

**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 MONDAY, JUNE 17, 2019**

**Dated: May 15, 2019**

**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 at the offices of Cassels Brock & Blackwell LLP, Suite 2100, Scotia Plaza, 40 King Street West, Toronto, Ontario, M5H 3C2 at 10:00 a.m. (Toronto time) on Monday, June 17, 2019 for the following purposes:

1. to receive and consider the financial statements of the Corporation for the year ended December 31, 2018, together with the auditors’ report thereon;
2. to fix the number of directors to be elected at the Meeting at five (5) members;
3. to consider and, if thought appropriate, to pass an ordinary resolution electing five (5) directors of the Corporation;
4. to consider and, if thought appropriate, to pass an ordinary resolution to 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 stock option plan of the Corporation;
6. to consider and, if thought appropriate, to pass, with or without variation, an ordinary resolution approving the Directors Deferred Share Unit Plan of the Corporation;
7. to consider and, if thought appropriate, to pass, with or without variation, an ordinary resolution confirming By-Law No.2 of the Corporation previously adopted by the Board of Directors of the Corporation on March 1, 2019, which shall replace the Corporation’s existing By-Law No. 1; and
8. 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.

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 Thursday, June 13, 2019, 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 May 6, 2019 (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 15<sup>th</sup> day of May, 2019.

BY ORDER OF THE BOARD

(signed) “*Steve Martin*”

Steve Martin  
President and 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 MONDAY, JUNE 17, 2019**

Dated: May 15, 2019

Information in this Information Circular is given as at May 15, 2019 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 the offices of Cassels Brock & Blackwell LLP, Suite 2100, Scotia Plaza, 40 King Street West, Toronto, Ontario, M5H 3C2 at 10:00 a.m. (Toronto time) on Monday, June 17, 2019 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, telecopier 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.

**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 May 6, 2019 (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 19,932,965 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 St. Marys Cement Inc. (“**SMC**”) which owns 3,042,571 Shares, representing 15.3% of the current issued and outstanding Shares.

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 2,576,203 Shares or approximately 12.92% 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.**

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 Thursday, June 13, 2019, 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 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 Depositary 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. 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 not less than one (1) person is present at the Meeting holding or representing 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, 2018, 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 five (5). There are presently five (5) 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 an ordinary resolution setting the number of directors to be elected at the Meeting at five (5).**

### **3. Election of Directors**

There are currently five (5) 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 five (5) nominees as directors of the Corporation:**

Steven Martin  
J. William Asselstine  
Robert McLeese  
Gerry Quinn  
Geraldine Kenney-Wallace

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 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 May 15, 2019.

Name and Place of Residence	First Year Served as a Director	Principal Occupation	Number of Shares Beneficially Owned, Controlled or Directed
Steve Martin <sup>(1),(2)(3)</sup> <i>Toronto, Ontario, Canada</i>	2018	President and Chief Executive Officer of the Corporation (January 2018 to present); Chief Executive Officer and Chief Technology Officer of Pond Technologies Inc. (the wholly-owned operating subsidiary of the Corporation) (2009 to present); Lead, Special Projects at Interlink Contract Services (1996 to present).	1,627,119 (8.4%)
J. William Asselstine <i>Oakville, Ontario, Canada</i>	2018	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 Inc. since 2015.	Nil
Robert McLeese <sup>(2)</sup> <i>Toronto, Ontario, Canada</i>	2018	President and Director at Access Capital Corp. (1990 to present); President and Chair at Georgian Villas Corp. (2004 to present); President and Chair at Colmac Holdings Ltd. (2011 to present); Director at EDC (2015 to present) Director at Rand Capital Corp. (2015 to 2016); Director of Pond Technologies Inc. since 2016.	714,729 (3.6%) <sup>(4)</sup>
Gerry Quinn <sup>(1),(2)(3)</sup> <i>Mississauga, Ontario, Canada</i>	2004	President of The Erin Mills Investment Corporation, a private venture capital company (1989 to present); Director of the Corporation (2004 to present); Director of Yangaroo Inc. (2012 to 2015); Director of ILookabout Corp. (2013 to present).	221,855 (0.1%) <sup>(5)</sup>
Geraldine Kenney-Wallace <sup>(3)</sup> <i>London, United Kingdom</i>	2018	Consultant at CHI3 Photonics Synergies Ltd. (2009 to present); Director of Pond Technologies Inc. since 2012.	Nil

Notes:

- (1) Member of the Reserves Committee.
- (2) Member of the Audit Committee.
- (3) Member of the Nomination and Compensation Committee.
- (4) Held by Colmac Holdings Ltd. and Colmac Power Inc., entities of which Mr. McLeese is a principal.
- (5) Includes 14,494 Shares held by Cosmopolitan Investment Corporation, a company of which Mr. Quinn is a director.

### ***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.

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 or her assets.

#### ***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 appoint RSM Canada 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. RSM Canada LLP was first appointed auditor of the Corporation on June 26, 2018.

**Unless otherwise directed, it is the intention of management to vote proxies in favour of an ordinary resolution appointing RSM Canada 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. 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 "Option Plan") was previously approved by Shareholders at the annual and special meeting of the Corporation held on June 26, 2018. The Corporation is not proposing any changes to the existing Option Plan. A copy of the Option Plan is attached hereto as Schedule A. For additional information about the Option Plan please see, "*Securities Authorized for Issuance Under Equity Compensation Plans – Option Plan*".

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

“RESOLVED THAT:

1. the 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 June 17, 2019, 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 Option Plan Resolution.**

#### **6. Directors Deferred Share Unit Plan**

The Board adopted a Directors Deferred Share Unit Plan (the “**DSU Plan**”). A copy of the DSU Plan is attached hereto as Schedule C.

The purpose of the DSU Plan is to attract and retain highly qualified individuals to serve 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.

In general, pursuant to the DSU Plan, directors may elect to have all or a portion of their cash compensation as directors be satisfied through the issuance of deferred share units. The number of such units credited to the directors will be equal to the compensation amount elected divided by the then market price of the Shares listed on the TSXV. Upon ceasing to be a director, settlement of the units shall be satisfied through the payment of cash, the issuance of Shares, or a combination thereof, as determined by the Corporation. The number of Shares reserved for issuance under the DSU Plan at any time shall not exceed 300,000 Shares.

Shareholders are encouraged to read the DSU Plan in its entirety attached as Schedule C.

Pursuant to the requirements of the TSXV, the DSU Plan must also be approved by ordinary resolution of the Shareholders. Accordingly, at the Meeting, Shareholders will be asked to consider and, if thought appropriate, pass an ordinary resolution approving the DSU Plan (the “**DSU Plan Resolution**”), substantially in the form set forth below:

“RESOLVED THAT:

1. the Directors Deferred Share Unit Plan of Pond Technologies Holdings Inc. (the “**Corporation**”), in the form appended as Schedule C to the Corporation’s information circular in respect of the meeting of shareholders of the Corporation held on June 17, 2019, 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 DSU Plan Resolution.**

#### **7. Confirmation of By-Law No. 2**

On March 1, 2019, the Board approved By-Law No. 2, attached hereto as Schedule D, which replaced By-Law No. 1 of the Corporation.

By-Law No. 1 was adopted on November 26, 2002 by a predecessor of the Corporation, International Tako Industries Inc., and continued to be a by-law of the Corporation after the Corporation became Pond Technologies Holdings Inc. pursuant to the amalgamation of Ironhorse Oil & Gas Inc. and Pond Technologies Inc. (“**Pond**”) on January 30, 2018.

By-Law No. 1 was very limited in scope, addressing limited matters relating to the holding of directors and shareholder meetings, indemnification of directors and officers, banking arrangements and the execution of instruments.

The Board determined it advisable to replace By-Law No. 1 with By-Law No. 2 in order to modernize and provide additional clarity to the administrative procedures of the Corporation set forth in its bylaws. In particular, By-Law No. 2 addresses in more detail matters relating to, among other things, signing authority, banking arrangements, the borrowing of money, board meeting procedures, shareholder meeting procedures, powers of the officers, conflicts of interest, indemnity of directors and officers, administration of share certificates, the transfer of securities, dividend payments, and information available to Shareholders.

Shareholders are encouraged to read By-Law No. 2 attached as Schedule D.

At the Meeting, Shareholders will be asked to consider and, if thought appropriate, pass an ordinary resolution confirming By-Law No.2 of the Corporation (the “**By-Law Resolution**”), substantially in the form set forth below:

“RESOLVED THAT:

1. By-Law No. 2 of Pond Technologies Holdings Inc. (the “**Corporation**”), in the form appended as Schedule D to the Corporation’s information circular in respect of the meeting of shareholders of the Corporation held on June 17, 2019, is hereby confirmed; 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 By-Law Resolution.**

### STATEMENT OF EXECUTIVE COMPENSATION

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

The following table sets forth, for the years ended December 31, 2018 and 2017, 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 (\$)
Steven Martin Director, President & CEO	2018	\$212,000	NIL	NIL	NIL	\$1,380	\$213,380
	2017	N/A	N/A	N/A	N/A	N/A	N/A
J. William Asselstine Director	2018	NIL	NIL	\$9,000	NIL	NIL	\$9,000
	2017	N/A	N/A	N/A	N/A	N/A	N/A

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 (\$)
Robert McLeese Director	2018	NIL	NIL	\$12,000	NIL	NIL	\$12,000
	2017	N/A	N/A	N/A	N/A	N/A	N/A
Gerry Quinn Director	2018	NIL	NIL	\$13,000	NIL	NIL	\$13,000
	2017	NIL	NIL	\$10,000	NIL	NIL	\$10,000
Geraldine Kenney-Wallace Director	2018	NIL	NIL	\$9,500	NIL	NIL	\$9,500
	2017	N/A	N/A	N/A	N/A	N/A	N/A
Thomas Masney Chief Financial Officer	2018	\$184,000	NIL	NIL	NIL	\$3,128	\$187,128
	2017	N/A	N/A	N/A	N/A	N/A	N/A
Kevin Andrade Chief Operating Officer	2018	\$185,000	NIL	NIL	NIL	NIL	\$185,000
	2017	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) Larry J. Parks, former Chairman, President and Chief Executive Officer of the Corporation, received a salary of \$20,000 during 2017 and Karen Hutson, former Vice-President & Chief Financial Officer of the Corporation, received a salary of \$10,000 during 2017. Such compensation was paid directly by GRL (as defined below) to Mr. Parks and Ms. Hutson, was based on the total management fees paid to GRL for the year ended December 31, 2017, and is an approximate allocation of time and level of responsibility Mr. Parks and Ms. Hutson assumed on behalf of the Corporation pursuant to the Management Agreement (as defined below). Both Mr. Parks and Ms. Hutson ceased acting in their capacities and a director and/or officer of the Corporation on January 31, 2018 upon closing of the RTO Transaction (as defined below). For details of the Management Agreement between the Corporation and GRL see “*Management Contracts*” below.
- (2) During 2017, former directors of the Corporation, Michael A. Royan, Robert Desbarats, and Wayne W. Chow, each received a fee of \$10,000 for acting in such capacity. Such directors resigned as directors of the Corporation upon closing of the RTO Transaction on January 31, 2018. In addition, the Corporation paid an aggregate of \$77,831 on account of legal services provided to the Corporation for the year ended December 31, 2018 by Osler, Hoskin & Harcourt LLP, of which Mr. Desbarats was a partner (\$133,815 in 2017).
- (3) The Corporation paid an aggregate of \$84,000 on account of legal services provided to the Corporation for the year ended December 31, 2018 by InHaus Legal, of which Mr. Andrade is a partner.

### 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
<b>Steven Martin</b> Director, President & CEO	Stock Options (1)	100,000 (6.2%)	April 4, 2018	\$2.00	\$1.43	\$1.20	April 3, 2023
<b>J. William Asselstine</b> Director	Deferred Share Units	14,395 7,812 (17.2%)	October 11, 2018 December 31, 2018	Note 2	Quarterly average \$1.08	\$0.80	30 days subsequent to ceasing to be a director
<b>Robert McLeese</b> Director	Deferred Share Units	21,591 11,719 (25.9%)	October 11, 2018 December 31, 2018	Note 2	Quarterly average \$1.08	\$0.80	30 days subsequent to ceasing to be a director
<b>Gerry Quinn</b> Director	Deferred Share Units	33,107 17,696 (39.7%)	October 11, 2018 December 31, 2018	Note 2	Quarterly average \$1.08	\$0.80	30 days subsequent to ceasing to be a director
<b>Geraldine Kenney-Wallace</b> Director	Deferred Share Units	14,395 7,812 (17.2%)	October 11, 2018 December 31, 2018	Note 2	Quarterly average \$1.08	\$0.80	30 days subsequent to ceasing to be a director
<b>Thomas Masney</b> Chief Financial Officer	Stock Options (1)	100,000 (6.2%)	April 4, 2018	\$2.00	\$1.43	\$1.20	April 3, 2023
<b>Kevin Andrade</b> Chief Operating Officer	Share Options (1)	100,000 (6.2%)	April 4, 2018	\$2.00	\$1.43	\$1.20	April 3, 2023

Notes:

- (1) The stock options are vested 1/3 immediately upon grant, 1/3 after one year and the balance at the end of 2 years. Mr. Kevin Andrade's stock options are held in the name of InHaus Group Inc.
- (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 market value of the Shares on such date. Deferred Share Units 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. See Schedule C for the complete text of the DSU Plan.
- (3) As at December 31, 2018, each of the above individuals held the compensation securities shown in the table above.

During the year ended 2018, no director or named executive officer exercised any of their compensation securities.

## **Stock Option Plans and Other Incentive Plans**

For details regarding the Corporation's stock option plan and other incentive plans, see "*Securities Authorized for Issuance Under Equity Compensation Plans*" and "*Particulars of Matters to be Acted Upon at the Meeting – 6. Directors Deferred Share Unit Plan*".

## **Employment, Consulting and Management Agreements**

Pursuant to an employment agreement between Pond and Steve Martin dated April 22, 2009, as amended, and the annual compensation reviews by the Nomination and Compensation Committee, Mr. Martin has been engaged to act as the Corporation's Chief Executive Officer, receives an annual salary of \$216,000, is eligible for an annual bonus equal to up to 100% of his salary, 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. Martin 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 upon payment of 24 months' salary and benefits and, upon such event, all of his outstanding options vest and become exercisable for a term of not less than 2 years from the date of termination. Mr. Martin may terminate his employment on one months' notice.

Pursuant to an employment agreement between Pond and Thomas Masney dated July 1, 2016 and the annual compensation reviews by the Nomination and Compensation Committee, Mr. Thomas receives an annual salary of \$192,000, 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.

See also "*External Management Companies*" and "*Management Contracts*" below.

## **External Management Companies**

The Corporation is party to a management agreement (the "**Management Agreement**") with Grizzly Resources Limited ("**GRL**") (see "*Management Contracts*" below). Fees payable under the Management Agreement were \$15,000 per month for 2017. In connection with the completion of the reverse take-over and *change* of business transaction involving the Corporation and Pond that occurred on January 30, 2018 (the "**RTO Transaction**"), the services provided by GRL were revised to focus exclusively on providing management services in respect of the Corporation's Pembina asset and the associated monthly fee was amended to \$7,500 per month effective February 1, 2018. The Management Agreement will remain in place until the Pembina asset is sold. See "*Management Contracts*" below for further details.

## **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 Gerry Quinn, Geraldine Kenney-Wallace, and Steve Martin. Mr. Quinn and Mrs. Kenney-Wallace are "independent" for the purposes of National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("**NI 58-101**").

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 is 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 — Stock Options and DSUs

Options are granted under the Option 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 Option Plan rewards overall corporate performance, as measured through the price of the Shares, which are traded on the TSXV. In addition, the Option 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 – Option Plan*”.

In addition, subject to Shareholder approval at the Meeting, the DSU Plan will become effective, allowing the Corporation to grant units under that plan to attract and retain highly qualified individuals to serve 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. See “*Particulars of Matters to be Acted Upon at the Meeting – 6. Directors Deferred Share Unit Plan*”.

### 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, 2018.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by securityholders – Stock Options	1,622,500	\$2.00	370,796 (1)
Equity compensation plans to be approved by securityholders – Deferred Share Units	128,799	See note 2	171,201
Equity compensation plans not approved by securityholders	Nil	N/A	Nil
Total	1,751,299	N/A	541,997

Notes:

- (1) The aggregate number of Shares reserved for issuance under the Option Plan is 10% of the number of outstanding Shares less any existing options.
- (2) The exercise price of the Deferred Share Units is determined by the market price of the Shares at the time of settlement.
- (3) The number of Shares reserved for issuance under the DSU Plan is fixed at 300,000 Shares.

### Option Plan

The Option Plan permits the granting of options to purchase Shares to directors, officers, employees, consultants and other service providers (“**Optionees**”) of the Corporation. The 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 Option Plan is administered by the Board.

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

- (a) on exercise of all options issued under the 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 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 Option Plan. Further, the maximum number of securities of the Corporation issuable to insiders, as such terms is defined in the Option Plan, at any time pursuant to the 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 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 Option Plan. As the 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 Option Plan.

Options granted pursuant to the 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 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 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 of 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.

The policies of the TSXV require that the Option Plan be approved every year by Shareholders. The Option Plan was previously approved by Shareholders at the annual and special meeting of the Corporation held on June 26, 2018.

## CORPORATE GOVERNANCE DISCLOSURE

Set forth below is a description of the Corporation's current corporate governance practices, as prescribed by Form 58-101F2 of NI 58-101.

### **Board of Directors**

The Board currently consists of five directors who provide the Corporation with a wide diversity of business experience. Four of the current Board members (representing 80% of the Board), being Mrs. Kenney-Wallace and Messrs. McLeese, Quinn and Asseltine, are independent directors as such term is defined by NI 58-101. Mr. Martin as a member of the Board and in his capacity as the President and 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.

### **Directorships**

Mr. Gerry Quinn is also currently a director of iLOOKABOUT Corp., a reporting issuer listed on the TSXV. Rob McLeese is also currently a director of Rand Capital Corp., a reporting issuer listed on the NASDAQ.

### **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 Gerry Quinn, Geraldine Kenney-Wallace and Steve Martin, 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

Gerry Quinn and Steve Martin are members of the Corporation's Reserve Committee. The Reserve Committee is responsible for (i) reviewing estimates of reserves prepared by management and evaluated by independent petroleum engineers; and (ii) assuring the independence of the independent petroleum engineers.

## 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 B.

### *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:

Name and Jurisdiction of Residence	Independent	Financially Literate	Relevant Education and Experience
Steve Martin <i>Toronto, Ontario</i>	No	Yes	President and Chief Executive Officer of the Corporation (January 2018 to present); Chief Executive Officer and Chief Technology Officer of Pond Technologies Inc. (the wholly-owned operating subsidiary of the Corporation) (2009 to present); Lead, Special Projects at Interlink Contract Services (1996 to present).
Robert McLeese <i>Toronto, Ontario</i>	Yes	Yes	President and Director at Access Capital Corp. (1990 to present); President and Chair at Georgian Villas Corp. (2004 to present); President and Chair at Colmac Holdings Ltd. (2011 to present); Director at EDC (2015 to present) Director at Rand Capital Corp. (2015 to 2016); Director of Pond Technologies Inc. since 2016.
Gerry C. Quinn <i>Mississauga, Ontario</i>	Yes	Yes	Gerry C. Quinn is the President of The Erin Mills Investment Corporation, a private venture capital company, and a Director of iLookabout Corp. Prior to joining Erin Mills, Mr. Quinn served as a senior officer in Magna International Inc. and Barrincorp, both publicly traded companies, and as a partner in the public accounting firm of Ernst & Young. Mr. Quinn has been a Director of a number of public and private companies in diverse industries. Mr. Quinn acts as an investment advisor to emerging businesses.

### *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 \$85,000 in 2018 and \$36,000 in 2017.

#### 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 2018 and \$nil in 2017.

### 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 \$5,000 in 2018 and \$nil in 2017.

### 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 \$12,700 in 2018 and \$8,750 in 2017.

### *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**

Except as disclosed herein, 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.

## **MANAGEMENT CONTRACTS**

The Corporation is party to the Management Agreement with GRL, a company that was, prior to completion of the RTO Transaction on January 30, 2018, related to the Corporation by virtue of common management. Before completion of the RTO Transaction, GRL provided, pursuant to the Management Agreement, technical and administrative services typically required in operating an oil and gas company. These included management, development, exploitation and operation of the Corporation's assets and access to geological and technical data. The management fees charged in 2018 were a flat fee per month for administrative and technical services provided by GRL. This arrangement provided the Corporation with the benefits of accessing a larger more comprehensive pool of technical and administrative services than it could otherwise afford. For the period ended December 31, 2018, total fees of \$90,000 (December 31, 2017: \$180,000) were paid by the Corporation to GRL. In connection with the completion of the RTO Transaction, the services provided by GRL were revised to focus exclusively on providing management services in respect of the Corporation's Pembina asset and the associated monthly fee was amended as of February 1, 2018 to \$7,500 per month.

Larry J. Parks, of Calgary, Alberta, the former President and Chief Executive Officer of the Corporation before completion of the RTO Transaction, is also a director and the President and Chief Executive Officer of GRL. GRL's office is located at 324 - 8th Avenue SW, Suite 1000, Calgary, Alberta T2P 2Z2. As advised by GRL, the names and municipality of residence of the other management insiders of GRL are as follows:

<b>Name</b>	<b>Municipality of Residence</b>
Gerry C. Quinn, Director	Mississauga, Ontario
Dennis Jamieson, Chief Financial Officer	Calgary, Alberta
Lorie Wheeler, Executive Vice President, General Counsel and Corporate Secretary	Calgary, Alberta
Deric Orton, Vice President Land and Business Development	Calgary, Alberta

No insider of GRL or any of their respective associates or affiliates is, or has been at any time since the commencement of the Corporation's last financial year, indebted to the Corporation or any of its subsidiaries in respect of any indebtedness that was outstanding or a party to any transaction or arrangement with the Corporation or any of its subsidiaries, other than the RTO Transaction.

#### **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 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 Calgary, Alberta, 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 (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**  
**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 Corporate Governance 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.

**SCHEDULE C**  
**DIRECTORS DEFERRED SHARE UNIT PLAN**

**1. PURPOSE**

The purpose of this Directors Deferred Share Unit Plan (the "**Plan**") is to attract and retain highly qualified individuals to serve as directors of Pond Technologies Holdings Inc. ("**Company**") and its Affiliates, and to relate such individuals' interests more closely to the Company's performance and its shareholders' interests.

**2. DEFINITIONS**

- (a) "**Affiliate**" means an affiliate of the Company as the term "affiliate" is defined in paragraph 2.1 of Canada Revenue Agency IT Folio S1-F1-C1.
- (b) "**Board**" means the Board of Directors of the Company.
- (c) "**Committee**" means the Nomination and Compensation Committee of the Board.
- (d) "**Conversion Date**" means the date that any Director Compensation becomes due and payable under the Director Compensation Program.
- (e) "**Company**" means Pond Technologies Holdings Inc. and any successor corporation, whether by amalgamation, merger or otherwise.
- (f) "**Deferred Share Unit**" means a bookkeeping entry on the books of the Company, the value of which on any particular date shall be equal to the Market Value of a Share.
- (g) "**Deferred Share Unit Account**" has the meaning ascribed thereto in Section 6(a).
- (h) "**Director**" means any member of the Board or the board of directors of any Affiliate.
- (i) "**Director Compensation**" means the amount of money to which a Director is entitled to receive under the Company's Director Compensation Program.
- (j) "**Director Compensation Program**" means the formal compensation program adopted from time to time by the Company to compensate Directors for their services as directors of the Company or any Affiliate, including as a member or chair of the Board or the board of directors of any Affiliate or any of their respective committees.
- (k) "**Exchange**" means the TSX Venture Exchange, or if the Shares are not listed on the TSX Venture Exchange, then such other stock exchange in Canada on which the Shares are listed.
- (l) "**Market Value of the Shares**" means, with respect to any particular date, the market price of the Shares as such term (or similar term) is defined in the company manual or other policies of the applicable Exchange, provided that if the Shares are not listed on an Exchange, means the fair market value of the Shares as such date as determined by the Board.
- (m) "**Participant**" means a Director that has been granted any Deferred Share Units.
- (n) "**Participation Election**" means the form of written notice approved by the Committee from time to time under which a Director may elect to have some or all of such Director's Director Compensation satisfied by the issuance of Deferred Share Units in accordance with the Plan.
- (o) "**Settlement Date**" has the meaning ascribed thereto in Section 8(c).
- (p) "**Share**" means a Common Share of the Company and such other security as the Common

Shares may be converted or substituted therefore as a result of amendments to the articles of the Company, amalgamation or any other form of capital reorganization.

- (q) "**Termination Date**" means the date of the event, including death, causing the Participant to no longer be a Director.
- (r) "**Valuation Date**" has the meaning ascribed thereto in Section 8(a).

### **3. CONSTRUCTION AND INTERPRETATION**

- (a) All references in the Plan to currency refer to lawful Canadian currency.
- (b) The Plan shall be governed and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.
- (c) Headings used herein are for reference purposes only and do not limit or extend the meaning of the provisions herein contained.
- (d) References herein to the masculine include the feminine; references to the singular include the plural and *vice versa*, in each case as the context shall require.
- (e) If any provision of the Plan or part hereof is determined to be void or unenforceable in whole or in part, such determination shall not affect the validity or enforcement of any other provision or part thereof.
- (f) Nothing herein shall be deemed to entitle any Director to any Director Compensation except as and to the extent contemplated in the Director Compensation Program, nor shall anything herein be deemed to give any person the right to be retained as a Director or as an employee of the Company or any Affiliate.
- (g) In the event that any provision of the Plan shall be declared illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining provisions of the Plan but shall be fully severable, and the Plan shall be construed and enforced as if said illegal or invalid provision had never been inserted herein.
- (h) The validity, construction, and effect of the Plan and any rules and regulations relating to the Plan shall be determined in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein, without giving effect to principles of conflicts of laws to the extent not pre-empted by federal law. The enforcement or interpretation of the Plan and any disputes under or arising out of the Plan shall be submitted to the exclusive jurisdiction and venue of courts located in Ontario.

### **4. ELIGIBILITY**

- (a) Each Director entitled to receive Director Compensation in any year shall be entitled to participate in the Plan, provided that the Director Compensation Program may require such Director to participate in the Plan in respect of some or all of such Director's Director Compensation.

### **5. ELECTION TO PARTICIPATE**

- (a) A Director entitled to participate in the Plan may elect to participate in the Plan in respect of some or all of the Director Compensation payable to such Director in any year by delivering to the Committee a Participation Election signed by such Director within the applicable time period prescribed by Section 5(b). A Participation Election shall specify the dollar amount or percentage of the Director's annual Director Compensation that that Director wishes to have satisfied by the issuance of Deferred Share Units, subject to any restrictions as to the maximum or minimum dollar amount or percentage that may be established from time to time under the Director Compensation Program.
- (b) The initial Participation Election of a new Director with respect to such Director's annual

Director Compensation shall be delivered to the Committee not later than thirty (30) days after the Director first becomes eligible to participate in the Plan. Any subsequent Participation Elections shall be made at least 30 days prior to beginning of a Director's next term of office or such other date as may be permitted by the Committee.

**6. DEFERRED SHARE UNIT ACCOUNTS**

- (a) An account, to be known as a "*Deferred Share Unit Account*", shall be established and maintained by the Company for each Participant and shall be credited with notional grants of the Deferred Share Units to which such Participant is entitled in accordance with the Director Compensation Program, any applicable Participation Election and this Plan.

**7. DEFERRED SHARE UNIT GRANTS, DIVIDEND EQUIVALENTS AND REORGANIZATION**

- (a) In respect of that portion of a Director's Director Compensation that is payable on the Conversion Date which is to be satisfied by crediting the Participant's Deferred Share Unit Account, the Company 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 Participant's Director Compensation to be satisfied in the form of Deferred Share Units by (ii) the Market Value of the Shares on such date. Deferred Share Units will be fully vested upon being credited to a Participant's Deferred Share Unit Account and the Participant's entitlement to the settlement of his Deferred Share Unit Account in accordance with Section 8 shall not thereafter be subject to satisfaction of any requirements as to any minimum period of membership on the Board or other conditions.
- (b) In the event that a cash dividend is paid on the Shares, additional Deferred Share Units will be credited to the Participant's Deferred Share Unit Account. The number of such additional Deferred Share Units will be calculated as at the date that such cash dividend is paid by dividing the amount of the cash dividend that would have been paid to such Participant on such date if the Deferred Share Units recorded in the Participant's Deferred Share Unit Account had been Shares, by the Market Value of the Shares on such date.
- (c) In the event of any stock dividend, stock split, combination or exchange of shares, merger, arrangement, re-organization, re-capitalization, consolidation, spin-off or other distribution (other than cash dividends) of Company assets to shareholders, or any other similar changes affecting the Shares, such proportionate adjustments, to reflect such change or changes shall be made with respect to the number of Deferred Share Units outstanding under the Plan, all as determined by the Board in its sole discretion.
- (d) 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 Deferred Share Units will be granted to a Participant to compensate for a downward fluctuation in the Market Value of the Shares, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose.

**8. SETTLEMENT ON RETIREMENT OR DEATH**

- (a) The value of the Deferred Share Units credited to a Participant's Deferred Share Unit Account shall be determined in accordance with Section 8(b) as of the date that is 30 days following the Participant's Termination Date (the "**Valuation Date**").
- (b) On the Valuation Date, the value of the Deferred Share Units credited to a Participant's Deferred Share Unit Account shall be determined by multiplying the number of Deferred Share Units credited to his Deferred Share Unit Account on such Valuation Date by the Market Value of the Shares on such date.
- (c) The Participant's Deferred Share Unit Account shall be settled on one or more dates following

the Valuation Date as determined by the then current Director Compensation Program, provided that such settlement shall be completed by December 31<sup>st</sup> of the year following the Termination Date (collectively the "**Settlement Date**"). The Director's Deferred Share Unit Account may be settled in the form of a lump sum or periodic cash payments; the issuance of Shares from treasury or the purchase of Shares on the Participant's behalf (or on behalf of his estate, if applicable) by the Company on the open market, or some combination of the foregoing, as determined by the Director Compensation Program in effect on the Settlement Date.

- (d) In the event that the Company settles a Participant's Deferred Share Unit Account, in whole or in part through the purchase of Shares from the open market, the Company shall, on the Settlement Date, notify an investment dealer that is independent from the Company (the "**Broker**") of the number of Shares to be purchased on behalf of the Participant on the Exchange. As soon as practicable thereafter, the Broker shall purchase the number of Shares which the Company has requested and shall notify the Participant and the Company of:
  - (i) the aggregate purchase price ("**Aggregate Purchase Price**") of the Shares;
  - (ii) the purchase price per Share, or if the Shares were purchased at different prices, the average purchase price (computed on a weighted average basis) per Share ("**Price per Share**");
  - (iii) the amount of any reasonable brokerage commission related to such purchase of Shares; and
  - (iv) the date of payment for such purchase of Shares.

On the date of payment, upon payment of the Aggregate Purchase Price and related reasonable brokerage commission by the Company, the Broker shall deliver to the Participant or his estate, if applicable, the certificate attesting the Shares purchased on behalf of the Participant or his estate or shall cause such Shares to be transferred electronically to an account designated by the Participant or his estate.

- (e) Any entitlement to fractional Shares may be paid by the Company in cash based on the Market Value of a Share on the Settlement Date.
- (f) The Plan and the Company's obligation to issue or otherwise deliver Shares upon the settlement of any Participant's Deferred Share Unit Account shall be subject to all applicable federal, provincial and foreign laws, rules and regulations, the rules and regulations of any Exchange on which the Shares are listed for trading and to such approvals by any regulatory or governmental agency as may, in the opinion of counsel to the Company, be required but shall not require the Company to file a prospectus in relation to the issuance or purchase of Shares on the open market by the Company. The Company shall not be obliged by any provision of the Plan or the grant of any Deferred Share Units to issue or otherwise purchase Shares in violation of such laws, rules and regulations or any condition of such approvals. No Deferred Share Units shall be granted, and no Shares shall be issued or purchased on the open market where such grant, issue or purchase would require registration of the Plan or Shares under the securities laws of any foreign jurisdiction and any purported grant of any Deferred Share Unit or issuance or purchase of Shares hereunder in violation of this provision shall be void. In addition, the Company shall have no obligation to issue any Shares pursuant to the Plan unless such Shares shall have been duly listed, upon official notice of issuance, with the Exchanges on which the Shares are listed for trading. Shares issued to or purchased on behalf of Participants pursuant to the settlement of the Participant's Deferred Share Unit Plan may be subject to limitations on sale or resale under applicable securities laws.
- (g) The number of Shares reserved for issuance in respect of the settlement of all Director Deferred Share Unit Accounts at any time shall not exceed 300,000 or such greater number as may be approved from time to time by the Company's disinterested shareholders. For greater certainty, the Shares underlying Deferred Share Units which have expired, been cancelled or otherwise not redeemed may not be made the subject of a further grant of Deferred Share

Units. Under no circumstances may the number of Deferred Share Units granted in the aggregate, together with any other security based compensation arrangements of the Company (including but not limited to any options granted under the Option Plan of the Company) exceed 10% of the total number of Shares then outstanding.

- (h) The maximum number of Shares issuable pursuant to this Plan and any other security based compensation arrangements of the Company (including but not limited to any options granted under the Option Plan of the Company) is, in any 12-month period: (i) to any one person, 1% of the total number of Shares then outstanding, and (i) in the aggregate, 2% of the total number of Shares then outstanding.
- (i) A Participant shall have no further entitlement under the Plan upon the settlement of the Participant's Deferred Share Unit Account in accordance with this Section 8.

## **9. SHAREHOLDER RIGHTS**

- (a) Deferred Share Units are not Shares or other securities of the Company and do not entitle a Participant to any shareholder rights, including, without limitation, voting rights, dividend entitlement or rights on liquidation. Except as specifically set out herein, no Participant or any other person shall have any claim or right to any benefits in respect of the Deferred Share Units granted hereunder.

## **10. ASSIGNMENT**

- (a) The assignment or transfer of the Deferred Share Units, or any other benefits under this Plan, by a Participant shall not be permitted other than to his estate upon his death. Any attempt to assign or transfer the rights under the Plan shall be void and have no effect.

## **11. ADMINISTRATION**

- (a) Unless otherwise determined by the Board, the Plan shall be administered by the Committee. The Committee shall have full and complete authority to interpret the Plan and to make such other determinations as it deems necessary or desirable for the administration of the Plan.
- (b) Subject to any applicable laws, including the policies of any applicable Exchange, the Plan may be amended or terminated at any time by the Board, except as to rights already accrued hereunder by any Participants. Notwithstanding the foregoing, any amendment or termination of the Plan shall be such that the Plan continuously meets the requirements of paragraph 6801(d) of the Income Tax Regulations or any successor provision thereto.
- (c) The Company will be responsible for all costs relating to the administration of the Plan.
- (d) The Plan shall at all times be considered entirely unfunded and no provision shall at any time be made with respect to segregating assets of any Participant for payment of any amounts hereunder or otherwise providing any security in respect thereof. The Plan constitutes a mere promise of the Company to settle the Director's Deferred Share Unit Account in the future. Participants have rights only as unsecured general creditors of the Company.
- (e) Nothing contained herein shall prevent the Board from adopting other or additional compensation arrangements for Directors, subject to any required regulatory or shareholder approval.
- (f) The Plan does not give any Participant the right or obligation to or to continue to serve as a Director, officer or employee, as the case may be, of the Company or any of its Affiliates.

## **12. EFFECTIVE DATE**

- (a) This Plan became effective October 11, 2018.

**SCHEDULE D  
GENERAL BY-LAW  
BY-LAW NO. 2**

A By-Law Relating Generally to the Conduct of the Affairs of

**POND TECHNOLOGIES HOLDINGS INC.**

(hereinafter called the "**Corporation**") as follows:

**PART I – INTERPRETATION**

1.01 In this By-law No. 2 and all other by-laws of the Corporation, unless the context otherwise specifies or requires:

- (a) "Act" means the *Business Corporations Act* of Alberta, as from time to time amended and every statute that may be substituted therefor and, in the case of each substitution, any references in the By-laws of the Corporation to the provisions of the Act shall be read as references to the substituted provisions therefor in the new statute or statutes;
- (b) "Articles" means the Articles of Incorporation of the Corporation, as from time to time amended, supplemented or restated;
- (c) "Board" means the board of directors of the Corporation;
- (d) "By-laws" means this By-law No. 2 and all other by-laws of the Corporation as from time to time amended;
- (e) "Meeting of Shareholders" includes an annual or other general meeting of shareholders and a special meeting of shareholders; "special meeting of shareholders" includes a meeting of any class or classes of shareholders;
- (f) "Regulations" means the Regulations under the Act as published or from time to time amended and every regulation that may be substituted therefor and, in the case of such substitution, any references in the By-laws of the Corporation to provisions of the Regulations shall be read as references to the substituted provisions therefor in the new regulations;
- (g) "Resident Canadian" means an individual who is:
  - (i) a Canadian citizen ordinarily resident in Canada,
  - (ii) a Canadian citizen not ordinarily resident in Canada who is a member of a prescribed class of persons, or
  - (iii) a permanent resident within the meaning of the *Immigration and Refugee Protection Act* (Canada) and ordinarily resident in Canada;
- (h) "Signing Officer" means, in relation to any document and instrument in writing, any person authorized to sign the same on behalf of the Corporation by virtue of Section 2.01 or by a resolution passed pursuant thereto.

1.02 Interpretation - Save as aforesaid, all terms which are contained in the By-laws and which are defined in the Act or Regulations shall have the meanings given to such terms in the Act or Regulations. Words importing the singular number include the plural and vice versa; the masculine shall include the feminine; and the word "person"

shall include an individual, partnership, association, body corporate, corporation, company, syndicate, trustee, executor, administrator, legal representative, and any number or aggregate of persons.

1.03 Headings and Sections - The headings used throughout this By-law are inserted for convenience of reference only and are not to be used as an aid in the interpretation of this By-law. "Section" followed by a number means or refers to the specified section of this By-law.

1.04 Invalidity of any Provision of this By-Law - The invalidity or unenforceability of any provision of this By-law shall not affect the validity or enforceability of the remaining provisions of this By-Law.

1.05 Conflict - In the case of any conflict between this By-law and a unanimous shareholder agreement, whether such unanimous shareholder agreement exists at the coming into force of this By-law or not, such unanimous shareholder agreement shall prevail.

## **PART II - GENERAL PROVISIONS RELATING TO THE OPERATION OF THE CORPORATION'S BUSINESS**

2.01 Signing of Documents and Instruments - The Board is authorized from time to time to appoint any officer or officers or any other individual or individuals on behalf of the Corporation either to sign and deliver documents and instruments in writing generally or to sign and deliver specific documents and instruments in writing. In the absence of any such appointment by the Board, the president together with the secretary shall have authority to sign and deliver in the name of the Corporation, whether under corporate seal or not, all documents and instruments in writing and any documents and instruments in writing so signed and delivered shall be binding upon the Corporation without any other formality.

2.02 Banking Arrangements - The banking business of the Corporation or any part thereof, shall be transacted with such bank or trust company or other financial institution that the Board may designate, appoint or authorize from time to time by resolution and all such banking business, or any part thereof, shall be transacted on the Corporation's behalf by such one or more individuals as the Board may designate, direct or authorize from time to time by resolution and to the extent therein provided.

2.03 Borrowing - Without limiting the powers of the Corporation as set forth in the Act, the Board may from time to time on behalf of the Corporation, without authorization of the shareholders:

- (a) borrow money on the credit of the Corporation;
- (b) issue, re-issue, sell or pledge debt obligations of the Corporation, whether secured or unsecured;
- (c) to the extent permitted by the Act, give a guarantee on behalf of the Corporation to secure performance of an obligation of any person; and
- (d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation.

Nothing in this Section 2.03 limits or restricts the borrowing of money by the Corporation on bills of exchange or promissory notes, made, drawn, accepted or endorsed by or on behalf of the Corporation. The Board may from time to time delegate to a committee of the Board, a director or an officer of the Corporation or any other person as may be designated by the Board all or any of the powers conferred herein on the Board or by the Act to such extent and in such manner as the Board may determine at the time of such delegation.

2.04 Voting Rights in Other Bodies Corporate - All of the shares or other securities carrying voting rights of any other body corporate held from time to time by the Corporation, other than shares it beneficially owns in its holding body corporate, may be voted at any and all meetings of shareholders, bondholders, debentureholders or holders of other securities, as the case may be, of such body corporate and in such manner and by such person or persons as the Board shall from time to time determine. In the absence of any such determination by the Board, the Signing Officers may execute and deliver for and on behalf of the Corporation proxies and/or arrange for the issuance of voting certificates and/or other evidence of the right to vote in such names as they may determine and without the necessity of a resolution or other action by the Board.

2.05 Divisions - The Board may cause the business and operations of the Corporation or any part thereof to be divided into one or more divisions upon such basis, including without limitation, types of business or operations, geographical territories, product lines or goods or services, as the Board may consider appropriate in each case. From time to time the Board may authorize upon such basis as may be considered appropriate in each case:

- (a) the designation of any such division by, and the carrying on of the business and operations of any such division under, a name other than the name of the Corporation; provided that the Corporation shall set out its name in legible characters in all contracts, invoices, negotiable instruments and orders for goods or services issued or made by or on behalf of the Corporation, and
- (b) the appointment of officers for any such division and the determination of their powers and duties, provided that any such officers shall not, as such, be officers of the Corporation.

### **PART III - MEETINGS OF DIRECTORS**

3.01 First Meeting of New Board - Each newly elected Board may without notice hold its first meeting for the purposes of organization and the election and appointment of officers immediately following the Meeting of Shareholders at which such Board was elected, provided a quorum of directors is present.

3.02 Calling and Notice of Meetings - Meetings of the Board shall be held at such time and on such day as the chairman of the Board, the president or any director may determine and the secretary shall call meetings when directed or authorized by the chairman of the Board, the president or any director. Notice of every meeting so called shall be given to each director not less than 48 hours before the time when the meeting is to be held, save that no notice of a meeting shall be necessary if all directors are present or if those absent waive notice of such meeting. Notice of a meeting of the Board may be given orally or in writing or by means of telephone, e-mail, or any other means of electronic communication. A notice of a meeting of the Board need not specify the purpose of or the business to be transacted at the meeting except where the Act requires such purpose or business to be specified.

3.03 Place of Meeting - Meetings of the Board shall be held at the head office or registered office of the Corporation or, with the consent of the majority of the Board at any other place within or outside of Alberta. Attendance by a director at any meeting of the Board shall constitute his consent to the place of holding such meeting.

3.04 Quorum - Except where the Corporation has a sole director, a quorum for the transaction of business at any meeting and at any regular or special meeting of the Board, shall consist of a majority of the directors holding office or such greater number of directors as the board may from time to time determine, unless the number of resident Canadians required by the Act is present at such meeting.

3.05 Chairman - The chairman of any meeting of the Board shall be the first mentioned of such of the following officers as have been appointed and who is a director and is present at the meeting: chairman of the board, managing director, president or a vice-president (in order of seniority). If no such officer is present, the directors present shall choose one of their number to be chairman.

3.06 Votes to Govern - At all meetings of the Board every question shall be decided by a majority of the votes cast on the question; and in the case of an equality of votes, no person shall be entitled to a second or casting vote in addition to his original vote.

3.07 Participation in Meetings by Telephone - A director may participate in a meeting of the Board or of a committee of directors by means of telephone or other communication facilities that permit all persons participating in the meeting to hear each other, and a director participating in a meeting by these means shall be deemed to be present at that meeting and shall be included in the quorum. A meeting shall be deemed to take place when a quorum of directors participate in a telephone conference, notice of which was given to all directors in accordance with Section 3.02, notwithstanding that no two of the directors participating in such telephone conference are present in the same room.

3.08 Resolution in Lieu of Meeting - A resolution in writing, signed in one or more counterparts by all of the directors entitled to vote on that resolution at a meeting of directors or committee of directors is as valid as if it had been passed at a meeting of directors or committee of directors and shall be effective as of the date stated in such resolution to be the effective date thereof.

3.09 Remuneration and Expenses - The directors shall be paid such remuneration for their services as the Board may from time to time determine. The directors shall also be entitled to be reimbursed for travelling and other expenses properly incurred by them in attending meetings of the Board or any committee thereof. Nothing herein contained shall preclude any director from serving the Corporation in any other capacity and receiving remuneration therefore.

## **PART IV - OFFICERS**

4.01 Appointment - The Board may, from time to time, appoint a chairman of the board, a president, one or more vice-presidents (to which title may be added words indicating seniority or function), a secretary, a treasurer and such other officers as the Board may determine, including one or more assistants to any of the officers so appointed. The board may specify the duties of and, in accordance with this by-law and subject to the provisions of the Act, delegate to such officers powers to manage the business and affairs of the Corporation. Two or more offices may be held by the same person.

4.02 Powers and Duties of Officers - The powers and duties of the officers of the Corporation shall be such as the terms of their engagement call for as prescribed by the Board. Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by such assistant, unless the Board otherwise directs.

4.03 Variation of Powers and Duties - The Board may from time to time vary, add to or limit the powers and duties of any officer.

4.04 Vacancies - If the office of any officer of the Corporation shall be or become vacant by reason of death, resignation, disqualification or otherwise, the Board by resolution shall, in the case of the president or the secretary, and may, in the case of any other office, appoint a person to fill such vacancy.

4.05 Remuneration and Removal - The remuneration of all officers shall be determined from time to time by the Board. The fact that any officer or employee is a director or shareholder of the Corporation shall not disqualify him from receiving such remuneration as may be determined. All officers, in the absence of any agreement to the contrary, shall be subject to removal by resolution of the Board at any time, with or without cause.

4.06 Agents and Attorneys - The Board shall have power from time to time to appoint agents or attorneys for the Corporation in or outside Canada with such powers (including the power to sub-delegate) of management, administration or otherwise as may be thought fit.

## **PART V - PROTECTION OF DIRECTORS, OFFICERS AND OTHERS**

5.01 Conflict of Interest - A director or officer shall not be disqualified from his office, or be required to vacate his office, by reason only that he is a party to, or is a director or officer of or has a material interest in any person who is a party to, a material contract or proposed material contract with the Corporation or subsidiary thereof. Such a director or officer shall, however, disclose the nature and extent of his interest in the contract at the time and in the manner provided by the Act and shall be counted to determine the presence of a quorum at any meeting of the Board at which such a contract may be authorized or approved.

5.02 Indemnity - Subject to the Act, the Corporation shall indemnify a director or officer of the Corporation, a former director or officer of the Corporation or a person who acts or acted at the Corporation's request as a director or officer of a body corporate of which the Corporation is or was a shareholder or creditor, and his heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him in respect of any civil, criminal or administrative action or proceeding to which he is made a party by reason of being or having been a director or officer of the Corporation or body corporate, if:

- (a) he acted honestly and in good faith with a view to the best interests of the Corporation; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he had reasonable grounds for believing that his conduct was lawful.

## **PART VI - MEETINGS OF SHAREHOLDERS**

6.01 Calling and Notice of Meetings - Except where otherwise provided in the Act and subject to Section 6.02, the Board alone shall have the power to call a Meeting of Shareholders at any time and at such place in Alberta as it determines. The manner of providing notice of a Meeting of Shareholders and the fixing of record dates for the determination of shareholders entitled to such notice shall be governed by the Act.

6.02 Quorum - A quorum for the transaction of business at any Meeting of Shareholders shall be two individuals present in person, 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 issued shares of the Corporation having not less than ten (10%) percent of the votes entitled to be cast at such meeting; provided, however, that if the Corporation has only one shareholder or only one holder of any class or series of shares entitled to vote, such shareholder present in person or by proxy constitutes a Meeting of Shareholders or of that class of shareholder, as the case may be. If a quorum is present at the opening of any Meeting of Shareholders, the shareholders present or represented may proceed with the business of the meeting notwithstanding that a quorum is not present throughout the meeting. If a quorum is not present at the opening of any Meeting of Shareholders, the shareholders present or represented may adjourn the meeting to a fixed place and time no later than fourteen (14) days from the date of the original meeting but may not transact any other business. Notice of the place and time of any adjourned meeting shall be sent to all shareholders within three (3) days of the date of the original meeting so adjourned. At any such adjourned meeting, the person or persons present in person, being a shareholder or shareholders entitled to vote thereat or a duly appointed proxyholder or representative of a shareholder so entitled to vote thereat shall constitute a quorum.

6.03 Persons Entitled To Be Present - The only persons entitled to be present at a Meeting of Shareholders shall be those entitled to vote thereat, the directors and auditors of the Corporation and others who, although not entitled to vote, are entitled or required under the provisions of the Act or the Articles or By-laws to be present at the meeting. Any other person may be admitted only on the invitation of the chairman of the meeting or with the consent of the meeting.

6.04 Chairman, Secretary and Scrutineers - The chairman of the Board, if such officer has been appointed and is present, otherwise the president or, in his absence, a vice-president (in order of seniority) shall be the chairman of any Meeting of Shareholders. If no such officer is present within fifteen (15) minutes from the time fixed for holding the meeting, the persons present and entitled to vote shall choose one of their number to be the chairman. If the secretary of the Corporation is absent, the chairman shall appoint some person, who need not be a shareholder, to act as the secretary of the meeting. The chairman may appoint one or more persons (who may, but need not be shareholders, directors, officers or employees of the Corporation), to act as scrutineers at any Meeting of Shareholders.

6.05 Procedure - Subject to the By-laws, the chairman of any Meeting of Shareholders shall conduct the proceedings thereat in all respects and his decision in any matter or thing, including, but without in any way limiting the generality of the foregoing, any question regarding the validity or invalidity of any instruments of proxy, shall be conclusive and binding upon the shareholders.

6.06 Votes to Govern - At any Meeting of Shareholders every question shall, unless otherwise required by the Articles or By-laws or by law, be determined by a majority of the votes cast on the question. In case of an equality of votes either upon a show of hands or upon a ballot, no person shall be entitled to a second or casting vote in addition to his original vote.

6.07 Show of Hands - Subject to the Act, any question at a Meeting of Shareholders shall be decided by a show of hands, unless a ballot thereon is required or demanded as hereinafter provided. Upon a show of hands every person who is present and entitled to vote shall have one (1) vote. Whenever a vote by show of hands shall have been taken upon a question, unless a ballot thereon is required or demanded, a declaration by the chairman of the meeting that the vote upon the question has been carried or carried by a particular majority or not carried and an entry to that effect in the minutes of the meeting shall be prima facie evidence of the fact without proof of the

number of votes recorded in favour of or against any resolution or other proceeding in respect of the said question, and the result of the vote so taken shall be the decision of the shareholders upon the said question.

6.08 Ballots - On any question proposed for consideration at a Meeting of Shareholders, a shareholder, proxyholder or other person entitled to vote may demand and the chairman may require that a ballot be taken either before or upon the declaration of the result of any vote by show of hands. If a ballot is demanded on the election of a chairman or on the question of adjournment it shall be taken forthwith without an adjournment. A ballot demanded or required on any other question shall be taken in such a manner as the chairman shall direct. A demand or requirement for a ballot may be withdrawn at any time prior to the taking of the ballot. If a ballot is taken each person present shall be entitled, in respect to the shares that he is entitled to vote at the meeting upon the question, to the number of votes as provided for by the Articles or, in the absence of such provision in the Articles, to one (1) vote for each share he is entitled to vote. The result of the ballot so taken shall be the decision of the shareholders upon the question.

6.09 Participation in Meeting by Telephone - A shareholder or any other person entitled to attend a Meeting of Shareholders may participate in the meeting by means of telephone or other telecommunication facilities that permit all persons participating in the meeting to hear each other if all the shareholders present and entitled to vote at the meeting consent and a person participating in such a meeting by those means is deemed to be present at the meeting.

6.10 Resolutions in Lieu of Meeting - A resolution in writing signed in one or more counterparts by all the shareholders entitled to vote on that resolution is as valid as if it had been passed at a Meeting of Shareholders and shall be effective as of the date stated in such resolution to be the effective date thereof.

## **PART VII - SHARE CERTIFICATES**

7.01 Form of Certificates - Share certificates and the form of transfer on the reverse side thereof and acknowledgements of a shareholder's right to a share certificate, shall, subject to the Act, be in such form as the Board shall from time to time approve. Any share certificate shall be signed in accordance with Section 2.01 and need not be under the Corporate seal; provided that, unless the Board otherwise determines, certificates representing shares in respect of which a transfer agent and/or registrar has been appointed shall not be valid unless countersigned by or on behalf of such transfer agent and/or registrar. The signature of one of the Signing Officers or, in the case of share certificates which are not valid unless countersigned by or on behalf of a transfer agent and/or registrar, the signatures of both Signing Officers, may be printed or mechanically reproduced in facsimile upon share certificates and every such facsimile signature shall for all purposes be deemed to be the signature of the officer whose signature it reproduces and shall be binding upon the Corporation. A share certificate executed as aforesaid shall be valid notwithstanding that one or both of the officers whose facsimile signature appears thereon no longer holds office at the date of issue of the certificate.

7.02 Uncertificated Securities - A security issued by the Corporation may be represented by a security certificate or may be an uncertificated security. Unless otherwise provided in the articles, the Board may by resolution provide that any or all classes and series of shares or other securities of the Corporation shall be uncertificated securities, provided that such resolution shall not apply to securities represented by a certificate until such certificate is surrendered to the Corporation.

7.03 Replacement of Share Certificates - The Board or any officer or agent designated by the Board may in its or his discretion direct the issue of a new share or other such certificate in lieu of and upon cancellation of a certificate that has been mutilated or in substitution for a certificate claimed to have been lost, destroyed or wrongfully taken, on payment of such reasonable fee and on such terms as to indemnity, reimbursement of expenses and evidence of loss as the Board may from time to time prescribe, whether generally or in any particular case.

7.04 Joint Holders - If two or more persons are registered as joint holders of any share the Corporation shall not be bound to issue more than one certificate in respect thereof, and delivery of such certificate to one of such persons shall be sufficient delivery to all of them. Any one of such persons may give effectual receipts for the certificate

issued in respect thereof or for any dividend, bonus, return of capital or other money payable or warrant issuable in respect of such share.

7.05 Deceased Shareholders - In the event of the death of a holder, or of one of the joint holders, of any share, the Corporation shall not be required to make any entry in the securities register in respect thereof or to make payment of any dividends thereon except upon production of all such documents as may be required by law and upon compliance with the reasonable requirements of the Corporation and its transfer agents.

## **PART VIII - TRANSFER OF SECURITIES**

8.01 Registration of Transfer - Subject to the Act, no transfer of a share shall be registered in a securities register except upon presentation of the certificate representing such share with an endorsement which complies with the Act made thereon or delivered therewith duly executed by an appropriate person as provided by the Act, together with such reasonable assurance that the endorsement is genuine and effective as the Board may from time to time prescribe, upon payment of all applicable taxes and any reasonable fees prescribed by the Board and upon compliance with such restrictions on transfer as are authorized by the Articles and upon satisfaction of any lien referred to in Section 8.03.

8.02 Transfer Agents and Registrars - The Board may from time to time by resolution appoint or remove one or more transfer agents registered under the applicable law to maintain a central securities register or registers and one or more branch transfer agents to maintain branch securities register or registers. A transfer agent or branch transfer agent so appointed may be designated as such or may be designated as a registrar, according to its functions of both registrar and transfer or branch transfer agent. The Board may provide for the registration of transfers of securities by and in the offices of such transfer agent, or branch transfer agents or registrars.

8.03 Lien for Indebtedness - If the Articles provide that the Corporation shall have a lien on shares registered in the name of a shareholder indebted to the Corporation for any amount, including any unpaid amount owing on a share issued by the Corporation on the date the Corporation was continued under the Act, such lien may be enforced, subject to the Articles and to any unanimous shareholder agreement, by the sale of the shares thereby affected or by any other action, suit, remedy or proceeding authorized or permitted by law or by equity and, pending such enforcement, the Corporation may refuse to register a transfer of the whole or any part of such shares.

## **PART IX - DIVIDENDS AND RIGHTS**

9.01 Dividend Cheques - A dividend payable in cash shall be paid by cheque to the order of each registered holder of shares of the class or series in respect of which it has been declared, and mailed by prepaid ordinary mail to such registered holder at his address recorded in the Corporation's securities register or registers unless such holder otherwise directs. In the case of joint holders the cheque shall, unless such joint holders otherwise direct, be made payable to the order of all such joint holders and mailed to one of them at his recorded address. The mailing of such cheque as aforesaid, unless the same is not paid on due presentation, shall satisfy and discharge the liability for the dividend to the extent of the sum represented thereby plus the amount of any tax which the Corporation is required to and does withhold.

9.02 Non-Receipt of Cheques - In the event of non-receipt of any dividend cheque by the person to whom it is sent as aforesaid, the Corporation shall issue to such person a replacement cheque for a like amount on such terms as to indemnity, reimbursement of expenses and evidence of non-receipt and of title as the Board may from time to time prescribe, whether generally or in any particular case.

9.03 Unclaimed Dividends - Any dividend unclaimed after a period of six (6) years from the date of which the same has been declared to be payable shall be forfeited and shall revert to the Corporation.

## **PART X - INFORMATION AVAILABLE TO SHAREHOLDERS**

10.01 Right to Obtain Information - Except as provided by the Act, no shareholder shall be entitled to obtain information respecting any details or conduct of the Corporation's business which would not, in the opinion of the Board, be in the interests of the Corporation to communicate to the public.

10.02 Right to Inspect - The Board may from time to time, subject to rights conferred by the Act, determine whether and to what extent and at what time and place and under what conditions or regulations the documents, books, registers and accounting records of the Corporation or any of them shall be open to the inspection of shareholders and no shareholder shall have any right to inspect any document, book, register or accounting record of the Corporation except as conferred by statute or authorized by the Board.

## **PART XI - MISCELLANEOUS**

11.01 Omissions and Errors - The accidental omission to give any notice to any shareholder, director, officer, auditor or member of a committee of the Board or the non-receipt of any notice by any such person or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

11.02 Directors to Require Surrender of Share Certificates - If the Corporation is continued under the Act, the Board then in office is hereby authorized to require the shareholders of the Corporation to surrender their share certificates, or such of their share certificates as the directors may determine, for the purpose of cancelling the share certificates and replacing them with new share certificates that comply with the Act, and in particular, by replacing existing share certificates with share certificates that are not negotiable securities under the Act. The Board shall act by resolution under this Section 11.02 and shall in its discretion decide the manner in which it shall require the surrender of existing share certificates and the time within which the shareholders must comply with the requirement and the form or forms of the share certificates to be issued in place of the existing share certificates. The Board may take such proceedings as it deems necessary to compel any shareholder to comply with a requirement to surrender his share certificate or certificates pursuant to this Section 11.02. Notwithstanding any other provision of this By-law, but subject to the Act, the Board may refuse to register the transfer of shares represented by a share certificate that has not been surrendered pursuant to a requirement under this Section 11.02.

11.03 Effective Date - This By-law shall come into force upon the date the Corporation is incorporated under the Act, as the case may be, or the date on which this By-law is enacted, whichever is later.

11.04 Transitional Provision - All officers and persons validly appointed and acting prior to the coming into force of this By-law shall continue to act as if appointed under the provisions of this By-law and all resolutions of shareholders or the Board which have not been amended or repealed prior to the coming into force of this By-law shall continue good and valid except to the extent inconsistent with the Act or this By-law and until such resolutions are amended or repealed.

11.05 Repeal – By-law No. 1 of the Corporation is repealed as of the coming into force of this By-law No. 2 provided that such repeal will not affect the previous operation of any by-law so repealed or affect the validity of any act done or right, privilege, obligation or liability acquired or incurred under or the validity of any contract or agreement made pursuant to any such by-law prior to its repeal. All officers and persons acting under any by-law so repealed will continue to act as if appointed by the directors under the provisions of this by-law or the Act until their successors are appointed.

The foregoing by-law was made by the directors of the Corporation on March 1, 2019 and was confirmed without variation by the shareholders of the Corporation on June 17, 2019.

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, President

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