

CHAR TECHNOLOGIES LTD.

NOTICE

AND

MANAGEMENT INFORMATION CIRCULAR

FOR THE

ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON

MARCH 30TH 2021

CHAR TECHNOLOGIES LTD.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT the annual and special meeting (the “**Meeting**”) of the holders of common shares (“**Common Shares**”) of Char Technologies Ltd. (the “**Corporation**”) will be held at CHAR Technologies Ltd, 789 Don Mills Road, Suite 403, Toronto, Ontario M3C 1T5 at 10:00 a.m. (Toronto time) on March 30th, 2021, for the following purposes:

1. to receive the Corporation’s audited financial statements for the year ended September 30th, 2020 and 2019, together with the auditor’s report thereon;
2. to elect the board of directors (the “**Board**”) of the Corporation for the ensuing year;
3. to appoint the auditors of the Corporation for the ensuing year and to authorize the Board to fix the auditor’s remuneration;
4. to consider, and if thought fit, approve, adopt and ratify, with or without modification, the ordinary resolution of disinterested shareholders, as more particularly set forth in the Information Circular, relating to the approval of the Corporation’s omnibus long-term incentive plan; and
5. to transact such further and other business as may properly come before the Meeting or any adjournment or adjournments thereof.

The record date for the determination of shareholders entitled to receive notice of and to vote at the Meeting is Friday, February 26th, 2021 (the “Record Date”). Shareholders of the Corporation whose names have been entered in the register of shareholders at the close of business on that date will be entitled to receive notice of and to vote at the Meeting.

To proactively manage the unprecedented public health impact of the ongoing coronavirus pandemic (also known as “COVID-19”), as well as Provincial and Federal guidance regarding public gatherings, shareholders and proxyholders are strongly encouraged not to attend the Meeting in person. The COVID-19 virus is causing unprecedented social and economic disruption, and the Corporation wants to ensure that no one is unnecessarily exposed to any risks. Furthermore, so that the Corporation can mitigate any potential risks to the health and safety of shareholders, employees, and the community there will be strict limitations on the number of persons permitted entry to the Meeting and anyone who is not a registered shareholder or proxyholder will not be permitted entry.

The Corporation urges all shareholders to vote by proxy in advance of the Meeting in accordance with the instructions set out below and to listen to the Meeting through the live teleconference details provided below:

Date and Time: Tuesday, March 30th, 2021 at 10:00 a.m. (Toronto time)

**Meeting ID: 815 6240 3043
Passcode: 010731**

Online Access:
<https://us02web.zoom.us/j/81562403043?pwd=dINFUEtPOFlwdVNGZENUWmNKTGhIZz09>

Dial-in Numbers:
**647 374 4685
778 907 2071**

204 272 7920
438 809 7799
587 328 1099

***Participants should dial-in or join approximately 5 to 10 minutes prior to the scheduled start time.**

Shareholders who dial-in or join the Meeting through the call-in or online details above will not be able to vote on the matters put forth at the Meeting. Only those registered shareholders or duly appointed proxyholders who attend the Meeting in person will be permitted to vote at the Meeting.

The COVID-19 pandemic is dynamic and continues to evolve daily. If events arise that require the Corporation to make changes to the date, time and/or location of the Meeting it will promptly notify shareholders and communicate any changes through a press release. The Corporation intends to resume holding unrestricted in-person shareholder's meetings in future years.

A registered shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting or any adjournment thereof in person are requested to date, execute and return the accompanying form of proxy for use at the Meeting or any adjournment thereof. To be effective, the enclosed proxy must be mailed so as to reach or be deposited with TSX Trust Company, 100 Adelaide Street West, Suite 301, Toronto, Ontario M5H 4H1, not later than 10:00 a.m. (Toronto time) on Friday, March 26th, 2021 or if the Meeting is adjourned not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Ontario) prior to the time set for the Meeting or any adjournment thereof.

The persons named in the enclosed form of proxy are each a director and/or officer of the Corporation. Every shareholder has the right to appoint a person or company (who need not be a shareholder) to represent the shareholder at the Meeting other than the persons designated in the enclosed form of proxy. If the shareholder wishes to appoint a person or company other than the persons whose names are designated in the form of proxy, they may do so by inserting the name of the shareholder's chosen proxyholder in the space provided in the form of proxy.

The instrument appointing a proxy shall be in writing and shall be executed by the shareholder or his attorney authorized in writing or, if the shareholder is a corporation, by an officer or attorney thereof duly authorized.

DATED at the City of Toronto, in the Province of Ontario, this 26th day of February, 2021.

BY ORDER OF THE BOARD OF DIRECTORS

"Andrew White"

Andrew White
Chief Executive Officer

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CHAR TECHNOLOGIES LTD.

MANAGEMENT INFORMATION CIRCULAR

ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON MARCH 30th, 2021

(this information given as of February 26th, 2021)

Solicitation of Proxies

This management information circular (the “**Information Circular**”) is provided in connection with the solicitation, by management of Char Technologies Ltd. (the “**Corporation**”), of proxies for the annual and special meeting of shareholders of the Corporation (the “**Meeting**”) to be held on March 30th, 2021, at 789 Don Mills Road, Suite 403, Toronto, Ontario M3C 1T5, at 10:00 a.m. (Toronto time) and at any adjournment thereof.

Proxies will be solicited primarily by mail but may also be solicited personally, by telephone, facsimile or other means of electronic communication by the directors and/or officers of the Corporation at nominal costs. The costs of solicitation by management will be borne by the Corporation.

Pursuant to National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), arrangements have been made with clearing agencies, brokerage houses and other financial intermediaries to forward proxy solicitation materials to the beneficial owners of Common Shares. The cost of any such solicitation will be borne by the Corporation.

Appointment and Revocation of Proxies

The persons named in the enclosed form of proxy represent management of the Corporation. **Every shareholder has the right to appoint a person or company (who need not be a shareholder) to represent the shareholder at the Meeting other than the persons designated in the enclosed form of proxy.** If the shareholder wishes to appoint a person or company other than the persons whose names are designated in the form of proxy, they may do so by inserting the name of the shareholder’s chosen proxyholder in the space provided in the form of proxy.

A form of proxy will not be valid for the Meeting or any adjournment thereof unless it is completed by the shareholder or by his attorney authorized in writing and delivered to TSX Trust Company, 100 Adelaide Street West, Suite 301, Toronto, Ontario M5H 4H1, not later than 10:00 a.m. (Toronto time) on Friday, March 26th 2021, or if the Meeting is adjourned not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Ontario) prior to the time set for the Meeting or any adjournment thereof.

In addition to revocation in any other manner permitted by law, a shareholder who has given a proxy may revoke it any time before it is exercised by instrument in writing, executed by the shareholder or by his attorney authorized in writing, and deposited either at the registered office of the Corporation at any time up to and including 10:00 a.m. on the last business day preceding the day of the Meeting or any adjournment thereof at which the proxy is to be used, or with the chairman of the Meeting on the day of the Meeting or any adjournment thereof.

A shareholder attending the Meeting has the right to vote in person and, if he or she does so his or her proxy is nullified with respect to the matters such person votes upon and any subsequent matters thereafter to be voted upon at the Meeting or any adjournment thereof.

Voting of Proxies

The persons named in the enclosed form of proxy are each a director and/or officer of the Corporation, and have indicated their willingness to represent as proxy the shareholder who appoints them. Each shareholder may instruct his proxy how to vote his shares by marking the appropriate box(es) on the proxy form. The shares represented by the enclosed form of proxy will be voted or withheld from voting in accordance with the instructions of the shareholder, on any ballot that may be called for and, if the shareholder has specified a choice with respect to any matter to be acted on, the shares will be voted accordingly. **In the absence of such direction, the shares will be voted in favour of:**

1. receiving the Corporation's audited financial statements for the year ended September 30th, 2020 and 2019, together with the auditor's report thereon;
2. electing the persons proposed herein as directors of the Corporation for the ensuing year;
3. appointing DMCL LLP as the auditors of the Corporation until the next annual meeting of the shareholders and authorizing the directors to fix the remuneration of the auditors;
4. considering, and if thought fit, approve, adopt and ratify, with or without modification, the ordinary resolution of disinterested shareholders, as more particularly set forth in the Information Circular, relating to the approval of the Corporation's omnibus long-term incentive plan
5. transacting such further and other business as may properly come before the Meeting or any adjournment or adjournments thereof.

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 OR OTHER MATTERS THAT MAY PROPERLY COME BEFORE THE MEETING.

At the time of printing of this Information Circular, the directors and senior officers of the Corporation know of no such amendment, variation or other matters to come before the Meeting other than the matters referred to in the Notice of Meeting and this Information Circular. If any matters which are not now known to the directors and senior officers of the Corporation should properly come before the Meeting, the persons named in the accompanying form of proxy will vote on such matters in accordance with their best judgment.

Notice and Access

The Corporation has elected not to send proxy-related materials to registered holders or Beneficial Holders (as hereinafter defined) of the Common Shares using the notice-and-access delivery procedures defined under NI 54-101 and National Instrument 51-102 – *Continuous Disclosure Obligations*.

Advice to Beneficial Shareholders

The information in this section is of significant importance to public shareholders of the Corporation since most public 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**") are advised that only proxies from shareholders of record can be recognized and voted upon at the Meeting. If shares are listed in the account statement provided to the shareholder by a broker, then in almost all cases those shares will not be registered in the shareholder's name. Such shares are more likely held under the name of the broker or a broker's agent clearing house. Applicable corporate law provides that Beneficial Shareholders may request that the Beneficial Shareholder or the Beneficial Shareholder's nominee be appointed as the proxyholder for such shares. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities which acts as nominee for many Canadian brokerage firms). Shares held by brokers or their nominees can only be voted (for or against or

withheld, as applicable) upon the instructions of the Beneficial Shareholder. Without specific instructions, the brokers/nominees are prohibited from voting shares for their clients. Therefore, each Beneficial Shareholders should ensure that voting instructions are communicated to the appropriate person held in advance of the Meeting.

The Corporation does not know whom the shares registered to CDS & Co. are held for. Therefore, Beneficial Shareholders cannot be recognized by the Corporation at the Meeting. In order to ensure that their shares are voted at the Meeting, Beneficial Shareholders should carefully follow the return instructions provided by their brokers. Often, the form of proxy supplied to Beneficial Shareholders by their brokers is identical to that provided to registered shareholders, however, its purpose is limited to instructing the brokers/registered shareholder how to vote on behalf of the Beneficial Shareholder. The majority of the brokers now delegate the job of obtaining instructions from clients and voting shares according to their client's instructions to a third party such as a corporation named Broadridge Financial Solutions, Inc. ("**Broadridge**") in Canada. Such intermediary typically mails proxy instruction forms to the Beneficial Shareholders and asks Beneficial Shareholders to return these proxy instruction forms to the sender, which may be by mail, by internet or by telephone. The sender then tabulates the results of all instructions received and then votes the shares to be voted at the Meeting according to the instructions received. A Beneficial Shareholder receiving a proxy instruction form from cannot use that proxy instruction form to vote shares at the Meeting. The proxy instruction form must be returned to the sender 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 Common Shares registered in the name of his broker (or an agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the registered shareholder and vote the Common Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered shareholder, should enter their own names in the blank space on the proxy instruction form provided to them and return the same in accordance with the instructions provided, well in advance of the Meeting.

All references to shareholders in this Information Circular and the accompanying proxy and Notice are to shareholders of record unless specifically stated otherwise. Where documents are stated to be available for review or inspection, such items will be shown upon request to registered shareholders that produce proof of their identity.

Distribution of Securityholder Materials to Non-Objecting Beneficial Owners

These securityholder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Corporation (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions or form of proxy delivered to you.

Interest of Certain Persons in Matters to be Acted Upon

No person who has been a director or an officer of the Corporation at any time since the beginning of its last completed financial year or any associate of any such director or officer has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the meeting, except as disclosed in this Information Circular.

Voting Shares and Principal Shareholders

The Corporation is authorized to issue an unlimited number of common shares (the “**Common Shares**”). As of the date of this Information Circular 70,608,852 Common Shares were issued and outstanding. Each Common Share entitles the holder to one vote on all matters to come before the Meeting. No group of shareholders has the right to elect a specified number of directors nor are there cumulative or similar voting rights attached to the Common Shares of the Corporation.

The directors of the Corporation have fixed February 26th, 2021 as the record date (the “**Record Date**”) for determination of the persons entitled to receive notice of the Meeting. Shareholders of record as of the Record Date are entitled to vote their Common Shares except to the extent that they have transferred the ownership of any of their shares after the Record Date, and the transferees of those shares produce properly endorsed share certificates or otherwise establish that they own the shares, and demand, not later than ten (10) days before the Meeting, that their name be included in the shareholder list before the Meeting, in which case the transferees are entitled to vote their shares at the Meeting.

To the knowledge of the management of the Corporation, as of the date of this Information Circular, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, voting shares of the Corporation carrying more than ten percent (10%) of the voting rights attached to all shares of the Corporation.

As at the date of this Information Circular, the directors and officers of the Corporation, as a group, own beneficially, directly or indirectly, and exercise control or discretion 23.9% of the outstanding shares of the Corporation.

Statement of Executive Compensation

The purpose of this section of the Information Circular is to disclose all compensation paid, payable, awarded, granted, given otherwise provided, directly or indirectly, by the Corporation, or a subsidiary of the Corporation, to each Named Executive Officer or NEO (as defined herein) in accordance with Form 51-102F6 - *Statement of Executive Compensation* (“**Form 51-102F6**”).

Interpretation

National Instrument 51-102 - *Continuous Disclosure Obligations* (“**NI 51-102**”) defines “**Executive Officer**” to mean, for a reporting issuer, an individual who is,

- (a) the chair, vice-chair, or president;
- (b) a vice-president in charge of a principal business unit, division or function including sales, finance or production, or
- (c) performing a policy-making function in respect of the issuer. Form 51-102F6 further defines the following:
 - (i) “**Chief Executive Officer**” or “**CEO**” means each individual who served as chief executive officer of the Company or acted in a similar capacity during the most recently completed financial year;
 - (ii) “**Chief Financial Officer**” or “**CFO**” means each individual who served as chief financial officer of the Company or acted in a similar capacity during the most recently completed financial year;
 - (iii) “**Named Executive Officers**” or “**NEOs**” means the following individuals:

- A. each CEO;
- B. each CFO;
- C. each of the Company's three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers at the end of the most recently completed financial year and whose total salary and bonus exceeds \$150,000; and
- D. any additional individuals for whom disclosure would have been provided under (iii) except that the individual was not serving as an officer of the Company at the end of the most recently completed financial year end.

Unless otherwise stated, “dollars” or “\$” means Canadian dollars.

Named Executive Officers

The NEOs at the end of the most recently completed financial year-end are as follows:

- Andrew White, Chief Executive Officer;
- Brian Bobbie, Chief Operating Officer (“COO”); and
- Mark Korol, Chief Financial Officer.

Compensation Discussion and Analysis

Compensation Discussion and Analysis describes, in accordance with NI 51-102, the compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Corporation, to each NEO. Disclosure is required to be made in relation to each Named Executive Officer, being individuals who served as the Corporation's Chief Executive Officer or Chief Financial Officer and each of the Corporation's most highly compensated executive officers or those acting in a similar capacity whose total compensation exceeded \$150,000 at the end of the most recently completed financial year. This section also identifies the objectives and material elements of compensation awarded to the NEOs and the reasons for the compensation. For a complete understanding of the executive compensation program, this Compensation Discussion and Analysis should be read in conjunction with the Summary Compensation Table and other executive compensation-related disclosure included in this Information Circular.

Elements of Executive Compensation

Both fixed and variable compensation are used in conjunction to meet corporate goals and to incentivize executives. The executive compensation program consists primarily of the following elements: base salary and long-term equity incentive compensation.

Base Salaries

The base salaries of executive officers are an important part of their total compensation package and are intended to reflect their respective positions, duties and responsibilities. Base salary is a visible and stable fixed component of the compensation program. On a prospective basis, the Corporation intends to continue to evaluate the mix of base salary, short-term cash-based incentive compensation and long-term incentive compensation to appropriately align the interests of executive officers with those of shareholders.

Equity-Based Compensation

Stock options are designed to motivate executives and directors to achieve positive business results and align their interests with those of the shareholders. Participants benefit only if the market value of the Corporation's Common Shares at the time of a stock option exercise is greater than the exercise price of the stock options at the time of the relevant grant. Stock options vest in such manner as the board of directors (the "**Board of Directors**" or the "**Board**") may determine.

The following table sets forth information in respect of the Corporation's equity compensation plans under which equity securities of the Corporation are authorized for issuance, aggregated in accordance with all equity plans previously approved by the Corporation's shareholders and all equity plans not approved by the Corporation's shareholders as at September 30th, 2020.

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights (#) (a)	Weighted-average Exercise Price of Outstanding Options, Warrants and Rights (\$) (b)	Number of Securities remaining available for Future Issuance under Equity Compensation Plans (excluding securities reflected in column (a)) (#) (c)
Equity compensation plans approved by security holders	2,979,125	0.20	1,528,606
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	2,979,125	0.20	1,528,606 ⁽¹⁾⁽²⁾

Notes:

- (1) Based on the figure that is 10% of the issued and outstanding Common Shares that were available for issuance under the Existing Option Plan as at September 30th, 2020. As at such date there were 45,077,3141 Common Shares issued and outstanding.
- (2) If approved at the Meeting, the Omnibus Plan will permit such number of options to be granted equal to up to 10% of the issued and outstanding Common Shares from time to time together with 3,530,442 Common Shares (being 5% of the total issued and outstanding common shares of the Corporation at the effective date of the Omnibus Plan) available for issuance pursuant to SARs, Restricted Shares, RSUs or DSUs (as such terms are defined below).

How the Corporation Determines Compensation

The Corporation's compensation philosophy is to incent performance at all levels of the organization through, among other things, the granting of stock options, a significant component of executive compensation. There is no compensation committee (or other Board committee performing equivalent functions) for the Corporation. The Corporation's executive compensation decisions are administered by the Board as a whole. The Board has discretion to make decisions or to consult its own external advisors regarding compensation. The Board approves targeted amounts of annual incentives for each NEO at the beginning of each financial year. The targeted amounts are determined by the Board based on a number of factors, including comparable compensation of similar companies. Achievement of predetermined individual and/or corporate targets and objectives, as well as general performance in day to day corporate

activities, will trigger the award of a bonus payment to the NEO. The NEO will receive a partial or full incentive payment depending on the number of the predetermined targets met and the Board's assessment of overall performance. The determination as to whether a target has been met is ultimately made by the Board and the Board reserves the right to make positive or negative adjustments to any bonus payment if they consider them to be appropriate. The Board believes it is important to follow appropriate corporate governance practices in carrying out its responsibilities with respect to the executive compensation.

Risks Associated with Compensation Policies and Practice

As of the date of this Information Circular, the Board has not considered the implications of any risks associated with policies and practices regarding compensation for its executive officers.

Financial Instruments

As of the date of this Information Circular, the Corporation has not adopted a policy restricting its NEOs and directors from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, which are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by NEOs or directors. Prior to the date of this Information Circular, entitlement to grants of incentive options under the Existing Option Plan (as defined below) were the only equity-based security element awarded to NEOs and directors, however, with the adoption of the Omnibus Plan (as defined below) on February 25th, 2021, subject to approval of the shareholders of the Corporation and of the TSX Venture Exchange (the "**Exchange**"), SARs, Restricted Shares, the RSUs and the DSUs may be awarded from time to time to NEOs.

Omnibus Long-Term Incentive Granting Process

On February 25th, 2021, the Board adopted the Omnibus Plan. Prior to the adoption of the Omnibus Plan by the Board, the sole security-based compensation plan of the Corporation was the Existing Option Plan. The Existing Option Plan provides the Board with the ability, from time to time, in its discretion and in accordance with the requirements of the Exchange, grant to directors, senior officers, employees of and consultants to the Corporation, non-transferable options to purchase Common Shares of the Corporation, provided that the number of Common Shares reserved for issuance shall not exceed 10% of the then outstanding Common Shares. Such Options are exercisable for a period of up to 10 years from the date of grant, subject to earlier termination upon termination of the optionee's employment, upon the optionee ceasing to be an employee, senior officer, director or consultant of the Corporation or any of its subsidiaries, as applicable, or upon the optionee retiring, becoming permanently disabled or dying. Under the Existing Option Plan, the number of Common Shares of the Corporation which may be reserved for issuance thereunder may not at any time exceed 10% of the issued and outstanding Common Shares of the Corporation. No single participant under the Existing Option Plan may be granted options to purchase a number of Common Shares of the Corporation equaling more than 5% of the issued Common Shares of the Corporation in any one 12 month period unless disinterested shareholder approval is obtained. The Options issued under the Existing Option Plan are non-transferable.

The adoption of the Omnibus Plan by the Board is subject to approval of the Omnibus Plan by the shareholders of the Corporation in accordance with the policies of the Exchange. If the Omnibus Plan is approved at the Meeting and by the Exchange, no future awards will be granted under the Existing Option Plan, and the awards under the Existing Option Plan shall remain subject to the terms thereof.

The details of the Omnibus Plan are described under "*Particulars of Matters to be Acted Upon — Special Business — Approval of Omnibus Long-Term Incentive Plan*".

Summary Compensation Table

The following table sets out the annual and long term compensation for each of the NEOs during the financial year ended September 30th, 2020 for each of the Corporation's three most recently completed financial years since September 30th, 2018.

Name and Principal Position	Year Ended Sep 30	Salary(\$)	Share-based awards (\$)	Option-based awards (\$) ⁽¹⁾	Non-equity incentive plan compensation		Pension Value (\$)	All other Compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Andrew White, CEO	2020	106,732	nil	29,166	nil	nil	nil	nil	135,898
	2019	95,106	nil	34,912	nil	nil	nil	nil	130,018
	2018	85,000	nil	16,500	nil	nil	nil	nil	101,500
Mark Korol, CFO ⁽²⁾	2020	nil	nil	10,000	nil	nil	nil	39,000	49,000
Cindy Davis, Former CFO ⁽³⁾	2019	nil	nil	1,690	nil	nil	nil	24,000	25,690
	2018	nil	nil	3,300	nil	nil	nil	24,000	27,300
Brian Bobbie, COO ⁽⁴⁾	2020	140,822	nil	8,333	nil	nil	nil	nil	149,155
	2019	149,345	nil	11,643	nil	nil	nil	nil	160,988
	2018	nil	nil	nil	nil	nil	nil	nil	nil

Notes:

- (1) The amount represents the value of stock options granted to the respective NEO. The methodology used to calculate these amounts was the Black-Scholes valuation method. This is consistent with the accounting values used in the Corporation's financial statements. The dollar value within this column represents the total value ascribed to the stock options. The actual value of the options to the individual when exercised will depend on the market value of the stock at the time of exercise.
- (2) Mr. Korol was appointed as Chief Financial Officer effective April 1st, 2020.
- (3) Mrs. Davis resigned as Chief Financial Officer effective March 30th, 2020. Compensation was paid to Marrelli Support Services Inc. ("**Marrelli Co.**"), a corporation of which Mrs. Davis is a senior employee. Under the terms of the agreement, a monthly fee of \$2,000 was paid to Marrelli Co. for Mrs. Davis' services as Chief Financial Officer.
- (4) Mr. Bobbie was appointed Chief Operations Officer in February 2019.

Incentive Plan Awards

Incentive stock options to purchase Common Shares were granted to the NEOs and directors of the Corporation on January 27th, 2017, January 19th, 2018, February 7th, 2019, January 30th, 2020, and January 29th, 2021. The total number of Common Shares reserved for issuance upon the exercise of stock options under the Existing Plan cannot exceed 10% of the Common Shares of the Corporation issued and outstanding from time to time. The allocation of the option grants was approved by the Board of Directors of the Corporation.

On February 25th, 2021, the Board adopted the Omnibus Plan. If approved at the Meeting, the Omnibus Plan will permit such number of options to be granted equal to up to 10% of the issued and outstanding Common Shares from time to time together with 3,530,442 Common Shares available for issuance

pursuant to SARs, Restricted Shares, RSUs or DSUs (being 5% of the total issued and outstanding common shares of the Corporation at the effective date of the Omnibus Plan).

Outstanding share-based awards and option-based awards as at September 30th, 2020

The following table sets forth all share based and option-based awards for the NEOs as at September 30th, 2020.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised option (#)	Option exercise price	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾	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 (\$)
Andrew White, CEO	400,000	\$0.1725	August 25, 2021	nil	nil	nil	nil
	100,000	\$0.22	January 18, 2023	nil	nil	nil	nil
	350,000	\$0.20	January 28, 2024	nil	nil	nil	nil
	350,000	\$0.115	January 30, 2025	nil	nil	nil	nil
Mark Korol, CFO	160,000	\$0.075	April 1, 2025	nil	nil	nil	nil
Brian Bobbie, COO	100,000	\$0.20	January 28, 2024	nil	nil	nil	Nil
	100,000	\$0.115	January 30, 2025	nil	nil	nil	nil
Cindy Davis, Former CFO	20,000	\$0.18	January 27, 2022	nil	nil	nil	Nil
	20,000	\$0.22	January 18, 2023	nil	nil	nil	Nil
	10,000	\$0.20	January 28, 2024	nil	nil	nil	Nil

Note:

⁽¹⁾ The value of unexercised in-the-money options is calculated as the difference between the closing price of the Corporation's Common Shares on the Exchange on September 30, 2020 of \$0.11 and the underlying option exercise price, multiplied by the number of options outstanding. This value has not been, and may never be, realized by the director.

Incentive Plan Awards - Value Vested or Earned during the Financial Year

The following table sets forth all the incentive plan awards vested or earned for the NEOs as at September 30, 2020.

Name (a)	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Andrew White, CEO	29,166	nil	nil
Brian Bobbie, COO	8,333	nil	nil
Mark Korol, CFO	10,000	nil	nil

Pension Plan Benefits

The Corporation does not have any pension plans that provide for payments or benefits at, following, or in connection with retirement or provide for retirement or deferred compensation plans.

Management Contracts

The Corporation has a management contract in place for Andrew White and Brian Bobbie and has entered into an independent contractor agreement with Mark Korol. The agreement is open and the scope of the services provided thereunder can be revisited and altered at any time by management without penalty.

Termination and Change of Control Benefits

No NEO shall be provided payment under any contract agreement, plan, or arrangement following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Corporation or a change in the NEO's responsibilities.

Director Compensation

No cash compensation was paid to the directors of the Corporation in their capacity as directors during the financial year ended 2020. The directors are eligible to receive stock options to purchase Common Shares of the Corporation.

Director Compensation Table

No Compensation was paid to the non-management directors during or in respect of the year ended September 30, 2020.

Outstanding Share-based Awards and Option-Based Awards as at September 30th, 2020

The following table sets forth all share based awards for the directors as at September 30th, 2020

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 (\$) ⁽¹⁾	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 (\$)
Ian Anderson	75,000	0.18	January 27, 2022	nil	nil	nil	nil
	75,000	0.22	January 18, 2023	nil	nil	nil	nil
	50,000	0.20	January 24, 2024	nil	nil	nil	nil
	50,000	0.115	January 30, 2025	nil	nil	nil	nil
Lyle Clarke	75,000	0.18	January 27, 2022	nil	nil	nil	nil
	75,000	0.22	January 18, 2023	nil	nil	nil	nil
	50,000	0.20	January 24, 2024	nil	nil	nil	nil
	50,000	0.115	January 30, 2025	nil	nil	nil	nil
James Sbrolla	75,000	0.18	January 27, 2022	nil	nil	nil	nil
	75,000	0.22	January 18, 2023	nil	nil	nil	nil
	50,000	0.20	January 24, 2024	nil	nil	nil	nil
	50,000	0.115	January 30, 2025	nil	nil	nil	nil
William White	75,000	0.18	January 27, 2022	nil	nil	nil	nil
	75,000	0.22	January 18, 2023	nil	nil	nil	nil
	50,000	0.20	January 24, 2024	nil	nil	nil	nil

	50,000	0.115	January 30, 2025	nil	nil	nil	nil
Eric Beutel	75,000	0.18	January 27, 2022	nil	nil	nil	nil
	75,000	0.22	January 18, 2023	nil	nil	nil	nil
	50,000	0.20	January 24, 2024	nil	nil	nil	nil
	50,000	0.115	January 30, 2025	nil	nil	nil	nil
Enzo Macri	75,000	0.18	January 27, 2022	nil	nil	nil	nil
	75,000	0.22	January 18, 2023	nil	nil	nil	nil
	50,000	0.20	January 24, 2024	nil	nil	nil	nil
	50,000	0.115	January 30, 2025	nil	nil	nil	nil
Benj Gallander	50,000	0.105	July 1, 2025	nil	nil	nil	nil

Note:

(1) The value of unexercised in-the-money options is calculated as the difference between the closing price of the Corporation's Common Shares on the Exchange on September 30, 2020 of \$0.11 and the underlying option exercise price, multiplied by the number of options outstanding. This value has not been, and may never be, realized by the director.

Incentive Plan Awards - Value Vested or Earned during the Financial Year

No incentive plan awards were vested or earned during the financial year ended September 30th, 2020.

Particulars of Matters to be Acted Upon

To the knowledge of the Corporation's directors, the only matters to be placed before the Meeting are those set forth in the accompanying Notice of Meeting relating to: (i) the receipt of the Corporation's audited financial statements for the year ended September 30th, 2020 and 2019; (ii) the election of the Board of directors of the Corporation for the ensuing year; (iii) the appointment of the auditors of the Corporation for the ensuing year and to authorize the Board to fix the auditor's remuneration; (iv) to consider, and if thought fit, approve, adopt and ratify, with or without modification, the ordinary resolution of disinterested shareholders, as more particularly set forth in the Information Circular, relating to the approval of the Omnibus Plan; and (v) transacting such further and other business as may properly come before the Meeting or any adjournment or adjournments thereof.

Election of Directors

Pursuant to the Corporation's constating documents, the Board of directors may be comprised of up to ten (10) directors to be elected annually. Three current members of the Board, Messrs. Anderson, Clarke and Macri are not standing for re-election at the Meeting. Management proposes the re-election of its incumbent directors Messrs. White, Sbrolla, Gallander and Beutel, along with the appointment of Messrs. Nanos, Pellegrini and Pagel to the Board. The following table and the notes thereto state the names of all the

persons proposed to be nominated by management for election as directors, all other positions and offices with the Corporation now held by them, their principal occupations or employments, the period or periods of service as directors of the Corporation and the approximate number of voting securities of the Corporation beneficially owned, directly or indirectly, or over which control or direction is exercised by each of them as of the date hereof.

Name, Position, Residence	Principal Occupation	Year Elected or Appointed Director	Common Shares Owned or Controlled
William White ⁽¹⁾ <i>Florida, U.S.A</i>	Partner, CBW Associates (business consultants) since January, 2009. Prior thereto President, Dupont.	October 2013	651,780
Eric Beutel ⁽¹⁾ <i>Ontario, Canada</i>	Vice President, Oakwest Corporation Limited (investment holding company)	March 2014	1,385,272
James Sbrolla <i>Ontario, Canada</i>	Self-employed, Environmental Business Consultants	October 2013	5,463,911 ⁽²⁾
Benj Gallander <i>Ontario, Canada</i>	Independent Businessman	July 2020	100,000
Jane Pagel <i>Ontario, Canada</i>	Independent Director	(Director Nominee)	Nil
Nik Nanos <i>Ontario, Canada</i>	Chief Data Scientist and Founder of Nanos Research	(Director Nominee)	75,000
Paul Pellegrini <i>Ontario, Canada</i>	Founder and President of Sussex Strategy Group (Sussex),	(Director Nominee)	250,000

Notes:

(1) Indicates member of the Audit Committee.

The following are biographies of all the persons proposed to be nominated by management for election as directors of the Corporation at the Meeting:

William White - Chairman and Director:

Mr. White, currently a director of the Corporation, retired as the President of DuPont Canada in 2008 after 34 years with the El duPont de Nemours and Company. He joined Woodland Biofuels as COO in 2012. He is a director with Thermal Energy Corp. He was a past Chairman and director of Afexa Life Sciences, Helix BioPharma Corp. and director with Progressive Waste Management Solutions. He chairs the advisory board for the Schulich Center of Excellence for Responsible Business, a director with BioIndustrial Innovation Canada and a past Director of MaRS Discovery District. He received his Institute of Corporate

Directors (ICD.D) certification in 2012. He is a graduate of Purdue University with a BSME where he chairs the Advisory Board of Mechanical Engineering

Eric Beutel – Director:

Eric Beutel, currently a director of the Corporation, is Vice President of Oakwest Corporation Limited, a Toronto based investment holding company. Eric is currently a director of The Equitable Group (EQB-T), the parent company of The Equitable Bank. Eric is also a board member of In-Touch Survey Systems (INX-V). Mr. Beutel has been in the investment industry for over thirty years. He holds an MBA degree from the University of Ottawa.

James Sbrolla – Director:

James Sbrolla, currently a director of the Corporation, is a veteran of the financial and environmental industries. His career has been focused primarily on public and private companies in the clean-technology sector. He is Chairman of Environmental Business Consultant and serves on other boards including Actual Media and HR Logic. James is also an Entrepreneur in Residence in the Business Accelerator Program at RIC Centre and MaRS. In this mentorship role, he coaches entrepreneurs and technology developers through the process of commercialization. He also is a qualified expert for the Investment Accelerator Fund and sits on the Ontario Centres of Excellence funding panel as a Cleantech domain expert. He has conducted due diligence for institutional investors and other organizations. A widely-published and often quoted journalist in business media, James has written on a variety of topics including a multi-national study on finance, the environment and sustainable development. James is a graduate of the University of Western Ontario and Wilfrid Laurier University (“WLU”) and in 2011 graduated from the Institute of Corporate Director’s Program at the Rotman School of Business at the University of Toronto. He is also past faculty at WLU.

Benj Gallander – Director:

Benj Gallander, currently a director of the Corporation, has been the President of Gal-Stad Investments since 1995. It is the home of the Contra the Heard Investment Letter, which has amongst the highest stock market returns in North America. He writes for The Globe and Mail and various other publications and has been a regular on BNN’s Market Call and CBC’s On the Money. He is the author of three best-selling books and six of his plays have reached the stage. Benj is also the founder of the SummerWorks Theatre Festival, now in its 31st year and is a regular speaker at various events. He is on the BOD of Datametrex (Venture) and has traveled to over 35 countries, including a stint with the Centre for International Studies and Cooperation doing anti-poverty work in Nepal; teaching in Czechoslovakia soon after the Velvet Revolution and working in Israel and France. He graduated with a BA from The University of Western Ontario, and an MBA from Dalhousie University in international business and marketing. He also attended Laval University and the Université de Savior in Chambéry, France. The latter resulted in a smattering of French and good eating.

Jane Pagel – Board Nominee:

Jane Pagel has held executive roles in both government and industry and has served on a number of public and private boards, including BluMetric Environmental Inc., Walker Industries, Kleinschmidt Associates and Sustainable Development Technology Canada. She was also interim President and CEO of Sustainable Development Technology Canada (SDTC) from June 2014 - June 2015. Prior to that Jane was President and CEO of the Ontario Clean Water Agency (OCWA) from 2010 until her retirement in 2014. OCWA provided water/wastewater services to municipalities, First Nations and businesses through more than 800 treatment facilities. Prior industry positions included Principal, Government and Industrial Relations at Stantec; Senior Vice President and Principal at Jacques Whitford, at the time one of Canada’s largest private consulting engineering, environmental and earth sciences firms; Vice President Government Relations at Philip Services; and President of Zenon Environmental Laboratories. Ms. Pagel also held senior positions at the Ministry of the Environment including Director of Research and Technology. She is a graduate of the Institute of Corporate Director’s Program at the Roman School of Business at the University of Toronto and her early degrees at U of T were in microbiology.

Nik Nanos – Board Nominee:

Nik Nanos is the Chief Data Scientist and Founder of Nanos Research which is one of Canada's top research organizations. For over 30 years he has provided strategic counsel and business advice to a diversity of organizations ranging from Staples Business Depot through to Bell Canada and SaskPower. He is a recognized expert in corporate expansions, marketing and reputation management and has significant experience in environmental and energy issues. Nik is the Chair of the Advisory Committee of the University of Ottawa's Positive Energy Initiative, a Global Fellow at the Woodrow Wilson International Center for Scholars in Washington DC specializing in Canada-US energy/environmental policy and a research professor at the State University of New York in Buffalo. Nik also recently completed his term as the Chair of the Board of Governors of Carleton University in Ottawa. Nik has studied at both Queen's University in Canada and Nottingham University in the UK. He holds a BA (Honors) and a Master of Business Administration from Queen's University. His academic studies also include PhD level research at the University of Nottingham. Professionally, Nik is a Certified Management Consultant, a Certified Analytics and Insights Professional and a Fellow of the Canadian Research and Insights Council.

Paul Pellegrini – Board Nominee

Paul Pellegrini is the Founder and President of Sussex Strategy Group (Sussex), Canada's leading government relations, strategic communications, and digital firm with a highly regarded energy and environmental affairs practice. Paul founded Sussex in 1998 after offering his expertise in issues management, crisis communications and stakeholder relations to the Ontario provincial and then Canadian federal government. This included roles at Queen's Park and in Ottawa serving as Executive Assistant and Senior Advisor to ministers. Paul currently serves on the Campaign Cabinet for the new Cortellucci Vaughan Hospital, providing fundraising support for its \$250-million capital campaign project. Previously, he was on the Board of Directors for Lombardi Media Corporation, a publicly traded company, and has served as Chair of the Board for Columbus Centre of Toronto and Reach for the Rainbow, an organization that develops integrated opportunities for children and young adults with disabilities across Ontario. Paul is recognized as an active and valuable community leader advocating for numerous non-profit and charitable causes. Paul graduated from York University with an Honours in Public Policy and Administration and is also a Queen's Jubilee Award recipient.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE ELECTION OF THE ABOVE-NAMED NOMINEES, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT THE SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF. MANAGEMENT HAS NO REASON TO BELIEVE THAT ANY OF THE NOMINEES WILL BE UNABLE TO SERVE AS A DIRECTOR BUT, IF A NOMINEE IS FOR ANY REASON UNAVAILABLE TO SERVE AS A DIRECTOR, PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE REMAINING NOMINEES AND MAY BE VOTED FOR A SUBSTITUTE NOMINEE UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF THE ELECTION OF DIRECTORS.

To the knowledge of the Corporation no director of the Corporation (a) is, as at the date of this Information Circular, or has been, within ten (10) years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company, including the Corporation, that, (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was issued while the director was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer, (b) is, as at the date of this Information Circular, or has been within 10 years before the date of this Information Circular, a director or executive officer of any company, including the Corporation, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, state the fact; or (c) has, within the ten (10) years before the date of this

Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director.

Audited Financial Statements

The financial statements for the financial year ended September 30th, 2020 and 2019 and the report of the auditors thereon previously made available to shareholders and posted on SEDAR at www.sedar.com will be submitted to the meeting of shareholders. Receipt at such meeting of the auditors' report and the Corporation's financial statements for this financial period will not constitute approval or disapproval of any matters referred to therein.

Appointment of Auditors

Shareholders are being asked to re-appoint DMCL LLP to act as auditors of the Corporation until the next annual meeting of shareholders and to authorize the Board of directors of the Corporation to fix the remuneration of the auditor. DMCL LLP were first appointed as auditors for the Corporation on December 12th, 2018.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPOINTMENT OF DMCL LLP, AS AUDITORS OF THE CORPORATION TO HOLD OFFICE UNTIL THE NEXT ANNUAL MEETING OF SHAREHOLDERS AND THE AUTHORIZATION OF THE DIRECTORS TO FIX THE AUDITORS' REMUNERATION UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF THE APPOINTMENT OF DMCL LLP.

Special Business

APPROVAL OF OMNIBUS LONG-TERM INCENTIVE PLAN

Effective February 25th, 2021, the Board adopted a new omnibus long-term incentive plan for the Corporation (the "**Omnibus Plan**"). Prior to the adoption of the Omnibus Plan by the Board, the sole security-based compensation plan of the Corporation was its existing stock option plan (the "**Existing Option Plan**"), pursuant to which the Board was able to grant stock options ("**Options**") to directors, officers, employees of and consultants to the Corporation. With the growth of the Corporation's business subsequent to adoption of the Existing Option Plan, the Board determined it was in the best interests of the Corporation to adopt a new security-based compensation plan which would provide the Board with the ability and flexibility to make broader and different forms of equity rewards as part of its need to retain a competitive compensation structure for its directors, officers, executives, employees, consultants and service providers.

Consequently, the Board adopted the Omnibus Plan as a means to grant Options, restricted shares ("**Restricted Shares**"), restricted share units ("**RSUs**"), deferred share units ("**DSUs**"), share appreciation rights ("**SARs**", and together with the Options, the Restricted Shares, the RSUs and the DSUs, the "**Awards**") to directors, officers, senior executives and other employees of the Corporation or a subsidiary, consultants and service providers providing ongoing services to the Corporation and its affiliates ("**Eligible Participants**", and when such Eligible Participants are granted Awards, the "**Participants**") in order to attract, retain and motivate such persons as individuals whose skills, performance and loyalty to the objectives and interests of the Corporation are necessary to the Corporation's success, to incentivize them to continue their services for the Corporation, and to align their interests with those of the Corporation.

A complete copy of the Omnibus Plan is set out in Schedule "A" of this Information Circular, and a summary of the material provisions of the Omnibus Plan is set out below.

The adoption of the Omnibus Plan by the Board is subject to approval of the Omnibus Plan by the disinterested shareholders of the Corporation. In accordance with the policies of the Exchange, the approval of the Omnibus Incentive Plan will require disinterested common shareholder approval, being the approval of a majority of the votes cast by common shareholders at the Meeting excluding Insiders and their Associates. An "Insider" includes all directors and senior officers of the Corporation and its subsidiaries and any person who beneficially owns or controls, directly or indirectly, more than 10% of the issued and outstanding Common Shares; and "Associates" includes an individual's spouse, children and any relative who lives in the same residence as such person. As of the date of this Circular, "Insiders" and "Associates" thereof hold an aggregate of 16,892,986 Common Shares, representing 23.9% of the issued and outstanding Common Shares of the Corporation, which shares will be excluded for the purposes of determining whether the Omnibus Plan is approved.

As a result and assuming such approval of the disinterested shareholders of the Corporation is obtained at the Meeting and the approval of the Exchange, no future awards will be granted under the Existing Option Plan, and the awards under the Existing Option Plan shall remain subject to the terms thereof.

Summary of the Omnibus Plan

The following is a summary of the material provisions of the Omnibus Plan:

<i>Adjustments</i>	The Omnibus Plan may be adjusted if certain changes are made to the Corporation's capitalization (e.g. subdivision, consolidation or reclassification of or a distribution of assets on (other than an ordinary course dividend) the Corporation's Common Shares) in order to preclude a dilution or enlargement of the benefits due to Participants under the Omnibus Plan.
<i>Administration</i>	The Omnibus Plan is administered and interpreted by the Board. The Board may decide by resolution to appoint a committee of at least three members to administer and interpret the Omnibus Plan. The Board and the committee may also delegate to one or more officers of the Corporation, or to a committee of such officers, the authority, subject to such terms and limitations as the Board or the committee may determine, to grant, cancel, modify, waive rights with respect to, alter, discontinue, suspend or terminate Awards.
<i>Amendments</i>	<p>The Board may amend the Omnibus Plan or any Award with consent of the Participants provided that the amendment shall:</p> <ul style="list-style-type: none"> • not adversely alter or impair any Award previously granted; • be subject to any regulatory approvals; • be subject to the approval of the Corporation's shareholders, where required, provided that the approval of the Corporation's shareholders is not required for the following amendments and the Board may make any changes which may include but are not limited to: (i) amendments of a "housekeeping" nature; (ii) a change to the vesting provisions of any Award; and (iii) a change or amendments required by the Exchange. <p>The Board needs the approval of the Corporation's disinterested shareholders to make the following amendments:</p> <ul style="list-style-type: none"> • any change to the maximum number of Common Shares of the Corporation issuable under the Omnibus Plan, except any increase due to an adjustment or due to the evergreen provisions of the Omnibus Plan; • any amendment that reduces the exercise price of an Award granted to an insider;

	<ul style="list-style-type: none"> • any amendment that extends the expiry date of an Award; • amend the limitations on the maximum number of Common Shares of the Corporation reserved or issued to insiders under the Omnibus Plan; • any amendment that changes the Eligible Participants, including a change that would have the potential to broaden the participation by insiders; and • any amendment to the amendment provisions of the Omnibus Plan. <p>Common Shares held directly or indirectly by insiders that may benefit from certain amendments shall be excluded from voting when obtaining approval of the holders of the Corporation's Common Shares.</p>
<i>Assignability</i>	Awards granted under the Omnibus Plan are non-transferrable or assignable, other than in the event of death of the holder.
<i>Black-out Period</i>	If the expiration date of an Option or SAR falls within a black-out period or within the 10 business days following the end of the black-out period, then the expiration of the Option or SAR is extended to the 10th business day following the end of the black-out period.
<i>Cessation</i>	<p>Cessation for any reason other than cause or death or disability — Forfeiture of all unvested Awards. All vested Awards as of the termination date shall: (i) in the case of a DSU or RSU, be settled in accordance with the terms of the Omnibus Plan; and (ii) in the case of an Option or SAR, be exercised in accordance with the terms of the Omnibus Plan, at any time during the period that terminates on the earlier of: (A) the Option's or SAR's expiry date, and (B) the 90th day after the termination date. Any Option or SAR that remain unexercised shall be immediately forfeited upon the termination of such period.</p> <p>Termination for cause — Forfeiture of all vested and unvested Awards.</p> <p>Death or disability of a Participant — Acceleration of vesting of all unvested Awards and (i) in the case of a DSU or RSU, be settled in accordance with the terms of the Omnibus Plan; and (ii) in the case of an Option or SAR, be exercised in accordance with the terms of the Omnibus Plan, at any time during the period that terminates on the earlier of: (A) the Option's or SAR's expiry date, and (B) the first anniversary of the date of the death or disability of the Participant. Any Option or SAR that remain unexercised shall be immediately forfeited upon the termination of such period.</p> <p>Restricted Shares — Upon a Participant ceasing to be an Eligible Participant for any reason, any Restricted Shares that have not vested at such time shall automatically be deemed to have been reacquired by the Corporation.</p>
<i>Change of Control</i>	<p>In the event of a "Change in Control", a reorganization of the Corporation, an amalgamation of the Corporation, an arrangement involving the Corporation, a take-over bid (as that term is defined in the Securities Act (Ontario)) for all of the Corporation's Common Shares or the sale or disposition of all or substantially all of the property and assets of the Corporation, the Board may make such provision for the protection of the rights of the Participants as the Board in its discretion considers appropriate in the circumstances.</p> <p>"Change in Control" means an event whereby (i) any person becomes the beneficial owner, directly or indirectly, of 50% or more of either the issued and outstanding Corporation's Common Shares or the combined voting power of the Corporation's then outstanding voting securities entitled to vote generally; (ii) any</p>

	<p>person acquires, directly or indirectly, securities of the Corporation to which is attached the right to elect the majority of the directors of the Corporation; or (iii) the Corporation undergoes a liquidation or dissolution or sells all or substantially all of its assets.</p>
<i>Eligibility</i>	The persons eligible to receive Awards are the Eligible Participants.
<i>Financial Assistance</i>	The Omnibus Plan does not contain any form of financial assistance.
<i>Market Appreciation/Dividend Payment</i>	The Omnibus Plan contemplates the award of SARs. In addition, a holder of DSUs is entitled to receive additional DSUs (or fractions thereof) when dividends are declared and paid on the Corporation's Common Shares. The additional DSUs are based on (i) the actual amount of dividends that would have been paid if the Participant had held Common Shares of the Corporation under the Omnibus Plan on the applicable record date divided by (ii) the Market Value on the date on which the dividends on the Corporation's Common Shares are payable.
<i>Market Value as of Grant</i>	<p>Restricted Shares — Restrictions and conditions on the disposition of Restricted Shares that are granted are determined by the Board at the time of grant.</p> <p>Options — The option price for the Corporation's Common Shares that are the subject of any Option shall be determined by the Board at the time the Option is granted, but may not be less than the "Discounted Market Price" (as defined in the Policies of the Exchange) of the Corporation's Common Shares at the time of grant.</p> <p>DSUs — Each Eligible Participant may elect, subject to acceptance by the Corporation, in its sole discretion, once each calendar year, to be paid a percentage of his or her annual retainer in the form of DSUs. The number of DSUs an Eligible Participant is entitled to receive is calculated by taking (i) the percentage elected by the Eligible Participant and ultimately accepted by the Corporation, (ii) multiplying that percentage by the Eligible Participant's annual retainer, and then (iii) dividing that product by the Market Value.</p> <p>RSUs — The purchase price of an RSU is determined by the Board and may be zero.</p> <p>SARs — The exercise price of a SAR shall be fixed by the Board, but may not be less than the Market Value at the time of grant. Upon exercise, the holder is entitled to receive Common Shares or the cash equivalent thereof having a value equal to the excess of (i) the Market Value of one Common share on the date of exercise over (ii) the grant price of the right on the date of grant, as specified by the Board, which shall not be less than the Market Value of one Common share on such date of grant, multiplied by the number of Common Shares with respect to which the SAR shall have been exercised.</p> <p>"Market Value" means at any date when the Market Value of the Corporation's Common Shares is to be determined, the volume weighted average trading price of the Common Shares on the five trading days prior to the date of grant, calculated by dividing the total value by the total volume of Common Shares traded for the five trading days prior to the date of grant on the principal stock exchange on which the Corporation's Common Shares are listed, or if the Corporation's Common Shares are not listed on any stock exchange, the value as is determined solely by the Board, acting reasonably and in good faith.</p>

<p><i>Participation Limits</i></p>	<p>The aggregate number of Common Shares of the Corporation (i) issued to insiders under the Omnibus Plan together with any other security-based compensation arrangement of the Corporation, including the Existing Option Plan, within any one year period and (ii) issuable to insiders at any time under the Omnibus Plan together with any other security-based compensation arrangement, including the Existing Option Plan, shall in each case not exceed 10% of the issued and outstanding Common Shares of the Corporation.</p>
<p><i>Reserve Maximum and Current Reserve</i></p>	<p>Options — The total number of Common Shares reserved and available for grant and issuance pursuant to Options shall not exceed a number of Common Shares equal to 10% of the total issued and outstanding Common Shares at the time of granting of Options (on a non-diluted basis). This means any increase in the issued and outstanding Common Shares (whether as a result of exercise of Awards or otherwise) will result in an increase in the number of Common Shares reserved and available for grant and issuance pursuant to Options and the exercise of any granted Options will make new grants available under the Omnibus Plan.</p> <p>Other Awards — The total number of Common Shares available for issuance from treasury under the Omnibus Plan pursuant to SARs, Restricted Shares, RSUs or DSUs will be fixed at 3,530,442 Common Shares (being 5% of the total issued and outstanding common shares of the Corporation at the effective date of the Omnibus Plan).</p> <p>Current Reserve — As at the date of this Information Circular, the Corporation had 70,608,852 Common Shares issued and outstanding. Consequently, as of the date of this Circular, 7,060,885 Common Shares are available to be reserved for issuance pursuant to Options under the Omnibus Plan together with the Existing Option Plan, which represents 10% of the issued and outstanding Common Shares of the Corporation as at the date hereof. As at the date of this Information Circular, there were a total of 5,207,125 Options outstanding under the Existing Option Plan, leaving a total of 1,853,760 Common Shares remaining available for issuance pursuant to Options under the Omnibus Plan.</p>
<p><i>Term</i></p>	<p>Restricted Shares — Determined by the Board.</p> <p>Options — The Board shall determine the period in which an Option is exercisable. An Option cannot expire later than 10 years from the date it is granted.</p> <p>DSUs — A Participant may redeem his or her DSUs up to the 120th calendar day after the date of his or her termination.</p> <p>RSUs — The Board shall determine the Restricted Period, provided such Restricted Period cannot expire later than December 31 of the year that is three years after the calendar year in which the grant of RSUs was made.</p> <p>SARs — The Board shall determine the period during which a SAR is exercisable, provided such period cannot expire more than 10 years from the date the SAR was granted.</p>
<p><i>Exchange Limits</i></p>	<ul style="list-style-type: none"> • The total number of Common Shares which may be reserved for issuance pursuant to Options to any one Eligible Participant under the Omnibus Plan shall not exceed 5% of the issued and outstanding Common Shares of the Corporation on the grant date or within any 12 month period (in each case on a non-diluted basis).

	<ul style="list-style-type: none"> • The total number of Common Shares which may be reserved for issuance pursuant to SARs, Restricted Shares, RSUs or DSUs to any one Eligible Participant under the Omnibus Plan shall not exceed 5% of the issued and outstanding Common Shares of the Corporation on the grant date or within any 12 month period (in each case on a non-diluted basis). • The aggregate number of Options to any one Eligible Participant that is a consultant of the Corporation in any 12 month period must not exceed 2% of the issued Common Shares of the Corporation calculated at the first such grant date. • The aggregate number of Options to all persons retained to provide investor relations activities must not exceed 2% of the issued Common Shares of the Corporation in any 12 month period calculated at the first such grant date (and including any Eligible Participant that performs investor relations activities and/or whose role or duties primarily consist of investor relations activities). • Options granted to any person retained to provide investor relations activities must vest in a period of not less than 12 months from the date of grant of the Award and with no more than 25% of the Options vesting in any three month period notwithstanding any other provision of the Omnibus Plan.
<p><i>Vesting</i></p>	<p>Restricted Shares — The Omnibus Plan does not contemplate any required vesting of the Restricted Shares. Restrictions and conditions on the disposition of Restricted Shares are determined by the Board at the time of grant.</p> <p>Options — The Board shall, from time to time by resolution, determine the vesting provisions of the Options.</p> <p>DSUs — The Board may, at the time of grant, make DSUs subject to restrictions and conditions (i.e. continuing employment or achievement of pre-established performance goals). DSUs are exercisable immediately following the date a Participant resigns or is terminated.</p> <p>RSUs — The relevant conditions and vesting provisions of a RSU are determined by the Board (including the performance period and criteria, if any). In making its determination regarding the vesting requirements applicable to any RSUs, the Board shall ensure that such requirements are not considered a "salary deferral arrangement" for purposes of applicable legislation. The Board also sets a date upon which it is determined whether the vesting conditions with respect to RSUs have been met (the "RSU Vesting Determination Date"). This then establishes the number of RSUs that become vested. The RSU Vesting Determination Date cannot fall outside the period (the "Restricted Period") that ends on December 31 of the year that is three years after the calendar year in which the grant of RSUs was made. Any RSU that remains unvested on the RSU Vesting Determination or at the end of the Restricted Period, whichever is earlier, is cancelled.</p> <p>SARs — The relevant conditions and vesting provisions of a SAR are determined by the Board (including the performance period and criteria, if any).</p>

Management recommends the approval of the Omnibus Plan. To be effective, the Omnibus Plan must be approved by not less than a majority of the votes cast by the disinterested holders of the Corporation's Common Shares present in person, or represented by proxy, at the Meeting.

UNLESS OTHERWISE INDICATED, THE PERSONS DESIGNATED AS PROXY HOLDERS IN THE ACCOMPANYING FORM OF PROXY WILL VOTE THE COMMON SHARES REPRESENTED BY SUCH FORM OF PROXY, PROPERLY EXECUTED, FOR THE APPROVAL OF THE OMNIBUS PLAN.

Accordingly, the disinterested shareholders of the Corporation will be asked to consider and, if deemed appropriate, to pass with or without variation, an ordinary resolution, subject to such amendments, variations or additions as may be approved at the Meeting, to approve the Omnibus Plan attached to this Information Circular as Schedule "A". The text of the resolution is:

"BE IT RESOLVED as an ordinary resolution that:

- (a) the omnibus long-term incentive plan of Char Technologies Ltd. (the "**Corporation**") substantially in the form as attached as Schedule "A" to the management information circular of the Corporation dated February 26th, 2021, (the "**Omnibus Plan**") with such other conforming changes as the board of directors of the Corporation considers necessary or appropriate, is hereby ratified, confirmed and approved;
- (b) the reservation for issuance from treasury pursuant to options under the Omnibus Plan and under any other security based compensation arrangements adopted by the Corporation of up to 10% of the issued and outstanding Common Shares of the Corporation from time to time is hereby ratified, confirmed and approved;
- (c) the reservation for issuance from treasury under the Omnibus Plan pursuant to share appreciation rights, restricted shares, restricted share units and deferred share units of 3,530,442 Common Shares is hereby ratified, confirmed and approved;
- (d) the form of the Omnibus Plan may be amended in order to satisfy the requirements or requests of any regulatory authority or stock exchange without requiring further approval of the shareholders;
- (e) the shareholders of the Corporation hereby expressly authorize the board of directors of the Corporation, in its discretion, to revoke this resolution before it is acted upon without requiring further approval of the shareholders in that regard; and
- (f) any one (or more) director or officer of the Corporation is authorized and directed, on behalf of the Corporation, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to this ordinary resolution."

In order to be passed, the above ordinary resolution must be approved by a majority of the aggregate votes cast by the disinterested holders of Common Shares of the Corporation at the Meeting. **Management recommends that the Corporation's shareholders vote "FOR" the above resolution.**

Audit Committee

National Instrument 52-110 – *Audit Committees* ("**NI 52-110**") requires that certain information regarding the audit committee of a "venture issuer" (as that term is defined in NI 52-110) be included in this Information Circular sent to shareholders in connection with this annual Meeting.

Audit Committee Charter

The Corporation's Audit Committee is governed by an audit committee charter (the "**Audit Committee Charter**"). A copy of the Audit Committee Charter is attached to this Information Circular as Schedule "B".

Composition of the Audit Committee

The current members of the Audit Committee are William White and Eric Beutel. Each member is "independent" and each member is "financially literate" within the meaning of NI 52-110.

Relevant Education and Experience

Each Audit Committee member has education and experience that is relevant to the performance of his responsibilities as an Audit Committee member. The education or experience of each member provides them with:

- (a) an understanding of the accounting principles used by the Corporation to prepare its financial statements;
- (b) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
- (c) 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
- (d) an understanding of internal controls and procedures for financial reporting.

A description of each Audit Committee member's education and experience is provided in the "Election of Directors" section of this Information Circular.

Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year was a recommendation by the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Pre-Approval Policies and Procedures

The Audit Committee must, prior to the provision of services, approve any non-audit services to be provided to the Corporation and/or any of its subsidiaries by the independent auditor of the Corporation and the fees associated with those services.

Audit Fees

The following table provides detail in respect of audit, audit related, tax and other fees paid by the Corporation to the external auditors for professional services provided to the Corporation and its subsidiaries:

	Year ended September 30 th , 2020	Year ended September 30 th , 2019
Audit fees paid	\$55,000	\$50,000
Audit-related fees	\$4,800	\$14,000
Tax fees	\$7,500	\$7,500
Other fees	\$671	\$5,638

Audit Fees: Audit fees were paid for professional services rendered by the auditors for the audit of the Corporation's annual financial statements as well as services provided in connection with statutory and regulatory filings.

Audit-Related Fees: Audit-related fees were paid for professional services rendered by the auditors and were comprised primarily of the review of quarterly financial statements and prospectus-related services.

Tax Fees: Tax fees were paid for tax compliance, tax advice and tax planning professional services. These services included reviewing tax returns and assisting in responses to government tax authorities.

All Other Fees: Fees such as those payable for professional services which include accounting advice and advice related to relocating employees.

Exemption

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

Corporate Governance

The Corporation's disclosure of corporate governance practices pursuant to National Instrument 58-101 – *Disclosure of Corporate Governance Practices ("NI 58-101")* is set out below in the form required by Form 58-101F2 – *Corporate Governance Disclosure (Venture Issuers)*.

Board of Directors

The Board of Directors is responsible for the stewardship of the Corporation and for the supervision of management to protect shareholder interests. The Board oversees the development of the Corporation's strategic plan and the ability of management to continue to deliver on the corporate objectives.

The Board is currently composed of seven (7) directors. Three current members of the Board, Messrs. Anderson, Clarke and Macri are not standing for re-election at the Meeting. Management proposes the re-election of its incumbent directors Messrs. White, Sbrolla, Gallander and Beutel, along with the appointment of Messrs. Nanos, Pellegrini and Pagel to the Board. The Board believes that six (6) directors are independent directors, being all of the directors other than Mr. Sbrolla. The Corporation does not have any

shareholder who qualifies as a “significant shareholder”, being a shareholder with the ability to exercise a majority of the votes for the election of the Board.

Directorships

The following directors are also directors of the reporting issuers listed below:

Director or Proposed Nominee	Reporting Issuer	Exchange
Eric Beutel ⁽¹⁾	In-Touch Insight	TSXV
	Equitable Group Inc.	TSX
William White ⁽¹⁾	Thermal Energy Corp.	TSXV
	Biorem Inc.	TSXV
Benj Gallander	Datametrex AI Limited	TSXV
Jane Pagel	BluMetric Environmental Inc.	TSXV

Notes:

⁽¹⁾ Members of the Audit Committee.

Orientation and Continuing Education

The Corporation does not have an orientation and education program for new Board members. Prospective Board members are invited to the Corporation’s annual general meeting, and the presentation and discussion of the Corporation’s business thereat provides a sufficient overview of the Corporation’s risk factors and strategic objectives.

Ethical Business Conduct

The entire Board is responsible for developing the Corporation’s approach to governance issues. The Board has reviewed this Corporate Governance disclosure and concurs that it accurately reflects the Corporation’s activities.

Nomination of Directors

The entire Board is responsible for proposing new nominees to the Board. They select individuals with the desired background and qualifications, taking into account the needs of the Board at the time. A majority of directors must agree to any new nominees to encourage an objective nomination process.

Compensation

The Corporation’s executive compensation decisions are administered by the Board as a whole. The Board has discretion to make decisions or to consult its own external advisors regarding compensation. The Board approves targeted amounts of annual incentives for each NEO at the beginning of each financial year. The targeted amounts are determined by the Board based on a number of factors, including comparable compensation of similar companies. Achievement of predetermined individual and/or corporate targets and objectives, as well as general performance in day to day corporate activities, will trigger the award of a bonus payment to the NEO. The NEO will receive a partial or full incentive payment depending on the number of the predetermined targets met and the Board’s assessment of overall performance. The determination as to whether a target has been met is ultimately made by the Board and the Board reserves the right to make positive or negative adjustments to any bonus payment if they consider them to be appropriate.

Other Board Committees

The Corporation has no other committees other than the Audit Committee.

Assessments

The Board does not feel it is necessary to establish a committee to assess the effectiveness of individual Board members. Each Board member has considerable experience in the guidance and management of public companies and this is sufficient to meet the current needs of the Corporation.

Indebtedness of Directors and Officers

There is not as of the date hereof, and has not been since the beginning of the Corporation's last completed financial year, any indebtedness owing to the Corporation by the directors and senior officers of the Corporation or any of their associates or affiliates. There is not as of the date hereof, and has not been since the beginning of the Corporation's last completed financial year, any indebtedness owed to another entity, which is subject to a guarantee, support agreement, letter of credit, other similar arrangements or understanding provided by the Corporation or any of its subsidiaries.

Interest of Informed Persons in Material Transactions

Other than as disclosed in this Information Circular, no "informed person" (as such term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations*) of the Corporation or any associate or affiliate of the foregoing has any material interest, direct or indirect, in any transaction in which the Corporation has participated since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or will materially affect the Corporation.

Other Business

Management is not aware of any matters to come before the meeting other than those set out in the Notice of Meeting. If other matters come before the Meeting it is the intention of the individuals indicated in the form of proxy to vote the same in accordance with their best judgment in such matters.

Additional Information

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. The Company's financial information is provided in the Company's comparative financial statements and related management discussion and analysis for its most recently completed financial year and may be viewed on the SEDAR website at the location noted above. Shareholders of the Company may request copies of the Company's financial statements and related management discussion and analysis by contacting the Secretary of the Corporation at 789 Don Mills Road, Suite 403, Toronto, Ontario M3C 1T5.

Approval and Certification

The contents of this Information Circular, and the sending thereof to each director of the Corporation, to the auditor of the Corporation, to the shareholders of the Corporation, and to the appropriate governmental agencies have been approved by the directors of the Corporation.

DATED at the City of Toronto, in the Province of Ontario, this 26th day of February, 2021.

CHAR TECHNOLOGIES LTD.

“Andrew White”

Andrew White
Chief Executive Officer

SCHEDULE A

CHAR TECHNOLOGIES LTD. OMNIBUS LONG-TERM INCENTIVE PLAN

Char Technologies Ltd. (the “**Corporation**”) previously established a stock option plan which was first adopted by the directors of the Corporation on November 13, 2013, amended December 3, 2013 and made effective after the Corporation’s initial public offering on January 7, 2014 (the “**Prior Plan**”). The Prior Plan was most recently approved by the shareholders of the Corporation on November 25, 2020. In order to advance the interests of the Corporation and its stockholders and for the purposes described in Section 2.1 below, the Board of Directors of the Corporation (the “**Board**”) has authorized the establishment of the Char Technologies Ltd. Omnibus Long-Term Incentive Plan, effective February 25th, 2021, subject to the approval of the Corporation’s disinterested shareholders, the TSXV (as defined below) and any other applicable regulatory authorities (the “**Plan**”). If the Plan is approved by the Company’s disinterested shareholders at the shareholders’ meeting on March 30, 2021, or any adjournment thereof, no future awards will be granted under the Prior Plan, and the awards granted under the Prior Plan shall remain subject to the terms of the Prior Plan.

ARTICLE 1 — DEFINITIONS

Section 1.1 Definitions.

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

“**Account**” means an account maintained for each Participant on the books of the Corporation which will be credited with Awards, including any Dividend Equivalents, in accordance with the terms of this Plan;

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

“**Associate**”, where used to indicate a relationship with a Participant, means (i) any partner of that Participant and (ii) the spouse of that Participant and that Participant’s children, as well as that Participant’s relatives and that Participant’s spouse’s relatives, if they share that Participant’s residence;

“**Awards**” means an Option, a SAR, a Restricted Share, a RSU or a DSU granted to a Participant pursuant to the terms of the Plan;

“**Black-Out Period**” means a period of time when pursuant to any policies of the Corporation, any securities of the Corporation may not be traded by certain persons designated by the Corporation;

“**Board**” has the meaning set out in the recitals hereto;

“**Broker**” means a broker independent from the Corporation or any of its Subsidiaries who has been designated by the Corporation as the broker that will purchase Shares pursuant to the Plan and who is a member of the principal Canadian stock exchange or other public exchange on which the Shares are listed, or, if the Shares are not then listed, as selected by the Board acting in good faith;

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

“**Cash Equivalent**” means: (a) in the case of RSUs, the amount of money equal to the Market Value multiplied by the number of vested RSUs in the Participant’s Account, net of any applicable taxes in accordance with Section 10.2, on the RSU Settlement Date; and (b) in the case of SARs, the amount of

money equal to the excess of the Market Value of a Share on the effective date of the exercise of the SAR over the per share SAR Price, net of any applicable taxes in accordance with Section 10.2;

“Cause” means:

- (a) unless the applicable Grant Agreement states otherwise, with respect to any employee or Consultant: (i) if the employee or consultant is a party to an Employment Agreement or service agreement with the Corporation or its Affiliates and such agreement provides for a definition of Cause, the definition contained therein; or (ii) if no such agreement exists, or if such agreement does not define Cause, any act or omission that would entitle the Corporation to terminate the employee’s or consultant’s employment or service agreement without notice or compensation under the common law for just cause, including, without in any way limiting its meaning under the common law: (A) the failure of the employee or consultant to carry out the employee’s or consultant’s duties properly or to comply with the Corporation’s rules, policies and practices; (B) material breach of any agreement with the Corporation or an Affiliate, or a material violation of the Corporation’s or an Affiliate’s code of conduct or other written policy; (C) the indictment for or conviction of an indictable offence or any summary offence involving material dishonesty or moral turpitude; (D) material fiduciary breach with respect to the Corporation or an Affiliate; (E) fraud, embezzlement or similar conduct that results in or is reasonably likely to result in harm to the reputation or business of the Corporation or any of its Affiliates; or (F) gross negligence or willful misconduct with respect to the Corporation or an Affiliate;
- (b) with respect to any director, a determination by a majority of the disinterested Board members that the director has engaged in any of the following:
 - (i) gross misconduct or neglect;
 - (ii) willful conversion of corporate funds;
 - (iii) false or fraudulent misrepresentation inducing the director’s appointment; or
 - (iv) repeated failure to participate in Board meetings on a regular basis despite having received proper notice of the meetings in advance; and
- (c) the Board, in its sole and absolute discretion, shall determine the effect of all matters and questions relating to whether a Participant has been discharged for Cause;

“Change in Control” means an event whereby (i) any Person becomes the beneficial owner, directly or indirectly, of 50% or more of either the issued and outstanding Shares or the combined voting power of the Corporation’s then outstanding voting securities entitled to vote generally; (ii) any Person acquires, directly or indirectly, securities of the Corporation to which is attached the right to elect the majority of the directors of the Corporation; or (iii) the Corporation undergoes a liquidation or dissolution or sells all or substantially all of its assets;

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

“Corporation” means Char Technologies Ltd., a corporation existing under the *Business Corporations Act* (Ontario), and its successors from time to time;

“Disabled” or **“Disability”** means the permanent and total incapacity of a Participant as determined in accordance with procedures established by the Board for purposes of this Plan;

“Discounted Market Price” has the meaning set out in Policy 1.1 of the TSXV, subject to certain adjustments in accordance with Policy 4.4 of the TSXV;

“Dividend Equivalent” means a bookkeeping entry equivalent in value to a dividend paid on a Share credited to a Participant’s Account in accordance with Section 5.5 hereof;

“DSU” means a deferred share unit, which is a bookkeeping entry equivalent in value to a Share, credited by the Corporation to a Participant’s Account in accordance with Article 5 hereof, subject to the provisions of this Plan;

“DSU Agreement” means a written letter agreement between the Corporation and a Participant evidencing the grant of DSUs and the terms and conditions thereof;

“Eligible Participants” has the meaning ascribed thereto in Section 2.3(1) hereof;

“Employment Agreement” means, with respect to any Participant, any written employment agreement between the Corporation or an Affiliate and such Participant;

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

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

“Insider” has the meaning attributed thereto in the rules and policies of the TSXV as amended from time to time;

“Investor Relations Activities” has the meaning attributed thereto in the rules and policies of the TSXV as amended from time to time;

“Market Value” means at any date when the Market Value of Shares of the Corporation is to be determined, the volume weighted average trading price of the Shares on the five Trading Days prior to the date of grant, calculated by dividing the total value by the total volume of Shares traded for the five Trading Days prior to the date of grant on the principal stock exchange on which the Shares are listed, or if the Shares of the Corporation are not listed on any stock exchange, the value as is determined solely by the Board, acting reasonably and in good faith;

“Notice of Redemption” means the written notice by a Participant, or the administrator or liquidator of the estate of the Participant, to the Corporation of the Participant’s wish to redeem his or her DSUs for cash or Shares;

“Option” means an option granted by the Corporation to a Participant entitling such Participant to acquire a designated number and class of Shares from treasury at the Option Price, subject to the provisions of this Plan;

“Option Agreement” means a written letter agreement between the Corporation and a Participant evidencing the grant of Options and the terms and conditions thereof;

“Option Price” has the meaning ascribed thereto in Section 4.2 hereof;

“Option Term” has the meaning ascribed thereto in Section 4.4(1) hereof;

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

“Participant’s Account” means an account maintained for each Participant’s participation in DSUs and/or RSUs under the Plan;

“Performance Criteria” means criteria established by the Board which, without limitation, may include criteria based on the Participant’s personal performance and/or the financial performance of the Corporation and/or of its Affiliates, and that may be used to determine the vesting of the Awards, when applicable;

“Performance Period” means the period determined by the Board pursuant to Section 6.4 hereof;

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

“Plan” has the meaning set out in the recitals hereto;

“Prior Plan” has the meaning set out in the recitals hereto;

“Restricted Share” means a Share granted to a Participant with such restrictions and conditions upon the Participant’s disposition of such Shares as may be determined by the Board at the time of the grant and granted in accordance with Article 3 hereof, subject to the provisions of this Plan;

“Restricted Share Agreement” means a written letter agreement between the Corporation and a Participant evidencing the grant of Restricted Shares and the terms and conditions thereof;

“Restriction Period” means the period determined by the Board pursuant to Section 6.3 hereof;

“RSU” means a right awarded by the Corporation to a Participant to receive a payment in the form of Shares or the Cash Equivalent as provided in Article 6 hereof, subject to the provisions of this Plan;

“RSU Agreement” means a written letter agreement between the Corporation and a Participant evidencing the grant of RSUs and the terms and conditions thereof;

“RSU Settlement Date” has the meaning determined in Section 6.6(1)(a);

“RSU Settlement Notice” means a notice by a Participant to the Corporation electing the desired form of settlement of vested RSUs;

“RSU Vesting Determination Date” has the meaning described thereto in Section 6.5 hereof;

“SAR” means a right granted to a Participant as provided in Article 7 hereof to receive, upon exercise by the Participant, the excess of (i) the Market Value of one Share on the date of exercise over (ii) the grant price of the right on the date of grant, or if granted in connection with an outstanding Option on the date of grant of the related Option, as specified by the Board in its sole discretion, which shall not be less than the Market Value of one Share on such date of grant of the right or the related Option, as the case may be, subject to the provisions of this Plan;

“SAR Agreement” means a written letter agreement between the Corporation and a Participant evidencing the grant of SARs and the terms and conditions thereof;

“SAR Price” has the meaning ascribed thereto in Section 7.2 hereof;

“SAR Term” has the meaning ascribed thereto in Section 7.4(1) hereof;

“Share Based Compensation Arrangement” for the purposes of the Plan means any option, share option plan, share incentive plan, employee share purchase plan where the Corporation provides any financial assistance or matching mechanism, stock appreciation right or any other compensation or incentive mechanism involving the issuance or potential issuance of securities from the Corporation’s treasury,

including a share purchase from treasury which is financially assisted by the Corporation by way of a loan guarantee or otherwise, but for greater certainty does not involve compensation arrangements which do not involve the issuance or potential issuance of securities from the Corporation's treasury;

"Share" means a common share in the capital of the Corporation, or such other security of the Corporation as may be designated by the Board from time to time in substitution thereof;

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

"Successor Corporation" has the meaning ascribed thereto in Section 9.1(3) hereof;

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

"Termination Date" means (i) in the event of a Participant's resignation, the date on which such Participant ceases to be an employee of the Corporation or an Affiliate and (ii) in the event of the termination of the Participant's employment by the Corporation or an Affiliate, the effective date of the termination as specified in the notice of termination provided to the Participant by the Corporation or the Affiliate, as the case may be, and "Termination Date" specifically does not mean the date of termination of any period of reasonable notice that the Corporation or an Affiliate of the Corporation (as the case may be) may be required by law to provide to the Participant;

"Trading Day" means any day on which the TSXV is opened for trading; and

"TSXV" means the TSX Venture Exchange.

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

Section 2.1 Purpose of the Plan.

- (1) The purpose of the Plan is to permit the Corporation to grant Awards to Eligible Participants, subject to certain conditions as hereinafter set forth, for the following purposes:
 - (a) to increase the interest in the Corporation's welfare of those Eligible Participants, who share responsibility for the management, growth and protection of the business of the Corporation or an Affiliate;
 - (b) to provide an incentive to such Eligible Participants to continue their services for the Corporation or an Affiliate and to encourage such Eligible Participants whose skills, performance and loyalty to the objectives and interests of the Corporation or an Affiliate are necessary or essential to its success, image, reputation or activities;
 - (c) to reward the Participants for their performance of services while working for the Corporation or an Affiliate; and
 - (d) to provide a means through which the Corporation or an Affiliate may attract and retain able Persons to enter its employment.

Section 2.2 Implementation and Administration of the Plan.

- (1) The Plan shall be administered and interpreted by the Board or, if the Board by resolution so decides, by a committee appointed by the Board (the **"Committee"**) and consisting of not less than

three (3) members of the Board. If a Committee is appointed for this purpose, all references to the term "Board" will be deemed to be references to the Committee.

- (2) The Board or, for greater certainty, the Committee, may, from time to time, as it may deem expedient, adopt, amend and rescind rules, regulations and policies for carrying out the provisions and purposes of the Plan, subject to any applicable rules of the TSXV. Subject to the provisions of the Plan, the Board or, for greater certainty, the Committee, is authorized, in its sole discretion, to make such determinations under, and such interpretations of, and take such steps and actions in connection with, the proper administration of the Plan as it may deem necessary or advisable. The interpretation, construction and application of the Plan and any provisions hereof made by the Board or, for greater certainty, the Committee, shall be final and binding on all Eligible Participants.
- (3) No member of the Board or, for greater certainty, the Committee, shall be liable for any action or determination taken or made in good faith in the administration, interpretation, construction or application of the Plan or any Award granted hereunder.
- (4) Any determination approved by a majority of the Board or, for greater certainty, the Committee, shall be deemed to be a determination of that matter by the Board or, for greater certainty, the Committee.
- (5) Subject to the terms of this Plan and applicable law, the Board or, for greater certainty, the Committee, may delegate to one or more officers of the Corporation, or to a committee of such officers, the authority, subject to such terms and limitations as the Board or the Committee may determine, to grant, cancel, modify, waive rights with respect to, alter, discontinue, suspend or terminate Awards.

Section 2.3 Eligible Participants.

- (1) The Persons who shall be eligible to receive Awards ("**Eligible Participants**") shall be the directors, officers, senior executives and other employees of the Corporation or an Affiliate, consultants and service providers providing ongoing services to the Corporation and its Affiliates. In determining Awards to be granted under the Plan, the Board shall give due consideration to the value of each Eligible Participant's present and potential future contribution to the Corporation's success.
- (2) Participation in the Plan shall be entirely voluntary and any decision not to participate shall not affect an Eligible Participant's relationship or employment with the Corporation.
- (3) Notwithstanding any express or implied term of this Plan to the contrary, the granting of an Award pursuant to the Plan shall in no way be construed as a guarantee of employment by the Corporation to the Participant.

Section 2.4 Shares Subject to the Plan.

- (1) Subject to adjustment pursuant to provisions of Article 9 hereof, the total number of Shares reserved and available for grant and issuance pursuant to Options shall not exceed a number of Shares equal to 10% of the total issued and outstanding Shares of the Corporation at the time of granting of Options (on a non-diluted basis) or such other number as may be approved by the shareholders of the Corporation from time to time. Any increase in the issued and outstanding Shares (whether as a result of exercise of Awards or otherwise) will result in an increase in the number of Shares reserved and available for grant and issuance pursuant to Options and the exercise of any granted Options will make new grants available under the Plan.
- (2) Subject to adjustment pursuant to provisions of Article 9 hereof, the total number of Shares available for issuance from treasury under the Plan pursuant to SARs, Restricted Shares, RSUs or

DSUs will be 3,530,442 Shares (being 5% of the total issued and outstanding Shares of the Corporation at the effective date of the Plan).

- (3) Shares in respect of which an Award is granted under the Plan, but not exercised prior to the termination of such Award or not vested or delivered prior to the termination of such Award due to the expiration, termination or lapse of such Award, shall be available for Awards to be granted thereafter pursuant to the provisions of the Plan. All Shares issued pursuant to the exercise or the vesting of the Awards granted under the Plan shall be so issued as fully paid and non-assessable Shares. Notwithstanding anything herein to the contrary, any Shares forfeited, cancelled or otherwise not issued for any reason under the awards of the Prior Plan shall be available for grants under this Plan. Awards that by their terms are to be settled solely in cash shall not be counted against the number of shares of Shares available for the issuance of Awards under the Plan. Any Dividend Equivalents awarded in respect of DSUs that are satisfied by the issuance of Shares shall be counted against the number of shares of Shares available for the issuance of Awards under the Plan.

Section 2.5 Participation Limits

Subject to adjustment pursuant to provisions of Article 9 hereof, the aggregate number of Shares (i) issued to Insiders under the Plan together with any other Share Based Compensation Arrangement, including the Prior Plan, within any 12 month period and (ii) issuable to Insiders at any time under the Plan together with any other Share Based Compensation Arrangement, including the Prior Plan, shall in each case not exceed 10% of the total issued and outstanding Shares from time to time. Any Awards granted pursuant to the Plan, prior to the Participant becoming an Insider, shall be counted for the purposes of the limits set out in this Section 2.5.

Section 2.6 Additional TSXV Limits

In addition to the requirements in Section 2.4 and Section 2.5 and notwithstanding any other provision of this Plan, at all times when the Corporation is listed on the TSXV:

- (1) the total number of Shares which may be reserved for issuance pursuant to Options to any one Eligible Participant under the Plan shall not exceed 5% of the issued and outstanding Shares on the grant date or within any 12 month period (in each case on a non-diluted basis);
- (2) the total number of Shares which may be reserved for issuance pursuant to SARs, Restricted Shares, RSUs or DSUs to any one Eligible Participant under the Plan together with any other Share Based Compensation Arrangement, excluding the Options, shall not exceed 5% of the issued and outstanding Shares on the grant date or within any 12 month period (in each case on a non-diluted basis);
- (3) the aggregate number of Options to any one Eligible Participant that is a consultant of the Corporation in any 12 month period must not exceed 2% of the issued Shares calculated at the first such grant date;
- (4) the aggregate number of Options to all Persons retained to provide Investor Relations Activities must not exceed 2% of the issued Shares in any 12 month period calculated at the first such grant date (and including any Eligible Participant that performs Investor Relations Activities and/or whose role or duties primarily consist of Investor Relations Activities). For clarity and notwithstanding anything to the contrary contained herein, no SARs, Restricted Shares, RSUs or DSUs may be granted under this Plan to Persons retained to provide Investor Relations Activities; and
- (5) Options granted to any Person retained to provide Investor Relations Activities must vest in a period of not less than 12 months from the date of grant of the Award and with no more

than 25% of the Options vesting in any three month period notwithstanding any other provision of this Plan.

Section 2.7 Granting of Awards.

- (1) Any Award granted under the Plan shall be subject to the requirement that if at any time counsel to the Corporation shall determine that the listing, registration or qualification of the Shares subject to such Award, if applicable, upon any securities exchange or under any law or regulation of any jurisdiction, or the consent or approval of any securities exchange or any governmental or regulatory body, is necessary as a condition of, or in connection with, the grant or exercise of such Award or the issuance or purchase of Shares thereunder, if applicable, such Award may not be accepted or exercised in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions acceptable to the Board. Nothing herein shall be deemed to require the Corporation to apply for or to obtain such listing, registration, qualification, consent or approval.
- (2) Any Award granted under the Plan shall be subject to the requirement that the Corporation has the right to place any restriction or legend on any securities issued pursuant to this Plan.

ARTICLE 3 — RESTRICTED SHARES

Section 3.1 Nature of Restricted Shares.

A Restricted Share is a Share with such restrictions and conditions placed upon the Share's disposition by the Participant as the Board may determine at the time of grant. Conditions may be based on continuing employment (or other service relationship) and/or achievement of pre-established performance goals and objectives.

Section 3.2 Restricted Share Awards.

Subject to the provisions herein set forth and any shareholder or regulatory approval which may be required, the Board shall, from time to time by resolution, in its sole discretion, (i) designate the Eligible Participants who may receive Restricted Shares under the Plan, (ii) fix the number and class of Restricted Shares, if any, to be granted to each Eligible Participant and the date or dates on which such Restricted Shares shall be granted, and (iii) determine the restrictions and conditions applicable to such Restricted Shares, the whole subject to the terms and conditions prescribed in this Plan.

Section 3.3 Payment to Participant.

- (1) The Corporation shall, as soon as possible after the grant of Restricted Shares, cause the transfer agent and registrar of the Shares to either:
 - (a) deliver to the Participant a certificate in the name of the Participant representing in the aggregate such number of Shares as the Participant shall then be entitled to receive; or
 - (b) in the case of Restricted Shares issued in uncertificated form, cause the issuance of the aggregate number of Restricted Shares as the Participant shall then be entitled to receive to be evidenced by a book position on the register of the shareholders of the Corporation maintained by the transfer agent and registrar of the Shares.
- (2) Each certificate representing Restricted Shares shall bear the following legend, as amended to reflect the restrictions and/or conditions placed upon the Shares' disposition as the Board may determine at the time of grant:

“THE SECURITIES REPRESENTED HEREBY ARE SUBJECT TO RESTRICTIONS IN ACCORDANCE WITH THE CORPORATION’S OMNIBUS LONG-TERM INCENTIVE PLAN DATED [◆], AND A RESTRICTED SHARE AGREEMENT DATED [◆]. THE SECURITIES REPRESENTED HEREBY MAY NOT BE TRANSFERRED UNTIL [◆].”

- (3) Unless the Board shall otherwise determine,
- (a) uncertificated Restricted Shares shall be accompanied by a notation on the records of the Corporation or the transfer agent and registrar to the effect that they are subject to forfeiture until such Restricted Shares are vested as provided in Section 3.3(4) below; and
 - (b) certificated Restricted Shares shall remain in the possession of the Corporation until such Restricted Shares have vested as provided in Section 3.3(4) below,
- and the Participant shall be required, as a condition of the grant of such Restricted Shares, to deliver to the Corporation such instruments of transfer as the Board may prescribe.
- (4) The Board at the time of grant shall specify the date or dates and/or the restrictions and conditions on which the non-transferability of the Restricted Shares and the Corporation’s right of repurchase or forfeiture shall lapse. Subsequent to such date, or dates and/or the attainment of the restrictions and conditions, the Restricted Shares for which all restrictions have lapsed shall no longer be Restricted Shares and shall be deemed “vested”.

Section 3.4 Restricted Share Agreements.

The terms of the Restricted Shares shall be evidenced by a Restricted Share Agreement or included in an Employment Agreement, in such form not inconsistent with the Plan as the Board may from time to time determine, provided that the substance of Article 3 and Article 8 hereof be included therein. The Restricted Share Agreement shall contain such terms that may be considered necessary in order that the Restricted Shares will comply with any provisions respecting restricted securities in the income tax or other laws in force in any country or jurisdiction of which the Participant may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the corporation.

ARTICLE 4 — OPTIONS

Section 4.1 Nature of Options.

An Option is an option granted by the Corporation to a Participant entitling such Participant to acquire a designated number of Shares from treasury at the Option Price, subject to the provisions of this Plan.

Section 4.2 Option Awards.

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

Section 4.3 Option Price.

The Option Price for Shares that are the subject of any Option shall be fixed by the Board when such Option is granted, but shall not be less than the Discounted Market Price of such Shares at the time of the grant.

Section 4.4 Option Term.

- (1) The Board shall determine, at the time of granting the particular Option, the period during which the Option is exercisable, commencing on the date such Option is granted to the Participant and ending as specified in this Plan, or in the Option Agreement, but in no event shall an Option expire on a date which is later than 10 years from the date the Option is granted ("**Option Term**"). Unless otherwise determined by the Board, and subject to the prior approval of the TSXV, to the extent required, and a 10 year Option Term limit, all unexercised Options shall be cancelled at the expiry of such Options.
- (2) Should the expiration date for an Option fall within a Black-Out Period, such expiration date shall be automatically extended without any further act or formality to that date which is the 10th Business Day after the end of the Black-Out Period, such 10th Business Day to be considered the expiration date for such Option for all purposes under the Plan. Notwithstanding Section 9.2 hereof, the 10 Business Day-period referred to in this Section 4.4 may not be extended by the Board.

Section 4.5 Exercise of Options.

- (1) Subject to the provisions of this Plan, a Participant shall be entitled to exercise an Option granted to such Participant at any time prior to the expiry of the Option Term, subject to vesting limitations which may be imposed by the Board at the time such Option is granted.
- (2) Prior to its expiration or earlier termination in accordance with the Plan, each Option shall be exercisable as to all or such part or parts of the optioned Shares and at such time or times and/or pursuant to the achievement of such Performance Criteria and/or other vesting conditions as the Board at the time of granting the particular Option, may determine in its sole discretion. For greater certainty, no Option shall be exercised by a Participant during a Black-Out Period.

Section 4.6 Method of Exercise and Payment of Purchase Price.

- (1) Subject to the provisions of the Plan, an Option granted under the Plan shall be exercisable (from time to time as provided in Section 4.5 hereof) by the Participant (or by the liquidator, executor or administrator, as the case may be, of the estate of the Participant) by delivering a fully completed Exercise Notice to the Corporation at its registered office to the attention of the Chief Financial Officer of the Corporation (or the individual that the Chief Financial Officer of the Corporation may from time to time designate) or give notice in such other manner as the Corporation may from time to time designate, which notice shall specify the number of Shares in respect of which the Option is being exercised and shall be accompanied by full payment, by cash, cheque or bank draft of the purchase price for the number of Shares specified therein. Unless otherwise determined by the Board, the Corporation shall not offer financial assistance in regards to the exercise of an Option.
- (2) Upon the exercise of an Option, the Corporation shall, as soon as practicable after such exercise but no later than 10 Business Days following such exercise, forthwith cause the transfer agent and registrar of the Shares to either:
 - (a) deliver to the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) a certificate in the name of the Participant representing in the aggregate such number of Shares as the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall have then paid for and as are specified in such Exercise Notice; or

- (b) in the case of Shares issued in uncertificated form, cause the issuance of the aggregate number of Shares as the Participant (or the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall have then paid for and as are specified in such Exercise Notice to be evidenced by a book position on the register of the shareholders of the Corporation to be maintained by the transfer agent and registrar of the Shares.

Section 4.7 Option Agreements.

Options shall be evidenced by an Option Agreement or included in an Employment Agreement, in such form not inconsistent with the Plan as the Board may from time to time determine, provided that the substance of Article 4 and Article 8 hereof be included therein. The Option Agreement shall contain such terms that may be considered necessary in order that the Option will comply with any provisions respecting options in the income tax or other laws in force in any country or jurisdiction of which the Participant may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the corporation.

ARTICLE 5 — DEFERRED SHARE UNITS

Section 5.1 Nature of DSUs.

A DSU is an Award of phantom share units to an Eligible Participant, subject to restrictions and conditions as the Board may determine at the time of grant. Conditions may be based on continuing employment (or other service relationship) and/or achievement of pre-established performance goals and objectives.

Section 5.2 Election to Participate.

Each Eligible Participant may request, once each calendar year, to be paid a percentage of his or her annual retainer in the form of DSUs, with the balance being paid in cash. Upon receipt of notice of the Eligible Participant's request in accordance with this Section 5.2, the Board shall have the right, in its sole and absolute discretion, to accept or reject such request, in whole or in part, which acceptance or rejection shall be binding on the Eligible Participant for the applicable year. In the case of an existing Eligible Participant, the request must be completed, signed and delivered to the Corporation by the end of the fiscal year preceding the fiscal year to which such election is to apply. In the case of a new Eligible Participant, the request must be completed, signed and delivered to the Corporation as soon as possible, and, in any event, no later than 30 calendar days, after the Eligible Participant's appointment, with such election to be effective on the first day of the fiscal quarter of the Corporation next following the date of the Corporation's receipt of the election until the final day of the fiscal year of appointment. For the first year of the Plan, Eligible Participants must make such election request as soon as possible, and, in any event, no later than 30 days, after adoption of the Plan and, if accepted, the election request shall be effective on the first day of the fiscal quarter of the Corporation next following the date of the Corporation's receipt of the election until the final day of such fiscal year. If no election request is made in respect of a particular fiscal year, or if the Corporation rejects the election request in its entirety, the new or existing Eligible Participant will receive the annual retainer in cash.

Section 5.3 DSU Awards.

The number of DSUs that an Eligible Participant is entitled to receive in a fiscal year is based upon the percentage that the Eligible Participant has requested to receive, and the Corporation has accepted in respect of such request, in DSUs multiplied by the Participant's annual retainer divided by the Market Value. At the discretion of the Board, fractional DSUs will not be issued and any fractional entitlements will be rounded down to the nearest whole number.

Section 5.4 Redemption of DSUs.

- (1) Each Participant shall be entitled to redeem his or her DSUs during the period commencing on the Business Day immediately following the Termination Date and ending on the 90th day following the Termination Date by providing a written Notice of Redemption to the Corporation. In the event of death of a Participant, the Notice of Redemption shall be filed by the administrator or liquidator of the estate of the Participant. The Notice of Redemption must specify an election to receive:
 - (a) a cash payment equal to the number of DSUs credited to the Participant's Account as of the Termination Date multiplied by the Market Value on the Termination Date, net of any applicable withholding taxes; or
 - (b) Shares purchased on the Participant's behalf on the open market by a Broker; or
 - (c) a percentage of the DSUs paid out in cash and the remaining percentage of the DSUs paid out as Shares on the Participant's behalf on the open market by a Broker.

In the event a Notice of Redemption is not provided by a Participant, such Participant will be deemed to have elected to receive a cash payment as provided for in Section 5.4(1)(a). Notwithstanding anything else to the contrary contained herein, in a Notice of Redemption or in any Grant Agreement, the Board may, in its sole and absolute discretion, satisfy any DSU so redeemed in cash, Shares or a combination thereof.

- (2) Where Shares are purchased on the open market on the Participant's behalf, the Corporation will remit all or a portion of the final payment to the Broker, and the Broker will be required to (within 10 Business Days) use the amount to purchase Shares in the open market on the principal Canadian stock exchange or any other public exchange on which the Shares are traded. The number of Shares will be computed by taking the number of DSUs that the Participant elected to receive in Shares, net of the number of DSUs that would equal to any applicable withholding taxes. Any Shares acquired by the Broker from all or a portion of the final payment and any cash remaining therefrom shall be delivered directly to the Participant forthwith as soon as practicable upon completion of such purchases. The Corporation will pay all brokerage fees arising in connection with the purchase of Shares by the Broker in accordance with the Plan.
- (3) Provided a Notice of Redemption is received by the Corporation within the specified time set out in this Plan, The Corporation will make all of the payments described in this Article 5 (referred to hereinafter as the "**Final Payment**") to the Participant or the Broker, as applicable, within 120 calendar days of the Termination Date. Upon making such payment to the Participant or the Broker, the DSUs upon which such payment was based shall be cancelled and no further payments shall be made from the Plan in relation to such DSUs.

Section 5.5 Award of Dividend Equivalents.

Dividend Equivalents will be awarded in respect of DSUs in a Participant's Account on the same basis as dividends declared and paid on the Shares designated to the DSU as if the Participant was a shareholder of record of Shares on the relevant record date. These Dividend Equivalents will be credited to the Participant's Account as additional DSUs (or fractions thereof), with the number of additional DSUs based on (a) the actual amount of dividends that would have been paid if the Participant had held Shares under the Plan on the applicable record date divided by (b) the Market Value per Share on the date on which the dividends on Shares are payable. For greater certainty, no DSUs representing Dividend Equivalents will be credited to a Participant's Account in relation to DSUs that have been previously cancelled or paid out of the Plan and all additional DSUs credited as a result of a Dividend Equivalent will be credited at the same time as any applicable Final Payment.

Section 5.6 Unfunded Plan.

Unless otherwise determined by the Board, this Plan shall be unfunded. To the extent any Participant or his or her estate holds any rights by virtue of a grant of DSUs under this Plan, such rights (unless otherwise determined by the Board) shall be no greater than the rights of an unsecured creditor of the Corporation. Notwithstanding the foregoing, any determinations made shall be such that the Plan continuously meets the requirements of paragraph 6801(d) of the Income Tax Regulations, adopted under the Tax Act or any successor provision thereto.

Section 5.7 DSU Agreements.

DSUs shall be evidenced by a DSU Agreement or included in an Employment Agreement, in such form not inconsistent with the Plan as the Board may from time to time determine, provided that the substance of Article 5 and Article 8 hereof be included therein. The DSU Agreement shall contain such terms that may be considered necessary in order that the DSU will comply with any provisions respecting deferred share units in the income tax or other laws in force in any country or jurisdiction of which the Participant may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the Corporation.

ARTICLE 6 — RESTRICTED SHARE UNITS

Section 6.1 Nature of RSUs.

A RSU is an Award entitling the recipient to acquire Shares or the Cash Equivalent, at such purchase price (which may be zero) as determined by the Board, subject to such restrictions and conditions as the Board may determine at the time of grant. Conditions may be based on continuing employment (or other service relationship) and/or achievement of pre-established performance goals and objectives.

Section 6.2 RSU Awards.

- (1) Subject to the provisions herein set forth and any shareholder or regulatory approval which may be required, the Board shall, from time to time by resolution, in its sole discretion, (i) designate the Eligible Participants who may receive RSUs under the Plan, (ii) fix the number of RSUs, if any, to be granted to each Eligible Participant and the date or dates on which such RSUs shall be granted, and (iii) determine the class of Share, relevant conditions and vesting provisions (including the applicable Performance Period and Performance Criteria, if any) and Restriction Period of such RSUs, the whole subject to the terms and conditions prescribed in this Plan and in any RSU Agreement.
- (2) The RSUs are structured so as to be considered to be a plan described in section 7 of the Tax Act or any successor provision thereto.
- (3) Subject to the vesting and other conditions and provisions herein set forth and in the RSU Agreement, each RSU awarded to a Participant shall entitle the Participant, at his or her election, to receive one Share issued from treasury or the Cash Equivalent at any time beginning on the first Business Day following their RSU Vesting Determination Date but no later than the RSU Settlement Date.

Section 6.3 Restriction Period.

The applicable restriction period in respect of a particular RSU award shall be determined by the Board but in all cases shall end no later than December 31 of the calendar year which is three years after the calendar year in which the Award is granted ("**Restriction Period**"). For example, the Restriction Period for a grant made in June 2020 shall end no later than December 31, 2023. Subject to the Board's determination, any vested RSUs with respect to a Restriction Period will be paid to Participants in accordance with Article 5, no later than the end of the Restriction Period. Unless otherwise determined by the Board, all unvested

RSUs shall be cancelled on the RSU Vesting Determination Date (as such term is defined in Section 6.5) and, in any event, no later than the last day of the Restriction Period.

Section 6.4 Performance Criteria and Performance Period.

- (1) For each award of RSUs, the Board shall establish the period in which any Performance Criteria and other vesting conditions must be met in order for a Participant to be entitled to receive Shares in exchange for all or a portion of the RSUs held by such Participant (the "**Performance Period**"), provided that such Performance Period may not expire after the end of the Restriction Period, being no longer than three years after the financial year in which the Award was granted.
- (2) For each award of RSUs, the Board shall establish any Performance Criteria and other vesting conditions which must be met during the Performance Period in order for a Participant to be entitled to receive Shares in exchange for his or her RSUs.

Section 6.5 RSU Vesting Determination Date.

The vesting determination date means the date on which the Board determines if the Performance Criteria and/or other vesting conditions with respect to a RSU have been met (the "**RSU Vesting Determination Date**"), and as a result, establishes the number of RSUs that become vested, if any. For greater certainty, the RSU Vesting Determination Date must fall after the end of the Performance Period, if any, but no later than the last day of the Restriction Period.

Section 6.6 Settlement of RSUs.

- (1) Except as otherwise provided in the RSU Agreement, in the event that the vesting conditions, the Performance Criteria and Performance Period, if applicable, of an RSU are satisfied:
 - (a) all of the vested RSUs covered by a particular grant may, subject to Section 6.6(4), be settled at any time beginning on the first Business Day following their RSU Vesting Determination Date but no later than the date that is 10 years from their RSU Vesting Determination Date (the "**RSU Settlement Date**");
 - (b) a Participant is entitled to deliver to the Corporation, on or before the RSU Settlement Date, an RSU Settlement Notice in respect of any or all vested RSUs held by such Participant; and
 - (c) in the RSU Settlement Notice, the Participant will indicate the preference of the Participant, including with respect to any fractional RSUs, to settle vested RSUs for their Cash Equivalent, Shares issued from treasury, or a combination thereof. Notwithstanding anything else to the contrary contained herein, in a RSU Settlement Notice or in any Grant Agreement, the Board may, in its sole and absolute discretion, satisfy any vested RSUs for their Cash Equivalent, Shares issued from treasury, or a combination thereof.
- (2) Subject to Section 6.6(4), settlement of RSUs shall take place promptly following the RSU Settlement Date, and in any event no later than one year from the Termination Date, or such shorter time period as prescribed by the Board or this Plan, and take the form set out in the RSU Settlement Notice through:
 - (a) in the case of settlement of RSUs for their Cash Equivalent, delivery of a cheque to the Participant representing the Cash Equivalent;
 - (b) in the case of settlement of RSUs for Shares, delivery of a share certificate to the Participant or the entry of the Participant's name on the share register for the Shares (or in the case of Shares issued in uncertificated form, cause the issuance of the aggregate

number of Shares as the Participant shall then be entitled to receive to be evidenced by a book position on the register of the shareholders of the Corporation maintained by the transfer agent and registrar of the Shares); or

- (c) in the case of settlement of the RSUs for a combination of Shares and the Cash Equivalent, a combination of (a) and (b) above.
- (3) If an RSU Settlement Notice is not received by the Corporation on or before the RSU Settlement Date, the Board shall have the sole and absolute discretion to elect to settle the applicable RSUs for the Cash Equivalent of RSUs, Shares issued from treasury, or any combination thereof.
- (4) Notwithstanding any other provision of this Plan, in the event that an RSU Settlement Date falls during a Black-Out Period or other trading restriction imposed by the Corporation and the Participant has not delivered an RSU Settlement Notice, then such RSU Settlement Date shall be automatically extended to the 10th Business Day following the date that such Black-Out Period or other trading restriction is lifted, terminated or removed.

Section 6.7 Determination of Amounts.

- (1) **Cash Equivalent of RSUs.** For purposes of determining the Cash Equivalent of RSUs to be made pursuant to Section 6.6, such calculation will be made on the RSU Settlement Date and shall equal the Market Value on the RSU Settlement Date multiplied by the number of vested RSUs in the Participant's Account which the Participant desires to settle in cash pursuant to the RSU Settlement Notice.
- (2) **Payment in Shares; Issuance of Shares from Treasury.** For the purposes of determining the number of Shares from treasury to be issued and delivered to a Participant upon settlement of RSUs pursuant to Section 6.6, such calculation will be made on the RSU Settlement Date and be the whole number of Shares equal to the whole number of vested RSUs then recorded in the Participant's Account which the Participant desires to settle pursuant to the RSU Settlement Notice. Shares issued from treasury will be issued in consideration for the past services of the Participant to the Corporation and the entitlement of the Participant under this Plan shall be satisfied in full by such issuance of Shares.

Section 6.8 RSU Agreements.

RSUs shall be evidenced by a RSU Agreement or included in an Employment Agreement, in such form not inconsistent with the Plan as the Board may from time to time determine, provided that the substance of Article 6 and Article 8 hereof be included therein. The RSU Agreement shall contain such terms that may be considered necessary in order that the RSU will comply with any provisions respecting restricted share units in the income tax or other laws in force in any country or jurisdiction of which the Participant may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the corporation.

ARTICLE 7 — SHARE APPRECIATION RIGHTS

Section 7.1 Nature of SARs.

A SAR is an Award entitling the recipient to receive Shares or the Cash Equivalent having a value equal to the excess of (i) the Market Value of one Share on the date of exercise over (ii) the grant price of the right on the date of grant, as specified by the Board in its sole discretion, which shall not be less than the Market Value of one Share on such date of grant of the right, multiplied by the number of Shares with respect to which the SAR shall have been exercised.

Section 7.2 SAR Awards.

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

Section 7.3 SAR Price.

The SAR Price for the Shares that are the subject of any SAR shall be fixed by the Board when such SAR is granted, but shall not be less than the Market Value of such Shares at the time of the grant.

Section 7.4 SAR Term.

- (1) The Board shall determine, at the time of granting the particular SAR, the period during which the SAR is exercisable, which shall not be more than 10 years from the date the SAR is granted (“**SAR Term**”) and the vesting schedule of such SAR, which will be detailed in the respective SAR Agreement. Unless otherwise determined by the Board, all unexercised SARs shall be cancelled at the expiry of such SAR.
- (2) Should the expiration date for a SAR fall within a Black-Out Period, such expiration date shall be automatically extended without any further act or formality to that date which is the 10th Business Day after the end of the Black-Out Period, such 10th Business Day to be considered the expiration date for such SAR for all purposes under the Plan. Notwithstanding Section 9.2 hereof, the 10 Business Day-period referred to in this Section 7.4 may not be extended by the Board.

Section 7.5 Exercise of SARs.

Prior to its expiration or earlier termination in accordance with the Plan, each SAR shall be exercisable as to all or such part or parts of the granted Shares and at such time or times and/or pursuant to the achievement of such Performance Criteria and/or other vesting conditions as the Board at the time of granting the particular SAR, may determine in its sole discretion. For greater certainty, no SAR shall be exercised by a Participant during a Black-Out Period.

Section 7.6 Method of Exercise and Payment of Purchase Price.

- (1) Subject to the provisions of the Plan, a SAR granted under the Plan shall be exercisable (from time to time as provided in Section 7.5 hereof) by the Participant (or by the liquidator, executor or administrator, as the case may be, of the estate of the Participant) by delivering a fully completed Exercise Notice to the Corporation at its registered office to the attention of the Chief Financial Officer of the Corporation (or to the individual that the Chief Financial Officer of the Corporation may from time to time designate) or give notice in such other manner as the Corporation may from time to time designate, no less than three Business Days in advance of the effective date of the proposed exercise, which notice shall specify the number of Shares with respect to which the SAR is being exercised and the effective date of the proposed exercise. In the Exercise Notice, the Participant will indicate its preference to settle vested SARs for the Cash Equivalent, Shares issued from treasury, or a combination thereof. Notwithstanding anything else to the contrary contained herein, in an Exercise Notice or in any Grant Agreement, the Board may, in its sole and absolute

discretion, satisfy any SAR for their Cash Equivalent, Shares issued from treasury, or a combination thereof.

- (2) The exercise of a SAR with respect to any number of Shares shall entitle the Participant to Shares or the Cash Equivalent equal to the excess of the Market Value of a Share on the effective date of such exercise over the per share SAR Price.
- (3) Upon the exercise, the Corporation shall, as soon as practicable after such exercise but no later than 10 Business Days following such exercise, forthwith cause the transfer agent and registrar of the Shares to either:
 - (a) in the case of settlement of SARs for the Cash Equivalent, delivery of a cheque to the Participant representing the Cash Equivalent;
 - (b) in the case of settlement of SARs for Shares:
 - A. deliver to the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) a certificate in the name of the Participant representing in the aggregate such number of Shares as the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall be entitled to receive (unless the Participant intends to simultaneously dispose of any such Shares); or
 - B. in the case of Shares issued in uncertificated form, cause the issuance of the aggregate number of Shares as the Participant (or the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall be entitled to receive to be evidenced by a book position on the register of the shareholders of the Corporation to be maintained by the transfer agent and registrar of the Shares;
 - (c) in the case of settlement of the SARs for a combination of Shares and the Cash Equivalent, a combination of (a) and (b) above.

Section 7.7 SAR Agreements.

SARs shall be evidenced by a SAR Agreement or included in an Employment Agreement, in such form not inconsistent with the Plan as the Board may from time to time determine, provided that the substance of Article 7 and Article 8 hereof be included therein. The SAR Agreement shall contain such terms that may be considered necessary in order that the SAR will comply with any provisions respecting stock appreciation rights in the income tax or other laws in force in any country or jurisdiction of which the Participant may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the corporation.

ARTICLE 8 — GENERAL CONDITIONS

Section 8.1 General Conditions applicable to Awards.

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

- (1) **Employment** — The granting of an Award to a Participant shall not impose upon the Corporation or an Affiliate any obligation to retain the Participant in its employ in any capacity. For greater certainty, the granting of Awards to a Participant shall not impose any obligation on the

Corporation to grant any awards in the future nor shall it entitle the Participant to receive future grants.

- (2) **Rights as a Shareholder** — Neither the Participant nor such Participant's personal representatives or legatees shall have any rights whatsoever as shareholder in respect of any Shares covered by such Participant's Awards until the date of issuance of a share certificate to such Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) (or in the case of Shares issued in uncertificated form, receipt of evidenced of a book position on the register of the shareholders of the Corporation maintained by the transfer agent and registrar of the Shares). Without in any way limiting the generality of the foregoing, no adjustment shall be made for dividends or other rights for which the record date is prior to the date such Share certificate is issued (or in the case of Shares issued in uncertificated form, such book position on the register is evidenced, as applicable).
- (3) **Conformity to Plan** — In the event that an Award is granted or a Grant Agreement is executed which does not conform in all particulars with the provisions of the Plan, or purports to grant Awards on terms different from those set out in the Plan, the Award or the grant of such Award shall not be in any way void or invalidated, but the Award so granted will be adjusted to become, in all respects, in conformity with the Plan.
- (4) **Transferrable Awards** — Except to the extent that certain rights may pass to a beneficiary or legal representative upon death of a Participant, by will or as required by law, no assignment or transfer of Awards, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such Awards whatsoever in any assignee or transferee and immediately upon any assignment or transfer, or any attempt to make the same, such Awards will terminate and be of no further force or effect.

Section 8.2 Termination of Employee, Director or Consultant

Subject to Section 8.3 and Section 8.4, unless otherwise determined by the Board or as set forth in a Grant Agreement:

- (1) unless otherwise provided this Section 8.2, if a Participant shall cease to be an Eligible Participant for any reason, then:
 - (a) each Award held by the Participant that has not vested as of the Termination Date is immediately forfeited and cancelled as of the Termination Date; and
 - (b) all Awards held by the Participant that have vested as of the Termination Date shall: (i) in the case of a DSU or RSU, be settled in accordance with Article 5 or Article 6, as applicable; and (ii) in the case of an Option or SAR, be exercised in accordance Article 4 or Article 7, as applicable, at any time during the period that terminates on the earlier of: (A) the Option's or SAR's expiry date, and (B) the 90th day after the Termination Date. Any Option or SAR that remain unexercised shall be immediately forfeited upon the termination of such period;
- (2) if a Participant's employment or services are terminated by the Corporation or an Affiliate of the Corporation for Cause, then any unexercised vested or unvested Award held by the Participant is immediately forfeited and cancelled as of the Termination Date;
- (3) if a Participant's employment or services are terminated by reason of the death of the Participant or the Participant becomes Disabled, then each Award held by the Participant that has not vested as of the date of the death or Disability, as applicable, of such Participant shall vest on such date, and (a) in the case of a DSU or RSU, be settled in accordance with Article 5 or Article 6, as applicable; and (b) in the case of an Option or SAR, be exercised in accordance Article 4 or Article 7, as applicable, at any time during the period that terminates on the earlier of: (i) the Option's or

SAR's expiry date, and (ii) the first anniversary of the date of the death or Disability of the Participant. Any Option or SAR that remain unexercised shall be immediately forfeited upon the termination of such period;

- (4) a Participant's eligibility to receive further grants of Awards under this Plan ceases as of:
 - (a) the date that the Corporation or an Affiliate of the Corporation, as the case may be, provides the Participant with written notification that the Participant's employment or services are terminated in the circumstances contemplated by this Section 8.2, notwithstanding that such date may be prior to the Termination Date; or
 - (b) the date of the death or Disability of the Participant; and
- (5) notwithstanding Subsection 8.2(3), unless the Board, in its discretion, otherwise determines, at any time and from time to time, Awards are not affected by a change of employment agreement or arrangement, or directorship within or among the Corporation or an Affiliate of the Corporation for so long as the Participant continues to be a director, employee or consultant, as applicable, of the Corporation or an Affiliate of the Corporation. For clarity and by way of example only, subject to the Board's discretion, if a director ceases to be a director but becomes or remains a consultant, the Awards held by such Participant will not be affected by ceasing to be a director.

Section 8.3 Discretion to Permit Acceleration

Notwithstanding the provisions of Section 8.2, the Board, in its discretion, subject to shareholder and TSXV approval, as and when required, may at any time prior to, or following the events contemplated in such Section, or in an Employment Agreement or other written agreement between the Corporation or an Affiliate of the Corporation and the Participant, permit the acceleration of vesting of any or all Awards, all in the manner and on the terms as may be authorized by the Board, and if such discretion is taken and the vesting of any or all Awards occurs, then such Awards will be settled in accordance with the terms hereof.

Section 8.4 General Conditions applicable to Restricted Shares.

Upon a Participant ceasing to be an Eligible Participant for any reason, any Restricted Shares that have not vested at such time shall automatically and without any requirement of notice to such Participant, or other action by or on behalf of the Corporation, be deemed to have been reacquired by the Corporation from such Participant, and thereafter shall cease to represent any ownership in the Corporation by the Participant or rights of the Participant as a shareholder of the Corporation. Following such deemed reacquisition, the Participant shall surrender any certificates representing Restricted Shares in such Participant's possession to the Corporation upon request without consideration.

ARTICLE 9 — ADJUSTMENTS AND AMENDMENTS

Section 9.1 Adjustment to Shares Subject to Outstanding Awards.

- (1) In the event of any subdivision of the Shares into a greater number of Shares at any time after the grant of an Award to a Participant and prior to the expiration of the term of such Award, the Corporation shall deliver to such Participant, at the time of any subsequent exercise or vesting of such Award in accordance with the terms hereof, in lieu of the number of Shares to which such Participant was theretofore entitled upon such exercise or vesting of such Award, but for the same aggregate consideration payable therefor, such number of Shares as such Participant would have held as a result of such subdivision if on the record date thereof the Participant had been the

registered holder of the number of Shares to which such Participant was theretofore entitled upon such exercise or vesting of such Award.

- (2) In the event of any consolidation of Shares into a lesser number of Shares at any time after the grant of an Award to any Participant and prior to the expiration of the term of such Award, the Corporation shall deliver to such Participant at the time of any subsequent exercise or vesting of such Award in accordance with the terms hereof in lieu of the number of Shares to which such Participant was theretofore entitled upon such exercise or vesting of such Award, but for the same aggregate consideration payable therefor, such number of Shares as such Participant would have held as a result of such consideration if on the record date thereof the Participant had been the registered holder of the number of Shares to which such Participant was theretofore entitled upon such exercise or vesting of such Award.
- (3) If at any time after the grant of an Award to any Participant and prior to the expiration of the term of such Award, the Shares shall be reclassified, reorganized or otherwise changed, otherwise than as specified in Section 9.1(1) or Section 9.1(2) hereof or, subject to the provisions of Section 9.2(4) hereof, the Corporation shall consolidate, merge or amalgamate with or into another corporation (the corporation resulting or continuing from such consolidation, merger or amalgamation being herein called the “**Successor Corporation**”), the Participant shall be entitled to receive upon the subsequent exercise or vesting of Award, in accordance with the terms hereof and shall accept in lieu of the number of Shares then subscribed for but for the same aggregate consideration payable therefor, the aggregate number of shares of the appropriate class or other securities of the Corporation or the Successor Corporation (as the case may be) or other consideration from the Corporation or the Successor Corporation (as the case may be) that such Participant would have been entitled to receive as a result of such reclassification, reorganization or other change of shares or, subject to the provisions of Section 9.2(4) hereof, as a result of such consolidation, merger or amalgamation, if on the record date of such reclassification, reorganization or other change of shares or the effective date of such consolidation, merger or amalgamation, as the case may be, such Participant had been the registered holder of the number of Shares to which such Participant was immediately theretofore entitled upon such exercise or vesting of such Award.
- (4) If, at any time after the grant of an Award to any Participant and prior to the expiration of the term of such Award, the Corporation shall make a distribution to all holders of Shares by way of a dividend or otherwise of other securities in the capital of the Corporation, cash, evidences of indebtedness or other assets of the Corporation (excluding an ordinary course dividend in cash or shares), or should the Corporation effect any transaction or change having a similar effect, then the price or the number of Shares to which the Participant is entitled upon exercise or vesting of Award shall be adjusted to take into account such distribution, transaction or change. The Board shall determine the appropriate adjustments to be made in such circumstances in order to maintain the Participants’ economic rights in respect of their Awards in connection with such distribution, transaction or change.

Section 9.2 Amendment or Discontinuance of the Plan.

- (1) The Board may amend the Plan or any Award at any time without the consent of the Participants provided that such amendment shall:
 - (a) not adversely alter or impair any Award previously granted except as permitted by the provisions of Article 10 hereof;
 - (b) be subject to any regulatory approvals including, where required, the approval of the TSXV; and
 - (c) be subject to shareholder approval, where required by law or the requirements of the TSXV, provided that shareholder approval shall not be required for the following

amendments and the Board may make any changes which may include but are not limited to:

- (i) amendments of a “housekeeping” nature;
- (ii) a change to the vesting provisions of any Award; and
- (iii) a change or amendments required by the TSXV.

(2) Notwithstanding Section 9.2(1)(c), the Board shall be required to obtain disinterested shareholder approval to make the following amendments:

- (a) any change to the maximum number of Shares issuable from treasury under the Plan, except such increase by operation of Section 2.4 and in the event of an adjustment pursuant to Article 10;
- (b) any amendment which reduces the exercise price of any Award granted to an Insider, as applicable, after such Awards have been granted or any cancellation of an Award granted to an Insider and the substitution of that Award by a new Award with a reduced price, except in the case of an adjustment pursuant to Article 10;
- (c) any amendment which extends the expiry date of any Award, or the Restriction Period of any RSU beyond the original expiry date, except in case of an extension due to a Black-Out Period;
- (d) amend the limitations on the maximum number of Shares reserved or issued to Insiders under of Section 2.4 or Section 2.5;
- (e) any amendment which would permit a change to the Eligible Participants, including a change which would have the potential of broadening or increasing participation by Insiders; or
- (f) any amendment to the amendment provisions of the Plan,

provided that Shares held directly or indirectly by Insiders benefiting from the amendments in Sections (a), (b), (c) and (d) shall be excluded when obtaining such shareholder approval.

(3) Notwithstanding anything contained to the contrary in the Plan, the Board shall be required to obtain disinterested shareholder approval to make the following amendments:

- (g) any change to the termination provisions contained herein in respect of when Awards are forfeited or cancelled, as applicable, following a Termination Date; and
- (h) any changes to participants eligible to participate in the Plan as “Eligible Participants”.

(4) Notwithstanding anything contained to the contrary in the Plan, in a Grant Agreement contemplated herein, but subject to any specific provisions contained in any Employment Agreements, in the event of a Change in Control, a reorganization of the Corporation, an amalgamation of the Corporation, an arrangement involving the Corporation, a take-over bid (as that term is defined in the *Securities Act* (Ontario)) for all of the Shares or the sale or disposition of all or substantially all of the property and assets of the Corporation, the Board may make such provision for the protection of the rights of the Participants as the Board in its discretion considers appropriate in the circumstances, including, without limitation, changing the Performance Criteria and/or other vesting conditions for the Awards and/or the date on which any Award expires or the Restriction Period, the Performance Period, the Performance Criteria and/or other vesting conditions for the Awards.

- (5) The Committee may, by resolution, but subject to applicable regulatory approvals, decide that any of the provisions hereof concerning the effect of termination of the Participant's employment shall not apply for any reason acceptable to the Committee.
- (6) The Board may, subject to regulatory approval, discontinue the Plan at any time without the consent of the Participants provided that such discontinuance shall not materially and adversely affect any Awards previously granted to a Participant under the Plan

ARTICLE 10 — MISCELLANEOUS

Section 10.1 Use of an Administrative Agent and Trustee.

The Board may in its sole discretion appoint from time to time one or more entities to act as administrative agent to administer the Awards granted under the Plan and to act as trustee to hold and administer the assets that may be held in respect of Awards granted under the Plan, the whole in accordance with the terms and conditions determined by the Board in its sole discretion. The Corporation and the administrative agent will maintain records showing the number of Awards granted to each Participant under the Plan.

Section 10.2 Tax Withholding.

- (1) Notwithstanding any other provision of this Plan, all distributions, delivery of Shares or payments to a Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) under the Plan shall be made net of applicable source deductions. If the event giving rise to the withholding obligation involves an issuance or delivery of Shares, then, the withholding obligation may be satisfied by (a) having the Participant elect to have the appropriate number of such Shares sold by the Corporation, the Corporation's transfer agent and registrar or any trustee appointed by the Corporation pursuant to Section 10.1 hereof, on behalf of and as agent for the Participant as soon as permissible and practicable, with the proceeds of such sale being delivered to the Corporation, which will in turn remit such amounts to the appropriate governmental authorities, or (b) any other mechanism as may be required or appropriate to conform with local tax and other rules.
- (2) Notwithstanding the first paragraph of this Section 10.2, the applicable tax withholdings may be waived where the Participant directs in writing that a payment be made directly to the Participant's registered retirement savings plan in circumstances to which regulation 100(3) of the regulations of the Tax Act apply.

Section 10.3 Reorganization of the Corporation.

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

Section 10.4 Personal Information

Each Participant shall provide the Corporation and the Board with all information they require in order to administer the Plan. The Corporation and the Board may from time to time transfer or provide access to such information to a third party service provider for purposes of the administration of the Plan provided that such service providers will be provided with such information for the sole purpose of providing such services to the Corporation. By participating in the Plan, each Participant acknowledges that information may be so provided and agrees to its provision on the terms set forth herein. Except as specifically

contemplated in this Section 10.4, the Corporation and the Board shall not disclose the personal information of a Participant except: (i) in response to regulatory filings or other requirements for the information by a governmental authority with jurisdiction over the Corporation; (ii) for the purpose of complying with a subpoena, warrant or other order by a court, person or body having jurisdiction to compel production of the information; or (iii) as otherwise required by law. In addition, personal information of Participants may be disclosed or transferred to another party during the course of, or completion of, a change in ownership of, or the grant of a security interest in, all or a part of the Corporation or its Affiliates including through an asset or share sale, or some other form of business combination, merger or joint venture, provided that such party is bound by appropriate agreements or obligations.

Section 10.5 Governing Laws.

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

Section 10.6 Severability.

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

SCHEDULE B

AUDIT COMMITTEE CHARTER

CLEANTEACH CAPITAL INC.
AUDIT COMMITTEE CHARTER

I PURPOSE

The Audit Committee (the “**Committee**”) is appointed by the Board of Directors (the “**Board**”) of Cleantech Capital Inc. (the “**Corporation**”) to assist the Board in fulfilling its oversight responsibilities relating to financial accounting and reporting process and internal controls for the Corporation. The Committee’s primary duties and responsibilities are to:

- **conduct such reviews and discussions with management and the external auditors relating to the audit and financial reporting as are deemed appropriate by the Committee;**
- **assess the integrity of internal controls and financial reporting procedures of the Corporation and ensure implementation of such controls and procedures;**
- **ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel;**
- **review the quarterly and annual financial statements and management’s discussion and analysis of the Corporation’s financial position and operating results and report thereon to the Board for approval of same;**
- **select and monitor the independence and performance of the Corporation’s external auditors, including attending at private meetings with the external auditors and reviewing and approving all renewals or dismissals of the external auditors and their remuneration; and**
- **provide oversight to related party transactions entered into by the Corporation.**

The Committee has the authority to conduct any investigation appropriate to its responsibilities, and it may request the external auditors as well as any officer of the Corporation, or outside counsel for the Corporation, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee. The Committee shall have unrestricted access to the books and records of the Corporation and has the authority to retain, at the expense of the Corporation, special legal, accounting, or other consultants or experts to assist in the performance of the Committee’s duties.

The Committee shall review and assess the adequacy of this Charter annually and submit any proposed revisions to the Board for approval.

In fulfilling its responsibilities, the Committee will carry out the specific duties set out in Part IV of this Charter.

II AUTHORITY OF THE AUDIT COMMITTEE

The Committee shall have the authority to:

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for advisors employed by the Committee; and
- (c) communicate directly with the internal and external auditors.

III COMPOSITION AND MEETINGS

1. The Committee and its membership shall meet all applicable legal, regulatory and listing requirements, including, without limitation, those of the Ontario Securities Commission ("OSC"), the TSX Venture Exchange, the *Canadian Business Corporations Act* and all applicable securities regulatory authorities.
2. The Committee shall be composed of three or more directors as shall be designated by the Board from time to time. The members of the Committee shall appoint from among themselves a member who shall serve as Chair.
3. A majority of the members of the Committee shall not be officers or employees of the Corporation or any of its affiliates.
4. The Committee shall meet at least quarterly, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements. A minimum of two and at least 50% of the members of the Committee present either in person or by telephone shall constitute a quorum.
5. If within one hour of the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the next business day following the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one hour of the time appointed for such adjourned meeting, such meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the second adjourned meeting a quorum as hereinbefore specified is not present, the quorum for the adjourned meeting shall consist of the members then present.
6. If and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.
7. The time and place at which meetings of the Committee shall be held, and procedures at such meetings, shall be determined from time to time by the Committee. A meeting of the Committee may be called by letter, telephone, facsimile, email or other communication equipment, by giving at least 48 hours notice, provided that no notice of a meeting shall be necessary if all of the members are present either in person or by means of conference telephone or if those absent have waived notice or otherwise signified their consent to the holding of such meeting.

8. Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.
9. The Committee shall keep minutes of its meetings which shall be submitted to the Board. The Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at any meeting.
10. The Committee may invite such officers, directors and employees of the Corporation and its subsidiaries as the Committee may see fit, from time to time, to attend at meetings of the Committee.
11. Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose. All decisions or recommendations of the Committee shall require the approval of the Board prior to implementation.

The Committee members will be elected annually at the first meeting of the Board following the annual general meeting of shareholders.

IV RESPONSIBILITIES

A Financial Accounting and Reporting Process and Internal Controls

1. The Committee shall review the annual audited financial statements to satisfy itself that they are presented in accordance with applicable generally accepted accounting principles ("GAAP") and report thereon to the Board and recommend to the Board whether or not same should be approved prior to their being filed with the appropriate regulatory authorities. The Committee shall also review the interim financial statements. With respect to the annual audited financial statements, the Committee shall discuss significant issues regarding accounting principles, practices, and judgments of management with management and the external auditors as and when the Committee deems it appropriate to do so. The Committee shall satisfy itself that the information contained in the annual audited financial statements is not significantly erroneous, misleading or incomplete and that the audit function has been effectively carried out.
2. The Committee shall review any internal control reports prepared by management and the evaluation of such report by the external auditors, together with management's response.
3. The Committee shall be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, management's discussion and analysis and interim earnings press releases, and periodically assess the adequacy of these procedures.

4. The Committee shall review management's discussion and analysis relating to annual and interim financial statements and any other public disclosure documents, including interim earnings press releases, that are required to be reviewed by the Committee under any applicable laws before the Corporation publicly discloses this information.
5. The Committee shall meet no less frequently than annually with the external auditors and the Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Corporation in charge of financial matters, to review accounting practices, internal controls and such other matters as the Committee, Chief Financial Officer or, in the absence of a Chief Financial Officer, the officer of the Corporation in charge of financial matters, deem appropriate.
6. The Committee shall inquire of management and the external auditors about significant risks or exposures, both internal and external, to which the Corporation may be subject, and assess the steps management has taken to minimize such risks.
7. The Committee shall review the post-audit or management letter containing the recommendations of the external auditors and management's response and subsequent follow-up to any identified weaknesses.
8. The Committee shall ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel.
9. The Committee shall establish procedures for:
 - (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and
 - (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
10. The Committee shall provide oversight to related party transactions entered into by the Corporation.

B Independent Auditors

1. The Committee shall recommend to the Board the external auditors to be nominated, shall set the compensation for the external auditors, provide oversight of the external auditors and shall ensure that the external auditors report directly to the Committee.
2. The Committee shall be directly responsible for overseeing the work of the external auditors, including the resolution of disagreements between management and the external auditors regarding financial reporting.
3. The Committee shall pre-approve all audit and non-audit services not prohibited by law to be provided by the external auditors in accordance with the terms of this charter.
4. The Committee shall monitor and assess the relationship between management and the external auditors and monitor, support and assure the independence and objectivity of the external auditors.

5. The Committee shall review the external auditors' audit plan, including the scope, procedures and timing of the audit.
6. The Committee shall review the results of the annual audit with the external auditors, including matters related to the conduct of the audit.
7. The Committee shall obtain timely reports from the external auditors describing critical accounting policies and practices, alternative treatments of information within GAAP that were discussed with management, their ramifications, and the external auditors' preferred treatment and material written communications between the Corporation and the external auditors.
8. The Committee shall review fees paid by the Corporation to the external auditors and other professionals in respect of audit and non-audit services on an annual basis.
9. The Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former auditors of the Corporation.
10. The Committee shall monitor and assess the relationship between management and the external auditors and monitor and support the independence and objectivity of the external auditors.

C Other Responsibilities

The Committee shall perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate.

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