

SENDERO RESOURCES CORP. 2023 EQUITY INCENTIVE PLAN

1. Purpose; Eligibility.

1.1 General Purpose. The name of this plan is the Sendero Resources Corp. 2023 Equity Incentive Plan (the "**Plan**"). The purposes of the Plan are to (a) enable 1319732 B.C. Ltd., a corporation formed under the laws of the Province of British Columbia (the "**Company**"), and any Affiliate to attract and retain the types of Employees, Consultants and Directors who will contribute to the Company's long range success; (b) provide incentives that align the interests of Employees, Consultants and Directors with those of the security holders of the Company; and (c) promote the success of the Company's business. This Plan is being adopted in connection with, and is effective conditional upon, the consummation of the proposed acquisition by the Company of Sendero Resources Corp. pursuant to a three-cornered amalgamation with the Company's wholly owned subsidiary, 1409689 B.C. Ltd. (the "**Transaction**"). In connection with the consummation of the proposed transaction, the Company will change its name to "Sendero Resources Corp."

1.2 Eligible Award Recipients. The persons eligible to receive Awards are the Employees, Consultants and Directors of the Company and its Affiliates.

1.3 Available Awards. Awards that may be granted under the Plan include: (a) Stock Options, (b) Share Appreciation Rights, (c) Restricted Awards, (d) Performance Compensation Awards, (e) Performance Share Awards, and (f) Other Equity-Based Awards.

2. Definitions.

"**Affiliate**" means any entity that is an "affiliate" for the purposes of National Instrument 45-106 - Prospectus Exemptions, as amended from time to time.

"**Applicable Laws**" means the applicable laws and regulations and the requirements or policies of any governmental or regulatory authority, securities commission or stock exchange having authority over the Company or the Plan.

"**Applicable Withholding Taxes**" means any and all taxes and other source deductions or other amounts that an Employer is required by law to withhold from any amounts to be paid or credited hereunder. Applicable Withholding Taxes shall be denominated in the currency in which the Award is denominated.

"**Award**" means any right granted under the Plan, including a Stock Option, a Share Appreciation Right, a Restricted Award, a Performance Share Award, a Performance Compensation Award, or an Other Equity-Based Award.

"**Award Agreement**" means a written agreement, contract, certificate or other instrument or document evidencing the terms and conditions of an individual Award granted under the Plan that may, in the discretion of the Company, be transmitted electronically to any Participant. Each Award Agreement shall be subject to the terms and conditions of the Plan.

"Bank of Canada Rate" means the exchange rate for the applicable currency published by the Bank of Canada on the relevant date.

"Beneficial Owner" means any Person who, directly or indirectly, through a contract or other arrangement, has (or shares in) the rights to securities that typically occur with the ownership of securities, such as voting, dividend, distribution or transfer rights. A person or entity may be the beneficial owner of a security even though title to the security may be in another name (commonly referred to as securities held in street form). More than one Person or Persons can be the beneficial owner of a single security. A Person is an indirect beneficial owner of securities if the securities are owned through a corporation, affiliated corporation, a trust of which the Person is a beneficial owner or some other legal entity. A Person will be deemed to beneficially own securities that are owned by a corporation controlled by the Person or an Affiliate of such corporation. The terms "Beneficially Owns" and "Beneficially Owned" have a corresponding meaning.

"Beneficiary" means, subject to applicable law, any Person designated by a Participant by written instrument filed with the Company in such form as may be approved from time to time by the Company, to receive any amount payable under the Plan in the event of a Participant's death or, failing any such effective designation, the Participant's estate.

"Blackout Period" means, with respect to any person, the period of time when, pursuant to any policies or determinations of the Company, securities of the Company may not be traded by such person, including any period when such person has material undisclosed information with respect to the Company, but excluding any period during which a regulator has halted trading in the Company's securities.

"Board" means the Board of Directors of the Company, as constituted at any time.

"Business Day" means any day other than a Saturday, Sunday or any other day on which the principal chartered banks located in Vancouver, British Columbia are not open for business.

"Cash Award" means an Award denominated in cash that is granted under Section 7.5 of the Plan.

"Cause" means:

- (a) With respect to any Participant, unless the applicable Award Agreement states otherwise:
 - (i) if the Participant is a party to an employment or service agreement with the Company or its Affiliates and such agreement provides for a definition of Cause, the definition contained therein; or
 - (ii) if no such agreement exists, or if such agreement does not define Cause, any act or omission that would entitle the Company to terminate the Participant's employment without notice or compensation under the common law for just cause, including, without in any way limiting its meaning under the common law: (i) the indictment for or conviction of an indictable offence or any summary offence involving material dishonesty or moral turpitude; (ii) material fiduciary breach with respect to the Company or an Affiliate; (iii) fraud, embezzlement or similar conduct that results in or is reasonably likely to result in harm to the reputation or business of the Company or any of its Affiliates; (iv) gross negligence

or willful misconduct with respect to the Company or an Affiliate; (v) material violation of Applicable Laws; or (vi) the willful failure of the Participant to properly carry out their duties on behalf of the Company or to act in accordance with the reasonable direction of the Company.

- (b) With respect to any Director, unless the applicable Award Agreement states otherwise, a determination by a majority of the disinterested Board members that the Director has engaged in any of the following:
- (i) gross misconduct or neglect;
 - (ii) willful conversion of corporate funds;
 - (iii) false or fraudulent misrepresentation inducing the director's appointment; or
 - (iv) repeated failure to participate in Board meetings on a regular basis despite having received proper notice of the meetings in advance.

The Committee, in its absolute discretion, shall determine the effect of all matters and questions relating to whether a Participant has been discharged for Cause.

"Change in Control" means, unless otherwise defined in the Participant's employment or service agreement or in the applicable Award Agreement, the occurrence of any of the following:

- (a) any transaction at any time and by whatever means pursuant to which any Person or any group of two or more Persons acting jointly or in concert (other than the Company or any wholly owned subsidiary of the Company) thereafter acquires the direct or indirect ownership of, or acquires the right to exercise control or direction over, securities of the Company representing 50% or more of the then issued and outstanding voting securities of the Company in any manner whatsoever, including, without limitation, as a result of a Take-over Bid, an issuance or exchange of securities, an amalgamation of the Company with any other Person, an arrangement, a capital reorganization or any other business combination or reorganization;
- (b) the sale, assignment or other transfer of all or substantially all of the assets of the Company to a Person or any group of two or more Persons acting jointly or in concert (other than a wholly owned subsidiary of the Company);
- (c) the date which is 10 business days prior to the consummation of a complete dissolution or liquidation of the Company, except in connection with the distribution of assets of the Company to one or more Persons which were wholly- owned subsidiaries of the Company prior to such event;
- (d) the occurrence of a transaction requiring approval of the Company's security holders whereby the Company is acquired through consolidation, merger, exchange of securities, purchase of assets, amalgamation, statutory arrangement or otherwise by any Person or any group of two or more Persons acting jointly or in concert (other than an exchange of securities with a wholly-owned subsidiary of the Company);

- (e) the Board passes a resolution to the effect that an event comparable to an event set forth in this definition has occurred; or
- (f) a majority of the members of the Board are replaced during any twelve-month period by directors whose appointment or election is not endorsed by a majority of the Board before the date of appointment or election.

provided that an event described in this definition shall not constitute a Change in Control where such event occurs as a result of a Permitted Reorganization.

"Committee" means a committee of one or more members of the Board appointed by the Board to administer the Plan in accordance with Section 3.3 and Section 3.4; *provided*, however, if such a committee does not exist, all references in the Plan to "Committee" shall at such time be in reference to the Board.

"Common Share" means a common share in the capital of the Company, or such other security of the Company as may be designated by the Committee from time to time in substitution thereof.

"Company" means 1319732 B.C. Ltd., and any successor thereto, and includes Sendero Resources Corp. following the name change of 1319732 B.C. Ltd. to be consummated in connection with the closing of the Transaction.

"Company Group" means the Company and its subsidiaries and Affiliates.

"Constructive Dismissal", unless otherwise defined in the Participant's employment agreement or in the applicable Award Agreement, has the meaning ascribed thereto pursuant to the common law and shall include, without in any way limiting its meaning under the common law, any material change (other than a change which is clearly consistent with a promotion) imposed by the Employer without the Participant's consent to the Participant's title, responsibilities or reporting relationships, or a material reduction of the Participant's compensation except where such reduction is applicable to all officers, if the Participant is an officer, or all employees, if the Participant is an employee of the Employer, provided that the termination of any Participant shall be considered to arise as a result of Constructive Dismissal only if such termination occurs due to such Participant resigning from employment within 30 days of the occurrence of the event described as giving rise to such Constructive Dismissal.

"Consultant" means any, Investor Relations Service Provider, individual or entity engaged by the Company or any Affiliate to render consulting or advisory services, other than as an Employee or Director, and whether or not compensated for such services.

"Continuing Entity" has the meaning ascribed thereto in Section 11.2.

"Continuous Service" means that the Participant's service with the Company or an Affiliate, whether as an Employee, Consultant or Director, is not interrupted or terminated. The Participant's Continuous Service shall not be deemed to have terminated merely because of a change in the capacity in which the Participant renders service to the Company or an Affiliate as an Employee, Consultant or Director, or a change in the entity for which the Participant renders such service, provided that there is no interruption or termination of the Participant's Continuous Service. For example, a change in status from an Employee of the Company to a Director of an Affiliate will not constitute an interruption of Continuous Service. The Committee or its delegate, in its sole discretion, may determine whether

Continuous Service shall be considered interrupted in the case of any leave of absence approved by that party, including sick leave, military leave or any other personal or family leave of absence other than a Leave of Absence that is not considered a termination pursuant to Section 9.4. The Committee or its delegate, in its sole discretion, may determine whether a Company transaction, such as a sale or spin-off of a division or subsidiary that employs a Participant, shall be deemed to result in a Termination of Continuous Service for purposes of affected Awards, and such decision shall be final, conclusive and binding.

"**Control Period**" means the period commencing on the date of the Change in Control and ending 180 days after the date of the Change in Control.

"**Deferred Share Units**" or "**DSUs**" has the meaning set forth in Section 7.2 hereof.

"**Director**" means a member of the Board.

"**Disability**" means, unless an employment agreement or the applicable Award Agreement says otherwise, that the Participant:

- (a) is to a substantial degree unable, due to illness, disease, affliction, mental or physical disability or similar cause, to fulfill their obligations as an officer or employee of the Employer either for any consecutive 12-month period or for any period of 18 months (whether or not consecutive) in any consecutive 24-month period; or
- (b) is declared by a court of competent jurisdiction to be mentally incompetent or incapable of managing their affairs.

The determination of whether an individual has a Disability shall be determined under procedures established by the Committee. The Committee may rely on any determination that a Participant is disabled for purposes of benefits under any long-term disability plan maintained by the Company or any Affiliate in which a Participant participates.

"**Discounted Market Price**" has the meaning ascribed to such term in the policies of the Exchange, as amended from time to time.

"**Dividend Equivalent**" has the meaning ascribed to such term in Section 7.2(c).

"**Effective Date**" shall mean the later of the date that (a) the Company's security holders approve this Plan and (b) the Transaction is consummated.

"**Eligible Person**" means any Director, officer, Employee or Consultant of the Company or an Affiliate.

"**Employee**" means any person, including an officer or Director, employed by the Company or an Affiliate. Mere service as a Director or payment of a director's fee by the Company or an Affiliate shall not be sufficient to constitute "employment" by the Company or an Affiliate.

"**Employer**" means, with respect to an Employee, the entity in the Company Group that employs the Employee or that employed the Employee immediately prior to their Termination of Continuous Service.

"**Exchange**" means the TSX Venture Exchange Inc.

"**Expiry Date**" has the meaning ascribed thereto in Section 6.2.

"**Fair Market Value**" means, as of any particular date, the value of the Common Shares as determined by the Committee in accordance with the following: (a) if the Common Shares are listed on the Exchange, the Fair Market Value shall be the weighted average trading price of a Common Share on the Exchange during the last five trading days prior to that particular date on which at least a board lot of Common Shares has so traded or, if a board lot has not traded on a particular day, the average of the bid and asked prices; *provided*, however, that if the Common Shares are not then listed and posted for trading on the Exchange, then the Fair Market Value shall mean the weighted average trading price of a Common Share on such stock exchange in Canada or the United States on which the Common Shares are then listed and posted for trading during the last five trading days prior to that particular date (and, if in United States dollars, converted to Canadian dollars using the Bank of Canada Rate) or, if the Common Shares are not then listed and posted for trading on any stock exchange in Canada or the United States, then the Fair Market Value shall mean the fair market value per Common Share (in Canadian dollars) as determined in good faith by the Committee in its sole discretion, and such determination shall be conclusive and binding on all persons.

"**Fiscal Year**" means the Company's fiscal year.

"**Free-Standing Rights**" has the meaning set forth in Section 7.1(a).

"**Grant Date**" means the date on which the Committee adopts a resolution, or takes other appropriate action, expressly granting an Award to a Participant that specifies the key terms and conditions of the Award or, if a later date is set forth in such resolution, then such date as is set forth in such resolution.

"**Insider**" has the meaning attributed thereto in policies of the Exchange, as amended from time to time.

"**Investor Relations Service Provider**" has the meaning attributed thereto in the policies of the Exchange, as amended from time to time.

"**ITA**" means the *Income Tax Act* (Canada), including the regulations promulgated thereunder, as amended from time to time.

"**Leave of Absence**" means any period during which, pursuant to the prior written approval of the Participant's Employer or by reason of Disability, the Participant is considered to be on an approved leave of absence or on Disability and does not provide any services to their Employer or any other entity in the Company Group.

"**Negative Discretion**" means the discretion authorized by the Plan to be applied by the Committee to eliminate or reduce the size of a Performance Compensation Award in accordance with Section 7.6(d)(iv) of the Plan.

"**Notice of Exercise**" means a notice substantially in the form set out as Schedule "A" to this Plan, as amended by the Company from time to time.

"**Option**" means a Stock Option granted to a Participant pursuant to the Plan.

"**Option Exercise Price**" means the price at which a Common Share may be purchased upon the exercise of an Option.

"Option Limit" has the meaning set forth in Section 4.3.

"Optionholder" means a Participant to whom an Option is granted pursuant to the Plan or, if applicable, such other Person who holds an outstanding Option.

"Other Equity-Based Award" means an Award that is not an Option, Share Appreciation Right, Restricted Share Unit, Performance Share Unit, Deferred Share Unit or Performance Share Award that is granted under Section 7.5 and is payable by delivery of Common Shares and/or which is measured by reference to the value of the Common Shares.

"Participant" means an Eligible Person to whom an Award is granted pursuant to the Plan or, if applicable, such other Person who holds an outstanding Award.

"Participant Information" has the meaning set forth in Section 13.16(a).

"Performance Compensation Award" means any Award designated by the Committee as a Performance Compensation Award pursuant to Section 7.6 of the Plan.

"Performance Criteria" or **"Performance Criterion"** means the criteria or criterion that the Committee shall select for purposes of establishing the Performance Goals for a Performance Period with respect to any Performance Compensation Award under the Plan. The Performance Criteria that will be used to establish the Performance Goals shall be based on the attainment of specific levels of performance of the Company (or Affiliate, division, business unit or operational unit of the Company) and shall be limited to the following:

- (a) net earnings or net income (before or after taxes);
- (b) basic or diluted earnings per share (before or after taxes);
- (c) net revenue or net revenue growth;
- (d) gross revenue;
- (e) gross profit or gross profit growth;
- (f) net operating profit (before or after taxes);
- (g) return on assets, capital, invested capital, equity or sales;
- (h) cash flow (including, but not limited to, operating cash flow, free cash flow, and cash flow return on capital);
- (i) earnings before or after taxes, interest, depreciation and/or amortization;
- (j) gross or operating margins;
- (k) improvements in capital structure;
- (l) budget and expense management;

- (m) productivity ratios;
- (n) economic value-added or other value-added measurements;
- (o) share price (including, but not limited to, growth measures and total shareholder return);
- (p) expense targets;
- (q) margins;
- (r) operating efficiency;
- (s) working capital targets;
- (t) enterprise value;
- (u) safety record; and
- (v) completion of acquisitions or business expansion.

Any one or more of the Performance Criteria may be used on an absolute or relative basis to measure the performance of the Company and/or an Affiliate as a whole or any division, business unit or operational unit of the Company and/or an Affiliate or any combination thereof, as the Committee may deem appropriate, or as compared to the performance of a group of comparable companies, or published or special index that the Committee, in its sole discretion, deems appropriate. Subject to Section 7.7, the Committee also has the authority to provide for accelerated vesting of any Award based on the achievement of Performance Goals pursuant to the Performance Criteria specified in this paragraph. In the event that Applicable Laws permit the Committee discretion to alter the governing Performance Criteria without obtaining security holder approval of such changes, the Committee shall have sole discretion to make such changes without obtaining security holder approval.

"Performance Formula" means, for a Performance Period, the one or more objective formulas applied against the relevant Performance Goal to determine, with regard to the Performance Compensation Award of a particular Participant, whether all, some portion but less than all, or none of the Performance Compensation Award has been earned for the Performance Period.

"Performance Goals" means, for a Performance Period, the one or more goals established by the Committee for the Performance Period based upon the Performance Criteria. The Committee is authorized at any time, in its sole and absolute discretion, to adjust or modify the calculation of a Performance Goal for such Performance Period in order to prevent the dilution or enlargement of the rights of Participants based on the following events:

- (a) asset write-downs;
- (b) litigation or claim judgments or settlements;
- (c) the effect of changes in tax laws, accounting principles, or other laws or regulatory rules affecting reported results;

- (d) any reorganization and restructuring programs;
- (e) extraordinary, unusual or infrequently occurring items as described in management's discussion and analysis of financial condition and results of operations appearing in the Company's annual report to security holders for the applicable year;
- (f) acquisitions or divestitures;
- (g) any other specific unusual or nonrecurring events, or objectively determinable category thereof;
- (h) foreign exchange gains and losses; and
- (i) a change in the Company's fiscal year.

"Performance Period" means the one or more periods of time, as the Committee may select, over which the attainment of one or more Performance Goals will be measured for the purpose of determining a Participant's right to and the payment of a Performance Award.

"Performance Share Unit" or "PSU" means a unit designated as a Performance Share Unit and credited by means of an entry in the books of the Company to a Participant pursuant to the Plan, representing a right granted pursuant to Section 7.3 to the Participant to receive a Common Share (either issued from treasury or purchased in the open market) or a cash payment equal to the Fair Market Value thereof that generally becomes vested, if at all, subject to the achievement of Performance Goals and the satisfaction of such other conditions to vesting, if any, as may be determined by the Committee.

"Permitted Reorganization" means a reorganization of the Company Group in circumstances where the shareholdings or ultimate ownership remains substantially the same upon the completion of the reorganization.

"Person" means any individual, sole proprietorship, partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, agency and, where the context requires, any of the foregoing when they are acting as trustee, executor, administrator or other legal representative.

"Plan" means this Sendero Resources Corp. 2023 Equity Incentive Plan, as amended and/or amended and restated from time to time.

"Related Rights" has the meaning set forth in Section 7.1(a).

"Restricted Award" means any Award granted pursuant to Section 7.2 to receive a Common Share (either issued from treasury or purchased in the open market) or a cash payment equal to the Fair Market Value thereof that generally becomes vested, if at all, following a period of continuous employment.

"Restricted Period" means the period during which a Restricted Award is subject to vesting or other restrictions in accordance with its terms.

"Restricted Share Unit" or "RSU" means a unit designated as a Restricted Share Unit and credited by means of an entry in the books of the Company to a Participant pursuant to the Plan, representing a right granted to the Participant pursuant to Section 7.2(a) to receive a Common Share (either issued from treasury or purchased in the open market) or a cash payment equal to the Fair Market Value thereof that generally becomes vested, if at all, following a period of continuous employment.

"Retirement" or "Retire" means, unless otherwise defined in the Participant's employment agreement, executive agreement or in the applicable Award Agreement, the normal retirement age of the Participant pursuant to the applicable regulations of the jurisdiction of their employment or such earlier retirement age, with consent of the Employer, if applicable.

"Sale" means the sale of all or substantially all of the assets of the Company as an entirety or substantially as an entirety to any person or entity (other than a wholly owned subsidiary of the Company) under circumstances such that, following the completion of such sale, the Company will cease to carry on an active business, either directly or indirectly through one or more subsidiaries.

"Security Based Compensation Plan" has the meaning attributed thereto in the policies of the Exchange, as amended from time to time.

"Service Year" has the meaning ascribed to such term in Section 7.2(a).

"Settlement Date" has the meaning ascribed to such term in Section 7.2(f).

"Share Appreciation Right" means the right pursuant to an Award granted under Section 7.1 to receive, upon exercise, an amount payable in cash or shares equal to the number of shares subject to the Share Appreciation Right that is being exercised, multiplied by the excess of (a) the Fair Market Value of a share of Common Shares on the date the Award is exercised, over (b) the exercise price specified in the Share Appreciation Right Award Agreement.

"Share Unit" means either an RSU, PSU or Dividend Equivalent as the context requires.

"Share Unit Account" has the meaning ascribed to such term in Section 7.4.

"SP Plan" has the meaning ascribed to it in Section 1 of Policy 4.4 of the Exchange.

"Stock Option" means an Option that is designated by the Committee as a stock option that meets the requirements set out in the Plan.

"Subsidiary" means any entity that is a "subsidiary" for the purposes of National Instrument 45-106 - Prospectus Exemptions, as amended from time to time.

"Substitute Award" has the meaning set forth in Section 4.8.

"Substitution Event" means a Change in Control pursuant to which the Common Shares are converted into, or exchanged for, other property, whether in the form of securities of another Person, cash or otherwise.

"Take-Over Bid" means a take-over bid as defined in National Instrument 62-104 – Take-over Bids and Issuer Bids, as amended from time to time.

"Termination of Continuous Service" means the date on which a Participant ceases to be an Eligible Person as a result of a termination of employment or retention with the Company or an Affiliate for any reason, including death, retirement, or resignation with or without cause. For the purposes of the Plan, a Participant's employment or retention with the Company or an Affiliate shall be considered to have terminated effective on the last day of the Participant's actual and active employment or retention with the Company or Affiliate, whether such day is selected by agreement with the individual, or unilaterally by the Participant or the Company or Affiliate, and whether with or without advance notice to the Participant. For the avoidance of doubt, and except as required by applicable employment standards legislation, no period of notice or pay in lieu of notice that is given or that ought to have been given under applicable law in respect of such termination of employment or retention that follows or is in respect of a period after the Participant's last day of actual and active employment or retention shall be considered as extending the Participant's period of employment or retention for the purposes of determining their entitlement under the Plan. A Participant's transfer of employment to another Employer within the Company Group will not be considered a Termination of Continuous Service.

"Total Share Reserve" has the meaning set forth in Section 4.1.

"Transaction" has the meaning set forth in Section 1.1

"Vesting Date" means the date or dates set out in the Award Agreement on which an Award will vest, or such earlier date as is provided for in the Plan or is determined by the Committee.

3. Administration.

3.1 Authority of Committee. The Plan shall be administered by the Committee or, in the Board's sole discretion, by the Board. Subject to the terms of the Plan, the Committee's charter and Applicable Laws, and in addition to other express powers and authorization conferred by the Plan, the Committee shall have the authority:

- (a) to construe and interpret the Plan and apply its provisions;
- (b) to promulgate, amend, and rescind rules and regulations relating to the administration of the Plan;
- (c) to authorize any person to execute, on behalf of the Company, any instrument required to carry out the purposes of the Plan;
- (d) to determine when Awards are to be granted under the Plan and the applicable Grant Date;
- (e) from time to time to select, subject to the limitations set forth in this Plan, to determine those Participants to whom Awards shall be granted;
- (f) to determine the number of Common Shares to be made subject to each Award;
- (g) to prescribe the terms and conditions of each Award, including, without limitation, the exercise price and medium of payment and vesting provisions, and to specify the provisions of the Award Agreement relating to such grant;

- (h) to determine the target number of Performance Shares to be granted pursuant to a Performance Share Award, the performance measures that will be used to establish the Performance Goals, the performance period(s) and the number of Performance Shares earned by a Participant;
- (i) to designate an Award (including a Cash Award) as a Performance Compensation Award and to select the Performance Criteria that will be used to establish the Performance Goals;
- (j) to amend any outstanding Awards, including for the purpose of modifying the time or manner of vesting, or the term of any outstanding Award; *provided*, however, that if any such amendment impairs a Participant's rights or increases a Participant's obligations under their Award or creates or increases a Participant's income tax liability with respect to an Award, such amendment shall also be subject to the Participant's consent;
- (k) to determine the duration and purpose of leaves of absences that may be granted to a Participant without constituting termination of their employment for purposes of the Plan, which periods shall be no shorter than the periods generally applicable to Employees under the Company's employment policies;
- (l) to make decisions with respect to outstanding Awards that may become necessary upon a change in control or an event that triggers anti-dilution adjustments;
- (m) to interpret, administer, reconcile any inconsistency, correct any defect and/or supply any omission in the Plan and any instrument or agreement relating to, or Award granted under, the Plan;
- (n) subject to applicable law, to delegate to any Director or Employee such duties and powers relating to the Plan as it may see fit;
- (o) to seek recommendations from the Chairman or from the Chief Executive Officer of the Company;
- (p) to appoint or engage a trustee, custodian or administrator to administer or implement the Plan; and
- (q) to exercise discretion to make any and all other determinations that it determines to be necessary or advisable for the administration of the Plan.

The Committee also may modify the purchase price or the exercise price of any outstanding Award, provided that if the modification effects a repricing, security holder approval shall be required before the repricing is effective.

3.2 Committee Decisions Final. All decisions made by the Committee pursuant to the provisions of the Plan shall be conclusive and binding on the Company and the Participants.

3.3 Delegation. The Committee or, if no Committee has been appointed, the Board, may delegate administration of the Plan to a committee or committees of one or more members of the Board, and the term "**Committee**" shall apply to any person or persons to whom such authority has been delegated.

The Committee shall have the power to delegate to a subcommittee any of the administrative powers the Committee is authorized to exercise (and references in this Plan to the Board or the Committee shall thereafter be to the committee or subcommittee), subject, however, to such resolutions, not inconsistent with the provisions of the Plan, as may be adopted from time to time by the Board. The Board may abolish the Committee at any time and re-vest in the Board the administration of the Plan. The members of the Committee shall be appointed by and serve at the pleasure of the Board. From time to time, the Board may increase or decrease the size of the Committee, add additional members to, remove members (with or without cause) from, appoint new members in substitution therefor, and fill vacancies, however caused, in the Committee. The Committee shall act pursuant to a vote of the majority of its members or, in the case of a Committee comprised of only two members, the unanimous consent of its members, whether present or not, or by the written consent of the majority of its members, and minutes shall be kept of all of its meetings and copies thereof shall be provided to the Board. Subject to the limitations prescribed by the Plan and the Board, the Committee may establish and follow such rules and regulations for the conduct of its business as it may determine to be advisable.

3.4 Committee Composition. Except as otherwise determined by the Board, the Committee shall consist solely of two or more non-Employee Directors. Within the scope of such authority, the Board or the Committee may delegate to a committee of one or more members of the Board who are not non-Employee Directors the authority to grant Awards to Eligible Persons. Nothing herein shall create an inference that an Award is not validly granted under the Plan in the event Awards are granted under the Plan by a compensation committee of the Board that does not at all times consist solely of two or more non-Employee Directors.

3.5 Indemnification. In addition to such other rights of indemnification as they may have as Directors or members of the Committee, and to the extent allowed by Applicable Laws, the Committee shall be indemnified by the Company against the reasonable expenses, including attorney's fees, actually incurred in connection with any action, suit or proceeding, or in connection with any appeal therein, to which the Committee may be party by reason of any action taken or failure to act under or in connection with the Plan or any Award granted under the Plan, and against all amounts paid by the Committee in settlement thereof (provided, however, that the settlement has been approved by the Company, which approval shall not be unreasonably withheld) or paid by the Committee in satisfaction of a judgment in any such action, suit or proceeding, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such Committee did not act in good faith and in a manner that such person reasonably believed to be in the best interests of the Company or, in the case of a criminal proceeding, had no reason to believe that the conduct complained of was unlawful; *provided*, however, that within 60 days after the institution of any such action, suit or proceeding, such Committee shall, in writing, offer the Company the opportunity at its own expense to handle and defend such action, suit or proceeding.

4. **Shares Subject to the Plan.**

4.1 Total Share Reserve; Option Limit. Subject to adjustment in accordance with Section 10, (a) the total number of Common Shares that are issuable pursuant to all Awards, other than Stock Options, under the Plan, in aggregate, will be equal to 10% of the Common Shares issued and outstanding as of the Effective Date, which is expected to be equal to 6,540,844 Common Shares (the "**Total Share Reserve**"), and (b) the total number of Common Shares that are issuable pursuant to all Stock Options under the Plan, in aggregate, is equal to 10% of the Common Shares issued and outstanding as of the

Grant Date of such Stock Options (the "**Option Limit**"). During the terms of the Awards, the Company shall keep available at all times the number of Common Shares required to satisfy such Awards.

4.2 Common Shares for Distribution. Common Shares available for distribution under the Plan may consist, in whole or in part, of authorized and unissued shares, treasury shares or shares reacquired by the Company in any manner.

4.3 Cancelled, Forfeited or Terminated Awards. Any Common Shares subject to an Award that expires or is canceled, forfeited, or terminated without issuance of the full number of Common Shares to which the Award related will again be available for issuance under the Plan.

4.4 Substitute Awards. Awards may, in the sole discretion of the Committee, be granted under the Plan in assumption of, or in substitution for, outstanding awards previously granted by an entity acquired by the Company or with which the Company combines ("**Substitute Awards**"). Substitute Awards shall not be counted against the Total Share Reserve; *provided that*, Substitute Awards issued in connection with the assumption of, or in substitution for, outstanding options intended to qualify as Stock Options shall be counted against the Option Limit. Subject to applicable stock exchange requirements, available shares under a security holder approved plan of an entity directly or indirectly acquired by the Company or with which the Company combines (as appropriately adjusted to reflect such acquisition or transaction) may be used for Awards under the Plan and shall not count toward the Total Share Reserve.

5. **Eligibility; Limitations on Grants.**

5.1 Eligibility for Specific Awards. Awards may be granted to Employees, Consultants and Directors; *provided that*, a Participant and the Company each shall confirm that such Participant is a bona fide Eligible Person on the Grant Date of an Award to such Participant.

5.2 Participation Limits. The grant of Awards under the Plan is subject to the following limitations:

- (a) Unless the Company has obtained the requisite disinterested shareholder approval pursuant to Section 5.3 of Policy 4.4 of the Exchange:
 - (i) the number of Common Shares that may be issued to Insiders cannot exceed 10% of the Common Shares issued and outstanding (A) within any one-year period, or (B) at any time, in each case, under this Plan, alone or when combined with all other Security Based Compensation Plans of the Company; and
 - (ii) the number of Common Shares subject to Awards granted during a single 12 month period to any one Participant shall not exceed 5% of the Common Shares issued and outstanding, calculated as at the Grant Date of any Award to be granted to such Participant;
- (b) the number of Common Shares subject to Awards granted during a single 12 month period to any one Consultant shall not exceed 2% of the Common Shares issued and outstanding, calculated as at the Grant Date of any Award to be granted to such Consultant;

- (c) the number of Common Shares subject to Awards granted during a single 12 month period to all Investor Relations Service Providers, in aggregate, shall not exceed 2% of the Common Shares issued and outstanding, calculated as at the Grant Date of any Award to be granted to any such Investor Relations Service Provider; and
- (d) Investor Relations Service Providers may not receive any Awards other than Stock Options.

5.3 Assignment. All Awards granted under the Plan are non-assignable and non-transferable.

6. Option Provisions.

6.1 Award Agreement. Each Option granted under the Plan shall be evidenced by an Award Agreement. Each Option so granted shall be subject to the conditions set forth in this Section 6, and to such other conditions not inconsistent with the Plan as may be reflected in the applicable Award Agreement. The provisions of separate Options need not be identical, but each Option shall include (through incorporation of provisions hereof by reference in the Option or otherwise) the substance of each of the provisions in this Section 6.

6.2 Term. No Stock Option shall be exercisable after the expiration of ten years from the Grant Date or such shorter period as set out in the Optionholder's Option Agreement ("**Expiry Date**"), at which time such Option will expire. Notwithstanding any other provision of this Plan, other than Section 12(b)(vii), each Option that would expire during or within ten Business Days immediately following a Blackout Period shall expire on the date that is ten Business Days immediately following the end of the Blackout Period.

6.3 Exercise Price of a Stock Option. The Option Exercise Price of each Stock Option shall be fixed by the Committee on the Grant Date and will not be less than the Discounted Market Price of the Common Shares as of the Grant Date, subject to all applicable regulatory requirements. The Exercise Price shall be stated and payable in Canadian dollars.

6.4 Manner of Exercise. A vested Option or any portion thereof may be exercised by the Optionholder delivering to the Company a Notice of Exercise signed by the Optionholder or their legal personal representative, accompanied by payment in full of the aggregate Exercise Price and any Applicable Withholding Taxes in respect of the Option or portion thereof being exercised, payable, to the extent permitted by Applicable Laws, either:

- (a) in cash or by certified cheque, bank draft or money order payable to the Company or by such other means as might be specified from time to time by the Committee; or
- (b) in the discretion of the Committee, upon such terms as the Committee shall approve, pursuant to a broker-assisted cashless exercise, whereby the Optionholder shall elect on the Notice of Exercise to receive:
 - (i) an amount in cash equal to the cash proceeds realized upon the sale in the capital markets of the Common Shares underlying the Option (or portion thereof being exercised) by a securities dealer designated by the Company, less the aggregate Exercise Price, any Applicable Withholding Taxes, and any transfer costs charged by the securities dealer to sell the Common Shares;

- (ii) an aggregate number of Common Shares that is equal to the number of Common Shares underlying the Option (or portion thereof being exercised) minus the number of Common Shares sold in the capital markets by a securities dealer designated by the Company as required to realize cash proceeds equal to the aggregate Exercise Price, any Applicable Withholding Taxes and any transfer costs charged by the securities dealer to sell the Common Shares;
- (iii) a combination of (i) and (ii); or
- (iv) in any other form of legal consideration that may be acceptable to the Committee.

Subject to Section 8, upon receipt of payment in full, the number of Common Shares in respect of which the Option is exercised will be duly issued to the Optionholder as fully paid and non-assessable, following which the Optionholder shall have no further rights, title or interest with respect to such Option or portion thereof.

6.5 Surrender of Option. As an alternative to the exercise of an Option pursuant to Section 6.4, an Optionholder may elect to surrender for cancellation, unexercised, any vested Option that is otherwise then exercisable and, in consideration for such surrender for cancellation, to receive a cash payment in an amount equal to the positive difference, if any, obtained by subtracting the aggregate Exercise Price of the surrendered Option from the then current Fair Market Value of the Common Shares subject to the surrendered Option, less Applicable Withholding Taxes. The Committee has the sole discretion to consent to or disapprove of the election of the Optionholder to surrender any vested Option pursuant to this Section 6.5. If the Committee disapproves of the election, the Optionholder may (a) exercise the Option under Section 6.4, or (b) retract the request to surrender such Option and retain the Option. If the Committee consents to the election, the Company shall make the cash payment to the Optionholder in respect of the surrendered Option within 30 days. Any cash payment in accordance with this Section 6.5 shall be payable in Canadian dollars.

6.6 Transferability of a Stock Option. A Stock Option shall not be transferable except by will or by the laws of descent and distribution and shall be exercisable during the lifetime of the Optionholder only by the Optionholder. Notwithstanding the foregoing, the Optionholder may, by delivering written notice to the Company, in a form satisfactory to the Company, designate a third party who, in the event of the death of the Optionholder, shall thereafter be entitled to exercise the Option.

6.7 Vesting of Options. Each Option may, but need not, vest and, therefore, become exercisable in periodic installments that may, but need not, be equal; *provided that*, each Option granted to an Investor Relations Service Provider must vest in accordance with the vesting requirements set out in the Section 4.4(c) of Policy 4.4 of the Exchange. The Option may be subject to such other terms and conditions on the time or times when it may be exercised (which may be based on performance or other criteria) as the Committee may deem appropriate. The vesting provisions of individual Options may vary. No Option may be exercised for a fraction of a Common Share. The Committee may, but shall not be required to, provide for an acceleration of vesting and exercisability in the terms of any Award Agreement upon the occurrence of a specified event.

6.8 Termination of Continuous Service. Unless otherwise determined by the Committee, in its discretion, or as provided in this Section 6 or pursuant to the terms provided in an Award Agreement or in an employment agreement the terms of which have been approved by the Committee, all rights to

purchase Common Shares pursuant to an Option or to surrender such Option shall expire and terminate immediately upon the Optionholder's Termination of Continuous Service, whether or not such termination is with or without notice, adequate notice or legal notice, provided that if employment of the Optionholder is terminated for Cause, such rights shall expire and terminate immediately upon notification being given to the Optionholder of such termination for Cause.

6.9 Extension of Options. An Optionholder's Award Agreement may also provide that if the exercise of the Option following the Termination of Continuous Service for any reason would be prohibited at any time because the issuance of Common Shares would violate Applicable Laws, then the Option shall terminate on the earlier of (a) the expiration of the term of the Option in accordance with Section 6.2 or (b) the expiration of a period after the Termination of Continuous Service that is 30 days after the end of the period during which the exercise of the Option would be in violation of such Applicable Laws.

6.10 Disability or Leave of Absence. Unless otherwise provided in an Award Agreement, in the event that an Optionholder's Continuous Service terminates as a result of Disability or the Optionholder is on a Leave of Absence, any Option held by the Optionholder shall continue to vest in accordance with its terms and may be exercised or surrendered in accordance with Section 6.4 or Section 6.5 at any time until the Option's Expiry Date.

6.11 Death. In the event an Optionholder's Continuous Service terminates as a result of the Optionholder's death, any Option held by the Optionholder shall become fully vested and may be exercised or surrendered by the Beneficiary in accordance with Section 6.4 or Section 6.5 at any time during the period that terminates on the earlier of the Option's Expiry Date and the first anniversary of the Optionholder's Termination of Continuous Service. Any Option that remains unexercised or has not been surrendered shall be immediately forfeited upon the termination of such period.

6.12 Retirement. Unless otherwise provided in an Award Agreement, in the event an Optionholder's Continuous Service terminates as a result of the Optionholder's Retirement, any Option held by the Optionholder shall continue to vest in accordance with its terms and may be exercised or surrendered in accordance with Section 6.4 or Section 6.5 at any time during the period that terminates on the earlier of: (a) the Option's Expiry Date and (b) the third anniversary of the Optionholder's Termination of Continuous Service. Any Option that remains unexercised or has not been surrendered shall be immediately forfeited upon the termination of such period.

6.13 Resignation. Unless otherwise provided in an Award Agreement, in the event an Optionholder's Continuous Service terminates as a result of the Optionholder's voluntary resignation, then:

- (a) the unvested part of any Option held by the Optionholder shall expire and terminate immediately on the Optionholder's Termination of Continuous Service; and
- (b) the vested part of any Option held by the Optionholder may be exercised or surrendered in accordance with Section 6.4 or Section 6.5 at any time during the period that terminates on the earlier of: (i) the Option's Expiry Date and (ii) the 30th day after the Optionholder's Termination of Continuous Service. Any Option that remains unexercised or has not been surrendered shall be immediately forfeited upon the termination of such period.

6.14 Termination Without Cause. Unless otherwise provided in an Award Agreement, in the event an Optionholder's Continuous Service is terminated by the Employer for any reason other than for Cause,

any Option held by the Optionholder shall continue to vest in accordance with its terms and may be exercised or surrendered in accordance with Section 6.4 or Section 6.5 at any time during the period that terminates on the earlier of: (a) the Option's Expiry Date and (b) the 30th day after the Optionholder's Termination of Continuous Service. Any Option that remains unexercised or has not been surrendered shall be immediately forfeited upon the termination of such period.

6.15 Termination Following Change in Control. Unless otherwise provided in an Award Agreement, if a Change in Control occurs and the Optionholder's employment with the Company Group is terminated:

- (a) by the Employer or by the entity that has entered into a valid and binding agreement with the Company and/or other members of the Company Group to effect the Change in Control at any time after such agreement is entered into or during the Control Period and such termination was for any reason other than for Cause; or
- (b) by the Optionholder as a result of Constructive Dismissal, provided the event giving rise to the Constructive Dismissal occurs during the Control Period;

any Option held by the Optionholder shall become fully vested and may be exercised or surrendered in accordance with Section 6.4 or Section 6.5 at any time during the period that terminates on the earlier of: (i) the Option's Expiry Date and (ii) the 90th day after the Optionholder's Termination of Continuous Service. Any Option that remains unexercised or has not been surrendered shall be immediately forfeited upon the termination of such period.

7. Provisions of Awards Other than Options.

7.1 Share Appreciation Rights.

- (a) General. Each Share Appreciation Right granted under the Plan shall be evidenced by an Award Agreement. Each Share Appreciation Right so granted shall be subject to the conditions set forth in this Section 7.1, and to such other conditions not inconsistent with the Plan as may be reflected in the applicable Award Agreement. Share Appreciation Rights may be granted alone ("**Free-Standing Rights**") or in tandem with an Option granted under the Plan ("**Related Rights**").
- (b) Grant Requirements. Any Related Right may be granted at the same time the Option is granted or at any time thereafter but before the exercise or expiration of the Option.
- (c) Term of Share Appreciation Rights. The term of a Share Appreciation Right granted under the Plan shall be determined by the Committee; provided, however, no Share Appreciation Right shall be exercisable later than the tenth anniversary of the Grant Date.
- (d) Vesting of Share Appreciation Rights. Subject to Section 7.7, each Share Appreciation Right may, but need not, vest and, therefore, become exercisable in periodic installments that may, but need not, be equal. The Share Appreciation Right may be subject to such other terms and conditions on the time or times when it may be exercised as the Committee may deem appropriate. The vesting provisions of individual Share Appreciation Rights may vary. No Share Appreciation Right may be exercised for a fraction of a Common Share. The Committee may, but shall not be required to, provide for an

acceleration of vesting and exercisability in the terms of any Share Appreciation Right upon the occurrence of a specified event.

- (e) Exercise and Payment. Upon exercise of a Share Appreciation Right, the holder shall be entitled to receive from the Company an amount equal to the number of Common Shares subject to the Share Appreciation Right that is being exercised, multiplied by the excess of (i) the Fair Market Value of a Common Share on the date the Award is exercised, over (ii) the exercise price specified in the Share Appreciation Right or related Option. Payment with respect to the exercise of a Share Appreciation Right shall be made on the date of exercise. Payment shall be made in the form of Common Shares (with or without restrictions as to substantial risk of forfeiture and transferability, as determined by the Committee in its sole discretion), cash or a combination thereof, as determined by the Committee.
- (f) Exercise Price. The exercise price of a Free-Standing Right shall be determined by the Committee. A Related Right granted simultaneously with or subsequent to the grant of an Option and in conjunction therewith or in the alternative thereto shall have the same exercise price as the related Option, shall be transferable only upon the same terms and conditions as the related Option, and shall be exercisable only to the same extent as the related Option; provided, however, that a Share Appreciation Right, by its terms, shall be exercisable only when the Fair Market Value per Common Share subject to the Share Appreciation Right and related Option exceeds the exercise price per share thereof, and no Share Appreciation Rights may be granted in tandem with an Option unless the Committee determines that the requirements of Section 7.1(b) are satisfied.
- (g) Reduction in the Underlying Option Shares. Upon any exercise of a Related Right, the number of Common Shares for which any related Option shall be exercisable shall be reduced by the number of shares for which the Share Appreciation Right has been exercised. The number of Common Shares for which a Related Right shall be exercisable shall be reduced upon any exercise of any related Option by the number of Common Shares for which such Option has been exercised.
- (h) Termination of Continuous Service. All rights of any Participant or Beneficiary to a Share Appreciation Right granted under the Plan shall expire and terminate no later than the first anniversary of the Participant's Termination of Continuous Service.

7.2 Restricted Awards.

- (a) Restricted Share Units. The Committee may, from time to time, grant RSUs to Participants. The grant of an RSU to a Participant at any time shall neither entitle such Participant to receive, nor preclude such Participant from receiving, a subsequent grant of an RSU. Each RSU granted by the Committee shall be evidenced by an RSU Agreement. Unless otherwise provided in the applicable Award Agreement, RSUs granted to a Participant shall be awarded solely in respect of performance of such Participant in the calendar year in which the Grant Date occurs (the "**Service Year**"). In all cases, the RSUs shall be in addition to, and not in substitution for or in lieu of, ordinary salary and wages payable to a Participant in respect of their services to the applicable Employer. No Common Shares shall be issued at the time an RSU is granted, and the Company will not be required to set

aside funds for the payment of any such Award. A Participant shall have no voting rights with respect to any RSU granted hereunder. Each RSU so granted shall be subject to the conditions set forth in this Section 7.2, and to such other conditions not inconsistent with the Plan as may be reflected in the applicable Award Agreement.

- (b) Deferred Share Units. The Committee may also grant RSUs with a deferral feature, whereby settlement is deferred beyond the vesting date until the occurrence of a future payment date or event set forth in an Award Agreement ("**DSUs**").
- (c) Dividend Equivalents. At the discretion of the Committee, each RSU and DSU (representing one Common Share) may be credited with cash and stock dividends paid by the Company in respect of one Common Share ("**Dividend Equivalents**"). Dividend Equivalents shall be paid currently (and in no case later than the end of the calendar year in which the dividend is paid to the holders of the Common Shares or, if later, the 15th day of the third month following the date the dividend is paid to holders of the Common Shares).
- (d) Restrictions.
 - (i) RSUs and DSUs awarded to any Participant shall be subject to (A) forfeiture until the expiration of the Restricted Period, and satisfaction of any applicable Performance Goals during such period, to the extent provided in the applicable Award Agreement, and to the extent such RSUs or DSUs are forfeited, all rights of the Participant to such RSUs or DSUs shall terminate without further obligation on the part of the Company and (B) such other terms and conditions as may be set forth in the applicable Award Agreement.
 - (ii) The Committee shall have the authority to remove any or all of the restrictions on the RSUs and DSUs whenever it may determine that, by reason of changes in Applicable Laws or other changes in circumstances arising after the date the RSUs or DSUs are granted, such action is appropriate.
- (e) Restricted Period. Subject to the terms of any employment agreement or executive agreement between the Participant and the Employer, or the Committee expressly providing to the contrary, a Participant's RSUs shall vest on the Vesting Date(s). No such Vesting Date shall extend beyond 10 years from the Grant Date of such RSU and all vesting conditions shall be such that the RSUs comply with the exception to the definition of "salary deferral arrangement" contained in paragraph (k) of section 248(1) of the ITA or any successor provision thereto. With respect to Restricted Awards, the Restricted Period shall commence on the Grant Date and end at the time or times set forth on a schedule established by the Committee in the applicable Award Agreement. No Restricted Award may be granted or settled for a fraction of a Common Share. Subject to Section 7.7, the Committee may, but shall not be required to, provide for an acceleration of vesting in the terms of any Award Agreement upon the occurrence of a specified event.
- (f) Settlement of Restricted Share Units and Deferred Share Units. On or within 60 days following the Vesting Date of a Share Unit (and in any event no later than December 31 of the third year following the year in respect of which the Share Unit is granted) (the "**Settlement Date**"), and subject to Section 9.5, the Company shall (i) issue to Participant

or Beneficiary, as applicable, from treasury the number of Common Shares that is equal to the number of vested Share Units held by the Participant as at the Settlement Date (rounded down to the nearest whole number), as fully paid and non-assessable Common Shares, (ii) deliver, or cause to be delivered, to the Participant or Beneficiary, as applicable, Common Shares purchased in the open market equal to the number of vested Share Units held by the Participant as of the Settlement Date (rounded down to the nearest whole number), (iii) deliver to the Participant or Beneficiary, as applicable, an amount in cash (net of Applicable Withholding Taxes) equal to the number of vested Share Units held by the Participant as at the Settlement Date multiplied by the Fair Market Value as at the Settlement Date, or (iv) a combination of (i), (ii) and (iii). Notwithstanding the foregoing, if a Participant's Termination of Continuous Service occurs prior to any applicable Settlement Date, the Share Units shall be settled by the Company delivering to the Participant or Beneficiary, as applicable, an amount in cash (net of Applicable Withholding Taxes) equal to the number of vested Share Units held by the Participant as at the Termination of Continuous Service multiplied by the Fair Market Value as at the Termination of Continuous Service. Upon settlement of such Share Units, the corresponding number of Share Units credited to the Participant's Share Unit Account shall be cancelled and the Participant or Beneficiary, as applicable shall have no further rights, title or interest with respect thereto. Upon the expiration of the Restricted Period with respect to any outstanding RSUs, or at the expiration of the deferral period with respect to any outstanding DSUs, the Company shall deliver to the Participant, or their beneficiary, without charge, one Common Share for each such outstanding vested RSU or DSU ("**Vested Unit**") and cash equal to any Dividend Equivalents credited with respect to each such Vested Unit in accordance with Section 7.2(c) hereof and the interest thereon or, at the discretion of the Committee, in Common Shares having a Fair Market Value equal to such Dividend Equivalents and the interest thereon, if any; *provided*, however, that if explicitly provided in the applicable Award Agreement, the Committee may, in its sole discretion, elect to pay cash or part cash and part Common Shares in lieu of delivering only Common Shares for Vested Units. If a cash payment is made in lieu of delivering Common Shares, the amount of such payment shall be equal to the Fair Market Value of the Common Shares as of the date on which the Restricted Period lapsed in the case of RSUs, or the delivery date in the case of DSUs, with respect to each Vested Unit.

7.3 Performance Share Unit Awards. The Committee may, from time to time, grant PSUs to Participants. The grant of a PSU to a Participant at any time shall neither entitle such Participant to receive, nor preclude such Participant from receiving, a subsequent grant of a PSU. Each PSU granted by the Committee shall be evidenced by a PSU Agreement. Unless otherwise provided in the applicable Award Agreement, PSUs granted to a Participant shall be awarded solely in respect of performance of such Participant in the calendar year in which the Grant Date occurs (the "**Service Year**"). In all cases, the PSUs shall be in addition to, and not in substitution for or in lieu of, ordinary salary and wages payable to a Participant in respect of their services to the applicable Employer. No Common Shares shall be issued at the time a PSU is granted, and the Company will not be required to set aside funds for the payment of any such Award. A Participant shall have no voting rights with respect to any PSU granted hereunder. The Committee shall have the discretion to determine: (i) the number of Common Shares or stock-denominated units subject to a Performance Share Award granted to any Participant; (ii) the Performance Period applicable to any Award; (iii) the Performance Goals and other conditions that must be satisfied for a Participant to earn an Award; and (iv) the other terms, conditions and restrictions of the Award. Each PSU so granted shall be subject to the conditions set forth in this Section 7.3, and to

such other conditions not inconsistent with the Plan as may be reflected in the applicable Award Agreement. No Performance Period shall extend beyond 10 years from the Grant Date of such PSU and all vesting conditions shall be such that the PSUs comply with the exception to the definition of "salary deferral arrangement" contained in paragraph (k) of section 248(1) of the ITA or any successor provision thereto. All rights of any Participant or Beneficiary to a PSU granted under the Plan shall expire and terminate no later than the first anniversary of the Participant's Termination of Continuous Service.

7.4 Share Unit Accounts. An account, called a "**Share Unit Account**", shall be maintained by the Company for each Participant and will be credited with such grants of RSUs, DSUs, PSUs or Dividend Equivalents as are received by the Participant from time to time. Share Units that fail to vest or that are settled in accordance with Section 7.2(f) shall be cancelled and shall cease to be recorded in the Participant's Share Unit Account as of the date on which such Share Units are forfeited or cancelled under the Plan or are settled, as the case may be. Where a Participant has been granted one or more RSUs, DSUs or PSUs, such RSUs, DSUs or PSUs (and related Dividend Equivalents) shall be recorded separately in the Participant's Share Unit Account.

7.5 Other Equity-Based and Cash Awards. The Committee may grant Other Equity-Based Awards, either alone or in tandem with other Awards, in such amounts and subject to such conditions as the Committee shall determine in its sole discretion. Each Equity-Based Award shall be evidenced by an Award Agreement and shall be subject to such conditions, not inconsistent with the Plan, as may be reflected in the applicable Award Agreement. The Committee may grant Cash Awards to Participants. All Cash Awards shall be designated Performance Compensation Awards and shall be subject to Section 7.6 of the Plan. Cash Awards shall be evidenced in such form as the Committee may determine. All rights of any Participant or Beneficiary to Other Equity-Based Awards or Cash Awards granted under this Plan shall expire and terminate no later than the first anniversary of the Participant's Termination of Continuous Service.

7.6 Performance Compensation Awards.

- (a) General. The Committee shall have the authority, at the time of grant of any Award described in this Plan (other than Options and Share Appreciation Rights granted with an exercise price equal to or greater than the Fair Market Value per Common Share on the Grant Date), to designate such Award as a Performance Compensation Award. In addition, the Committee shall have the authority to grant a Cash Award to any Participant and designate such Award as a Performance Compensation Award.
- (b) Eligibility. The Committee will, in its sole discretion, designate within the first 90 days of a Performance Period which Participants will be eligible to receive Performance Compensation Awards in respect of such Performance Period. However, designation of a Participant eligible to receive an Award hereunder for a Performance Period shall not in any manner entitle the Participant to receive payment in respect of any Performance Compensation Award for such Performance Period. The determination as to whether or not such Participant becomes entitled to payment in respect of any Performance Compensation Award shall be decided solely in accordance with the provisions of this Section 7.6. Moreover, designation of a Participant eligible to receive an Award hereunder for a particular Performance Period shall not require designation of such Participant eligible to receive an Award hereunder in any subsequent Performance Period, and designation of one person as a Participant eligible to receive an Award hereunder shall

not require designation of any other person as a Participant eligible to receive an Award hereunder in such period or in any other period.

(c) Discretion of Committee with Respect to Performance Compensation Awards. With regard to a particular Performance Period, the Committee shall have full discretion to select the length of such Performance Period (provided any such Performance Period shall be not less than one fiscal quarter in duration), the types of Performance Compensation Awards to be issued, the Performance Criteria that will be used to establish the Performance Goals, the kinds and/or levels of the Performance Goals that are to apply to the Company and the Performance Formula. Within the first 90 days of a Performance Period the Committee shall, with regard to the Performance Compensation Awards to be issued for such Performance Period, exercise its discretion with respect to each of the matters enumerated in the immediately preceding sentence of this Section 7.6(c) and record the same in writing.

(d) Payment of Performance Compensation Awards.

(i) Condition to Receipt of Payment.

Unless otherwise provided in the applicable Award Agreement, a Participant must be employed by the Company on the last day of a Performance Period to be eligible for payment in respect of a Performance Compensation Award for such Performance Period. A Participant's eligibility for payment in respect of a Performance Compensation Award ends on the Termination of Continuous Service, regardless of whether the Participant's termination of employment was lawful, and does not include any period of statutory, contractual, common law or other reasonable notice of termination of employment or any period of salary continuance except as specified in this section. If the Participant resigns or is terminated for Cause, the Participant shall not be entitled to payment in respect of a Performance Compensation Award where the date the Participant ceases to provide services to the Company occurs before the payment date set out in the applicable Award Agreement. If the Participant is terminated without Cause the Participant is not entitled to payment in respect of a Performance Compensation Award after the expiry of the minimum period of statutory notice under the *Employment Standards Act* (British Columbia). The Participant hereby waives any claim for a Performance Compensation Award or any portion of that Performance Compensation Award where the payment date set out in the applicable Award Agreement occurs after the expiration of that minimum statutory notice period. For clarity, the Participant is not entitled to and waives any right to claim common law damages for loss of payment of a Performance Compensation Award stemming from the Company's failure to provide the Participant with adequate notice of termination without Cause.

(ii) Limitation

A Participant shall be eligible to receive payment in respect of a Performance Compensation Award only to the extent that: (A) the Performance Goals for such period are achieved; and (B) the Performance Formula as applied against such Performance Goals determines that all or some portion of such Participant's Performance Compensation Award has been earned for the Performance Period.

(iii) Certification

Following the completion of a Performance Period, the Committee shall review and certify in writing whether, and to what extent, the Performance Goals for the Performance Period have been achieved and, if so, calculate and certify in writing the amount of the Performance Compensation Awards earned for the period based upon the Performance Formula. The Committee shall then determine the actual size of each Participant's Performance Compensation Award for the Performance Period and, in so doing, may apply Negative Discretion in accordance with Section 7.6(d)(iv) hereof, if and when it deems appropriate.

(iv) Use of Discretion

In determining the actual size of an individual Performance Compensation Award for a Performance Period, the Committee may reduce or eliminate the amount of the Performance Compensation Award earned under the Performance Formula in the Performance Period through the use of Negative Discretion if, in its sole judgment, such reduction or elimination is appropriate. The Committee shall not have the discretion to (A) grant or provide payment in respect of Performance Compensation Awards for a Performance Period if the Performance Goals for such Performance Period have not been attained or (B) increase a Performance Compensation Award above the maximum amount payable under Section 7.6(d)(vi) of the Plan.

(v) Timing of Award Payments

Performance Compensation Awards granted for a Performance Period shall be paid to Participants as soon as administratively practicable following completion of the certifications required by this Section 7.6 but in no event later than two months following the end of the fiscal year during which the Performance Period is completed.

7.7 Vesting of Awards Other than Options. No Award, other than Options or securities of the Company issued pursuant to an SP Plan, granted under this Plan shall vest before the date that is the first anniversary following the Grand Date of such Award, unless the Award Participant (a) dies, or (b) ceases to be an Eligible Person in connection with a Change in Control of the Company, in which case, the vesting of such Award may accelerate.

8. Compliance with Applicable Laws.

The Company's obligation to issue and deliver Common Shares under any Award is subject to: (i) the completion of such qualification of such Common Shares or obtaining approval of such regulatory authority as the Company shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof; (ii) the admission of such Common Shares to listing on any stock exchange on which such Common Shares may then be listed; and (iii) the receipt from the Participant of such representations, agreements and undertakings as to future dealings in such Common Shares as the Company determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction. The Company shall take all reasonable steps to obtain such approvals, registrations and qualifications as may be necessary for the issuance of such Common Shares in compliance with Applicable Laws and for the listing of such Common Shares on any stock exchange on

which such Common Shares are then listed. Awards may not be granted with a Grant Date or effective date earlier than the date on which all actions required to grant the Awards have been completed.

9. Miscellaneous.

9.1 Acceleration of Exercisability and Vesting. Subject to Section 7.7, the Committee shall have the power to accelerate the time at which an Award may first be exercised or the time during which an Award or any part thereof will vest in accordance with the Plan, notwithstanding the provisions in the Award stating the time at which it may first be exercised or the time during which it will vest.

9.2 Shareholder Rights. Except as provided in the Plan or an Award Agreement, no Participant shall be deemed to be the holder of, or to have any of the rights of a holder with respect to, any Common Shares subject to such Award unless and until such Participant has satisfied all requirements for exercise of the Award pursuant to its terms, and no adjustment shall be made for dividends (ordinary or extraordinary, whether in cash, securities or other property) or distributions of other rights for which the record date is prior to the date such Common Share certificate is issued, except as provided in Section 10 hereof.

9.3 No Employment or Other Service Rights. Nothing in the Plan or any instrument executed or Award granted pursuant thereto shall confer upon any Participant any right to continue to serve the Company or an Affiliate in the capacity in effect at the time the Award was granted or shall affect the right of the Company or an Affiliate to terminate (a) the employment of an Employee with or without notice and with or without Cause or (b) the service of a Director pursuant to the by-laws of the Company or an Affiliate, and any applicable provisions of the corporate law of the jurisdiction in which the Company or the Affiliate is incorporated, as the case may be.

9.4 Transfer; Leave of Absence. For purposes of the Plan, no termination of employment by an Employee shall be deemed to result from either (a) a transfer of employment to the Company from an Affiliate or from the Company to an Affiliate, or from one Affiliate to another, or (b) a Leave of Absence, if the Employee's right to reemployment is guaranteed either by a statute or by contract or under the policy pursuant to which the Leave of Absence was granted or if the Committee otherwise so provides in writing.

9.5 Withholding Obligations. It is the responsibility of the Participant to complete and file any tax returns that may be required under Canadian or other applicable jurisdiction's tax laws within the periods specified in those laws as a result of the Participant's participation in the Plan. Notwithstanding any other provision of this Plan, a Participant shall be solely responsible for all Applicable Withholding Taxes resulting from their receipt of Common Shares or other property pursuant to this Plan. In connection with the issuance of Common Shares pursuant to this Plan, a Participant shall, at the Participant's discretion:

- (a) pay to the Company an amount as necessary so as to ensure that the Company is in compliance with the applicable provisions of any federal, provincial, local or other law relating to the Applicable Withholding Taxes in connection with such issuance;
- (b) authorize a securities dealer designated by the Company, on behalf of the Participant, to sell in the capital markets a portion of the Common Shares issued hereunder to realize cash proceeds to be used to satisfy the Applicable Withholding Taxes; or

- (c) make other arrangements acceptable to the Company to fund the Applicable Withholding Taxes.

10. Adjustments Upon Changes in Capital.

In the event of any stock dividend, stock split, combination or exchange of shares, merger, amalgamation, arrangement, consolidation, reclassification, spin-off or other distribution (other than normal cash dividends) of the Company's assets to shareholders, or any other change in the capital of the Company affecting Common Shares, the Board will make such proportionate adjustments, if any, as the Board in its discretion deems appropriate to reflect such change (for the purpose of preserving the value of the Awards), with respect to: (i) the maximum number of Common Shares subject to all Awards stated in Section 4; (ii) the maximum number of Common Shares with respect to which any one person may be granted Awards during any period stated in Section 4 and Section 7.6(d)(vi); (iii) the number or kind of shares or other securities subject to any outstanding Awards; (iv) the Exercise Price of any outstanding Options and Share Appreciation Rights; (v) the number of Share Units in the Participants' Share Unit Accounts; and (vi) the vesting of RSUs, DSUs or PSUs (and related Dividend Equivalents) provided, however, that no adjustment will obligate the Company to issue or sell fractional securities. Notwithstanding anything in this Plan to the contrary, all adjustments made pursuant to this Section 10 shall be made in compliance with section 7(1.4)(c) of the ITA and subject to the rules of the Exchange, to the extent applicable. The Company shall give each Participant notice of an adjustment hereunder and, upon notice, such adjustment shall be conclusive and binding for all purposes.

11. Effect of Change in Control.

11.1 Unless otherwise provided in an Award Agreement, notwithstanding any provision of the Plan to the contrary:

- (a) In the event of a Change in Control that is not a Substitution Event or Permitted Reorganization, all outstanding Options and Share Appreciation Rights shall become immediately exercisable with respect to 100% of the shares subject to such Options or Share Appreciation Rights, and/or the Restricted Period shall expire immediately with respect to 100% of the outstanding RSUs.
- (b) With respect to Performance Compensation Awards, in the event of a Change in Control that is not a Substitution Event or Permitted Reorganization, all incomplete Performance Periods in respect of such Award in effect on the date the Change in Control that is not a Substitution Event or Permitted Reorganization occurs shall end on the date of such change and the Committee shall (i) determine the extent to which Performance Goals with respect to each such Performance Period have been met based upon such audited or unaudited financial information then available as it deems relevant and (ii) cause to be paid to the applicable Participant partial or full Awards with respect to Performance Goals for each such Performance Period based upon the Committee's determination of the degree of attainment of Performance Goals or, if not determinable, assuming that the applicable "target" levels of performance have been attained, or on such other basis determined by the Committee.

To the extent practicable, any actions taken by the Committee under the immediately preceding Section 11.1(a) and Section 11.1(b) shall occur in a manner and at a time which allows affected

Participants the ability to participate in the Change in Control that is not a Substitution Event or Permitted Reorganization with respect to the Common Shares subject to their Awards.

11.2 Substitution Event or a Permitted Reorganization. Upon the occurrence of a Substitution Event or a Permitted Reorganization, the surviving or acquiring entity (the "**Continuing Entity**") shall, to the extent commercially reasonable, take all necessary steps to continue the Plan and to continue the Awards granted hereunder or to substitute or replace similar options or share units, as applicable for the Options and Share Units outstanding under the Plan on substantially the same terms and conditions as the Plan. For greater certainty, no consideration other than Continuing Entity options shall be received, and the amount that the aggregate fair market value of the securities of the Continuing Entity subject to the Continuing Entity options immediately after the substitution or replacement exceeds the aggregate exercise price of such securities under the Continuing Entity options shall not be greater than the amount the aggregate Fair Market Value of the Common Shares subject to the outstanding Options immediately before such substitution or replacement exceeds the aggregate Exercise Price of such Common Shares. Any such adjustment, substitution or replacement in respect of options shall, at all times, be made in compliance with the provisions of section 7(1.4) of the ITA. Any such adjustment, substitution or replacement in respect of Share Units shall, at all times, be such that the Plan and any Share Units granted hereunder comply with the exception to the definition of "salary deferral arrangement" contained in paragraph (k) of section 248(1) of the ITA or any successor provision thereto.

In the event that:

- (a) the Continuing Entity does not (or, upon the occurrence of the Substitution Event or Permitted Reorganization, will not) comply with the provisions of this Section 11.2;
- (b) the Board determines, acting reasonably, that such substitution or replacement is not practicable;
- (c) the Board determines, acting reasonably, that such substitution or replacement would give rise to adverse tax results, under the ITA; or
- (d) the securities of the Continuing Entity are not (or, upon the occurrence of the Substitution Event or Permitted Reorganization, will not be) listed and posted for trading on a recognizable stock exchange;

the outstanding Options shall become fully vested and may be exercised or surrendered by the Participant at any time after the Participant receives written notice from the Board of such accelerated vesting and prior to the occurrence of the Substitution Event or Permitted Reorganization; *provided*, however, that such vesting, exercise or surrender shall be, unless otherwise determined in advance by the Board, effective immediately prior to, and shall be conditional on, the consummation of such Substitution Event or Permitted Reorganization. Any Options that have not been exercised or surrendered pursuant to this Section 11.2 shall be forfeited and cancelled without compensation to the holder thereof upon the consummation of such Substitution Event or Permitted Reorganization. Unless otherwise determined by the Board prior to the date of the Substitution Event or Permitted Reorganization, as applicable, upon such Substitution Event or Permitted Reorganization, a pro rata proportion of the PSUs (and related Dividend Equivalents) credited to a Participant's Share Unit Account, which did not vest on or prior to the date of the Substitution Event or Permitted Reorganization, and a pro rata proportion of the RSUs or DSUs (and related Dividend Equivalents) credited to a Participant's Share Unit Account, which did not vest on or prior to the date of the Substitution Event or Permitted

Reorganization, shall vest in accordance with the provisions of Section 6.155, on the basis that the references to "Change of Control" in Section 6.15 shall be read as "Substitution Event or Permitted Reorganization, as applicable". Any Share Units that have been credited to a Share Unit Account of a Participant to whom this Section 11.2 applies and that do not vest pursuant to this Section 11.2 shall be terminated and forfeited. Notwithstanding any other provision of the Plan, in the event that Share Units vest, as contemplated in this Section 11.2, the Board may by resolution determine that the "Fair Market Value" with respect to such Share Units shall be the price per Common Share offered or provided for in the Substitution Event or Permitted Reorganization, as applicable.

11.3 Plan Survival on Merger, Consolidation or Reorganization. The obligations of the Company under the Plan shall be binding upon any successor corporation or organization resulting from the merger, consolidation or other reorganization of the Company, or upon any successor corporation or organization succeeding to all or substantially all of the assets and business of the Company and its Affiliates, taken as a whole.

11.4 Cancelling Awards on Change in Control. In addition, in the event of a Change in Control, the Committee may in its discretion and upon at least ten days' advance notice to the affected persons, cancel any outstanding Awards and pay to the holders thereof, in cash or stock, or any combination thereof, the value of such Awards based upon the price per Common Share received or to be received by other shareholders of the Company in the event. In the case of any Option or Share Appreciation Right with an exercise price that equals or exceeds the price paid for a Common Share in connection with the Change in Control, the Committee may cancel the Option or Share Appreciation Right without the payment of consideration for it.

12. Amendment of the Plan and Awards.

12.1 Amendment of Plan and Awards. The Board at any time, and from time to time, may amend or suspend any provision of an Award or the Plan, or terminate the Plan, subject to those provisions of Applicable Laws (including, without limitation, the rules, regulations and policies of the Exchange), if any, that require the approval of security holders or any governmental or regulatory body regardless of whether any such amendment or suspension is material, fundamental or otherwise, and notwithstanding any rule of common law or equity to the contrary.

- (a) Without limiting the generality of the foregoing, the Board may make the following types of amendments to this Plan or any Awards without seeking security holder approval:
 - (i) amendments of a "housekeeping" or administrative nature, including any amendment for the purpose of curing any ambiguity, error or omission in this Plan, or to correct or supplement any provision of this Plan that is inconsistent with any other provision of this Plan;
 - (ii) amendments necessary to comply with the provisions of applicable law (including, without limitation, the rules, regulations and policies of the Exchange);
 - (iii) amendments necessary for Awards to qualify for favourable treatment under applicable tax laws;
 - (iv) amendments to the vesting provisions of this Plan or any Award;

- (v) amendments to include or modify a cashless exercise feature, payable in cash or Common Shares, which provides for a full deduction of the number of underlying Common Shares from the Plan maximum;
 - (vi) amendments to the termination or early termination provisions of this Plan or any Award, whether or not such Award is held by an Insider, provided such amendment does not entail an extension beyond the original expiry date of the Award; and
 - (vii) amendments necessary to suspend or terminate this Plan.
- (b) Security holder approval will be required for the following types of amendments:
- (i) any amendment to increase the maximum number of Common Shares issuable under this Plan, other than pursuant to Section 10;
 - (ii) any amendment to this Plan that increases the length of the period after a Blackout Period during which Options may be exercised;
 - (iii) any amendment that would result in the Exercise Price for any Option granted under this Plan being lower than the Fair Market Value at the Grant Date of the Option;
 - (iv) any amendment to remove or to exceed the Insider participation limit set out in Section 5.2(c);
 - (v) any amendment that reduces the Exercise Price of an Option or permits the cancellation and reissuance of an Option or other entitlement, in each case, other than pursuant to Section 10, Section 11.1, or Section 11.2;
 - (vi) any amendment to reduce the Exercise Price of an Option granted to an Optionholder who is an Insider at the time of the proposed amendment;
 - (vii) any amendment extending the term of an Option beyond the original Expiry Date, except as provided in Section 6.2;
 - (viii) any amendment to extend the term of an Option, granted to an Optionholder who is an Insider at the time of the proposed amendment, beyond the original Expiry Date;
 - (ix) any amendment to the amendment provisions;
 - (x) any amendment that would allow for the transfer or assignment of Awards under this Plan, other than for normal estate settlement purposes; and
 - (xi) amendments required to be approved by security holders under applicable law (including the rules, regulations and policies of the Exchange).

12.2 No Impairment of Rights. Except as expressly set forth herein or as required pursuant to Applicable Laws, no action of the Board or security holders may materially adversely alter or impair the rights of a Participant under any Award previously granted to the Participant unless (a) the Company requests the consent of the Participant and (b) the Participant consents in writing.

13. General Provisions.

13.1 Forfeiture Events. The Committee may specify in an Award Agreement that the Participant's rights, payments and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of certain events, in addition to applicable vesting conditions of an Award. Such events may include, without limitation, breach of non-competition, non-solicitation, confidentiality, or other restrictive covenants that are contained in the Award Agreement or otherwise applicable to the Participant, a termination of the Participant's Continuous Service for Cause, or other conduct by the Participant that is detrimental to the business or reputation of the Company and/or its Affiliates.

13.2 Clawback. Notwithstanding any other provisions in this Plan, the Company may cancel any Award, require reimbursement of any Award by a Participant, and effect any other right of recovery or recoupment of equity or other compensation provided under the Plan under Applicable Laws, stock exchange listing requirements or in accordance with any Company policies that may be adopted and/or modified from time to time ("**Clawback Policy**"). In addition, a Participant may be required to repay to the Company previously paid compensation, whether provided pursuant to the Plan or an Award Agreement, in accordance with the Clawback Policy. By accepting an Award, the Participant is agreeing to be bound by the Clawback Policy, as in effect or as may be adopted and/or modified from time to time by the Company in its discretion (including, without limitation, to comply with Applicable Laws or stock exchange listing requirements).

13.3 Other Compensation Arrangements. Nothing contained in this Plan shall prevent the Board from adopting other or additional compensation arrangements, subject to any required regulatory or security-holder approval if such approval is required; and such arrangements may be either generally applicable or applicable only in specific cases.

13.4 Sub-Plans. The Committee may from time to time establish sub-plans under the Plan for purposes of satisfying Applicable Laws of various jurisdictions in which the Company intends to grant Awards. Any sub-plans shall contain such limitations and other terms and conditions as the Committee determines are necessary or desirable. All sub-plans shall be deemed a part of the Plan, but each sub-plan shall apply only to the Participants in the jurisdiction for which the sub-plan was designed.

13.5 Deferral of Awards. The Committee may establish one or more programs under the Plan to permit selected Participants the opportunity to elect to defer receipt of consideration upon exercise of an Award, satisfaction of performance criteria, or other event that absent the election would entitle the Participant to payment or receipt of Common Shares or other consideration under an Award. The Committee may establish the election procedures, the timing of such elections, the mechanisms for payments of, and accrual of interest or other earnings, if any, on amounts, shares or other consideration so deferred, and such other terms, conditions, rules and procedures that the Committee deems advisable for the administration of any such deferral program.

13.6 Unfunded Plan. The Plan shall be unfunded. Neither the Company, the Board nor the Committee shall be required to establish any special or separate fund or to segregate any assets to assure the performance of its obligations under the Plan.

13.7 Recapitalizations. Each Award Agreement shall contain or be deemed to contain provisions required to reflect the provisions of Section 10.

13.8 Delivery. Upon exercise of a right granted under this Plan, the Company shall issue Common Shares or pay any amounts due within a reasonable period of time thereafter. Subject to any statutory or regulatory obligations the Company may otherwise have, for purposes of this Plan, 30 days shall be considered a reasonable period of time.

13.9 No Fractional Shares. No fractional Common Shares shall be issued or delivered pursuant to the Plan. The Committee shall determine whether cash, additional Awards or other securities or property shall be issued or paid in lieu of fractional Common Shares or whether any fractional shares should be rounded, forfeited or otherwise eliminated.

13.10 Other Provisions. The Award Agreements authorized under the Plan may contain such other provisions not inconsistent with this Plan, including, without limitation, restrictions upon the exercise of the Awards, as the Committee may deem advisable.

13.11 Beneficiary Designation. Each Participant under the Plan may from time to time name any beneficiary or beneficiaries by whom any right under the Plan is to be exercised in case of such Participant's death. Each designation will revoke all prior designations by the same Participant, shall be in a form reasonably prescribed by the Committee and shall be effective only when filed by the Participant in writing with the Company during the Participant's lifetime.

13.12 Expenses. The costs of administering the Plan shall be paid by the Company.

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

13.14 Plan Headings. The headings in the Plan are for purposes of convenience only and are not intended to define or limit the construction of the provisions hereof.

13.15 Non-Uniform Treatment. The Committee's determinations under the Plan need not be uniform and may be made by it selectively among persons who are eligible to receive, or actually receive, Awards. Without limiting the generality of the foregoing, the Committee shall be entitled to make non-uniform and selective determinations, amendments and adjustments, and to enter into non-uniform and selective Award Agreements.

13.16 Participant Information.

- (a) As a condition of participating in the Plan, each Participant agrees to comply with all such Applicable Laws and agrees to furnish to the Company all information and undertakings as may be required to permit compliance with such Applicable Laws. Each Participant shall provide the Company with all information (including personal information) required in order to administer the Plan (the "**Participant Information**").

- (b) The Company may from time to time transfer or provide access to Participant Information to a third-party service provider for purposes of the administration of the Plan provided that such service providers will be provided with such information for the sole purpose of providing services to the Company in connection with the operation and administration of the Plan. The Company may also transfer and provide access to Participant Information to the Employers for purposes of preparing financial statements or other necessary reports and facilitating payment or reimbursement of Plan expenses. By participating in the Plan, each Participant acknowledges that Participant Information may be so provided and agrees and consents to its provision on the terms set forth herein. The Company shall not disclose Participant Information except (i) as contemplated above in this Section 13.16(b), (ii) in response to regulatory filings or other requirements for the information by a governmental authority or regulatory body, or (iii) for the purpose of complying with a subpoena, warrant or other order by a court, Person or body having jurisdiction over the Company to compel production of the information.

13.17 Priority of Agreements. In the event of any inconsistency or conflict between the provisions of the Plan and any Award Agreement, the provisions of the Plan shall prevail. In the event of any inconsistency or conflict between the provisions of the Plan or any Award Agreement, on the one hand, and a Participant's employment agreement with the Employer, on the other hand, the provisions of the employment agreement shall prevail.

14. Effective Date of Plan.

The Plan shall become effective as of the Effective Date. This Plan applies to Awards granted hereunder on and after the Effective Date.

15. Termination or Suspension of the Plan.

Awards may be granted under the Plan while the Plan is suspended or after it is terminated but Awards theretofore granted may extend beyond that date.

16. Governing Law.

The Plan shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

As adopted by the Board of Directors of 1319732 B.C. Ltd. on September 22, 2023.

As approved by the security holders of 1319732 B.C. Ltd. on September 22, 2023.

SCHEDULE "A"
NOTICE OF EXERCISE

[DATE]

TO: SENDERO RESOURCES CORP. (f/k/a 1319732 B.C. Ltd.)

Re: Exercise of Option to Purchase Common Shares

Pursuant to the award agreement, dated [DATE] (the "**Award Agreement**"), among [OPTIONHOLDER NAME] and Sendero Resources Corp. (the "**Company**"), [OPTIONHOLDER NAME] hereby exercises [in full] their option to purchase an additional [[NUMBER]/[\$AMOUNT] principal amount] of the Company's common shares on the terms and subject to the conditions set forth in the Award Agreement, such common shares to be delivered on [CLOSING DATE].

[IF INDIVIDUAL:]

[INDIVIDUAL OPTIONHOLDER NAME]

[OR, IF NON-INDIVIDUAL:]

[ENTITY OPTIONHOLDER NAME]

By: _____

Name:

Title: