



**FLOW CAPITAL CORP.**

**Management Information Circular**

**September 2, 2022**



## MANAGEMENT INFORMATION CIRCULAR

### VOTING AND PROXIES

#### Solicitation of Proxies

**This management information circular (the "Information Circular") is furnished in connection with the solicitation by the management of Flow Capital Corp., of proxies to be used at the annual and special meeting of shareholders of the Corporation (the "Meeting"), to be held on October 4, 2022 at the time and place and for the purposes set forth in the notice of annual and special meeting of shareholders of the Corporation (the "Notice of Meeting") or any adjournment thereof.**

Unless otherwise noted or the context otherwise indicates, references to the "**Corporation**" and "**Flow**" refer to Flow Capital Corp. Unless otherwise indicated, all dollar amounts in this Information Circular are given as of September 2, 2022. All dollar amounts in this Information Circular refer to Canadian dollars, unless otherwise indicated.

Solicitation of proxies will be primarily by mail but may also be by telephone, facsimile or in person by directors, officers and employees of the Corporation who will not be additionally compensated therefor. Brokers, nominees or other persons holding shares in their names for others shall be reimbursed for their reasonable charges and expenses in forwarding proxies and proxy material to the beneficial owners of such shares. The Corporation will assume the costs of solicitation, which are expected to be minimal.

It is desirable that as many shares as possible be represented at the Meeting. If a shareholder does not expect to attend in person and would like his, her, or its shares represented, the shareholder should complete the enclosed instrument of proxy and return it as soon as possible in the envelope provided for that purpose. To be valid, all instruments of proxy must be deposited with Computershare Investor Services Inc. ("**Computershare**"), at its principal office at 100 University Ave, Toronto, Ontario M5J 2Y1 by 10:30 a.m. (Toronto time) on September 30, 2022, or if the Meeting is postponed or adjourned, not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the postponed or adjourned meeting.

#### Appointment and Revocation of Proxies

The persons named as proxyholders in the enclosed form of proxy are directors and/or officers of the Corporation.

**A shareholder submitting a form of proxy has the right to appoint a person other than the persons indicated in such proxy form to act as his or her proxyholder. To do so, the shareholder must write the name of such person in the appropriate space on the form of proxy.**

If a shareholder appoints some other person to represent him, her, or it, it is the shareholder's responsibility to inform that other person or company that he, she or it has been so appointed and to ensure that the shareholder's proxy has been signed by the shareholder or the shareholder's attorney authorized in writing (or, if the shareholder is a corporation, under its corporate seal and signed by a director, officer or attorney thereof, duly authorized).

To be effective, all forms of proxy must be deposited with Computershare, either in person, or by mail or courier, to 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1, or via the internet at [www.investorvote.com](http://www.investorvote.com). The proxy must be deposited with Computershare by 10:30 a.m. (Toronto time) on September 30, 2022, or if the Meeting is postponed or adjourned, not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the postponed or adjourned meeting.

Late proxies may be accepted or rejected by the Chairman of the Meeting at his or her discretion and the Chairman of the Meeting is under no obligation to accept or reject any particular late proxy. The Chairman of the Meeting may waive or extend the proxy cut-off without notice.

The persons named as proxies will vote or withhold from voting the shares in respect of which they are appointed or vote for or against any particular question, in accordance with the instructions of the shareholder appointing them. In the absence of such instructions, the shares will be voted in favour of all matters identified in the enclosed Notice of Meeting. The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting and to other matters which may properly come before the Meeting. At the time of printing of this Information Circular, the management of the Corporation knows of no such amendment, variation or other matter expected to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if any amendments or other matters not known to management should properly come before the Meeting, the accompanying form of proxy confers discretionary authority upon the persons named therein to vote on such amendments or matters in accordance with their best judgment.

A shareholder giving a proxy may revoke it at all times by a document signed by him or her or by a proxyholder authorized in writing or, if the shareholder is a corporation, by a document signed by an officer or a proxyholder duly authorized, given to Computershare, not less than 48 hours prior to the Meeting, or, in the case of any adjournment or postponement of the Meeting, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the adjourned meeting at which the proxy is to be used, or to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof.

### **Participating at the Meeting**

The Meeting will begin at 10:30 a.m. (Toronto Time) on October 4, 2022. Shareholders and duly appointed proxyholders can attend the Meeting in person at 1 Adelaide Street East, Suite 3002, PO Box 171, Toronto, Ontario, M5C 2V9.

### **Voting Shares**

Each shareholder may instruct his proxy how to vote his or her shares by completing the blanks on the enclosed form of proxy.

The shares represented by the enclosed proxy will be voted or withheld from voting on any motion, by ballot or otherwise, in accordance with any indicated instructions. In the absence of such direction, such shares will be voted IN FAVOUR OF PASSING THE RESOLUTIONS DESCRIBED IN THE INSTRUMENT OF PROXY AND BELOW. If any amendment or variation to the matters identified in the Notice is proposed at the Meeting or any adjournment or postponement thereof, or if any other matters properly come before the Meeting or any adjournment or postponement thereof, the accompanying form of proxy confers discretionary authority to vote on such amendments or variations or such other matters according to the best judgment of the appointed proxyholder. Unless otherwise stated, the shares represented by a valid proxy form will be voted in favour of the election of nominees set forth in this Information Circular except where a vacancy among such nominees occurs prior to the Meeting, in which case, such shares may be voted in favour of another nominee in the proxyholder's discretion. As at the of this Information Circular, management of the Corporation knows of no such amendments or variations or other matters to come before the Meeting.

Any matter that is submitted to a vote of shareholders by ordinary resolution at the Meeting must be approved, unless otherwise indicated in this Information Circular, by simple majority (affirmative vote of at least 50% plus one) of the votes cast thereon.

## Advice to Beneficial Holders

**The information set forth in this section should be reviewed carefully by beneficial shareholders of the Corporation. Shareholders who do not hold their shares in their own name should note that only proxies deposited by shareholders who appear on the records maintained by the Corporation's registrar and transfer agent as registered holders of shares, or the persons they appoint as their proxies, will be recognized and acted upon at the Meeting.**

The information set forth in this section is of significant importance to many shareholders of the Corporation, as a substantial number of shareholders do not hold shares in their own name. Shareholders who do not hold their shares in their own name (referred to herein as "**beneficial shareholders**") should note that only proxies deposited by shareholders whose names appear on the records of the Corporation as the registered holders of shares can be recognized and acted upon at the Meeting. If shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those shares will not be registered in the shareholder's name on the records of the Corporation. Such shares will more likely be registered under the names of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as its nominee for many Canadian brokerage firms). Shares held by brokers or their agents or nominees can only be voted upon the instructions of the beneficial shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. Therefore, beneficial shareholders should ensure that instructions respecting the voting of their shares are communicated to the appropriate person.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from beneficial shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions which should be carefully followed by beneficial shareholders in order to ensure that their shares are voted at the Meeting. Often, the form of proxy supplied to a beneficial shareholder by its broker is identical to the form of proxy provided to registered shareholders; however, its purpose is limited to instructing the registered shareholder how to vote on behalf of the beneficial shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically mails a scanable voting instruction form in lieu of the form of proxy. The beneficial shareholder is requested to complete and return the voting instruction form to them by mail or facsimile. Alternatively, the beneficial shareholder can call a toll-free telephone number to vote the shares held by the beneficial shareholder or vote via the internet at [www.proxyvote.com](http://www.proxyvote.com). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. A beneficial shareholder receiving a voting instruction form cannot use that voting instruction form to vote shares directly at the Meeting as the voting instruction form must be returned as directed by Broadridge well in advance of the Meeting in order to have the shares voted.

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

There are two kinds of beneficial shareholders: those who object to their name being made known to the issuers of securities which they own (called "**OBOs**" for Objecting Beneficial Owners) and those who do not object (called "**NOBOs**" for Non-Objecting Beneficial Owners).

Issuers can request and obtain a list of their NOBOs from Intermediaries via their transfer agents, pursuant to National Instrument 54-101 - *Communication with Beneficial Owners of Securities of Reporting Issuers* ("**NI 54-101**") and issuers can use this NOBO list for distribution of proxy-related materials directly to NOBOs. The Corporation has decided to take advantage of those provisions of NI 54- 101 that allow it to directly deliver proxy-related materials to its NOBOs. As a result, NOBOs can expect to receive a voting instruction form from the Corporation's transfer agent, Computershare. These voting instruction forms are to be completed and returned to Computershare in the envelope provided or by facsimile. Computershare will tabulate the results of the voting instruction forms received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by voting instruction forms they receive. Alternatively, NOBOs may vote following the instructions on the voting instruction form, by calling a toll-free telephone number or via the internet at [www.investorvote.com](http://www.investorvote.com).

### ***Beneficial Shareholders in the United States***

This solicitation of proxies involves securities of an issuer located in Canada and is being effected in accordance with the corporate laws of Canada and the securities laws of the provinces of Canada. The proxy solicitation rules under the United States Securities Exchange Act of 1934, as amended, are not applicable to the Corporation or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the provinces of Canada differ from the disclosure requirements under United States securities laws. The enforcement by shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Corporation is existing under the *Business Corporations Act* (British Columbia), certain of its directors and officers are residents of Canada and countries other than the United States, and all of the assets of the Corporation and a substantial portion of the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

**All references to "shareholders" in this Information Circular and the accompanying form of proxy, Notice of Meeting are to registered shareholders unless specifically stated otherwise.**

### **Voting Shares and Principal Shareholders Thereof**

The authorized share capital of the Corporation consists of an unlimited number of common shares (the "**Common Shares**"). As of September 2, 2022, the Corporation had 31,427,910 Common Shares issued and outstanding. The Corporation's board of directors (the "**Board**") has fixed a record date of August 30, 2022 (the "**Record Date**") to determine shareholders entitled to receive the Notice of Meeting. The failure of any shareholder to receive a copy of the Notice of Meeting does not deprive the shareholder of the right to vote at the Meeting. Only holders of Common Shares as of the Record Date are entitled to vote such Common Shares at the Meeting.

To the knowledge of the directors and executive officers of the Corporation, as at the Record Date no person or company beneficially owns, or controls or directs, directly or indirectly, more than 10% of the issued and outstanding Common Shares.

## **BUSINESS TO BE TRANSACTED AT THE MEETING**

### **Item One: Election of Directors**

Management of the Corporation proposes the five persons named in the tables on the following page as candidates for election as directors. Each elected director will remain in office until the next annual meeting

of the shareholders or until his or her successor is elected or appointed, unless his or her post is vacated earlier. The candidates proposed by the management of the Corporation have been directors of the Corporation since the dates indicated below.

**Unless instructions are given to abstain from voting with regard to the election of directors, the persons whose names appear on the enclosed form of proxy will vote in favour of the election of each of the five nominees whose names are set out in the table below.**

Management of the Corporation does not foresee that any of the following nominees listed below will be unable or, for any reason, unwilling to perform his or her duties as a director. In the event that the foregoing occurs for any reason, prior to the election, the persons indicated on the enclosed form of proxy reserve the right to vote for another candidate of their choice unless otherwise instructed by the shareholder in the form of proxy to abstain from voting on the election of directors.

**In order for the resolution to be passed, approval by the holders of not less than a majority of the Common Shares voted in respect thereof at the Meeting, whether present in person or by proxy, is required.**

The enclosed form of proxy allows the holders of Common Shares to direct proxyholders to vote individually for each of the nominees named below as a director of the Corporation. At any meeting where shareholders vote on the election of directors, any individual nominee who receives a greater number of votes "withheld" than votes "for" will be required by the Corporation to tender his or her resignation to the Board promptly following the meeting. The resignation will be effective when accepted by the Board. The Board expects that resignations will be accepted, unless extenuating circumstances warrant a contrary decision. The Corporation will announce the Board's decision (including the reason for not accepting any resignation) by news release within 90 days following the date of the Meeting. Any director who tenders his or her resignation in this situation will not participate in any meeting of the Board where his or her resignation is considered. Management of the Corporation has been informed that each of the proposed nominees listed below is willing to serve as a director if elected.

The following table and notes set out the names of the individuals proposed by management for election as directors of the Corporation, their place of residence, whether or not the nominee is an independent member of the Board, their principal occupation, the date they first became a director of the Corporation, their other public company board memberships, and the number of Common Shares of the Corporation beneficially owned, controlled or directed, directly or indirectly, by them as at September 2, 2022. Each of the proposed nominees currently sit on the Board, and in accordance with the mandate of the Board (the "**Board Mandate**"), their current terms will expire on the date of the Meeting.

<b>Catherine McLeod-Seltzer</b> <sup>(5)(6)</sup>  West Vancouver, British Columbia, Canada  Director Since: June 7, 2018  Age: 62  Independent	<b>Principal Occupation (past 5 years)</b> Chairman of Bear Creek Mining Corporation. Chairman of Kinross Gold Corporation and director of Lucara Diamond Corp.	
	<b>Current Public Board Membership</b> Chairman of Bear Creek Mining Corporation (TSXV:BCM) Chairman of Kinross Gold Corporation (TSX:K; NYSE:KGC) Director of Lucara Diamond Corp. (TSX: LUC)	
	<b>Common Shares Held</b>	
	Common Shares <sup>(1)(3)</sup>	Total Amount at Risk <sup>(2)</sup>
	626,884 <sup>(7)</sup>	\$294,635

<b>Vernon Lobo</b> <sup>(4)</sup>  Toronto, Ontario, Canada  Director Since: June 7, 2018  Age: 57  Independent	<b>Principal Occupation (past 5 years)</b> Managing Director of Mosaic Capital Partners LP, a private investment fund, since 2004.	
	<b>Current Public Board Membership</b> AirIQ Inc. (TSXV:IQ) EQ Inc. (TSXV:EQ) TECSYS Inc. (TSX: TCS) Pivotree Inc. (TSXV:PVT) MiniLuxe Holding Corp. (TSXV:MNLX)	
	<b>Common Shares Held</b>	
	Common Shares <sup>(1)(3)</sup>	Total Amount at Risk <sup>(2)</sup>
	2,939,353 <sup>(8)</sup>	\$1,381,496

<b>Alan Torrie</b> <sup>(4)(5)</sup>  Toronto, Ontario, Canada  Director Since: June 14, 2018  Age: 70  Independent	<b>Principal Occupation (past 5 years)</b> Chair Extendicare Ltd Chair Green Shield Canada. Retired Chief Executive Officer, Life Works (Morneau Shepell)	
	<b>Current Public Board Membership</b> Extendicare Inc. (TSX: EXE)	
	<b>Common Shares Held</b>	
	Common Shares <sup>(1)(3)</sup>	Total Amount at Risk <sup>(2)</sup>
	500,000	\$235,000

<b>Michael Zych</b> <sup>(4)(5)(6)</sup> Oakville, Ontario, Canada	<b>Principal Occupation (past 5 years)</b> Chief Executive Officer of Payments International Inc.	
	<b>Current Public Board Membership</b> None	
Director Since: April 20, 2020	<b>Common Shares Held</b>	
	Common Shares <sup>(1)(3)</sup>	Total Amount at Risk <sup>(2)</sup>
Age: 60	1,189,000	\$558,830
Independent		

<b>Alex Baluta</b> Toronto, Ontario, Canada	<b>Principal Occupation (past 5 years)</b> Chief Executive Officer of the Corporation since December, 2018; Managing Director, Temperance Capital 2014 - 2018.	
	<b>Current Public Board Membership</b> None	
Director Since: June 9, 2020	<b>Common Shares Held</b>	
	Common Shares <sup>(1)(3)</sup>	Total Amount at Risk <sup>(2)</sup>
Age: 57	150,000	\$70,500
Non-Independent		

NOTES:

- (1) Common Shares beneficially owned or controlled as at September 2, 2022.
- (2) The value of the Common Shares held by the directors is calculated by multiplying the amount of Common Shares held by the closing price of the Corporation's Common Shares on the TSX Venture Exchange (the "TSXV") per Common Share on December 31, 2021, being \$0.47.
- (3) The information as to shares beneficially owned, directly or indirectly, or over which control is exercised is not within the knowledge of the Corporation and has been furnished by the respective individuals.
- (4) Current member of the Corporation's corporate governance and nominating committee (the "**Corporate Governance and Nominating Committee**").
- (5) Current member of the Corporation's compensation committee (the "**Compensation Committee**").
- (6) Current member of the Corporation's audit committee (the "**Audit Committee**").
- (7) 17,052 of these Common Shares are registered in the name of 538800 B.C. Ltd., a private company of which Ms. McLeod-Seltzer holds a one-third interest.
- (8) 1,612,500 of these Common Shares are registered in the name of Kilimanjaro Capital Inc., a private company controlled by Mr. Lobo, and Mr. Lobo exercises control and direction over 630,500 of these Common Shares held in a registered savings plan, and 38,020 of these Common Shares in a tax-free savings account.

There are no contracts, arrangements or understandings between any nominee and any other person (other than the directors and officers of the Corporation acting solely in such capacity) pursuant to which the nominee has been or is to be elected as a director.

As at September 2, 2022, the proposed directors of the Corporation as a group (five persons) owned beneficially or exercised control or direction over 5,446,904 Common Shares, or approximately 17% of the outstanding Common Shares.

The following are brief biographies of each of the proposed director nominees:

**Catherine McLeod-Seltzer**, Director. Ms. McLeod-Seltzer is also the Chairman of Bear Creek Mining Corporation and a recognized leader in the minerals industry for her ability to create growth-focused companies that generate significant shareholder value. Ms. McLeod-Seltzer partners with successful geological teams and has been instrumental in helping build a number of successful mineral companies in the past 20 years, including Arequipa Resources Ltd., Francisco Gold Corp., Miramar Mining (TSX: MAE), Bear Creek Mining Corporation (TSXV: BCM), Stornoway Diamonds Corp. and Peru Copper Inc. Ms. McLeod-Seltzer was named Mining Man of the Year by The Northern Miner in 1999 and in 1997 she was given the "Award for Performance" by the Association of Women in Finance. She has also held a position on the Financial Post's "Power 50" and received Canada's Most Powerful Women Top 100 Award. Ms. McLeod-Seltzer has raised more than \$700,000,000 in working capital for mining exploration in the past 25 years, and been directly involved in more than \$4 billion in corporate transactions in the mining industry. Her leadership and financial expertise, access to capital and respect from the exploration and mining community have been invaluable assets to the companies she is involved in and have created significant wealth for shareholders. Ms. McLeod-Seltzer's directorships in other publicly traded companies include Bear Creek Mining Corporation (TSXV: BCM), Kinross Gold Corporation (TSX:K; NYSE: KGC) and Lucara Diamond Corp. (TSX: LUC).

**Vernon Lobo**, Director and Chairman of the Board. Mr. Lobo is a founder and Managing Director of Mosaic Capital, a private investment fund. Through 27 years in the investment industry, Mr. Lobo has built several companies from start-up to acquisition or public listing, eight of which achieved valuations in excess of \$100 million. Earlier in his career, Mr. Lobo was a consultant with McKinsey & Company and a software engineer at Nortel Networks. Mr. Lobo holds a Bachelor of Science in Engineering from the University of Waterloo and a Master of Business Administration from Harvard Business School, where he was a Baker Scholar.

**Alan Torrie**, Director. Mr. Torrie has held several senior executive roles, including as the former President and Chief Executive Officer of Morneau Shepell Limited, MDS Diagnostics and former Chief Executive Officer of **Discovery Air Inc.** He currently serves as Chair of the Board of Extencicare Inc. (TSX: EXE) and the Chair of Green Shield Canada. He previously served as a Director of Trillium Health Partners, Cynapsus Therapeutics, and Appleby College. He holds a BSc from McMaster university, DHA from the University of Toronto and is a graduate of the AMP at Harvard Business School.

**Michael Zych**, Director. Mr. Zych is the former Global Head of Fixed Income, Global Banking and Markets for Scotiabank, where he had overall responsibility for the strategy and execution of the fixed income business. At Scotiabank, his oversight included trading, sales and origination of fixed income products globally as well as credit and interest rate derivatives. Mr. Zych has built, led and managed teams in eleven countries across North America, Latin America, Europe and Asia. He was also a member of both the Global Banking and Markets' Strategy Committee and Human Investment Committee at Scotiabank. Mr. Zych retired from Scotiabank in 2015 and has since been actively engaged with the start-up ecosystem as a successful advisor and angel investor, as the Chief Executive Officer of Payments International Inc. Mr. Zych holds a Bachelor of Commerce Degree from McMaster University and a Masters Degree in Business Administration from the University of Toronto. He is a member in good standing with the CFA Institute.

**Alex Baluta**, Chief Executive Officer, Director. Mr. Baluta has over 27 years of professional experience in Canada and the US in investment banking, equity research, mergers and acquisitions, operations, consulting, and entrepreneurship. His primary focus throughout his careers has been advising, analyzing, operating, and investing in small and medium-sized enterprises, primarily in high-growth technology sectors.

To the knowledge of the Corporation and based upon information provided to it by the nominees, within 10 years before the date of this Information Circular, no such nominee was a director, chief executive officer or chief financial officer of any company (including the Corporation) that was subject to an order that was issued while the nominee was acting in the capacity as director, chief executive officer or chief financial officer, or was subject to an order that was issued after the nominee ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while the nominee was acting in the capacity as director, chief executive officer or chief financial officer.

For the purposes of the foregoing paragraph, "order" means:

- (a) a cease trade order;
- (b) an order similar to a cease trade order; or
- (c) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days.

To the knowledge of the Corporation and based upon information provided to it by the nominees, no such nominee is or within 10 years prior to the date of this Information Circular was, a director or executive officer of any company (including the Corporation) that, while the nominee was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

To the knowledge of the Corporation and based upon information provided to it by the nominees, no such nominee within 10 years prior to the date of this Information Circular has made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold such nominee's assets.

No director or executive officer of the Corporation, or, to the knowledge of the Corporation, any shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, has been subject to:

- (a) penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

### **Item Two: Appointment of Auditors**

A firm of auditors is to be appointed by vote of the shareholders at the Meeting to serve as auditors of the Corporation until the close of the next annual meeting.

The Board, upon the recommendation of the Audit Committee, proposes that Dale Matheson Carr-Hilton Labonte LLP be reappointed as auditors of the Corporation and that the directors of the Corporation be authorized to determine their compensation. Unless instructed to abstain from voting with regard to the appointment of auditors, the persons whose names appear on the enclosed form of proxy will vote in favour of: (i) the reappointment of Dale Matheson Carr-Hilton Labonte LLP as auditors of the Corporation; and (ii) authorizing the directors of the Corporation to determine the compensation of Dale Matheson Carr-Hilton Labonte LLP in such capacity.

In order for the aforementioned resolutions to be passed, approval by the holders of not less than a majority of the Common Shares voted in respect thereof at the Meeting, whether present in person or by proxy, is required.

The following table indicates the aggregate fees billed to the Corporation by its auditors in respect of the Corporation's 2021 and 2020 fiscal years:

Year	Audit Fees	Audit-Related Fees	Tax Fees	All Other Fees
2021	\$70,000	\$28,250 <sup>(1)</sup>	\$14,250	\$4,500
2020	\$51,622	\$26,750 <sup>(2)</sup>	\$14,000	\$8,500

NOTES:

- (1) Includes the fees billed to the Corporation by Dale Matheson Carr-Hilton Labonte LLP in connection with the review of the Corporation's interim financial statements.
- (2) Includes the fees billed to the Corporation by Dale Matheson Carr-Hilton Labonte LLP in the amount of \$14,750, and by Goodman & Associates LLP, who resigned as the auditors of the Corporation on June 9, 2020, in the amount of \$12,000, in connection with the review of the Corporation's interim financial statements.

**Item Three: Omnibus Equity Incentive Plan**

The Corporation maintains an omnibus equity incentive option plan (the "**Omnibus Plan**") in accordance with Policy 4.4 – *Incentive Stock Options* of the Corporate Finance Manual of the Exchange. The Omnibus Plan was originally approved by the Board on September 30, 2021 and was subsequently approved and ratified by the shareholders of the Corporation. Subject to obtaining shareholder approval at the Meeting and the approval of the TSXV, the Board has approved certain amendments to the Omnibus Plan. At the Meeting shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution in the form set out below approving the Incentive Plan, including the amendments thereto, in substantially the form attached hereto as Schedule "A" to this Circular.

A summary of the Incentive Plan, including a description of the amendments thereto, is set out below. This summary is qualified in its entirety by the full text of the Incentive Plan.

Purpose

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

Administration of the Omnibus Plan

The Omnibus Plan is administered by the Board or, from time to time, a committee thereof, and provides that the Board may from time to time, in its discretion, and in accordance with TSXV requirements, grant to eligible Participants, non-transferable awards (the "**Awards**"). Such Awards include options ("**Options**"), restricted share units ("**RSUs**"), deferred share units ("**DSUs**") and performance share units ("**PSUs**").

### Maximum Number of Shares Available for Awards

The number of Common Shares reserved for issuance pursuant to Options granted under the Omnibus Plan will not, in the aggregate, exceed 10% of the then outstanding Common Shares. In addition, the maximum number of Common Shares issuable pursuant to SARs, RSUs, DSUs and PSUs issued under the Omnibus Plan shall not exceed a fixed number determined in accordance with the policies of the TSXV.

The maximum number of Common Shares for which Awards may be issued to any one Participant (as defined in the Omnibus Plan) in any 12-month period shall not exceed 5% of the outstanding Common Shares, unless disinterested shareholder approval as required by the policies of the TSXV is obtained, or 2% in the case of a grant of Awards to any persons (in the aggregate) retained to provide Investor Relations Activities (as defined by the TSXV). No awards other than Options may be issued to any persons retained to provide Investor Relations Activities. Further, unless disinterested shareholder approval as required by the policies of the TSXV is obtained: (i) the maximum number of Common Shares for which Awards may be issued to insiders of the Corporation (as a group) at any point in time shall not exceed 10% of the outstanding Common Shares; and (ii) the aggregate number of Awards granted to insiders of the Corporation (as a group), within any 12-month period, shall not exceed 10% of the outstanding Common Shares.

### Eligibility

Awards under the Omnibus Plan will be granted only to bona fide employees, officers, non-employee directors and consultants of the Corporation. The extent to which any such individual is entitled to receive a grant of an Award pursuant to the Omnibus Plan will be determined in the discretion of the Board.

### Types of Awards

The following is a summary of the various types of Awards issuable under the Omnibus Plan.

#### *Options*

Subject to any requirements of the TSXV, the Board may determine the expiry date of each Option. Subject to a limited extension if an Option expires during a Black Out Period (as defined in the Omnibus Plan), Options may be exercised for a period of up to ten years after the grant date, provided that: (i) upon a Participant's termination for Cause (as defined in the Omnibus Plan), all Options, whether vested or not as at the Termination Date (as defined in the Omnibus Plan) will automatically and immediately expire and be forfeited; (ii) upon the death of a Participant, all unvested Options as at the Termination Date shall automatically and immediately vest, and all vested Options will continue to be subject to the Omnibus Plan and be exercisable for a period of 90 days after the Termination Date; (iii) in the case of the Disability (as defined in the Omnibus Plan) of a Participant, all Options shall remain and continue to vest (and are exercisable) in accordance with the terms of the Option Plan for a period of 12 months after the Termination Date, provided that any Options that have not been exercised (whether vested or not) within 12 months after the Termination Date shall automatically and immediately expire and be forfeited on such date; (iv) in the case of the retirement of a Participant, the Board shall have discretion, with respect to such Options, to determine whether to accelerate the vesting of such Options, cancel such Options with or without payment and determine how long, if at all, such Options may remain outstanding following the Termination Date, provided, however, that in no event shall such Options be exercisable for more than 12 months after the Termination Date; and (v) in all other cases where a Participant ceases to be eligible under the Omnibus Plan, including a termination without Cause or a voluntary resignation, unless otherwise determined by the Board, all unvested Options shall automatically and immediately expire and be forfeited as of the Termination Date, and all vested Options will continue to be subject to the Omnibus Plan and be exercisable for a period of 90 days after the Termination Date.

The exercise price of the Options will be determined by the Board at the time an Option is granted, provided that in no event will such exercise price be lower than the last closing price of the Common Shares on the TSXV less any discount permitted by the rules or policies of the TSXV at the time the Option is granted.

#### *Restricted Share Units*

Subject to any requirements of the TSXV, the Board may determine the expiry date of each RSU. Subject to a limited extension if an RSU expires during a Black Out Period, RSUs may vest and be paid out for a period of up to three years after the grant date, provided that: (i) upon a Participant's termination for Cause, all RSUs, whether vested (if not yet paid out) or not as at the Termination Date will automatically and immediately expire and be forfeited; (ii) upon the death of a Participant, all unvested RSUs as at the Termination Date shall automatically and immediately vest and be paid out; (iii) in the case of the Disability of a Participant, all RSUs shall remain and continue to vest in accordance with the terms of the Omnibus Plan for a period of 12 months after the Termination Date, provided that any RSUs that have not been vested within 12 months after the Termination Date shall automatically and immediately expire and be forfeited on such date; (iv) in the case of the retirement of a Participant, the Board shall have discretion, with respect to such RSUs, to determine whether to accelerate the vesting of such RSUs, cancel such RSUs with or without payment and determine how long, if at all, such RSUs may remain outstanding following the Termination Date, provided, however, that in no event shall such RSUs be exercisable for more than 12 months after the Termination Date; and (v) in all other cases where a Participant ceases to be eligible under the Omnibus Plan, including a termination without Cause or a voluntary resignation, unless otherwise determined by the Board, all unvested RSUs shall automatically and immediately expire and be forfeited as of the Termination Date, and all vested RSUs will be paid out in accordance with the Omnibus Plan.

The number of RSUs to be issued to any Participant will be determined by the Board at the time of grant. Each RSU will entitle the holder to receive at the time of vesting for each RSU held, either one Common Share or a cash payment equal to the fair market value of a Common Share or a combination of the two, at the election of the Board. In the event settlement is made by payment in cash, such payment shall be made by the earlier of (i) 2<sup>1</sup>/<sub>2</sub> months after the close of the year in which such conditions or restrictions were satisfied or lapsed and (ii) December 31 of the third year following the year of the grant date.

Subject to any vesting restrictions imposed by the TSXV, or as may otherwise be determined by the Board at the time of grant, RSUs shall vest equally over a three-year period such that <sup>1</sup>/<sub>3</sub> of the RSUs shall vest on the first, second and third anniversary dates of the date that the RSUs were granted.

#### *Deferred Share Units*

The number and terms of DSUs to be issued to any Participant will be determined by the Board at the time of grant. Each DSU will entitle the holder to receive at the time of settlement for each DSU held, either one Common Share or a cash payment equal to the fair market value of a Common Share or a combination of the two, at the election of the Board.

Subject to any requirements of the TSXV, the Board may determine the vesting terms and expiry date of each DSU, provided that if a DSU would otherwise settle or expire during a Black Out Period, the Board may extend such date.

Subject to compliance with the rules of the TSXV, the Board may determine, at the time of grant, the treatment of DSUs upon a Participant ceasing to be eligible to participate in the Omnibus Plan.

#### *Performance Share Units*

The number and terms (including applicable performance criteria) of PSUs to be issued to any Participant will be determined by the Board at the time of grant. Each PSU will entitle the holder to receive at the time

of settlement for each PSU held, either one Common Share or a cash payment equal to the fair market value of a Common Share or a combination of the two, at the election of the Board.

Subject to any requirements of the TSXV, the Board may determine the vesting terms and expiry date of each PSU, provided that in no event will delivery of Common Shares or payment of any cash amounts be made later than the earlier of (i) 2<sup>1</sup>/<sub>2</sub> months after the close of the year in which the performance conditions or restrictions are satisfied or lapse, and (ii) December 31 of the third year following the year of the grant date.

Subject to compliance with the rules of the TSXV, the Board may determine, at the time of grant, the treatment of PSUs upon a Participant ceasing to be eligible to participate in the Omnibus Plan.

#### Termination and Change of Control Provisions

On a Change of Control (as defined below and in the Omnibus Plan) of the Corporation, subject to obtaining any required approvals of the TSXV, all outstanding Awards will immediately vest (provided, however, that no acceleration of Awards shall occur in the case of a Participant that was retained to provide Investor Relations Activities unless the approval of the TSXV is either obtained or not required); provided, however, that the Board may, in its sole discretion, without the necessity or requirement for the agreement of any Participant: (i) permit the conditional redemption or exercise of any Awards, on such terms as it sees fit; (ii) otherwise amend or modify the terms of any Awards, including for greater certainty by (1) permitting Participants to exercise or redeem any Awards to assist the Participants to participate in the actual or potential Change of Control, or (2) providing that any Awards exercised or exercised shall be exercisable or redeemed for, in lieu of Shares, such property (including shares of another entity or cash) that shareholders of the Corporation will receive in the Change of Control; and/or (iii) terminate, following the successful completion of a Change of Control, on such terms as it sees fit, the Awards not exercised or redeemed prior to the successful completion of such Change of Control.

The Omnibus Plan defines a "Change of Control" as the occurrence of any one or more of the following events:

- (a) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Corporation as a result of which the holders of Common Shares prior to the completion of the transaction hold or beneficially own, directly or indirectly, less than 50% of the outstanding Voting Securities of the successor corporation after completion of the transaction;
- (b) the sale, lease, exchange or other disposition, in a single transaction or a series of related transactions, of all or substantially all of the assets of the Corporation and/or any of its subsidiaries to any other Person, other than disposition to a wholly-owned subsidiary in the course of a reorganization of the assets of the Corporation and its subsidiaries;
- (c) a resolution is adopted to wind-up, dissolve or liquidate the Corporation;
- (d) an acquisition by any Person or group of Persons acting jointly or in concert of beneficial ownership of more than 50% of the Common Shares; or
- (e) the Board adopts a resolution to the effect that a Change of Control as defined herein has occurred or is imminent.

#### Amendments to Omnibus Plan

Subject to obtaining shareholder approval at the Meeting and the approval of the TSXV, the Board has approved the following amendments to the Omnibus Plan:

1. allowing Participants (with the exception of Investor Relations Service Providers) to elect to undertake a "cashless exercise" of the Options granted to them, pursuant to which the Common Shares otherwise deliverable upon the exercise of the Option may be sold for an amount equal to the exercise price of the Option; and
2. allowing Participants (with the exception of Investor Relations Service Providers) to elect to undertake a "net exercise" procedure of their then-vested and exercisable Options, whereby the Participant shall be entitled to receive such number of Common Shares (rounded down to the nearest whole number) obtained pursuant to formula set out in the Omnibus Plan; and
3. ancillary amendments and definitional changes required to accommodate the amendments set out above.

#### Omnibus Plan Resolution

At the Meeting, shareholders of the Corporation will be asked to consider, and if deemed advisable, to pass, with or without variation, the following ordinary resolution (the "**Omnibus Plan Resolution**"):

**"BE IT RESOLVED THAT:**

1. the amended and restated omnibus equity incentive option plan of the Corporation (the "**Omnibus Plan**") approved by the board of directors of the Corporation (the "**Board**") on September 2, 2022, and in the form attached to the management information circular of the Corporation dated September 2, 2022 (the "**Circular**") is hereby approved;
2. the Corporation is hereby authorized to issue options under the Omnibus Plan to acquire up to 10% of the issued and outstanding common shares in the capital of the Corporation (the "**Common Shares**") and, in addition, a maximum number of Common Shares issuable pursuant to RSUs, DSUs and PSUs (as such terms are defined in the Omnibus Plan) issued under the Omnibus Plan which shall not exceed a fixed number determined in accordance with the policies of the TSX Venture Exchange (the "**TSXV**");
3. the Board is hereby authorized to make any changes to the Omnibus Plan as may be required by the TSXV; and
4. any one director or officer of the Corporation is hereby authorized, for and on behalf, of the Corporation, to execute or cause to be executed, and to deliver or cause to be delivered, all such documents and filings, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in order to carry out the terms of these resolutions, such determination to be conclusively evidenced by the execution and delivery of such documents or the doing of any such act or thing."

**In order to be passed, the Omnibus Plan Resolution requires the approval of a majority of the votes cast thereon by holders of Common Shares present in person or represented by proxy at the Meeting.**

**THE BOARD UNANIMOUSLY RECOMMENDS THAT EACH DISINTERESTED SHAREHOLDER VOTE "FOR" THE OMNIBUS PLAN RESOLUTION. Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote "FOR" the Omnibus Plan Resolution.**

## STATEMENT OF CORPORATE GOVERNANCE PRACTICES

### General

The Board is committed to a high standard of corporate governance practices. The Board believes that this commitment is not only in the best interest of shareholders, but that it also promotes effective decision-making at the Board level.

Effective June 30, 2005, the Canadian Securities Administrators adopted National Policy 58-201 - *Corporate Governance Guidelines* (the "**Guidelines**") and National Instrument 58-101 - *Disclosure of Corporate Governance Practices* which requires that each reporting issuer annually disclose its corporate governance practices.

The following disclosure is based on the disclosure requirements of the Guidelines.

### Board Mandate

The Board's responsibility is to supervise and oversee management of the Corporation in accordance with the highest standards of ethical conduct and to act with a view to the best interests of the Corporation and its shareholders. In the discharge of this responsibility, the Board oversees and reviews, directly or through its various committees, the Corporation's results of operations and business initiatives, and identifies and oversees the management of principal business risks affecting the Corporation. The Board is also responsible for reviewing its size and the compensation paid to its members to ensure that the Board can fulfill its duties effectively and that its members are adequately compensated for assuming the risks and carrying out the responsibilities of their positions.

### Composition and Operation of the Board

The Guidelines recommend that a majority of directors of a listed corporation be "independent" as defined by National Instrument 52-110 - *Audit Committees* ("**NI 52-110**"). An independent director is a director who does not have any direct or indirect material relationship with the issuer. "Material relationship" is defined as a relationship which could, in the view of the Corporation's Board, be reasonably expected to interfere with the exercise of a director's independent judgment. NI 52-110 further sets out certain relationships which are deemed to be material relationships.

The Board currently has five members. Each director is elected annually by the shareholders and serves for a term that will end at the Corporation's next annual meeting. For the upcoming year the Board believes that five directors is a sufficient number to ensure that the Board will be comprised of directors with a broad range of experience and expertise and will be able to function independently of management.

Given the above determinations, the Board has determined that four of the five proposed directors are independent.

Board Members	Year Appointed	Committees			
		Independent	Audit Committee	Corporate Governance and Nominating Committee	Compensation Committee
Catherine McLeod-Seltzer	2018	✓	✓		Chair
Vernon Lobo	2018	✓		✓	
Alan Torrie	2018	✓	Chair	✓	✓

Board Members	Committees				
	Year Appointed	Independent	Audit Committee	Corporate Governance and Nominating Committee	Compensation Committee
Michael Zych	2020	✓	✓	Chair	✓
Alex Baluta	2020				

Additional information for each of the directors can be found under the heading "Election of Directors".

### Current Directorships in Other Issuers

As of the date of this Information Circular, none of the proposed directors are directors of other issuers that are also reporting issuers (or the equivalent) in a territory of Canada or in a foreign territory other than as set out in the table below.

Director	Reporting Issuer
Catherine McLeod-Seltzer	Bear Creek Mining Corporation (TSXV:BCM)
	Kinross Gold Corporation (TSX:K; NYSE:KGC)
	Lucara Diamond Corp. (TSX:LUC)
Vernon Lobo	AirIQ Inc. (TSXV:IQ)
	EQ Inc. (TSXV:EQ)
	TECSYS Inc. (TSX: TCS)
	Pivotree Inc. (TSXV: PVT)
	MiniLuxe Holding Corp. (TSXV: MNLX)
Alan Torrie	Extencare Inc. (TSX: EXE)
Alex Baluta	Nevaro Capital (unlisted)

### Board Meetings

The attendance of the current directors at formal Board meetings for the period ended December 31, 2021:

Name of Director	Board Meetings
Michael Zych <sup>(1)</sup>	6/6
Catherine McLeod-Seltzer <sup>(2)</sup>	6/6
Vernon Lobo <sup>(3)</sup>	6/6
Alan Torrie <sup>(4)</sup>	6/6
Alex Baluta <sup>(5)</sup>	6/6

### NOTES:

- (1) Mr. Zych was appointed to the Board on April 16, 2020.
- (2) Ms. McLeod-Seltzer was appointed to the Board on June 7, 2018.
- (3) Mr. Lobo was appointed to the Board on June 7, 2018.
- (4) Mr. Torrie was appointed to the Board on June 14, 2018.
- (5) Mr. Baluta was appointed to the Board on June 9, 2020.

The Board conducts in-camera sessions at each Board meeting, at which no executive directors or members of management are present. The in-camera sessions are intended not only to encourage the Board to fully

and independently fulfill the Board Mandate, but also to facilitate the performance of the fiduciary duties and responsibilities of the directors on behalf of the Corporation's shareholders.

### **Orientation and Continuing Education**

The Corporate Governance and Nominating Committee reviews, monitors, and makes recommendations with respect to director orientation. All newly elected directors are provided with an orientation as to the nature and operation of the business and affairs of the Corporation and as to the role of the Board and its committees. Each new director meets with the Chairperson of the Board, individual directors and members of the senior management team to discuss the Corporation's business and activities. Orientation is designed to assist the directors in fully understanding the nature and operation of the Corporation's business, the role of the Board and its committees, and the contributions that individual directors are expected to make, including the time and effort the Corporation expects them to devote to the execution of their functions.

In addition, the Corporate Governance and Nominating Committee reviews, monitors, and makes recommendations with respect to director continuing education opportunities designed to maintain or enhance the skills and abilities of the Corporation's directors and to ensure that their knowledge and understanding of the Corporation's business remains current. The Board encourages directors to take relevant training programs offered by different regulatory bodies and educational service providers and industry associations, and gives them the opportunity to expand their knowledge about the nature and operations of the Corporation's business.

### **Ethical Business Conduct**

A director, in the exercise of his or her functions and responsibilities, must act with complete honesty and good faith in the best interests of the Corporation. He or she must also act in accordance with the applicable laws, regulations and policies. In the event of a conflict of interest, a director is required to declare the nature and extent of any material interest he or she has in any important contract or proposed contract of ours, as soon as he or she has knowledge of the agreement or of the Corporation's intention to consider or enter into the proposed contract. In such circumstances, the director in question shall abstain from voting on the subject.

A director who has a material interest in a matter before the Board or any committee on which he or she serves is required to disclose such interest as soon as the director becomes aware of it. In situations where a director has a material interest in a matter to be considered by our Board or any committee on which he or she serves, such director may be required to excuse himself or herself from the meeting while discussions and voting with respect to the matter are taking place. Directors will also be required to comply with the relevant provisions of the *Business Corporations Act* (British Columbia) regarding conflicts of interest.

### **Nomination of Directors**

The Corporate Governance and Compensation Committee is responsible for recommending to the Board nominees for election or appointment as directors, as the case may be, in accordance with the provisions of applicable corporate law and the charter of the Corporate Governance and Compensation Committee.

The Corporate Governance and Nominating Committee is unconstrained with respect to its recommendations for any available director positions not subject to the nomination rights of shareholders. It is expected that the Corporate Governance and Nominating Committee will consider the competencies and skills that the Board considers to be necessary for the Board as a whole to possess, the competencies and skills that the Board considers each existing director to possess, and the competencies and skills each new nominee will bring to the boardroom. The Corporate Governance and Nominating Committee is expected to also consider the amount of time and resources that nominees have available to fulfill their duties as a member of the Board.

The Chair of the Corporate Governance and Nominating Committee, Michael Zych, is an independent director, and he leads any nominating process in accordance with and pursuant to the criteria for Board membership as set forth in the charter of the Corporate Governance and Nominating Committee.

### **Compensation**

The Compensation Committee oversees and recommends for approval by the Board executive compensation principles, policies, programs, grants of equity-based incentives and processes and specifically considers and recommends annually or as required for approval by the independent directors of the Board of all forms of compensation for the Chairperson of the Board and Chief Executive Officer, and for approval by the Board of all forms of compensation for the other executive officers of the Corporation. Further particulars of the process by which compensation for the Corporation's executive officers is determined, is provided under the heading "Statement of Executive Compensation" in this Information Circular. The Chair of the Compensation Committee is an independent director and leads the compensation review process in accordance with the charter of the Compensation Committee.

### **Board Committees**

The Corporation has three committees of the Board, namely, the Audit Committee, the Corporate Governance and Nominating Committee, and the Compensation Committee. The Board does not have any other standing committees.

The Board has not developed a written position description for the committee chairs beyond what is stated in each committee's charter. The committee chairs are expected to supervise the activities of their respective committees and to ensure that such committees are taking all steps necessary to fulfill their respective mandates.

### **Audit Committee**

The members of the Audit Committee are Mr. Torrie, as Chairperson, Mr. Zych and Ms. McLeod-Seltzer. Each of the members of the Audit Committee is "independent" for the purposes of NI 52-110. All members of the Audit Committee are "financially literate" for the purposes of NI 52-110.

All three members of the Audit Committee have been senior officers and/or directors of publicly traded companies or have been business executives, in each case with the responsibility of performing financial functions, for a number of years. In these positions, each such director has been responsible for receiving financial information relating to the entities of which they were directors, officers or executives. They have, or have developed, an understanding of financial statements generally and of how statements are used to assess the financial position of a company and its operating results. Each member of the Audit Committee also has a significant understanding of the business in which the Corporation is engaged and has an appreciation for the relevant accounting principles used in the Corporation's business.

Further, each member has the requisite education and experience that has provided the member with:

- an understanding of the accounting principles used by the Corporation to prepare the Corporation's financial statements;
- the ability to assess the general application of the above-noted principles in connection with estimates, accruals and reserves;
- experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the

Corporation's financial statements, or experience actively supervising individuals engaged in such activities; and

- an understanding of internal controls and procedures for financial reporting.

The Audit Committee's primary responsibility is to assist the Board in discharging its oversight responsibilities with respect to financial matters and compliance with laws and regulations. The Audit Committee's specific responsibilities with respect to its oversight of financial matters include, among other things: to select, evaluate, monitor the independence of, and recommend an auditor to the Board for appointment or reappointment, as the case may be, by the Corporation's shareholders and make recommendations with respect to the auditor's compensation; to review and determine the auditor's fee and the terms of the auditor's engagement and inform the Board thereof; where the Audit Committee may deem it appropriate, to recommend to the Board that the auditor be terminated; to meet with senior management without the auditor present to discuss the performance of the auditor; to pre-approve any audit services, and any non-audit services permitted under applicable law, to be performed by the auditor; to review and approve the audit plan; to review with senior management and the auditor the annual audited consolidated financial statements, together with the auditor's report thereon and the interim financial statements, before recommending them to the Board, and review with senior management and the auditor the relevant management's discussion and analysis relating thereto; to review other financial reporting and disclosures, including earnings press releases and other press releases disclosing financial information and all other financial statements of the Corporation that require approval by the Board before they are released to the public; to oversee the integrity of the Corporation's financial reporting processes and disclosures, including its internal controls, disclosure controls and procedures and compliance with legal and regulatory requirements, and to report regularly to the Board on such matters; to oversee the Corporation's risk management function; to review with senior management the status of taxation matters; and to review and oversee the Corporation's investment strategies and policies.

The Audit Committee reviews and pre-approves all audit and non-audit services to be provided to the Corporation by its external auditors on an annual basis. Before the appointment of the external auditor for any non-audit service, the Audit Committee considers the compatibility of the service with the auditor's independence.

#### *Audit Committee Charter*

The responsibilities and duties of the Audit Committee are set out in the committee's charter, the text of which is attached as Schedule "B" to this Information Circular.

#### *Audit Committee Oversight*

At no time has a recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by the Board.

#### *Exemption*

The Corporation is a "venture issuer" as defined in NI 52-110 and is relying on the exemption in section 6.1 of NI 52-110 relating to Parts 3 (Composition of Audit Committee) and 5 (Reporting Obligations) of NI 52-110.

### **Corporate Governance and Nominating Committee**

The members of the Corporate Governance and Nominating Committee are Mr. Zych, as Chairperson, Mr. Lobo and Mr. Torrie. All of the members of the Corporate Governance and Nominating Committee are independent.

The Corporate Governance and Nominating Committee's principal responsibilities include:

- developing and recommending to the Board criteria for selecting board and committee members;
- establishing procedures for identifying and evaluating director candidates, including nominees recommended by shareholders;
- identifying individuals qualified to become board members;
- recommending to the Board the persons to be nominated for election as directors and to each of the Board's committees;
- reviewing and making recommendations to the Board regarding the appointment and succession of the Corporation's directors and officers;
- developing and recommending to the Board a code of business conduct and ethics and a set of corporate governance guidelines; and
- overseeing the evaluation of the Board, its committees and management.

The Corporate Governance and Nominating Committee regularly reviews the current profile of the Board, including the representation of various areas of expertise, experience and diversity, to ensure that the Board has a sufficient range of skills, expertise and experience to enable it to carry out its duties and responsibilities effectively.

#### Compensation Committee

The members of the Compensation Committee are Ms. McLeod-Seltzer, as Chairperson, Mr. Torrie and Mr. Zych, all of whom are independent.

The Compensation Committee's principal responsibilities include:

- acting in an advisory capacity to the Board;
- reviewing and approving corporate goals and objectives relevant to the compensation of the Chief Executive Officer, evaluating the performance of the Chief Executive Officer in light of those corporate goals and objectives and determining (or making recommendations to the Board with respect to) the compensation level of the Chief Executive Officer based on this evaluation;
- making recommendations to the Board with respect to compensation, incentive-compensation plans and equity-based plans of the officers, other than the Chief Executive Officer, and directors;
- reviewing and approving, prior to public disclosure, all public disclosure on executive compensation and produce a report on executive officer compensation for inclusion in the Corporation's management information circular and proxy statement;
- in conjunction with the Corporate Governance and Nominating Committee, overseeing the evaluation of, and report to the Board on, the performance of the management of the Corporation; and

- conducting an annual performance evaluation of the Compensation Committee.

## **Assessments**

It is the responsibility of the Board and the Corporate Governance and Nominating Committee to regularly evaluate the overall efficiency of the Board and its various committees. In connection with such evaluations by the Board, the performance of the Board as a whole as well as the performance of each individual director is evaluated and reviewed on an annual basis. The evaluation by the Board takes into account (i) in the case of the Board, the Board Mandate and (ii) in the case of an individual director, the applicable position description(s), as well as the competencies and skills each individual director is expected to contribute to the Board. The Corporate Governance and Nominating Committee assesses the contribution of individual directors on an ongoing basis and in light of the opportunities and risks facing the Corporation, the competencies, skills and qualities required of directors. As part of its mandate, the Corporate Governance and Compensation Committee develops long-term plans for the composition of the Board, as well as ensures that an appropriate system is in place to evaluate the effectiveness of the Board as a whole and its various committees.

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **Compensation Discussion and Analysis**

#### Introduction

This section has been prepared in accordance with the requirements of Form 51-102F6 – *Statement of Executive Compensation*.

The information contained under the heading "Compensation Discussion and Analysis" relates to the Corporation's current compensation program. The purpose of this Compensation Discussion and Analysis is to provide information about the Corporation's philosophy, objectives and processes regarding compensation of the individuals who carried out the roles of the Chief Executive Officer and the Chief Financial Officer of the Corporation at any point during the year ended December 31, 2021 and each of the three most highly compensated executive officers of the Corporation, other than the Chief Executive Officer and Chief Financial Officer, whose total compensation was, individually, more than \$150,000 for the 12 months ended December 31, 2021 (each a "**Named Executive Officer**" and collectively, the "**Named Executive Officers**").

#### Compensation Committee

The administration of the Corporation's compensation practices is handled by the Compensation Committee.

Among other things, the Compensation Committee's role is to ensure that the total compensation paid to the Corporation's executive officers, including the Named Executive Officers, is fair, reasonable and competitive. In the course of reviewing and recommending to the Board the compensation of executive officers other than the Chief Executive Officer, the Compensation Committee annually reviews the performance of the executive officers with the Chief Executive Officer, and the Chief Executive Officer makes recommendations to the Compensation Committee regarding their compensation.

The Compensation Committee will evaluate the performance of the Chief Executive Officer and, based on its evaluation, review and make recommendations to the Board with respect to all direct and indirect compensation, benefits and perquisites (cash and non-cash) for the Chief Executive Officer based on such evaluation. The Compensation Committee will also review and make recommendations to the Board with respect to compensation, benefits and perquisites for all other senior executive officers of the Corporation,

incentive-compensation plans and equity-based plans, and policies regarding management benefits and perquisites.

Neither the Board nor any committee of the Board has formally established a mechanism to consider the implications of the risks associated with the Corporation's compensation policies and practices, including the risk that such policies and practices might encourage a Named Executive Officer or individual at a principal business unit or division to take inappropriate or excessive risks. However, the Board and the Compensation Committee inherently consider these risks. The Compensation Committee reviews and manages the policies and practices of the Corporation and ensures that they are aligned with the interests of the shareholders. The Compensation Committee reviews, among other things, the overall compensation and the annual salary increases of the executive officers of the Corporation while keeping as a reference both the financial performance of the Corporation and the turnover risk for the Corporation. The Board also addresses risk related to compensation policies in the context of compensation mechanisms that are linked to the achievement of certain goals or targets (e.g. short term and long term objectives), both financial and otherwise. The Board is involved in the supervision of key projects and initiatives of the Corporation and the manner in which they are being carried out. Consequently, the Board is in a position where it can control significant risks that may be taken by the Corporation's management and ensures that those risks remain appropriate and that members of management do not expose the Corporation to excessive risks.

Each member of the Compensation Committee has direct experience relevant to compensation matters resulting from their respective current and past backgrounds and/or roles. The members of the Compensation Committee have experience dealing with compensation matters in large and small organizations, including public companies. For further information regarding the governance practices of the Compensation Committee, see "Statement of Corporate Governance Practices – Board Committees – Compensation Committee" in this Information Circular.

#### Hedging

The Corporation does not have a policy in place that limits the ability for directors or Named Executive Officers to hedge the shares of the Corporation that they own. However, none of the current directors or Named Executive Officers of the Corporation are hedging any of the shares of the Corporation that they own.

#### Compensation Consultants or Advisors

The Corporation has not retained a compensation consultant or advisor during and since the end of the Corporation's most recently completed financial year to assist the Board or the Compensation Committee in determining compensation for any of the Corporation's directors or executive officers.

#### Compensation Process

The Corporation has no formal or informal policy or target for allocating compensation between long-term and short-term compensation, between cash and non-cash compensation, or among the different forms of non-cash compensation. Instead, the Board determines subjectively what it believes to be the appropriate level and mix of the various compensation components based on the recommendations of the Compensation Committee.

#### Compensation Objectives

The Corporation's compensation philosophy for Named Executive Officers is designed to attract and retain talented and experienced individuals by paying modest base salaries plus short and long term incentive compensation in the form of cash bonuses, stock options or other suitable long term incentives. In making

its determinations regarding the various elements of executive compensation, the Compensation Committee consults published studies of compensation paid in comparable businesses.

The duties and responsibilities of the Chief Executive Officer are typical of those of a business entity of the Corporation's size in a similar business and include overseeing the activities of all other executives of the Corporation, representing the Corporation, providing leadership and responsibility for achieving corporate goals and implementing corporate policies and initiatives.

The objectives of the Corporation's executive compensation program are as follows:

- to attract, retain and motivate talented executives who create and sustain the Corporation's continued success;
- to motivate and reward executives whose knowledge, skills and performance are critical to the Corporation's success;
- to encourage executives to manage the Corporation's business to meet its long-term objectives;
- to align the interests of the Corporation's executives with the interests of the Corporation's shareholders by motivating executive officers to increase shareholder value and reward executive officers when shareholder value increases; and
- to provide total compensation to executives that is competitive with that paid by other companies of comparable size engaged in similar businesses.

The Corporation believes that its current compensation programs are structured to support the achievement of the foregoing strategic objectives.

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

#### Elements of Compensation

The Corporation seeks to achieve the compensation objectives described earlier through different elements of compensation, including salary and both short-term and long-term incentive plans, with the incentives having both equity and non-equity components. The Corporation believes that these various elements are important to effectively achieve the objectives of its executive compensation philosophy.

The elements of the Named Executive Officers' compensation are:

- (a) base salaries;
- (b) annual bonuses; and
- (c) equity incentive awards.

There is no regulatory oversight of the Corporation's compensation process for the Named Executive Officers.

#### *Base Salary*

The Corporation pays its executive officers a base salary to compensate them for services rendered during a fiscal year. Base salaries are determined for each executive officer based on an evaluation of such officer's experience, skills, knowledge, scope of responsibility and performance. Base salary levels are reviewed and considered annually, and from time to time adjustments may be made to base salary levels based upon promotions or other changes in job responsibility or merit-based increases based on assessments of individual performance.

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

#### *Annual Bonuses*

The Corporation provides senior executives (including the Named Executive Officers) with the opportunity to receive cash bonuses based on the achievement of both time-based metrics and pre-determined financial metrics. Cash bonuses are primarily designed to align the financial interests of the Corporation's executives with the interests of the Corporation's shareholders. See the "Summary Compensation Table" below for details of the cash bonuses paid to the Corporation's Named Executive Officers for the fiscal year ended December 31, 2021.

#### *Equity Incentive Awards*

The executive officers are eligible to receive awards under the Omnibus Plan. The Corporation intends for equity-based awards to be an integral part of its overall compensation program as the Corporation believes that the long-term performance of the Corporation will be enhanced through the use of equity-based awards that reward executive officers for increasing long-term shareholder value. The Corporation also believes that such awards will promote an ownership perspective among its executive officers and encourage executive retention. In determining the number of awards to be granted to executive officers, the Compensation Committee takes into account the individual's position, scope of responsibility, ability to affect profits and shareholder value and the value of the awards in relation to other elements of the individual executive officer's total compensation, including base salary and cash bonuses.

All awards granted to the Corporation's executive officers vest based on the achievement of both time-based metrics and pre-determined financial metrics.

#### *Broad-Based Benefits Programs*

All full-time employees, including the Corporation's Named Executive Officers, may participate in the Corporation's health and welfare benefit programs, including medical, dental and vision care coverage, disability insurance and life insurance. The Corporation provides a Health Spending Account of \$7,000 to each of its Named Executive Officers. The Corporation does not and does not intend to provide any other perquisites or personal benefits to its Named Executive Officers that are not otherwise available to other employees generally.

#### Pension Plan Benefits

The Corporation does not have a defined benefits pension plan, a defined contribution plan or a deferred compensation plan.

## Summary Compensation Table

As of December 31, 2021, the Corporation had two Named Executive Officers: Alex Baluta and Gaurav Singh.

The following table sets out the compensation noted below paid or payable to the Named Executive Officers of the Corporation for the fiscal year ended December 31, 2021:

Name and Principal Position	Year Ended	Salary (\$)	Share-based Awards (\$)	Option-based Awards (\$) <sup>(1)</sup>	Non-Equity Incentive Plan Compensation		Pension Value (\$)	All Other Compensation (\$) <sup>(3)</sup>	Total Compensation (\$)
					Annual Incentive Plan or Bonus (\$)	Long-term Incentive Plan (\$)			
Alex Baluta, President and Chief Executive Officer	2021	250,000	Nil	Nil	Nil	Nil	Nil	953	250,953
	2020	250,000	Nil	Nil	50,000	Nil	Nil	25,116	325,116
	2019	250,000	Nil	Nil	Nil	Nil	Nil	5,490	255,490
Gaurav Singh, Chief Financial Officer <sup>(2)</sup>	2021	226,250	Nil	Nil	Nil	Nil	Nil	953	227,203
	2020	183,333	Nil	114,221	18,333	Nil	Nil	16,056	331,943
	2019	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

### NOTES:

- (1) Calculated using Black-Scholes option-pricing model in accordance with IFRS 2 share-based payments.
- (2) Mr. Singh was appointed as Chief Financial Officer on April 1, 2020.
- (3) Includes a Health Spending Account introduced for Named Executives in 2021.

## Incentive Plan Awards

### Outstanding Share-Based and Option-Based Awards

The following table provides information regarding the option-based awards and share-based awards for each Named Executive Officer of the Corporation outstanding as of December 31, 2021:

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying exercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)(2)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Alex Baluta, President and Chief Executive Officer	1,000,000	0.36	December 4, 2023	110,000	450,000	211,500	Nil
Gaurav Singh, Chief Financial Officer	500,000	0.36	April 30, 2027	55,000	250,000	117,500	Nil

NOTES:

- (1) Value of unexercised in-the-money options is calculated by determining the difference between the market value of the securities underlying the options at December 31, 2021.
- (2) "In-the-money options" means the excess of the market value of the Corporation's shares on December 31, 2021 on the Exchange, being \$0.47, over the exercise price of the options.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table presents information concerning value vested with respect to option-based awards and share-based awards for each Named Executive Officer of the Corporation during the fiscal year ended December 31, 2021:

Name	Option-based awards – Value vested during the year (\$) <sup>(1)</sup>	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Alex Baluta, President and Chief Executive Officer	26,539	7,628	Nil
Gaurav Singh, Chief Financial Officer	33,054	4,238	Nil

NOTES:

- (1) Calculated using Black-Scholes option-pricing model in accordance with IFRS 2 share-based payments.

**Termination and Change of Control Benefits**

Other than as disclosed below, none of the Named Executive Officers of the Corporation during the year ended December 31, 2021 were entitled to any payments following or in connection with any termination, resignation, retirement, Change of Control (as defined below) or change in the responsibilities of the Named Executive Officers.

During the year ended December 31, 2021, Mr. Baluta was a party to an agreement with the Corporation pursuant to which, in the event of a termination without cause of Mr. Baluta's employment: (i) the Corporation will make a payment to Mr. Baluta equal to all unpaid salary, vacation pay, incentive compensation, and properly incurred expenses, accrued to the termination date; (ii) there will be a continuation of his salary for a period of 15 months; (iii) Mr. Baluta will be eligible to continue to participate in all benefits, subject to the terms of the applicable plan, for a period of 12 months from the termination date or until he obtains alternate coverage under the terms of any new employment or engagement; and (iv) the exercise period for any stock options held by Mr. Baluta that have vested as of the termination date will be extended for a period of 12 months.

During the year ended December 31, 2021, Mr. Singh was a party to an agreement with the Corporation pursuant to which, in the event of a termination without cause of Mr. Singh's employment: (i) the Corporation will make a payment to Mr. Singh equal to all unpaid salary, vacation pay, incentive compensation, and properly incurred expenses, accrued to the termination date; (ii) there will be a continuation of his salary for a period of 15 months; (iii) He will be eligible to continue to participate in all benefits, subject to the terms of the applicable plan, for a period of 12 months from the termination date or until he obtains alternate coverage under the terms of any new employment or engagement; and (iv) the exercise period for any stock options held by Mr. Singh that have vested as of the termination date will be extended for a period of 12 months.

The payments and entitlements referred to above (other than any accrued and unpaid wages and vacation pay, and any statutory termination and severance pay, if applicable) are conditional upon the Named

Executive Officer executing and delivering a full and final release of any and all claims arising out of the Named Executive Officer's employment with the Corporation and the termination thereof, other than in respect of any indemnity rights that were expressly provided in writing as part of such Named Executive Officer's position with the Corporation.

For the purpose of this Information Circular:

**"Change of Control"** means:

- a) the purchase or acquisition of shares of the Corporation and/or securities (the "**Convertible Securities**") convertible into shares of the Corporation or carrying rights to acquire shares of the Corporation, as a result of which a person, group of persons or persons acting jointly or in concert, all of whom act at arm's length to the Named Executive Officer (collectively, the "**Holder**"), beneficially own or exercise control or direction over shares of the Corporation and/or Convertible Securities such that, assuming only the conversion of the Convertible Securities beneficially owned by the Holders, entitle them to cast more than 50% of the votes attaching to all of the shares of the Corporation which may be cast to elect directors of the Corporation;
- b) approval by the Corporation's shareholders of an amalgamation, arrangement, reorganization, merger or other combination of the Corporation with another corporation(s) pursuant to which the shareholders of the Corporation will not immediately thereafter own shares of the successor or continuing company entitling them to cast more than 50% of the votes attaching to all of the shares in the capital of the successor or continuing company which may be cast to elect directors of that company;
- c) approval by the Corporation's shareholders of a sale of all or substantially all of the Corporation's assets to any person acting at arm's length to the Named Executive Officer; or
- d) Incumbent Directors (as defined below) ceasing to constitute a majority of the Board.

**"Incumbent Directors"** means any director of the Corporation who was a director of the Corporation immediately prior to the occurrence of the transaction, transactions, elections or appointments giving rise to a Change of Control and any successor to an Incumbent Director who was recommended or elected or appointed to succeed any Incumbent Director by the affirmative vote of the directors of the Corporation, including a majority of the Incumbent Directors then on the Board.

### **Director Compensation**

The Corporate Governance and Nominating Committee assists the Board with respect to the establishment of the Corporation's compensation program for its directors. The main objectives of the directors' compensation program are to:

- Compensate the directors in a manner that is commensurate with the risks and responsibilities assumed in Board and committee membership, and competitive with other comparable issuers; and
- Align the interest of the directors with the shareholders.

Unlike compensation for the Named Executive Officers, the directors' compensation program is not designed to pay for performance; rather, directors receive retainers for their services in order to help ensure unbiased decision-making. Non-independent directors do not receive any compensation for their services as directors.

Compensation Table

The following table sets forth information concerning the compensation earned by the directors of the Corporation for the 12 months ended December 31, 2021 in their capacities as directors

Name	Fees Earned (\$)	Share-Based Awards (\$)	Option-Based Awards (\$) <sup>(1)</sup>	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
Catherine McLeod-Seltzer	45,000	Nil	Nil	Nil	Nil	Nil	45,000
Vernon Lobo	150,000	Nil	Nil	Nil	Nil	Nil	150,000
Alan Torrie	50,000	Nil	Nil	Nil	Nil	Nil	50,000
Michael Zych	37,163	Nil	Nil	Nil	Nil	Nil	37,163
Alex Baluta	Nil	Nil	Nil	Nil	Nil	Nil	Nil

NOTES:

- (1) Calculated using Black-Scholes option-pricing model in accordance with IFRS 2 share-based payments.

Incentive Plan Awards – Outstanding Share-Based and Option-Based Awards

The following table sets forth information with respect to the outstanding options granted under the Omnibus Plan to the directors of the Corporation as of December 31, 2021.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)(2)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Catherine McLeod-Seltzer	100,000	0.36	June 13, 2023	11,000	Nil	Nil	Nil
Vernon Lobo	1,250,000	0.36	June 13, 2023	137,500	Nil	Nil	Nil
Alan Torrie	100,000	0.36	June 13, 2023	11,000	Nil	Nil	Nil
Alex Baluta	1,000,000	0.36	December 4, 2023	110,000	450,000	211,500	Nil
Michael Zych	100,000	0.36	May 26, 2027	11,000	Nil	Nil	Nil

NOTES:

- (1) Value of unexercised in-the-money options is calculated by determining the difference between the market value of the securities underlying the options at December 31, 2021.
- (2) "In-the-money options" means the excess of the market value of the Corporation's shares on December 31, 2021 on the Exchange, being \$0.47, over the exercise price of the options.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table presents information concerning value vested with respect to option-based awards and share-based awards for each director of the Corporation during the fiscal year ended December 31, 2021:

Name	Option-based awards – Value vested during the year (\$) <sup>(1)</sup>	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Michael Zych	7,161	Nil	Nil
Catherine McLeod-Seltzer	2,587	Nil	Nil
Vernon Lobo	24,191	5,933	Nil
Alan Torrie	2,587	Nil	Nil
Alex Baluta	26,539	7,628	Nil

NOTE:

- (1) Calculated using Black-Scholes option-pricing model in accordance with IFRS 2 share-based payments.

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

The following chart details the number of securities to be issued upon the exercise of outstanding stock options issued under the Omnibus Plan, the weighted average exercise price of such options and the number of common shares remaining available for issuance under equity compensation plans of the Corporation as at December 31, 2021.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted – average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by securityholders	4,286,000 Common Shares	\$0.2646	1,962,015
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
<b>TOTAL</b>	4,286,000 Common Shares	\$0.2646	1,962,015

As at the date of this Information Circular, the Corporation does not have any equity compensation plan other than the Corporation's Omnibus Plan.

**INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

Other than as described below, no current or former directors, employees or executive officers of the Corporation or any associate of any such persons were indebted to the Corporation as at December 31, 2021.

None of the current or former directors, employees or executive officers of the Corporation and none of the associates of such persons is or has been indebted to the Corporation or any subsidiary thereof at any time since the beginning of the Corporation's most recently completed fiscal year. Furthermore, none of such

persons were indebted to a third party during such period where their indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or a subsidiary thereof.

#### **AUDITED FINANCIAL STATEMENTS**

The financial statements of the Corporation for the fiscal year ended December 31, 2021, together with the auditor's report thereon, will be submitted to the Meeting. Receipt at the Meeting of the financial statements and auditor's report will not constitute approval or disapproval of any matters referred to therein.

#### **DIRECTORS' AND OFFICERS' LIABILITY INSURANCE**

The Corporation provides insurance for the directors and officers of the Corporation against liability incurred by them in their capacities as directors or officers of the Corporation. The Corporation has: (i) a primary insurance policy which provides coverage to a total limit of \$5,000,000, with a \$500,000 retention; (ii) a first excess policy with a \$5,000,000 limit; (iii) and a Side A DIC policy with a \$3,000,000 limit, each of which provides for the protection of the personal liability of the directors and officers. The annual premium for the directors and officers liability policies is \$316,125 (pre-tax) in the aggregate, which is paid in full by the Corporation.

#### **TRANSFER AGENT AND REGISTRAR**

The Corporation's transfer agent and registrar for the Common Shares is Computershare Investor Services Inc. at its office at 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1; telephone: 1 (800) 564-6253.

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

Management of the Corporation is not aware of any material interest of any director or executive officer or any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting other than the election of directors.

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

No informed person of the Corporation or any associate or affiliate of the foregoing has or has had any material interest in any transaction since the commencement of the Corporation's last completed fiscal year or in any proposed transaction which has materially affected or will materially affect the Corporation.

#### **OTHER MATTERS WHICH MAY COME BEFORE THE MEETING**

The management knows of no matters to come before the Meeting other than as set forth in this Information Circular. **HOWEVER, IF OTHER MATTERS WHICH ARE NOT KNOWN TO THE MANAGEMENT SHOULD PROPERLY COME BEFORE THE MEETING, THE ENCLOSED FORM OF PROXY WILL BE USED TO VOTE ON SUCH MATTERS IN ACCORDANCE WITH THE BEST JUDGMENT OF THE PERSONS VOTING THE PROXY.**

#### **MANAGEMENT**

No management functions of the Corporation are performed by a person or company other than the directors or executive officers of the Corporation.

### **ADDITIONAL FINANCIAL INFORMATION**

Additional financial information concerning the Corporation, including the Corporation's audited financial statements, the notes thereto, the auditor's report thereon and related management's discussion and analysis for the year ended December 31, 2021, can be found on the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

### **APPROVAL OF BOARD**

The undersigned hereby certifies that the contents and the sending of this Information Circular have been approved by the directors of the Corporation.

The foregoing constitutes full, true and plain disclosure of all material facts relating to the particular matters to be acted upon by the shareholders of the Corporation.

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it is made.

DATED September 2, 2022.

*"Alex Baluta"*

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Alex Baluta  
Chief Executive Officer  
Flow Capital Corp.

## SCHEDULE "A"

### FLOW CAPITAL CORP.

### AMENDED AND RESTATED OMNIBUS EQUITY INCENTIVE COMPENSATION PLAN

#### ARTICLE 1

#### ESTABLISHMENT, PURPOSE AND DURATION

**1.1 Establishment of the Plan.** The following is the omnibus equity incentive compensation plan of Flow Capital Corp. (the "**Company**") pursuant to which stock-based compensation Awards (as defined below) may be granted to eligible Participants (as defined below). The name of the plan is the Flow Capital Amended and Restated Omnibus Equity Incentive Compensation Plan (the "**Plan**"). The Plan permits the grant of Options, Restricted Share Units, Deferred Share Units and Performance Share Units (as such terms are defined below).

The Plan was approved by the Board (as defined below) on September 30, 2021, and became effective as of the date on which the Plan was approved by shareholders of the Company (the "**Effective Date**"). The Plan will be deemed to terminate on the earlier of: (i) the date that it is terminated by the Board in accordance with the terms hereof; and (ii) the date that is 10 years after the Effective Date. On the Effective Date, the Plan replaced and superseded the prior stock option plan of the Company (the "**Predecessor Plan**"). The Plan is subject to amendment and/or restatement from time to time on approval of the Board and receipt of any required regulatory and/or shareholder approvals.

**1.2 Purpose of the Plan.** The purposes of the Plan are to: (i) provide the Company with a mechanism to attract, retain and motivate highly qualified directors, officers, employees and consultants; (ii) align the interests of Participants with that of other shareholders of the Company generally; and (iii) enable and encourage Participants to participate in the long-term growth of the Company through the acquisition of Shares (as defined below) as long-term investments.

#### ARTICLE 2

#### DEFINITIONS

Whenever used in the Plan, the following terms shall have the respective meanings set forth below, unless the context clearly requires otherwise, and when such meaning is intended, such term shall be capitalized.

"**Affiliate**" means any corporation, partnership or other entity: (i) in which the Company, directly or indirectly, has majority ownership interest; or (ii) which the Company controls. For the purposes of this definition, the Company is deemed to "control" such corporation, partnership or

other entity if the Company possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such corporation, partnership or other entity, whether through the ownership of voting securities, by contract or otherwise, and includes a corporation which is considered to be a subsidiary for purposes of consolidation under International Financial Reporting Standards.

**"Award"** means, individually or collectively, a grant under the Plan of Options, Deferred Share Units, Restricted Share Units or Performance Share Units, in each case subject to the terms of the Plan.

**"Award Agreement"** means either: (i) a written agreement entered into by the Company or an Affiliate of the Company and a Participant setting forth the terms and provisions applicable to Awards granted under the Plan; or (ii) a written statement issued by the Company or an Affiliate of the Company to a Participant describing the terms and provisions of such Award. All Award Agreements shall be deemed to incorporate the provisions of the Plan. An Award Agreement need not be identical to other Award Agreements either in form or substance.

**"Blackout Period"** means a period of time during which the Participant cannot sell Shares, due to applicable law or policies of the Company in respect of insider trading as a result of the bona fide existence of undisclosed Material Information. For greater certainty, any period during which the Company or the relevant Participant is subject to a cease trade order (or similar order under applicable Securities Laws) issued by a regulatory authority in respect of the Shares will be deemed to not constitute a Blackout Period.

**"Board"** means the board of directors of the Company as constituted from time to time.

**"California Option"** means an Option granted to a California Participant.

**"California Participant"** means a Participant that receives Awards in reliance on Section 25102(o) of the California Corporations Code.

**"Cause"** means either: (i) if the Participant has a written agreement pursuant to which he or she offers his or her services to the Company and the term "cause" is defined in such agreement, "cause" as defined in such agreement; or (ii) (A) the inability of the Participant to perform his or her duties due to a legal impediment such as an injunction, restraining order or other type of judicial judgment, decree or order entered against the Participant, (B) the failure of the Participant to follow the Company's reasonable instructions with respect to the performance of his or her duties, (C) any material breach by the Participant of his or her obligations under any code of ethics, any other code of business conduct or any lawful policies or procedures of the Company, (D) excessive absenteeism, flagrant neglect of duties, serious misconduct, or conviction of crime or fraud, or (E) any other act or omission of the Participant which would at law permit an employer to, without notice or payment in lieu of notice, terminate the employment of an employee.

**"Change of Control"** means the occurrence of any one or more of the following events:

- (a) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Company as a result of which the holders of Shares prior to the completion of the transaction hold or beneficially own, directly or indirectly, less than 50% of the outstanding Voting Securities of the successor corporation after completion of the transaction;
- (b) the sale, lease, exchange or other disposition, in a single transaction or a series of related transactions, of all or substantially all of the assets of the Company and/or any of its subsidiaries to any other Person, other than disposition to a wholly - owned subsidiary in the course of a reorganization of the assets of the Company and its subsidiaries;
- (c) a resolution is adopted to windup, dissolve or liquidate the Company;
- (d) an acquisition by any Person or group of Persons acting jointly or in concert of beneficial ownership of more than 50% of the Shares in the aggregate; or
- (e) the Board adopts a resolution to the effect that a Change of Control as defined herein has occurred or is imminent.

"**Code**" means the U.S. Internal Revenue Code of 1986, as amended from time to time, or any successor thereto.

"**Committee**" means the Board or, if so delegated in whole or in part by the Board, any duly authorized committee of the Board appointed by the Board to administer the Plan.

"**Consultant**" has the meaning set out in Policy 4.4 of the TSX Venture Exchange Corporate Finance Manual or such replacement definition for so long as the Shares are listed on the Exchange, and if the Shares are not so listed, shall have the meaning, if any, that applies to a listing of the Shares on such other exchange as the Shares are then listed on; provided that in the case of U.S. Participants, such person is a natural person, that provides bona fide services to the Company that are not in connection with the offer or sale of securities in a capital-raising transaction, and does not directly or indirectly promote or maintain a market for the Company's securities.

"**Deferred Share Unit**" means an Award denominated in units that provides the holder thereof with a right to receive Shares or cash or a combination thereof upon settlement of the Award, granted under and subject to the terms of the Plan.

"**Director**" means any individual who is a member of the Board.

"**Disability**" means the disability of the Participant which would entitle the Participant to receive disability benefits pursuant to the long-term disability plan of the Company (if one exists) then covering the Participant, provided that the Board may, in its sole discretion, determine that, notwithstanding the provisions of any such long-term disability plan, the Participant is

permanently disabled for the purposes of the Plan.

**"Employee"** means any employee or officer of the Company or an Affiliate of the Company; provided, however, that Directors who are not otherwise employed by the Company or an Affiliate of the Company shall not be considered Employees under the Plan.

**"Exchange"** means the TSX Venture Exchange and at any time the Shares are not listed and posted for trading on the Exchange, shall be deemed to mean such other stock exchange or trading platform upon which the Shares trade and which has been designated by the Committee.

**"Existing Awards"** means outstanding options to purchase Shares granted pursuant to the terms of the Predecessor Plan.

**"FMV"** means, unless otherwise required by any applicable provision of the Code or any regulations thereunder or by any applicable accounting standard for the Company's desired accounting for Awards or by the rules of the Exchange, a price that is determined by the Committee, provided that such price cannot be less than the last closing price of the Shares on the Exchange less any discount permitted by the rules or policies of the Exchange. With respect to U.S. Participants, the FMV shall be determined without regard to any discount permitted by the rules or policies of the Exchange.

**"Incentive Stock Option"** means an Option that is intended to qualify as an "incentive stock option" pursuant to Section 422 of the Code.

**"Insider"** has the meaning ascribed to such term in the OSA.

**"Investor Relations Service Provider"** has the meaning set out in Policy 4.4 of the TSX Venture Exchange Corporate Finance Manual or such replacement definition for so long as the Shares are listed and posted for trading on the TSX Venture Exchange, and if the Shares are not so listed, shall have the meaning, if any, that applies to a listing of the Shares on such other exchange as the Shares are then listed on.

**"ITA"** means the *Income Tax Act* (Canada).

**"Material Information"** means a material fact and/or material change as defined under applicable laws and the policies of the Exchange.

**"Non-Employee Director"** means a Director who is not an Employee.

**"Nonqualified Stock Option"** means an Option that is not an Incentive Stock Option

**"Notice Period"** means any period of contractual notice or reasonable notice that the Company or an Affiliate of the Company may be required at law, by contract or otherwise agrees to provide to a Participant upon termination of employment, whether or not the Company or Affiliate elects to pay severance in lieu of providing notice to the Participant, provided that where a Participant's employment contract provides for an increased severance or termination payment in the event of termination following a Change of Control, the Notice Period for the purposes of the Plan shall

be the Notice Period under such contract applicable to a termination which does not follow a Change of Control.

**"Option"** means the conditional right to purchase Shares at a stated Option Price for a specified period of time, subject to the terms of the Plan.

**"Option Price"** means the price at which a Share may be purchased by a Participant pursuant to an Option, as determined by the Committee.

**"OSA"** means the *Securities Act* (Ontario), as may be amended from time to time.

**"Participant"** means an Employee, Non-Employee Director or Consultant who has been selected to receive an Award, or who has an outstanding Award granted, under the Plan.

**"Performance Period"** means the period of time during which the assigned performance criteria must be met in order to determine the degree of payout and/or vesting with respect to an Award.

**"Performance Share Unit"** means an Award granted under Article 9 herein and subject to the terms of the Plan, denominated in units, the value of which at the time it is payable is determined as a function of the extent to which corresponding performance criteria have been achieved.

**"Period of Restriction"** means the period when an Award of Restricted Share Units is subject to forfeiture based on the passage of time, the achievement of performance criteria, and/or upon the occurrence of other events as determined by the Committee, in its discretion.

**"Person"** has the meaning ascribed to such term in the OSA.

**"Restricted Share Unit"** means an Award denominated in units subject to a Period of Restriction, with a right to receive Shares or cash or a combination thereof upon settlement of the Award, granted under Article 7 herein and subject to the terms of the Plan.

**"Retirement"** or **"Retire"** means a Participant's permanent withdrawal from employment or office with the Company or an Affiliate of the Company on terms and conditions accepted by the Board.

**"Shares"** means the common shares of the Company.

**"Termination Date"** means the date on which a Participant ceases to be eligible to participate under the Plan as a result of a termination of employment, officer position, board service or consulting arrangement with the Company or any Affiliate of the Company for any reason, including death, Retirement, resignation or termination with or without Cause. For the purposes of the Plan, a Participant's employment, officer position, board service or consulting arrangement with the Company or an Affiliate of the Company shall be considered to have terminated effective on the last day of the Participant's actual and active employment, officer position or board or consulting service with the Company or the Affiliate whether such day is selected by

agreement with the individual, unilaterally by the Company or the Affiliate and whether with or without advance notice to the Participant. For the avoidance of doubt, 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 that follows or is in respect of a period after the Participant's last day of actual and active employment shall be considered as extending the Participant's period of employment for the purposes of determining his or her entitlement under the Plan.

**"Trading Day"** means a day when trading occurs through the facilities of the Exchange.

**"U.S. Participants"** means those Participants whose Awards under the Plan are subject to tax under the Code.

**"Voting Securities"** shall mean any securities of the Company ordinarily carrying the right to vote at a meeting of shareholders of the Company and any securities immediately convertible into or exchangeable for such securities.

**"VWAP"** means the volume weighted average trading price of the Shares on the Exchange calculated by dividing the total value by the total volume of Shares traded for the five Trading Days immediately preceding the date of exercise of the subject Option.

### ARTICLE 3

#### ADMINISTRATION

**3.1 General.** The Committee shall be responsible for administering the Plan. The Committee may employ attorneys, consultants, accountants, agents and other individuals, any of whom may be an Employee, and the Committee, the Company, and its officers and Directors shall be entitled to rely upon the advice, opinions or valuations of any such Persons. All actions taken and all interpretations and determinations made by the Committee shall be final, conclusive and binding upon the Participants, the Company, and all other interested parties. No member of the Committee will be liable for any action or determination taken or made in good faith with respect to the Plan or Awards granted hereunder. Each member of the Committee shall be entitled to indemnification by the Company with respect to any such determination or action in the manner provided for by the Company and its subsidiaries.

**3.2 Authority of the Committee.** The Committee shall have full and exclusive discretionary power to interpret the terms and the intent of the Plan and any Award Agreement or other agreement ancillary to or in connection with the Plan, to determine eligibility for Awards, and to adopt such rules, regulations and guidelines for administering the Plan as the Committee may deem necessary or proper. Such authority shall include, but not be limited to, selecting Award recipients, establishing all Award terms and conditions, including grant, exercise price, issue price and vesting terms, whether Awards payout in cash or Shares where applicable, determining any performance goals applicable to Awards and whether such performance goals have been achieved, and, subject to Article 13, adopting modifications and amendments to the Plan or any Award Agreement, including, without limitation, any that are necessary or appropriate to comply

with the laws or compensation practices of the jurisdictions in which the Company and its Affiliates operate.

**3.3 Delegation.** The Committee may delegate to one or more of its members any of the Committee's administrative duties or powers as it may deem advisable; provided, however, that any such delegation must be permitted under applicable corporate law.

#### ARTICLE 4

### SHARES SUBJECT TO THE PLAN AND MAXIMUM AWARDS

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

- (a) The maximum number of Shares issuable pursuant to Options issued under the Plan shall be equal to 10% of the then aggregate number of Shares outstanding on a rolling basis, inclusive of all stock options forming part of the Existing Awards. To the extent that an Option lapses or the rights of its Participant terminate or are paid out in cash (except in the case of Options which cannot be paid out in cash), any Shares subject to such Option shall again be available for the grant of an Option.
- (b) In addition to the maximum number of Shares issuable pursuant to Options issued under the Plan as specified in Section 4.1(a), the Corporation may also issue up to an additional 3,124,007 Shares, in the aggregate, pursuant to the exercise of up to 3,124,007 RSUs, up to 3,124,007 DSUs and up to 3,124,007 PSUs issued under the Plan; provided, however, that the maximum number of Shares issuable pursuant to the exercise of RSUs, DSUs and PSUs shall not exceed 3,124,007 in the aggregate (such that Shares issuable pursuant to any combination of RSUs, DSUs and PSUs may not exceed such limit).
- (c) To the extent that an Awards lapses or the rights of its Participant terminate or are paid out in cash (except in the case of Awards which cannot be paid out in cash), any Shares subject to such Award shall again be available for grant under the Plan.

**4.2 Award Grants to Individuals.** The maximum number of Shares for which Awards may be issued to any one Participant in any 12-month period shall not exceed 5% of the aggregate number of Shares outstanding, calculated on the date an Award is granted to the Participant, unless the Company obtains disinterested shareholder approval as required by the policies of the Exchange. The maximum number of Shares for which Awards may be issued to any Persons (in the aggregate) retained to provide Investor Relations Activities (as defined by the Exchange) in any 12-month period shall not exceed 2% of the aggregate number of Shares outstanding, calculated on the date an Award is granted any such Person. For greater certainty, no Awards other than Options may be issued to any Persons retained to provide Investor Relations Activities. The maximum number of Shares for which Awards may be issued to any one Consultant in any

12-month period shall not exceed 2% of the aggregate number of Shares outstanding, calculated on the date an Award is granted any such Person.

**4.3 Award Grants to Insiders.** For as long as the Shares are listed and posted for trading on the Exchange, unless disinterested shareholder approval as required by the policies of the Exchange is obtained: (i) the maximum number of Shares for which Awards may be issued to Insiders (as a group) at any point in time shall not exceed 10% of the aggregate number of Shares outstanding; and (ii) the aggregate number of Awards granted to Insiders (as a group), within any 12-month period, shall not exceed 10% of the aggregate number of Shares outstanding, calculated at the date an Award is granted to any Insider.

**4.4 Adjustments in Authorized Shares.** In the event of any corporate event or transaction (collectively, a "**Corporate Reorganization**") (including, but not limited to, a change in the Shares of the Company or the capitalization of the Company) such as a merger, arrangement, amalgamation, reorganization, consolidation, recapitalization, separation, stock dividend, extraordinary dividend, spinoff (not including a consolidation, stock split, reverse stock split, or split up) or other distribution of stock or property of the Company, combination of securities, exchange of securities, dividend in kind, or other like change in capital structure or distribution (other than normal cash dividends) to shareholders of the Company, or any similar corporate event or transaction, the Committee shall make or provide for such adjustments or substitutions, as applicable, in the number and kind of Shares that may be issued under the Plan, the number and kind of Shares subject to outstanding Awards, the Option Price applicable to outstanding Awards, the limit on issuing Awards other than Options granted with an Option Price equal to at least the FMV of a Share on the date of grant, and any other value determinations applicable to outstanding Awards or to the Plan, as are equitably necessary to prevent dilution or enlargement of Participants' rights under the Plan that otherwise would result from such corporate event or transaction, subject (if applicable) to receipt of prior approval of the Exchange. In connection with a Corporate Reorganization, the Committee shall have the discretion to permit a holder of Options to purchase (at the times, for the consideration, and subject to the terms and conditions set out in the Plan and the applicable Award Agreement) and the holder will then accept on the exercise of such Option, in lieu of the Shares that such holder would otherwise have been entitled to purchase, the kind and amount of shares or other securities or property that such holder would have been entitled to receive as a result of the Corporate Reorganization if, on the effective date thereof, that holder had owned all Shares that were subject to the Option. Such adjustments shall be made automatically, without the necessity of Committee action, on the customary arithmetical basis in the case of any stock split, including a stock split effected by means of a stock dividend, and in the case of any other dividend paid in Shares.

The Committee shall also make appropriate adjustments in the terms of any Awards under the Plan as are equitably necessary to reflect such Corporate Reorganization and may modify any other terms of outstanding Awards, including modifications of performance criteria and changes in the length of Performance Periods. The determination of the Committee as to the foregoing adjustments, if any, shall be conclusive and binding on Participants under the Plan, provided that

any such adjustments must comply with Section 409A of the Code with respect to any U.S. Participants.

Subject to the provisions of Article 11 and any applicable law or regulatory requirement, without affecting the number of Shares reserved or available hereunder, the Committee may authorize the issuance, assumption, substitution or conversion of Awards under the Plan in connection with any Corporate Reorganization, upon such terms and conditions as it may deem appropriate, provided that any such adjustments will comply with Section 409A of the Code, to the extent it is applicable, with respect to the Awards of U.S. Participants. Additionally, the Committee may amend the Plan, or adopt supplements to the Plan, in such manner as it deems appropriate to provide for such issuance, assumption, substitution or conversion as provided in the previous sentence.

**4.5 Vesting Requirement.** Notwithstanding anything else contained herein, for as long as the Company remains listed on the Exchange, no Awards, except Options or securities issued pursuant to a stock purchase plan, may vest before the date that is one year following the date of issuance or grant of such Award, except as otherwise permitted by the policies of the Exchange.

**4.6 Existing Awards.** Subject to any required approvals of the Exchange and compliance with applicable securities laws and compliance with Section 409A of the Code with respect to Awards of U.S. Participants, all Existing Awards shall, from and after the Effective Date, be subject to and governed by the terms of the Plan.

## ARTICLE 5

### ELIGIBILITY AND PARTICIPATION

**5.1 Eligibility.** Awards under the Plan shall be granted only to bona fide Employees, Non-Employee Directors and Consultants.

**5.2 Actual Participation.** Subject to the provisions of the Plan, the Committee may, from time to time, in its sole discretion select from among eligible Employees, Non-Employee Directors and Consultants those to whom Awards shall be granted under the Plan, and shall determine in its discretion the nature, terms, conditions and amount of each Award.

## ARTICLE 6

### STOCK OPTIONS

**6.1 Grant of Options.** Subject to the terms and provisions of the Plan, Options may be granted to Participants in such number, and upon such terms, and at any time and from time to time as shall be determined by the Committee in its discretion.

**6.2 Award Agreement.** Each Option grant shall be evidenced by an Award Agreement that shall specify the Option Price, the duration of the Option, the number of Shares to which the

Option pertains, the conditions, if any, upon which an Option shall become vested and exercisable, and any such other provisions as the Committee shall determine.

**6.3 Option Price.** The Option Price for each grant of an Option under the Plan shall be determined by the Committee and shall be specified in the Award Agreement. The Option Price for an Option shall be not less than the FMV of the Shares on the date of grant.

**6.4 Vesting of Options.**

- a. Unless otherwise specified in an Award Agreement, and subject to any provisions of the Plan or the applicable Award Agreement relating to acceleration of vesting of Options, Options shall vest over a four-year period such that 1/4 of the Options shall vest on the first anniversary date, and 1/48<sup>th</sup> of the options shall vest monthly thereafter, from the date that the Options were granted. Option awards issued to any Persons retained to provide Investor Relations Activities shall vest equally over a four-year period such that 1/4 of the Options shall vest on the first, second, third and fourth anniversary dates of the date that the Options were granted.
- b. Notwithstanding anything in the Plan to the contrary, any Option granted to an Investor Relations Service Provider must vest in stages over a period of not less than 12 months with no more than 1/4 of the total number of Shares subject to such Award vesting in any three-month period, and for so long as the Shares are listed and posted for trading on the Exchange, vesting of an Option granted to an Investor Relations Service Provider shall not be permitted without the prior approval of the Exchange. For greater certainty, an Investor Relations Service Provider may not be granted or receive any Award other than Options.

**6.5 Duration of Options.** Unless any required disinterested shareholder approval is obtained, each Option granted to a Participant shall expire at such time as the Committee shall determine at the time of grant; provided, however, that, subject to Section 6.6, no Option shall be exercisable later than the tenth (10<sup>th</sup>) anniversary date of its grant.

**6.6 Blackout Periods.** If the date on which an Option is scheduled to expire occurs during a Black Out Period, then the expiry date for such Option may be extended to a date that is no later than ten (10) business days after the last day of the Black Out Period. This Section 6.6 shall not apply to California Participants.

**6.7 Exercise of Options.** Options granted under this Article 6 shall be exercisable at such times and on the occurrence of such events, and be subject to such restrictions and conditions, as the Committee shall in each instance approve, which need not be the same for each grant or for each Participant.

**6.8 Payment.**

- a. Options granted under this Article 6 shall be exercised by the delivery of a notice of exercise to the Company or an agent designated by the Company in a form specified or accepted by the Committee, or by complying with any alternative procedures which may be authorized by the Committee, setting forth the number of Shares with respect to which the Option is to be exercised, accompanied by full payment of the Option Price, together with the amount of any required tax withholdings as described in Article 14 (except to the extent the Participant has made other arrangements satisfactory to the Company or an Affiliate, as applicable, for the satisfaction of such tax withholding amount).
- b. Subject to Section 6.8(c), the Option Price upon exercise of any Option shall be payable to the Company in full by direct deposit or wire transfer. As soon as practicable after receipt of a notification of exercise and full payment of the Option Price and the tax withholding amount, the Shares in respect of which the Option has been exercised shall be issued as fully-paid and nonassessable common shares of the Company. As of the business day the Company receives such notice and such payment, the Participant (or the Person claiming through a Participant, as the case may be) shall be entitled to be entered on the share register of the Company as the holder of the number of Shares in respect of which the Option was exercised and to receive as promptly as possible thereafter, but in any event, on or before the 15<sup>th</sup> day of the third month of the year following the year in which the Option was exercised, a certificate or evidence of book entry representing the said number of Shares. The Company shall cause to be delivered to or to the direction of the Participant Share certificates or evidence of book entry Shares in an appropriate amount based upon the number of Shares purchased under the Option(s).
- c. Subject to Board approval, but excluding Options held by an Investor Relations Service Provider, a Participant may elect, in its sole discretion, to undertake: (i) a "cashless exercise" pursuant to which the Company or its designee (including third party administrators) may deliver a copy of irrevocable instructions to a broker engaged for such purposes to sell the Shares otherwise deliverable upon the exercise of the Option and to deliver promptly to the Company an amount equal to the exercise price of the Option and all applicable required withholding obligations contemplated under the Plan against delivery of the Shares to settle the applicable trade; or (ii) a "net exercise" procedure effected by the Participant surrendering the applicable portion of a then-vested and exercisable Option to the Company, that number of Shares, disregarding fractions, equal to the value of the exercise price of the Option. In connection with such net exercise, the Participant shall be entitled to receive such number of whole Shares (rounded down to the nearest whole number) obtained pursuant to the following formula:

$$a = \frac{b \times (c - d)}{c}$$

*where:*

a = the net number of Shares to be issued to the Participant;

b = the number of Shares under the Option being exercised;

c = the VWAP; and

d = the exercise price of the Option.

In the event of a cashless or net exercise pursuant hereto, the Participant shall comply with: (i) all applicable withholding obligations under the Plan; and (ii) all such other procedures and policies as the Board may prescribe or determine to be necessary or advisable from time to time, including prior written consent of the Board, in connection with such exercise. No fractional Shares will be issued upon a Participant making an election pursuant to this Section 6.8(c). If the number of Shares to be issued to the Participant in the event of such an election would otherwise include a fraction of a Share, the Participant will have the right to acquire only the next lowest whole number of Shares or other security and no payment or other adjustment will be made with respect to the fractional interest so disregarded. For greater certainty, in determining all limits under the Plan, the number of Options exercised, surrendered or converted, and not the number of Shares actually issued in connection with a Cashless Exercise or a Net Exercise, will be included in the calculation of such limits.

**6.9 Death, Disability, Retirement and Termination or Resignation of Employment.** If the Award Agreement does not specify the effect of a termination or resignation of employment then the following default rules will apply:

- (a) Death: If a Participant dies while an Employee, Director of, or Consultant to, the Company or an Affiliate of the Company:
  - (i) all unvested Options as at the Termination Date shall automatically and immediately vest; and
  - (ii) all vested Options (including those that vested pursuant to (i) above) shall continue to be subject to the Plan and exercisable for a period of 90 days after the Termination Date, provided that any Options that have not been exercised within 90 days after the Termination Date shall automatically and immediately expire and be forfeited on such date.
- (b) Disability: If a Participant ceases to be eligible to be a Participant under the Plan as a result of their Disability then all Options remain and continue to vest (and are exercisable) in accordance with the terms of the Plan for a period of 12 months after the Termination Date, provided that any Options that have not been exercised (whether vested or not) within 12 months after the Termination Date shall automatically and immediately expire and be forfeited on such date.
- (c) Retirement: If a Participant Retires then the Board shall have the discretion, with respect to such Participant's Options, to determine: (i) whether to accelerate

vesting of any or all of such Options, (ii) whether any of such Options shall be cancelled, with or without payment, and (iii) how long, if at all, such Options may remain outstanding following the Termination Date; provided, however, that in no event shall such Options be exercisable for more than 12 months after the Termination Date, and with respect to Options of U.S. Participants in no event shall such Options be exercisable after the expiry date as set forth in the applicable Option Award Agreement.

- (d) Termination for Cause: If a Participant ceases to be eligible to be a Participant under the Plan as a result of their termination for Cause, then all Options, whether vested or not, as at the Termination Date shall automatically and immediately expire and be forfeited.
- (e) Termination without Cause or Voluntary Resignation: If a Participant ceases to be eligible to be a Participant under the Plan for any reason, other than as set out in Sections 6.9(a) to 6.9(d), then, unless otherwise determined by the Board in its sole discretion, as of the Termination Date:
  - (i) all unvested Options shall automatically and immediately expire and be forfeited, and
  - (ii) all vested Options shall continue to be subject to the Plan and exercisable for a period of 90 days after the Termination Date, provided that any Options that have not been exercised within 90 days after the Termination Date shall automatically and immediately expire and be forfeited on such date.

**6.10 Non-Transferability of Options.** An Option granted under this Article 6 may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution. Further, all Options granted to a Participant under this Article 6 shall be exercisable during such Participant's lifetime only by such Participant.

**6.11 Terms and Conditions Applicable to Options Granted to U.S. Participants.** In addition to the other provisions of this Plan (and notwithstanding any other provision of this Plan to the contrary), the following limitations and requirements will apply to Options granted to a U.S. Participant.

- (a) The stock option agreement relating to any Option granted to a U.S. Participant shall specify whether such Option is an Incentive Stock Option or a Nonqualified Stock Option. If no such specification is made, the Option will be a Nonqualified Stock Option.
- (b) The maximum number of Shares available for granting Incentive Stock Options under the Plan may not exceed 3,124,007 Shares. For greater certainty, such

number of Shares is a subset of, and not in addition to, the maximum number of Shares reserved for issuance pursuant to the Plan.

(c) In addition to the other provisions of this Plan, the following limitations and requirements will apply to an Incentive Stock Option:

(i) An Incentive Stock Option may be granted only to an employee of the Company, or an employee of a “**subsidiary corporation**” as such term is defined in section 424(f) of the Code (including a director or officer who is also otherwise employed as an employee);

(ii) To the extent that the aggregate FMV of the Shares with respect to which Incentive Stock Options are exercisable for the first time by any U.S. Participant during any calendar year (under this Plan and all other plans of the Company and of any “**parent corporation**” as defined in section 424(e) of the Code or subsidiary corporation) exceeds US\$100,000 or any limitation subsequently set forth in section 422(d) of the Code, such excess shall be considered Nonqualified Stock Options;

(iii) The exercise price payable per Share upon exercise of an Incentive Stock Option will not be less than 100% of the FMV of a Share on the date of grant of such Incentive Stock Option; provided, however, that, in the case of the grant of an Incentive Stock Option to a U.S. Participant who, at the time such Incentive Stock Option is granted, is a “**10% Shareholder**” (as defined below), the exercise price payable per Share upon exercise of such Incentive Stock Option will be not less than 110% of the FMV of a Share on the date of grant of such Incentive Stock Option. A 10% Shareholder is any person who owns, taking into account the constructive ownership rules set forth in section 424(d) of the Code, more than 10% of the total combined voting power of all classes of stock of the Company (or any parent corporation or subsidiary corporation);

(iv) Notwithstanding any other provision of this Plan to the contrary, an Incentive Stock Option will terminate and no longer be exercisable no later than ten years after the date of grant of such Incentive Stock Option; provided, however, that in the case of a grant of an Incentive Stock Option to a U.S. Participant who, at the time such Incentive Stock Option is granted, is a 10% Shareholder, such Incentive Stock Option will terminate and no longer be exercisable no later than five years after the date of grant of such Incentive Stock Option;

(v) To the extent that an Incentive Stock Option is not exercised on or prior to the date that is three (3) months following the date on which the employee ceases to be employed by the Company or a subsidiary corporation, such Option will no longer qualify as an Incentive Stock

Option. Notwithstanding the foregoing, if a Participant's termination of employment is due to disability as defined in section 22(e) of the Code, to the extent that an Incentive Stock Option is not exercised on or prior to the date that is one year following the date on which the Participant ceases to be employed by the Company (or by a subsidiary corporation), such Option will no longer qualify as an Incentive Stock Option. For greater certainty, the limitations in this paragraph govern the U.S. federal income tax treatment of an outstanding Option and whether it will continue to qualify as an ISO. Nothing in this paragraph shall have the effect of extending the period during which an Option otherwise may be exercised pursuant to its terms. For purposes of this paragraph, the employment of a U.S. Participant who has been granted an Incentive Stock Option will not be considered interrupted or terminated upon (a) sick leave, military leave or any other leave of absence approved by the Administrator that does not exceed ninety (90) days in the aggregate; provided, however, that if reemployment upon the expiration of any such leave is guaranteed by contract or applicable law, such ninety (90) day limitation will not apply, or (b) a transfer from one office of the Company (or of a subsidiary corporation) to another office of the Company (or of a subsidiary corporation) or a transfer between the Company and any subsidiary corporation;

(vi) Notwithstanding any other provision of this Plan to the contrary, an Incentive Stock Option granted to a U.S. Participant may be exercised during such U.S. Participant's lifetime only by such U.S. Participant;

(vii) Notwithstanding any other provision of this Plan to the contrary, an Incentive Stock Option granted to a U.S. Participant may not be transferred, assigned, pledged or hypothecated or otherwise disposed of by such U.S. Participant, except by will or by the laws of descent and distribution;

(viii) No Incentive Stock Option will be granted more than ten years after the earlier of the date this Plan is adopted by the Board or the date this Plan is approved by the shareholders of the Company; and

(ix) In the event that the Plan is not approved by the shareholders of the Company as required by section 422 of the Code within twelve (12) months before or after the date on which the Plan was adopted by the Board, any Incentive Stock Option granted under the Plan will automatically be deemed to be a Nonqualified Stock Option.

- (d) The Company intends that any Stock Options be structured in compliance with, or to satisfy an exemption from, Section 409A of the Code, such that there are no adverse tax consequences, interest, or penalties pursuant to Section 409A of the

Code as a result of the Stock Options. Notwithstanding the Company's intention, in the event any Option is subject to Section 409A of the Code, the Board may, in its sole discretion and without a participant's prior consent, amend this Plan and/or outstanding Stock Option Plan Certificates, adopt policies and procedures, or take any other actions (including amendments, policies, procedures and actions with retroactive effect) as are necessary or appropriate to (i) exempt this Plan and/or any award from the application of Section 409A of the Code, (ii) preserve the intended tax treatment of any such Stock Option, or (iii) comply with the requirements of Section 409A of the Code, including without limitation any such regulations guidance, compliance programs and other interpretive authority that may be issued after the date of grant of a Stock Option. This Plan shall be interpreted at all times in such a manner that the terms and provisions of the Plan and the Stock Options are exempt from or comply with Section 409A of the Code.

- (e) The Company shall have no liability to any U.S. Participant or any other person if a Stock Option designated as an Incentive Stock Option fails to qualify as such at any time or if a Stock Option is determined to constitute "nonqualified deferred compensation" within the meaning of Section 409A of the Code and the terms of such Stock Option do not satisfy the requirements of Section 409A of the Code.

## ARTICLE 7

### RESTRICTED SHARE UNITS

**7.1 Grant of Restricted Share Units.** Subject to the terms and conditions of the Plan, the Committee, at any time and from time to time, may grant Restricted Share Units to Participants in such amounts and upon such terms as the Committee shall determine.

**7.2 Restricted Share Unit Agreement.** Each Restricted Share Unit grant shall be evidenced by an Award Agreement that shall specify the Period(s) of Restriction, the number of Restricted Share Units granted, the settlement date for Restricted Share Units, whether such Restricted Share Unit is settled in cash, Shares or a combination thereof or if the form of payment is reserved for later determination by the Committee (provided that such other form of payment complies with the rules of the Exchange), and any such other provisions as the Committee shall determine, provided that unless otherwise determined by the Committee or as set out in any Award Agreement, no Restricted Share Unit shall vest later than three years after the date of grant. The Committee shall impose, in the Award Agreement at the time of grant, such other conditions and/or restrictions on any Restricted Share Units granted pursuant to the Plan as it may deem advisable, including, without limitation, restrictions based upon the achievement of specific performance criteria, time based restrictions on vesting following the attainment of the performance criteria, time based restrictions, restrictions under applicable laws or under the requirements of the Exchange.

**7.3 Vesting of Restricted Share Units.** Unless otherwise specified in an Award Agreement, and subject to any provisions of the Plan or the applicable Award Agreement relating to

acceleration of vesting of Restricted Share Units, Restricted Share Units shall vest equally over a three year period such that 1/3 of the Restricted Share Units granted in an Award shall vest on the first, second and third anniversary dates of the date that the Award was granted, and provided that no Restricted Share Unit granted shall vest and be payable after December 31<sup>st</sup> of the third calendar year following the year of service for which the Restricted Share Unit was granted.

**7.4 Black Out Periods.** If the date on which a Restricted Share Unit is scheduled to expire occurs during a Black Out Period, then the expiry date for such Restricted Share Unit may be extended to a date that is no later than ten (10) business days after the last day of the Black Out Period.

**7.5 Non-Transferability of Restricted Share Units.** The Restricted Share Units granted herein may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated. All rights with respect to the Restricted Share Units granted to a Participant under the Plan shall be available during such Participant's lifetime only to such Participant.

**7.6 Dividends.** During the Period of Restriction, Participants holding Restricted Share Units granted hereunder may, if the Committee so determines, be credited with dividends paid with respect to the underlying Shares while they are so held in a manner determined by the Committee in its sole discretion, and with respect to U.S. Participants, in a manner that complies with Section 409A of the Code. The Committee may apply any restrictions to dividends that the Committee deems appropriate. The Committee, in its sole discretion, may determine the form of payment of dividends, subject to any required approvals of the Exchange, provided that any dividends payable in Shares will be subject to the limits contained in the Plan. For so long as the Shares are listed and posted for trading on the Exchange, if the Company does not have a sufficient number of Shares to issue Shares or Restricted Share Units as Dividend Equivalents then, in accordance with the applicable limitations set out in Policy 4.4 of the TSX Venture Exchange Corporate Finance Manual, the Company will pay such dividends in cash.

**7.7 Death, Disability, Retirement and Termination or Resignation of Employment.** If the Award Agreement does not specify the effect of a termination or resignation of employment then the following default rules will apply:

- (a) Death: If a Participant dies while an Employee, Director of, or Consultant to, the Company or an Affiliate of the Company:
  - (i) all unvested Restricted Share Units as at the Termination Date shall automatically and immediately vest; and
  - (ii) all vested Restricted Share Units (including those that vested pursuant to (i) above) shall be paid to the Participant's estate in accordance with the terms of the Plan and the Award Agreement.
- (b) Disability: If a Participant ceases to be eligible to be a Participant under the Plan as a result of their Disability, then all Restricted Share Units remain and continue

to vest in accordance with the terms of the Plan for a period of 12 months after the Termination Date, provided that with respect to Restricted Share Units of U.S. Participants only to the extent such continuation would not result in adverse tax consequences, and provided further that any Restricted Share Units that have not vested within 12 months after the Termination Date shall automatically and immediately expire and be forfeited on such date.

- (c) Retirement: If a Participant Retires then the Board shall have the discretion, with respect to such Participant's Restricted Share Units, to determine: (i) whether to accelerate vesting of any or all of such Restricted Share Units, (ii) whether any of such Restricted Share Units shall be cancelled, with or without payment, and (iii) how long, if at all, such Restricted Share Units may remain outstanding following the Termination Date; provided, however, that in no event shall such Restricted Share Units remain outstanding for more than 12 months after the Termination Date. Notwithstanding the above, for U.S. Participants, the treatment of Restricted Share Units upon retirement shall be provided for in the Award Agreement.
- (d) Termination for Cause: If a Participant ceases to be eligible to be a Participant under the Plan as a result of their termination for Cause, then all Restricted Share Units, whether vested or not, as at the Termination Date shall automatically and immediately be forfeited.
- (e) Termination without Cause or Voluntary Resignation: If a Participant ceases to be eligible to be a Participant under the Plan for any reason, other than as set out in Sections 7.7(a) to 7.7(d), then, unless otherwise determined by the Board in its sole discretion, as of the Termination Date:

  - (i) all unvested Restricted Share Units shall automatically and immediately be forfeited, and
  - (ii) all vested Restricted Share Units shall be paid to the Participants in accordance with the terms of the Plan and the Award Agreement.
- (f) Payment in Settlement of Restricted Share Units. When and if Restricted Share Units become payable, the Participant issued such Restricted Share Units shall be entitled to receive payment from the Company in settlement of such Restricted Share Units: (i) in cash, in an amount equal to the product of the FMV of a Share on the applicable settlement date multiplied by the number of Restricted Share Units being settled, (ii) in a number of Shares (issued from treasury) equal to the number of Restricted Share Units being settled, or (iii) in some combination thereof. The Committee's determination regarding the form of payout shall be set forth or reserved for later determination in the Award Agreement for the grant of the Restricted Share Units. Notwithstanding anything contained in the Plan including this Article 7, in no event will the delivery of such Shares or payment of any cash amounts be made later than the earlier of (i) two and one-half (2&1/2)

months after the close of the year in which such conditions or restrictions imposed on the Restricted Share Units were satisfied or lapsed, or were waived or deemed satisfied and (ii) December 31<sup>st</sup> of the third year following the year of the grant date.

## ARTICLE 8

### DEFERRED SHARES UNITS

**8.1 Grant of Deferred Share Units.** Subject to the terms and conditions of the Plan, the Committee, at any time and from time to time, may grant Deferred Share Units to Participants in such amounts and upon such terms as the Committee shall determine.

**8.2 Deferred Share Unit Agreement.** Each Deferred Share Unit grant shall be evidenced by an Award Agreement that shall specify the number of Deferred Share Units granted, the settlement date for Deferred Share Units, and any other provisions as the Committee shall determine, including, but not limited to a requirement that Participants pay a stipulated purchase price for each Deferred Share Unit, restrictions based upon the achievement of specific performance criteria, time based restrictions, restrictions under applicable laws including section 409A of the Code with respect to Deferred Share Units awarded to U.S. Participants or under the requirements of the Exchange, or holding requirements or sale restrictions placed on the Shares by the Company upon vesting of such Deferred Share Units.

**8.3 Non-Transferability of Deferred Share Units.** The Deferred Share Units granted herein may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated. All rights with respect to the Deferred Share Units granted to a Participant under the Plan shall be available during such Participant's lifetime only to such Participant.

**8.4 Black Out Periods.** If the date on which a Deferred Share Unit is scheduled to expire occurs during a Black Out Period, then the expiry date for such Deferred Share Unit may be extended to a date that is no later than ten (10) business days after the last day of the Black Out Period.

**8.5 Dividends.** Participants holding Deferred Share Units granted hereunder may, if the Committee so determines, be credited with dividends paid with respect to the underlying Shares while they are so held in a manner determined by the Committee in its sole discretion, and with respect to U.S. Participants, in a manner that complies with Section 409A of the Code. The Committee may apply any restrictions to the dividends that the Committee deems appropriate. The Committee, in its sole discretion, may determine the form of payment of dividends, subject to any required approvals of the Exchange, provided that any dividends payable in Shares will be subject to the limits contained in the Plan. For so long as the Shares are listed and posted for trading on the Exchange, if the Company does not have a sufficient number of Shares to issue Shares or Deferred Share Units as Dividend Equivalents then, in accordance with the applicable limitations set out in Policy 4.4 of the TSX Venture Exchange Corporate Finance Manual, the Company will pay such dividends in cash.

**8.6 Termination of Employment, Consultancy or Directorship.** Each Award Agreement shall set forth the extent to which the Participant shall have the right to retain Deferred Share Units following termination of the Participant's employment or other relationship with the Company or its Affiliates. Such provisions shall be determined in the sole discretion of the Committee, need not be uniform among all Deferred Share Units issued pursuant to the Plan, and may reflect distinctions based on the reasons for termination, provided that: (a) such provisions shall comply with the rules of the Exchange; (b) with respect to DSUs of U.S. Participants, such provisions will comply with Section 409A of the Code; and (c) in no event shall any Deferred Share Unit be retained for more than 12 months after the Termination Date.

**8.7 Payment in Settlement of Deferred Share Units.** When and if Deferred Share Units become payable, the Participant issued such Deferred Share Units shall be entitled to receive payment from the Company in settlement of such Deferred Share Units: (i) in cash, in an amount equal to the product of the FMV of a Share on the applicable settlement date less the stipulated purchase price for the Deferred Share Units being settled, if any, multiplied by the number of Deferred Share Units being settled, (ii) in a number of Shares (issued from treasury) equal to the number of Deferred Share Units being settled, or (iii) in some combination thereof. The Committee's determination regarding the form of payout shall be set forth or reserved for later determination in the Award Agreement for the grant of the Deferred Share Units, provided that the settlement date for the Deferred Share Units will be as specified in the Award Agreement, and this Section 8.7 shall not operate to change the settlement date.

## ARTICLE 9

### PERFORMANCE SHARE UNITS

**9.1 Grant of Performance Share Units.** Subject to the terms and conditions of the Plan, the Committee, at any time and from time to time, may grant Performance Share Units to Participants in such amounts and upon such terms as the Committee shall determine.

**9.2 Value of Performance Share Units.** Each Performance Share Unit shall have an initial value equal to the FMV of a Share on the date of grant. The Committee shall set performance criteria for a Performance Period in its discretion, which, depending on the extent to which they are met, will determine, in the manner determined by the Committee and set forth in the Award Agreement, the value and/or number of each Performance Share Unit that will be paid to the Participant.

**9.3 Earning of Performance Share Units.** Subject to the terms of the Plan and the applicable Award Agreement, after the applicable Performance Period has ended, the holder of Performance Share Units shall be entitled to receive payout on the value and number of Performance Share Units, determined as a function of the extent to which the corresponding performance criteria have been achieved. Notwithstanding the foregoing, the Company shall have the ability to require the Participant to hold any Shares received pursuant to such Award for a specified period of time.

**9.4 Form and Timing of Payment of Performance Share Units.** Payment of earned Performance Share Units shall be as determined by the Committee and as set forth in the Award Agreement. Subject to the terms of the Plan, the Committee, in its sole discretion, may pay earned Performance Share Units in the form of: (i) cash equal to the value of the earned Performance Share Units at the end of the applicable Performance Period, (ii) a number of Shares issued from treasury equal to the number of earned Performance Share Units at the end of the applicable Performance Period, or (iii) in a combination thereof (subject to compliance with the rules of the Exchange). Any Shares may be granted subject to any restrictions deemed appropriate by the Committee. The determination of the Committee with respect to the form of payout of such Awards shall be set forth in the Award Agreement for the grant of the Award or reserved for later determination. In no event will delivery of such Shares or payment of any cash amounts be made later than the earlier of (i) two and a half months after the close of the year in which such conditions or restrictions were satisfied or lapsed, or were waived or deemed satisfied and (ii) December 31<sup>st</sup> of the third year following the year of the grant date.

**9.5 Dividends.** Participants holding Performance Share Units granted hereunder may, if the Committee so determines, be credited with dividends paid with respect to the underlying Shares while they are so held in a manner determined by the Committee in its sole discretion, and with respect to U.S. Participants, in a manner that complies with Section 409A of the Code. The Committee may apply any restrictions to the dividends that the Committee deems appropriate. The Committee, in its sole discretion, may determine the form of payment of dividends, subject to any required approvals of the Exchange, provided that any dividends payable in Shares will be subject to the limits contained in the Plan. For so long as the Shares are listed and posted for trading on the Exchange, if the Company does not have a sufficient number of Shares to issue Shares or Performance Share Units as Dividend Equivalents then, in accordance with the applicable limitations set out in Policy 4.4 of the TSX Venture Exchange Corporate Finance Manual, the Company will pay such dividends in cash.

**9.6 Termination of Employment, Consultancy or Directorship.** Each Award Agreement shall set forth the extent to which the Participant shall have the right to retain unvested Performance Share Units following termination of the Participant's employment or other relationship with the Company or its Affiliates. Such provisions shall be determined in the sole discretion of the Committee, need not be uniform among all Performance Share Units issued pursuant to the Plan, and may reflect distinctions based on the reasons for termination, provided that: (a) such provisions shall comply with the rules of the Exchange; (b) with respect to PSUs of U.S. Participants, such provisions will comply with Section 409A of the Code; and (c) in no event shall any Performance Share Unit be retained for more than 12 months after the Termination Date.

**9.7 Non-Transferability of Performance Share Units.** Performance Share Units may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution (provided that in such case the Performance Share Units shall continue to be subject to terms of the Plan). Further, a Participant's rights under the Plan shall inure during such Participant's lifetime only to such Participant.

**9.8 Black Out Periods.** If the date on which a Performance Share Unit is scheduled to expire occurs during a Black Out Period, then the expiry date for such Award may be extended to a date that is no later than ten (10) business days after the last day of the Black Out Period.

## ARTICLE 10

### BENEFICIARY DESIGNATION

**10.1 Beneficiary.** A Participant's "beneficiary" is the Person or Persons entitled to receive payments or other benefits or exercise rights that are available under the Plan in the event of the Participant's death. A Participant may designate a beneficiary or change a previous beneficiary designation at such times as prescribed by the Committee and by using such forms and following such procedures approved or accepted by the Committee for that purpose. If no beneficiary designated by the Participant is eligible to receive payments or other benefits or exercise rights that are available under the Plan at the Participant's death, the beneficiary shall be the Participant's estate.

**10.2 Discretion of the Committee.** Notwithstanding the provisions above, the Committee may, in its discretion, after notifying the affected Participants, modify the foregoing requirements, institute additional requirements for beneficiary designations, or suspend the existing beneficiary designations of living Participants or the process of determining beneficiaries under this Article 10, or both, in favor of another method of determining beneficiaries.

## ARTICLE 11

### RIGHTS OF PERSONS ELIGIBLE TO PARTICIPATE

**11.1 Employment.** Nothing in the Plan or an Award Agreement shall interfere with or limit in any way the right of the Company or an Affiliate of the Company to terminate any Participant's employment, consulting or other service relationship with the Company or the Affiliate at any time, nor confer upon any Participant any right to continue in the capacity in which he or she is employed or otherwise serves the Company or the Affiliate.

Neither an Award nor any benefits arising under the Plan shall constitute part of an employment or service contract with the Company or an Affiliate of the Company, and, accordingly, subject to the terms of the Plan, the Plan may be terminated or modified at any time in the sole and exclusive discretion of the Committee or the Board without giving rise to liability on the part of the Company or its Affiliates for severance payments or otherwise, except as provided in the Plan.

For purposes of the Plan, unless otherwise provided by the Committee, a transfer of employment of a Participant between the Company and an Affiliate or among Affiliates of the Company, shall not be deemed a termination of employment. The Committee may provide, in a Participant's Award Agreement or otherwise, the conditions under which a transfer of employment to an entity that is spun off from the Company or an Affiliate of the Company shall not be deemed a

termination of employment for purposes of an Award, provided that with respect to Awards of U.S. Participants, such provisions comply with Section 409A of the Code. For greater certainty, a Participant will cease to remain eligible under the Plan if such Participant's employment is transferred to an entity that is not an Affiliate of the Company.

**11.2 Participation.** No Employee or other Person eligible to participate in the Plan shall have the right to be selected to receive an Award. No Person selected to receive an Award shall have the right to be selected to receive a future Award, or, if selected to receive a future Award, the right to receive such future Award on terms and conditions identical or in proportion in any way to any prior Award.

**11.3 Rights as a Shareholder.** A Participant shall have none of the rights of a shareholder with respect to Shares covered by any Award until the Participant becomes the holder of such Shares.

## ARTICLE 12

### CHANGE OF CONTROL

**12.1 Discretion of Board.** Notwithstanding any other provision of the Plan, but subject to Section 12.2 and any required approvals of the Exchange, in the event of an actual or potential Change of Control, all outstanding Awards will immediately vest (provided, however, that no acceleration of Awards shall occur in the case of a Participant that was retained to provide Investor Relations Activities unless the approval of the Exchange is either obtained or not required); provided, however, that the Board may, in its sole discretion, without the necessity or requirement for the agreement of any Participant: (i) permit the conditional redemption or exercise of any Awards, on such terms as it sees fit; (ii) otherwise amend or modify the terms of any Awards, including for greater certainty by (1) permitting Participants to exercise or redeem any Awards to assist the Participants to participate in the actual or potential Change of Control, or (2) providing that any Awards exercised or exercised shall be exercisable or redeemed for, in lieu of Shares, such property (including shares of another entity or cash) that shareholders of the Company will receive in the Change of Control; and/or (iii) terminate, following the successful completion of a Change of Control, on such terms as it sees fit, the Awards not exercised or redeemed prior to the successful completion of such Change of Control. With respect to U.S. Participants, the treatment of Awards upon a Change of Control shall be provided for in the Award Agreement.

**12.2 Non Occurrence of Change of Control.** In the event that any Awards are conditionally exercised pursuant to Section 12.1 and the Change of Control does not occur, the Board may, in its sole discretion, determine that any (i) Awards so exercised shall be reinstated as the type of Award prior to such exercise, and (ii) Shares issued be cancelled and any exercise or similar price received by the Company shall be returned to the Participant.

**12.3 Agreement with Purchaser in a Change of Control.** In connection with a Change of Control, the Board may be permitted to condition any acceleration of vesting on the Participant

entering into an employment, confidentiality or other agreement with the purchaser as the Board deems appropriate.

## ARTICLE 13

### AMENDMENT AND TERMINATION

**13.1 Amendment and Termination.** The Board may, at any time, suspend or terminate the Plan. Subject to compliance with any applicable law and receipt of the approval of the Exchange (other than in the case of amendments clarifying existing provisions of the Plan or amendments correcting typographical errors) and, where applicable, the shareholders of the Company, the Board may also at any time amend or revise the terms of the Plan and any Award Agreement. No such amendment of the Plan or Award Agreement may be made if such amendment would materially and adversely impair any rights arising from any Awards previously granted to a Participant under the Plan without the consent of the Participant or the representatives of his or her estate, as applicable. Any amendment that would cause an Award held by a Participant that is a U.S. taxpayer to fail to comply with Section 409A of the Code shall be null and void with respect to such Participant.

**13.2 Reduction of Option Price and Extension of Term.** For so long as the Shares are listed and posted for trading on the Exchange, no reduction in the Option Price, or extension of the term, of an Option held by a Person who is an Insider of the Company at the time of the proposed reduction or extension will be permitted without: (i) the approval of the Exchange; and (ii) disinterested shareholder approval as required by the policies of the Exchange.

## ARTICLE 14

### WITHHOLDING

**14.1 Withholding.** The Company or any of its Affiliates shall have the power and the right to deduct or withhold, or require a Participant to remit to the Company or the Affiliate, an amount sufficient to satisfy federal, provincial and local taxes or domestic or foreign taxes required by law or regulation to be withheld with respect to any taxable event arising from or as a result of the Plan or any Award hereunder. The Committee may provide for Participants to satisfy withholding requirements by having the Company withhold and sell Shares or the Participant making such other arrangements, including the sale of Shares, in either case on such conditions as the Committee specifies.

**14.2 Acknowledgement.** Participant acknowledges and agrees that the ultimate liability for all taxes legally payable by Participant is and remains Participant's responsibility and may exceed the amount actually withheld by the Company. Participant further acknowledges that the Company: (a) makes no representations or undertakings regarding the treatment of any taxes in connection with any aspect of the Plan; and (b) does not commit to and is under no obligation to structure the terms of the Plan to reduce or eliminate Participant's liability for taxes or achieve any particular tax result. Further, if Participant has become subject to tax in more than one

jurisdiction, Participant acknowledges that the Company may be required to withhold or account for taxes in more than one jurisdiction.

## ARTICLE 15

### CALIFORNIA PARTICIPANTS

Notwithstanding any other provision contained in this Plan or in any Award Agreement, this Article 15 shall apply to all California Participants.

**15.1 Termination of Employment.** Unless a California Participant's employment is terminated for Cause, the right to exercise a California Option awarded under the Plan in the event of termination of employment continues until the earlier of: (i) the expiry date set forth in the applicable Award Agreement or (ii) (A) if termination was caused by death or Permanent Disability, at least six months from the date of termination and (B) if termination was caused other than by death or Permanent Disability, at least thirty days from the date of termination. For purposes of Section 15.1, "Permanent Disability" shall mean the inability of the California Participant, in the opinion of a qualified physician acceptable to the Company, to perform the major duties of the California Participant's position with the Company because of the sickness or injury of the California Participant.

**15.2 Issuance of Securities.** All securities granted pursuant to the Plan must be granted within ten years from the earlier of the date on which this Plan was adopted by the Board or the date this Plan was approved by the shareholders of the Company.

**15.3 Approval of Plan.** The Plan shall be approved by a majority of the outstanding securities of the Company entitled to vote by the later of (a) a period beginning twelve months before and ending twelve months after the date of adoption thereof by the Board, or (b) the first issuance of any security pursuant to the Plan in the State of California (within the meaning of Section 25008 of the California Corporations Code). Securities granted pursuant to the Plan prior to security holder approval of the Plan shall become exercisable no earlier than the date of shareholder approval of the Plan and such securities shall be rescinded if such security holder approval is not received in the manner described in the preceding sentence. Notwithstanding the foregoing, while the Company is a foreign private issuer, as defined by Rule 3b-4 of the United States Securities Exchange Act of 1934, as amended, shall not be required to comply with this Section 15.3 provided that the aggregate number of California Participants granted securities under all incentive plans and agreements and issued securities under all purchase and bonus plans and agreements of the Company does not exceed thirty-five.

**15.4 Non-Transferability of Securities.** Each Award granted under the Plan to a California Participant is personal to such California Participant and shall not be assignable or transferable by the California Participant, whether voluntarily or by operation of law, except by will or by the laws of descent and distribution of the domicile of the deceased California Participant. No Award granted hereunder shall be pledged, hypothecated, charged, transferred, assigned or otherwise encumbered or disposed of.

**ARTICLE 16**  
**SUCCESSORS**

**16.1** Any obligations of the Company or its Affiliates under the Plan with respect to Awards granted hereunder shall be binding on any successor to the Company or its Affiliates, respectively, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation or otherwise, of all or substantially all of the businesses and/or assets of the Company or the Affiliate, as applicable.

**ARTICLE 17**  
**GENERAL PROVISIONS**

**17.1 Delivery of Title.** The Company shall have no obligation to issue or deliver evidence of title for Shares issued under the Plan prior to:

- (a) Obtaining any approvals from governmental agencies that the Company determines are necessary or advisable; and
- (b) Completion of any registration or other qualification of the Shares under any applicable law or ruling of any governmental body that the Company determines to be necessary or advisable.

**17.2 Investment Representations.** The Committee may require each Participant receiving Shares pursuant to an Award under the Plan to represent and warrant in writing that the Participant is acquiring the Shares for investment and without any present intention to sell or distribute such Shares.

**17.3 Uncertificated Shares.** To the extent that the Plan provides for issuance of certificates to reflect the transfer of Shares, the transfer of such Shares may be effected on a non certificated basis to the extent not prohibited by applicable law or the rules of the Exchange.

**17.4 No Fractional Shares.** No fractional Shares shall be issued or delivered pursuant to the Plan or any Award Agreement. In such an instance, unless the Committee determines otherwise, fractional Shares and any rights thereto shall be forfeited or otherwise eliminated.

**17.5 Other Compensation and Benefit Plans.** Nothing in the Plan shall be construed to limit the right of the Company or an Affiliate of the Company to establish other compensation or benefit plans, programs, policies or arrangements. Except as may be otherwise specifically stated in any other benefit plan, policy, program or arrangement, no Award shall be treated as compensation for purposes of calculating a Participant's rights under any such other plan, policy, program or arrangement.

**17.6 No Constraint on Corporate Action.** Nothing in the Plan shall be construed (i) to limit, impair or otherwise affect the Company's or its Affiliates' right or power to make adjustments, reclassifications, reorganizations or changes in its capital or business structure, or to merge or consolidate, or dissolve, liquidate, sell or transfer all or any part of its business or assets, or (ii) to limit the right or power of the Company or its Affiliates to take any action which such entity deems to be necessary or appropriate.

**17.7 Compliance with Canadian Securities Laws.** All Awards and the issuance of Shares underlying such Awards issued pursuant to the Plan will be issued pursuant to an exemption from the prospectus requirements of Canadian securities laws where applicable.

**17.8 Compliance with U.S. Securities Laws.** All Awards and the issuance of Shares underlying such Awards issued pursuant to the Plan will be issued pursuant to the registration requirements of the U.S. Securities Act of 1933, as amended, and applicable state securities laws or an exemption from such registration requirements. If the Awards or Shares are not so registered and no such registration exemption is available, the Company shall not be required to issue any Shares otherwise issuable hereunder.

**17.9 Unfunded Plan.** The obligation to make payments that may be required to be made under this Plan will be an unfunded and unsecured obligation of the Company, or an Affiliate, as applicable, payable out of the general assets of the Corporation or the Affiliate. This Plan shall not create (or be construed to create) any trust or other obligation to fund or secure amounts payable under this Plan. To the extent any Participant has rights under this Plan, such rights shall be no greater than the rights of an unsecured creditor of the Company.

## ARTICLE 18

### LEGAL CONSTRUCTION

**18.1 Gender and Number.** Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine, the plural shall include the singular, and the singular shall include the plural.

**18.2 Severability.** In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

**18.3 Requirements of Law.** The granting of Awards and the issuance of Shares under the Plan shall be subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or securities exchanges as may be required. The Company or an Affiliate of the Company shall receive the consideration required by law for the issuance of Awards under the Plan. The inability of the Company or an Affiliate of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company or the Affiliate to be necessary for the lawful issuance and sale of any Shares hereunder, shall relieve

the Company or the Affiliate of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

**18.4 Governing Law.** The Plan and each Award Agreement shall be governed by the laws of the Province of Ontario excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of the Plan to the substantive law of another jurisdiction.

**18.5 Compliance with Section 409A of the Code.**

- (a) To the extent the Plan or an Award Agreement applies to a U.S. Participant, it is intended that the Plan and any such Awards made hereunder shall not provide for the payment of "deferred compensation" within the meaning of Section 409A of the Code or shall be structured in a manner and have such terms and conditions that would not cause such a Participant to be subject to taxes and interest pursuant to Section 409A of the Code. The Plan and any Awards made hereunder shall be administrated and interpreted in a manner consistent with this intent.
  
- (b) To the extent that any amount or benefit in favour of a U.S. Participant would constitute "deferred compensation" for purposes of Section 409A of the Code and would otherwise be payable or distributable under the Plan or any Award Agreement by reason of the occurrence of a Change of Control or the Participant's disability or separation from service, such amount or benefit will not be payable or distributable to the Participant by reason of such circumstance unless: (i) the circumstances giving rise to such Change of Control, disability or separation from service meet the description or definition of "change in control event", "disability", or "separation from service", as the case may be, in Section 409A of the Code and applicable proposed or final Treasury regulations thereunder, and (ii) the payment or distribution of such amount or benefit would otherwise comply with Section 409A of the Code and not subject the Participant to taxes and interest pursuant to Section 409A of the Code. This provision does not prohibit the vesting of any Award or the vesting of any right to eventual payment or distribution of any amount or benefit under the Plan or any Award Agreement. To the extent that any Award that is subject to Section 409A of the Code becomes payable upon a U.S. Participant's separation from service, if the U.S. Participant is a "specified employee" within the meaning of Section 409A of the Code at the time of separation from service, then, notwithstanding anything to the contrary in the Plan, the payment/settlement of such deferred compensation will be delayed until the date that is six months and one day following the separation from service.

## SCHEDULE "B"

### FLOW CAPITAL CORP. (the "Corporation")

#### CHARTER OF THE AUDIT COMMITTEE

##### 1. Objectives

The Audit Committee (the "**Committee**") is appointed by the board of directors (the "**Board**") of Flow Capital Corp. (the "**Corporation**") to assist the Board in fulfilling its oversight responsibilities with respect to financial reporting issues and issues relating to the appointment and review of the auditor for the Corporation.

The Committee acknowledges the corporate governance guidelines issued by the Canadian Securities Administrators in National Instrument 58-101 Disclosure of Corporate Governance Practices ("**NI 58-101**") and National Policy 58-201 Corporate Governance Guidelines ("**NP 58- 201**"), and other regulatory provisions as they pertain to financial reporting and accounting matters. The objective of the Committee is to review, monitor and promote appropriate accounting practices of the Corporation.

The Audit Committee (the "**Committee**") is responsible for assisting the board of directors of the Corporation (the "**Board**") in general oversight and monitoring of:

- (i) the integrity of the Corporation's consolidated financial statements;
- (ii) the Corporation's compliance with applicable legal and regulatory requirements related to financial reporting;
- (iii) the qualifications, independence and performance of the Corporation's auditor;
- (iv) the design and implementation of accounting systems, internal controls and disclosure controls, including the Corporation's written disclosure policy, if any;
- (v) the review and identification of the principal risks facing the Corporation and development of appropriate procedures to monitor and mitigate such risks; and
- (vi) any additional matters delegated to the Committee by the Board.

The Committee's oversight role regarding compliance systems shall not include responsibility for the Corporation's actual compliance with applicable laws and regulations.

The Committee will continuously review and modify this Charter with regards to, and to reflect changes in, the business environment, industry standards on matters of financial reporting and accounting, additional standards which the Committee believes may be applicable to the Corporation's business, the location of the Corporation's business and its shareholders and the application of laws and policies.

##### 2. Composition

The Committee will be comprised of not less than three directors, selected by the Board on the recommendation of the Corporate Governance and Nominating Committee. Unless otherwise permitted by applicable law, each member of the Committee will be both "independent" and "financially literate" within the meaning of applicable securities laws including, without limitation, Multilateral Instrument 52-110 - Audit Committees ("**MI 52-110**").

The members of the Committee shall be appointed or re-appointed by the Board on an annual basis and shall continue as members of the Committee until their successors are appointed or until they cease to be directors of the Corporation. Any member may be removed and replaced at any time by the Board, and will automatically cease to be a member as soon as the member ceases to meet the qualifications set out above. The Board will fill vacancies on the Committee by appointment from among qualified members of the Board. If a vacancy exists on the Committee, the remaining members will exercise all of its powers so long as a quorum remains in office.

Each year, the Board will appoint one member who is qualified for such purpose to be Chairman of the Committee. If, in any year, the Board does not appoint a Chairman of the Committee, the incumbent Chairman of the Committee will continue in office until a successor is appointed.

### **3. Meetings and Minutes**

#### **(a) Scheduling**

The Committee will meet as often as it determines is necessary to fulfill its responsibilities, which in any event will be not less than quarterly. A meeting of the Committee may be called by the auditor, the Chairman of the Committee, the Chairman, the Chief Executive Officer, the Chief Financial Officer or any Committee member.

Meetings will be held at a location in Canada determined by the Chairman of the Committee and notice shall be given in accordance with the provisions of the Corporation's bylaws.

#### **(b) Notice to Auditor**

The auditor is entitled to receive notice of every meeting of the Committee and, at the expense of the Corporation, to attend and be heard thereat and, if so requested by a member of the Committee, shall attend any meeting of the Committee held during the term of office of the auditor.

#### **(c) Agenda**

The Chairman of the Committee will establish the agenda for each meeting. Any member may propose the inclusion of items on the agenda, request the presence of or a report by any member of senior management, or at any meeting raise subjects that are not on the agenda for the meeting.

#### **(d) Distribution of Information**

The Chairman of the Committee will distribute, or cause the officers of the Corporation to distribute, an agenda and meeting materials in advance of each meeting to allow members sufficient time to review and consider the matters to be discussed.

(e) **Attendance and Participation**

Each member is expected to attend all meetings. A member who is unable to attend a meeting in person may participate by telephone or teleconference.

A portion of each meeting will be held without management (including management directors) being present.

(f) **Quorum**

Two members will constitute a quorum for any meeting of the Committee.

(g) **Voting and Approval**

At meetings of the Committee, each member will be entitled to one vote and questions will be decided by a majority of votes. In case of an equality of votes, the Chairman of the Committee will not have a second or casting vote in addition to his or her original vote.

(h) **Procedures**

Procedures for Committee meetings will be determined by the Chairman of the Committee or a resolution of the Committee or the Board.

(i) **Transaction of Business**

The powers of the Committee may be exercised at a meeting where a quorum is present in person or by telephone or other electronic means, or by resolution in writing signed by all members entitled to vote on that resolution at a meeting of the Committee.

(j) **Absence of Chairman of the Committee**

In the absence of the Chairman of the Committee at a meeting of the Committee, the members in attendance must select one of them to act as chairman of that meeting.

(k) **Secretary**

The Committee may appoint one of its members or any other person to act as secretary.

(l) **Minutes of Meetings**

A person designated by the Chairman of the Committee at each meeting will keep minutes of the proceedings of the Committee and the Chairman will cause an officer of the Corporation to circulate copies of the minutes to each member on a timely basis.

**4. Scope, Duties and Responsibilities**

The Committee is responsible for performing the duties set out below as well as any other duties at any time required by law to be performed by the Committee or otherwise delegated to the Committee by the Board:

**(a) Appointment and Review of the Auditor**

The auditor is ultimately accountable to the Committee and reports directly to the Committee. Accordingly, the Committee will evaluate and be responsible for the Corporation's relationship with the auditor. Specifically, the Committee will:

- (i) select, evaluate and recommend an auditor to the Board for appointment or reappointment, as the case may be, by the Corporation's shareholders and make recommendations with respect to the auditor's compensation;
- (ii) review and approve the auditor's engagement letter;
- (iii) resolve any disagreements between senior management and the auditor regarding financial reporting;
- (iv) at least annually, obtain and review a report by the auditor describing:
  - (A) the auditor's internal quality-control procedures, including the safeguarding of confidential information;
  - (B) any material issues raised by such procedures, or the review of the auditor by an independent oversight body, such as the Canadian Public Accountability Board, respecting independent audits carried out by the auditor, and the steps taken to deal with any issues raised in any such review;
- (v) meet with senior management not less than quarterly without the auditor present for the purpose of discussing, among other things, the performance of the auditor and any issues that may have arisen during the quarter; and
- (vi) where appropriate, recommend to the Board that the auditor be terminated.

**(b) Confirmation of the Auditor's Independence**

At least annually, and in any event before the auditor issues its report on the annual financial statements, the Committee will:

- (i) review a formal written statement from the auditor describing all of its relationships with the Corporation;
- (ii) discuss the auditor any relationships or services that may affect its objectivity and independence (including considering whether the auditor's provision of any permitted non-audit services is compatible with maintaining its independence);

- (iii) obtain written confirmation from the auditor that it is objective within the meaning of the Rules of Professional Conduct/Code of Ethics adopted by the provincial institute or order of Chartered Accountants to which it belongs and is an independent public accountant within the meaning of the Independence Standards of the Canadian Institute of Chartered Accountants; and
- (iv) confirm that the auditor has complied with applicable rules, if any, with respect to the rotation of certain members of the audit engagement team.

**(c) Pre-Approval of Non-Audit Services**

The approval of the appointment of the auditor for any non-audit service to be provided to the Corporation must be obtained from the Committee in advance; provided that it will not approve any service that is prohibited under the rules of the Canadian Public Accountability Board or the Independence Standards of the Canadian Institute of Chartered Accountants. Before the appointment of the auditor for any non-audit service, the Committee will consider the compatibility of the service with the auditor's independence. The Committee may pre-approve the appointment of the auditor for any non-audit services by adopting specific policies and procedures, from time to time, for the engagement of the auditor for non-audit services.

**(d) Communications with the Auditor**

The Committee has the authority to communicate directly with the auditor and will meet privately with the auditor periodically to discuss any items of concern to the Committee or the auditor.

**(e) Review of the Audit Plan**

The Committee will discuss with the auditor the nature of an audit and the responsibility assumed by the auditor when conducting an audit under generally accepted auditing standards. The Committee will review a summary of the auditor's audit plan for each audit and approve the audit plan with such amendments as it may agree with the auditor.

**(f) Review of Audit Fees**

The Committee will review and determine the auditor's fee and the terms of the auditor's engagement and inform the Board thereof. In determining the auditor's fee, the Committee will consider, among other things, the number and nature of reports to be issued by the auditor, the quality of the internal controls of the Corporation, the size, complexity and financial condition of the Corporation and its subsidiaries and the extent of support to be provided to the auditor by the Corporation.

**(g) Review of Consolidated Financial Statements**

The Committee will review and discuss with senior management and the auditor the annual audited consolidated financial statements, together with the auditor's report thereon and the interim financial statements, before recommending them for approval by the Board. The Committee will also review and discuss with senior management and the auditor management's discussion and analysis relating to the annual audited financial statements and interim financial statements, where applicable. The Committee may also, if it so elects, engage the auditor to review the interim financial statements prior to the Committee's review of such financial statements.

**(h) Review of Other Financial Information**

The Committee will review:

- (i) all earnings press releases and other press releases disclosing financial information, as well as all financial information and written earnings guidance provided to analysts and rating agencies;
- (ii) all other financial statements of the Corporation that require approval by the Board before they are released to the public, including, without limitation, financial statements for use in prospectuses or other offering or public disclosure documents and financial statements required by regulatory authorities; and
- (iii) disclosures made to the Committee by the Chief Executive Officer and Chief Financial Officer during their certification process for applicable securities law filings by the Corporation (where applicable) about any significant deficiencies and material weaknesses in the design or operation of the Corporation's internal controls over financial reporting which are reasonably likely to adversely affect the Corporation's ability to record, process, summarize and report financial information, and any fraud involving senior management or other employees who have a significant role in the Corporation's internal control over financial reporting.

**(i) Oversight of Internal Controls and Disclosure Controls**

The Committee will review periodically with senior management of the Corporation the adequacy of the internal controls and procedures that have been adopted by the Corporation and its subsidiaries to safeguard assets from loss and unauthorized use and to verify the accuracy of the financial records. The Committee will review any special audit steps adopted in light of material control deficiencies or identified weaknesses.

The Committee will review with senior management of the Corporation the controls and procedures that have been adopted by the Corporation to confirm that material information about the Corporation and its subsidiaries that is required to be disclosed under applicable law or stock exchange rules is disclosed.

**(j) Legal Compliance**

The Committee will review any legal matters that could have a significant effect on the Corporation's financial statements.

**(k) Risk Management**

The Committee will oversee the Corporation's risk management function and, on a quarterly basis, will review a report from senior management describing the major financial, legal, operational and reputational risk exposures of the Corporation and the steps senior management has taken to monitor and control such exposures.

**(l) Taxation Matters**

The Committee will review with senior management the status of taxation matters of the Corporation.

**(m) Employees of the Auditor**

The Committee will review and approve policies for the hiring by the Corporation of any partners and employees and former partners and former employees of the present or former auditor.

**(n) Evaluation of Financial and Accounting Personnel**

The Committee will have direct responsibility to:

- (i) develop a position description for the Chief Financial Officer, setting out the Chief Financial Officer's authority and responsibilities, and present it to the Corporate Governance and Nominating Committee and Board for approval;
- (ii) review and approve the goals and objectives that are relevant to the Chief Financial Officer's compensation and present the same to the Corporate Governance and Nominating Committee and Board for approval;
- (iii) evaluate the Chief Financial Officer's performance in meeting his or her goals and objectives;
- (iv) review and assess the performance of the Corporation's financial and accounting personnel; and
- (v) recommend to the Compensation Committee and Board remedial action where necessary.

**(o) Signing Authority and Approval of Expenses**

The Committee will determine the signing authority of officers and directors in connection with the expenditure and release of funds. The Committee will also review the Chief Executive Officer's and Chief Financial Officer's expense statements. Director expense statements will be reviewed by the Chief Executive Officer. Where the Chief Executive Officer thinks it advisable, he or she may request that the Committee review director expense statements.

**5. Complaints Procedure**

The Committee will administer the Corporation's Whistleblower Policy for the receipt, retention and follow-up of complaints received by the Corporation regarding accounting, internal controls, disclosure controls or auditing matters and the confidential, anonymous submission of concerns by employees of the Corporation regarding such matters.

**6. Reporting**

The Committee will regularly report to the Board on:

- (i) the auditor's independence, engagement and fees;

- (ii) the performance of the auditor and the Committee's recommendations regarding its reappointment or termination;
- (iii) the adequacy of the Corporation's internal controls and disclosure controls;
- (iv) the Corporation's risk management procedures;
- (v) its recommendations regarding the annual and interim financial statements of the Corporation, including any issues with respect to the quality or integrity of the financial statements;
- (vi) its review of any applicable annual and interim management's discussion and analysis;
- (vii) any complaints made under, and the effectiveness of, the Corporation's Whistleblower Policy;
- (viii) the Corporation's compliance with applicable legal and regulatory requirements related to financial reporting; and
- (ix) all other significant matters it has addressed or reviewed and with respect to such other matters that are within its responsibilities, together with any associated recommendations.

## **7. Assessment**

At least annually, the Corporate Governance and Nominating Committee will review the effectiveness of the Committee in fulfilling its responsibilities and duties as set out in this Charter and in a manner consistent with the mandate adopted by the Board.

## **8. Review and Disclosure**

The Committee will review this Charter at least annually and submit it to the Corporate Governance and Nominating Committee together with any proposed amendments. The Corporate Governance and Nominating Committee will review the Charter and submit it to the Board for approval with such further proposed amendments as it deems necessary and appropriate.

## **9. Access to Outside Advisors and Records**

The Committee may retain independent counsel and any outside advisor at any time and has the authority to determine any such advisors' fees and other retention terms. The Committee, and any outside advisors retained by it, will have access to all records and information, relating to the Corporation and all their respective officers, employees and agents which it deems relevant to the performance of its duties.

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