officer, employee or Service Provider of the Corporation or a Subsidiary for any reason other than death, including the resignation or retirement of the Participant and the termination by the Corporation or a Subsidiary of the employment of the Participant, prior to the Expiry Time, such Option may be exercised as to such of the Common Shares in respect of which the Option has not previously been exercised (and as the Participant would have been entitled to exercise) at any time up to and including (but not after) the earlier of the Expiry Time and a date that is ninety (90) days following the effective date of such notice of resignation

or retirement or a date that is ninety (90) days following the date notice of termination of employment is given by the Corporation or a Subsidiary, subject to such shorter period as may be otherwise specified in a stock option agreement, whether such termination is with or without reasonable notice, after which date the Option shall forthwith expire and terminate and be of no further force or effect whatsoever.

- 11.2 In consideration of the Option hereby granted, in the event of the resignation or retirement of the Participant or the termination of employment by the Corporation without cause, the Participant hereby covenants not to sue the Corporation for damages arising from the loss of rights granted hereunder and releases the Corporation from any damages.
- 11.3 Notwithstanding the foregoing, in the event of termination for cause, such Option shall expire and terminate immediately at the time of delivery of notice of termination of employment for cause to the Participant by the Corporation or a Subsidiary and shall be of no further force or effect whatsoever as to the Common Shares in respect of which an Option has not previously been exercised.
- 11.4 In the event of the death of a Participant on or prior to the Expiry Time, such Option may be exercised as to such of the Common Shares in respect of which such Option has not previously been exercised (and as the Participant would have been entitled to exercise) by the legal personal representatives of the Participant, at any time up to and including (but not after) the earlier of the Expiry Time and a date that is one (1) year from the date of death of the Participant, subject to such shorter period as may be otherwise specified in a stock option agreement, after which date the Option shall forthwith expire and terminate and be of no further force or effect whatsoever.
- 11.5 In the event of the Permanent Disability of a Participant on or prior to the Expiry Time, such Option may be exercised as to such of the Common Shares in respect of which such Option has not previously been exercised (and as the Participant would have been entitled to exercise) by the legal personal representatives of the Participant, at any time up to and including (but not after) the earlier of the Expiry Time and a date that is six (6) months from the date of Permanent Disability of the Participant, subject to such shorter period as may be otherwise specified in a stock option agreement, after which date the Option shall forthwith expire and terminate and be of no further force or effect whatsoever.
- 11.6 Options shall not be affected by any change of employment of the Participant where the Participant continues to be employed by the Corporation or any Subsidiary.

## **12. Transferability**

- 12.1 All benefits, rights and options accruing to any Participant in accordance with the terms and conditions of the Plan shall not be transferable or assignable unless specifically provided herein or to the extent, if any, permitted by the Exchange.

## **13. Amendment or Discontinuance of Plan**

- 13.1 The Board may amend or discontinue the Plan at any time without the consent of the Participants, provided that such amendment shall not alter or impair any Option previously granted under the Plan except as permitted herein, and that such amendment or discontinuance has been approved by the Exchange, and where necessary, by the shareholders.
- 13.2 The Board may from time to time in the absolute discretion of the Board amend, modify and change the provisions of the Plan or any Options granted pursuant to the Plan, provided that any amendment, modification or change to the provisions of the Plan or any Options granted pursuant to the Plan shall:
- (a) not adversely alter or impair any Option previously granted except as permitted under the Plan;
  - (b) be subject to any regulatory approvals, where required, including the approval of the Exchange, where required;

- (c) be subject to shareholder approval in accordance with the rules of the Exchange in circumstances where the amendment, modification or change to the Plan or Option would:
  - (i) extend the term of an Option held by an Insider beyond the original Option period (except if such date is being extended by virtue of section 6.2); or
  - (ii) increase the fixed maximum percentage of issued and outstanding Common Shares which may be issued pursuant to the Plan or change from a fixed maximum percentage of issued and outstanding Common Shares to a fixed maximum number of Common Shares;
- (d) be subject to disinterested shareholder approval in accordance with the rules of the Exchange in circumstances where the amendment, modification or change to the Plan or Option would reduce the Option Price of an Option held by an Insider of the Corporation (including any cancellation of an Option for the purpose of reissuance of a new Option at a lower Option Price to the same person);
- (e) not be subject to shareholder approval in any circumstance (other than those listed in (c) above), including, but not limited to, circumstances where the amendment, modification or change to the Plan or Option would:
  - (i) be of a “**housekeeping nature**”, including any amendment to the Plan or an Option that is necessary to comply with applicable laws, tax or accounting provisions or the requirements of any regulatory authority or stock exchange and any amendment to the Plan or an Option to correct or rectify any ambiguity, defective provision, error or omission therein, including any amendment to any definitions therein;
  - (ii) be necessary for Options to qualify for favourable treatment under applicable tax laws;
  - (iii) change the Option Price, unless the change is a reduction in the Option Price of an Option held by an insider of the Corporation;
  - (iv) alter, extend or accelerate any vesting terms or conditions in the Plan or any Option, provided that shareholder approval will be required for any acceleration of the vesting terms or conditions in any Option (except where such acceleration is in respect of death, disability, retirement or change of control, where for greater certainty no shareholder approval is required) if such acceleration is in respect of 10% or more of the Options authorized under the Plan;
  - (v) amend or modify any mechanics for exercising any Option;
  - (vi) change the Option period or change any termination provision in the Plan or any Option, provided that such change does not entail an extension beyond the original Option period of such Option (other than such period being extended by virtue of section 6.2); and
  - (vii) provide for other types of compensation through equity issuances, such as deferred or share unit provisions, which results in participants receiving securities while no cash consideration is received by the Corporation.
- (f) The Directors may discontinue the Plan at any time without the consent of the Participants provided that such discontinuance shall not adversely alter or impair any Option previously granted.
- (g) Exchange Approval. Any amendment to this Plan or Options granted pursuant to this Plan shall not become effective until such amendment has been approved by the Exchange where such approval is required.

#### **14. Participants' Rights**

- 14.1 A Participant shall not have any rights as a shareholder of the Corporation until the issuance of a certificate for Common Shares, upon the exercise of an Option or a portion thereof, and then only with respect to the Common Shares represented by such certificate or certificates.
- 14.2 Nothing in the Plan or any Option shall confer upon any Participant any rights to continue in the employ of the Corporation or any Subsidiary or affect in any way the right of the Corporation or any such Subsidiary to terminate the employment of the Participant at any time; nor shall anything in the Plan or any option be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Corporation or any such Subsidiary to extend the employment of any Participant beyond the time such Participant would normally retire pursuant to the provisions of any present or future retirement plan of the Corporation or any Subsidiary, or beyond the time at which he would otherwise be retired pursuant to the provisions of any contract of employment with the Corporation or any contract of employment with the Corporation or any Subsidiary.

#### **15. Approvals**

- 15.1 This Plan shall be subject, if applicable, to the approval of the Exchange or other regulatory body having jurisdiction at that time and, if so required thereby, to the approval of the shareholders of the Corporation.
- 15.2 Any Options granted prior to such approval and acceptance shall be conditional upon such approval and acceptance being given and no such Options may be exercised unless such approval and acceptance is given.

#### **16. Government Regulation**

The Corporation's obligation to issue and deliver Common Shares under any Option is subject to:

- (a) the satisfaction of all requirements under applicable securities laws in respect thereof and obtaining all regulatory approvals as the Corporation shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof;
- (b) the admission of such Common Shares to listing on any stock exchange on which such Common Shares may then be listed;
- (c) the receipt from the Participant of such representations, warranties, agreements and undertakings as to future dealings in such Common Shares as the Corporation determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction.

In this regard, the Corporation shall take all reasonable steps to obtain such approvals and registrations as may be necessary for the issuance of such Common Shares and for the listing of such Common Shares on the Exchange, in compliance with applicable securities laws. If any shares cannot be issued to any Participant for whatever reason, the obligation of the Corporation to issue such shares shall terminate and the Option Price paid to the Corporation will be returned to the Participant.

#### **17. Costs**

The Corporation shall pay all costs of administering the Plan.

#### **18. Interpretation**

- 18.1 This Plan shall be governed by and construed in accordance with the laws of the Province of Alberta.

**19. Compliance with Applicable Law**

- 19.1 If any provision of the Plan or the grant or exercise of any Option contravenes any law or any order, policy, by-law or regulation of any regulatory body or the Exchange, then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

**20. Effective Date of Plan**

The Plan has been adopted by the Board subject to the approval of the shareholders of the Corporation and, if so approved, the Plan shall become effective as of February 2, 2009. This Plan has been amended effective November 2, 2021.