



**NOTICE OF ANNUAL GENERAL MEETING OF  
SHAREHOLDERS**

**AND**

**INFORMATION CIRCULAR**

**of**

**NANO ONE MATERIALS CORP.**

**to be held on**

**July 26, 2022**

**Dated June 17, 2022**



### **Warning**

In order to mitigate risks to the health and safety of our communities, shareholders, employees, and other stakeholders which stem from the COVID-19 pandemic, the Company is requesting all shareholders and guest not attend this year's Annual Meeting in person.

**Shareholders are strongly urged to vote on the matters before the Meeting by completing the form of proxy or VIF and to attend the Meeting by teleconference by dialing 1-866-512-0904 (Participant Code: 7478017). Shareholders will be able to submit questions to management of the Company over the telephone but will not be able to vote over the telephone.**

The Company may need to take additional precautionary measures to comply with government public health directives and advice and to help protect the health of our communities, shareholders, employees and other stakeholders from risks associated with the ongoing COVID-19 pandemic.



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## NOTICE OF ANNUAL GENERAL MEETING

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Notice is hereby given that the Annual General Meeting (the “**Meeting**”) of the shareholders of **Nano One Materials Corp.** (“**Nano One**” or the “**Company**”) will be held on **Tuesday, July 26, 2022** by teleconference at Suite 2900 - 550 Burrard St, Vancouver, British Columbia, Canada, at the hour of **1:30 p.m.** (local time in Vancouver) for the following purposes:

1. To receive the annual financial statements of the Company for its fiscal year ended December 31, 2021, together with the auditor’s reports thereon;
2. To set the number of directors at seven (7);
3. To elect directors for the ensuing year; and
4. To appoint Davidson & Company LLP, Chartered Professional Accountants, as the Company’s auditor for the ensuing financial year and to authorize the directors to set the auditor’s remuneration.

Nano One is using the notice and access method for delivering this notice to shareholders. This Notice and related management information circular (the “**Meeting Materials**”) are available on Nano One’s website at [www.nanoone.ca/AGM](http://www.nanoone.ca/AGM) and under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

The Company will also mail paper copies of the Meeting Materials to those registered and beneficial shareholders who have previously elected to receive or otherwise request paper copies of the Meeting Materials. All other shareholders of the Company will receive a notice and access notification containing information on how to obtain electronic and paper copies of the Meeting Materials in advance of the Meeting. Shareholders wishing to receive paper copies of the Meeting Materials can request them from the Company by calling Computershare Investor Services Inc. (Computershare) by phone at 1-800-564-6253 (North American toll free) or 1-514-982-7555 (International) or by email at [info@nanoone.ca](mailto:info@nanoone.ca). The Company will mail paper copies of the Meeting Materials to requesting shareholders at no cost to them within three business days of their request, if such requests are made before the Meeting.

You have the right to vote if you were a shareholder of the Company at the close of business on June 13, 2022. Shareholders are referred to the management information circular (the “**Circular**”) dated June 17, 2022, accompanying this Notice for more detailed information with respect to the matters to be considered at the Meeting and for the full text of the resolutions.

Eligible shareholders are encouraged to vote your proxy by mail, or internet so that as large a representation as possible may be had at the Meeting. You will need the control number contained in the accompanying form of proxy (“**Proxy**”) in order to vote. Non-registered shareholders who receive these materials through their broker or other intermediary are requested to follow the instructions for voting provided by their broker or intermediary, which may include the completion and delivery of a voting instruction form (“**VIF**”).

**In light of continuing risks related to the COVID-19 pandemic, the Company is requesting all shareholders and others not to attend the Meeting in person. Shareholders are strongly urged to vote on the matters before the Meeting by completing the form of proxy or VIF and to attend in the Meeting by teleconference by dialing 1-866-512-0904 (Participant Code: 7478017).** Shareholders will be able to submit questions to management of the Company over the telephone but will not be able to vote over the telephone. The Company may need to take



additional precautionary measures to comply with government public health directives and advice and to help protect the health of our communities, shareholders, employees and other stakeholders from risks associated with the ongoing COVID-19 pandemic.

**The deadline for receiving duly completed and executed proxy forms or submitting your proxy by telephone or over the internet is by 1:30pm (Pacific time) on July 22, 2022, or no later than 48 hours (excluding Saturdays, Sundays, and holidays) before the time set for the Meeting or any adjournment or postponement of the Meeting.** The Chair of the Meeting may accept or reject any late proxies and can waive or extend the deadline for receiving proxy voting instructions without notice.

To vote by mail, complete the form of proxy and return it in the envelope provided to:

Computershare Investor Services Inc.  
Attention: Proxy Department  
100 University Avenue, 8th Floor  
Toronto, Ontario Canada M5J 2Y1

DATED at Vancouver, British Columbia, this 17<sup>th</sup> day of June, 2022.

**BY ORDER OF THE BOARD**

***“Dan Blondal”***  
\_\_\_\_\_  
**Dan Blondal, CEO**

## INFORMATION CIRCULAR

(all information as at June 17, 2022 unless otherwise noted)

### VOTING INFORMATION

#### **PERSONS MAKING THE SOLICITATION**

This Management's Information Circular (the "Circular") is furnished in connection with the solicitation of proxies being made by the management of Nano One Materials Corp. ("Nano One" or the "Company") for use at the Annual General Meeting of the Company's shareholders (the "Meeting") to be held on Tuesday, July 26, 2022, at the time and place and for the purposes set forth in the accompanying Notice of Meeting. While it is expected that the solicitation will be made primarily by mail, proxies may be solicited personally or by telephone by Directors, Officers, and employees of the Company at nominal cost. All costs of this solicitation will be borne by the Company.

#### **APPOINTMENT OF PROXIES**

The individuals named in the accompanying form of proxy (the "Proxy") are Directors or Officers of the Company. **A SHAREHOLDER WISHING TO APPOINT SOME OTHER PERSON OR COMPANY (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR THE SHAREHOLDER AND ON THE SHAREHOLDER'S BEHALF AT THE MEETING HAS THE RIGHT TO DO SO, EITHER BY INSERTING SUCH PERSON'S NAME IN THE BLANK SPACE PROVIDED IN THE PROXY AND STRIKING OUT THE TWO PRINTED NAMES, OR BY COMPLETING ANOTHER PROXY.** A Proxy will not be valid unless it is completed, dated, and signed and mailed to Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, Canada M5J 2Y1 not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting, or is delivered to the chair of the Meeting prior to the commencement of the Meeting.

**You may also submit your Proxy by using one of the two following methods:**



**By phone:** Please refer to the enclosed Proxy for the toll-free number, holder's account number and the proxy access number and follow the instructions of the voice response system. You will need your 15-digit control number which is located on your Proxy/voting instruction form. **If you vote by telephone, you cannot appoint anyone other than the Directors named on your Proxy as your proxyholder;** or



**By internet:** Submit your Proxy through the website of the Company's transfer agent at [www.investorvote.com](http://www.investorvote.com) and follow the instructions that appear on the screen, referring to the enclosed Proxy for holder's account number and proxy access number. You will need your 15-digit control number which is located on your Proxy/voting instruction form.

#### **NON-REGISTERED HOLDERS**

Only registered shareholders ("Registered Shareholders") or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are "non-registered" shareholders because the common shares they own are not registered in their names but are instead registered in the names of a brokerage firm, bank or other intermediary or in the name of a clearing agency. Non-registered shareholders who do not hold their common shares in their own name (referred to herein as "Beneficial Shareholders") should note that only Registered Shareholders (or duly appointed proxyholders) may complete a Proxy or vote at the Meeting in person. If common shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those common shares will not be registered in such shareholder's name on the records of the Company. Such common shares will more likely be registered under the name of the shareholder's



broker or an agent of that broker. In Canada, the vast majority of such common shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository for Securities Inc., which company acts as nominee for many Canadian brokerage firms). Common shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting common shares for the brokers' clients.

This Circular and accompanying materials are being sent to both Registered Shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories – those who object to their identity being known to the issuers of securities which they own (“**Objecting Beneficial Owners**”, or “**OBOs**”) and those who do not object to their identity being made known to the issuers of the securities they own (“**Non-Objecting Beneficial Owners**”, or “**NOBOs**”). Subject to the provision of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), issuers may request and obtain a list of their NOBOs from intermediaries via their transfer agents and use this NOBO list for distribution of proxy-related materials directly to NOBOs.

The Company is taking advantage of those provisions of NI 54-101 that permit the Company to deliver proxy-related materials directly to the Company's NOBOs who have not waived the right to receive them (and is not sending proxy-related materials using notice-and-access). As a result, NOBOs can expect to receive a Voting Instruction Form (“**VIF**”) together with the Notice of Meeting, this Circular, and related documents from the Company's transfer agent Computershare. These VIFs are to be completed and returned in accordance with the instructions provided. **NOBOs should carefully follow the instructions provided, including those regarding when and where to return the completed VIFs.**

**NOBOs that wish to change their vote must contact Computershare to arrange to change their vote in sufficient time in advance of the Meeting.**

Should a NOBO wish to attend and vote at the Meeting in person, the NOBO must insert the NOBO's name (or such other person as the NOBO wishes to attend and vote on the NOBO's behalf) in the blank space provided for that purpose on the VIF and return the completed VIF in line with the instructions provided or the NOBO must submit to the Company any other document in writing that requests that the NOBO or a nominee of the NOBO be appointed as proxyholder. In such circumstances with respect to proxies held by management in respect of securities owned by the NOBO so requesting, the Company must arrange, without expense to the NOBO, to appoint the NOBO or a nominee of the NOBO as a proxyholder in respect of those securities. Under NI 54-101, if the Company appoints a NOBO or a nominee of the NOBO as a proxyholder as aforesaid, the NOBO or nominee of the NOBO, as applicable, must be given the authority to attend, vote and otherwise act for and on behalf of management in respect of all matters that may come before the Meeting and any adjournment or continuance thereof, unless corporate law does not permit the giving of that authority. Pursuant to NI 54-101, if the Company appoints a NOBO or its nominee as proxyholder as aforesaid the Company must deposit the proxy within the timeframe specified above for the deposit of proxies if the Company obtains the instructions at least one (1) business day before the termination of that time. **If a NOBO or a nominee of the NOBO is approved as a proxyholder pursuant to such request, the appointed proxyholder will need to attend the Meeting in person in order for their votes to be counted.**

In accordance with the requirements of NI 54-101, we have distributed copies of the Notice of Meeting, this Circular, and related documents (collectively, the “**Meeting Materials**”) to the clearing agencies and intermediaries for onward distribution to OBOs. Intermediaries are required to forward the Meeting Materials to OBOs unless in the case of certain proxy-related materials the OBO has waived the right to receive them. Very often, intermediaries will use service companies such as Broadridge to forward the Meeting Materials to OBOs. Together with the Meeting Materials, intermediaries or their service companies should provide OBOs with a “request for voting instruction form” which, when properly completed and signed by such OBO and returned to the intermediary or its service company, will constitute voting instructions which the intermediary must follow. The purpose of this procedure is to permit OBOs to direct the voting of the common shares that they beneficially own. The Company does not intend to pay for an intermediary to deliver the Meeting Materials to OBOs and OBOs will not receive the Meeting Materials and voting



instruction form unless their intermediary assumes the costs of delivery. **OBOs should carefully follow the instructions of their intermediary, including those regarding when and where the completed request for voting instructions is to be delivered. OBOs that wish to change their vote must contact their intermediary to arrange to change their vote in sufficient time in advance of the Meeting.**

Should an OBO wish to vote at the Meeting in person, the OBO must insert the OBO's name (or such other person as the OBO wishes to attend and vote on the OBO's behalf) in the blank space provided for that purpose on the request for voting instruction form and return the completed request for voting instruction form to the intermediary or its service provider or the OBO must submit, to their intermediary, any other document in writing that requests that the OBO or a nominee of the OBO be appointed as proxyholder. In such circumstances an intermediary who is the registered holder of, or holds a proxy in respect of, securities owned by an OBO is required under NI 54-101 to arrange, without expense to the OBO, to appoint the OBO or a nominee of the OBO as a proxyholder in respect of those securities. Under NI 54-101, if an intermediary appoints an OBO or the nominee of the OBO as a proxyholder as aforesaid, the OBO or nominee of the OBO, as applicable, must be given the authority to attend, vote and otherwise act for and on behalf of the intermediary, in respect of all matters that may come before the Meeting and any adjournment or continuance thereof, unless corporate law does not permit the giving of that authority. Pursuant to NI 54-101 an intermediary who appoints an OBO or its nominee as proxyholder as aforesaid is required under NI 54-101 to deposit the proxy within the timeframe specified above for the deposit of proxies if the intermediary obtains the instructions at least one (1) business day before the termination of that time. **If the OBO or a nominee of the OBO is appointed a proxyholder pursuant to such request, the appointed proxyholder will need to attend the Meeting in person in order for their votes to be counted.**

**Registered Shareholders and duly appointed proxyholders will have an equal opportunity to participate in the Meeting by telephone by dialing 1-866-512-0904 (Participant Code: 7478017). This includes the ability to ask questions. Beneficial Shareholders who have not duly appointed themselves as proxyholders may also attend as guests. Guests will be able to listen to the Meeting but will not be able to vote or ask questions during the Meeting.**

These securityholder materials are being sent to both Registered Shareholder and Beneficial Shareholder of the securities of the Company. If you are a Beneficial Shareholder, and the Company 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 Company (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.

All references to shareholders in this Circular and the accompanying Notice of Meeting and form of proxy are to Registered Shareholders unless specifically stated otherwise.

### **REVOCATION OF PROXIES**

A shareholder who has given a Proxy may revoke it by an instrument in writing executed by the shareholder or by the shareholder's attorney authorized in writing or, if the shareholder is a corporation, by a duly authorized Officer or attorney of the corporation, and delivered either to the registered office of the Company, at 2900 - 550 Burrard Street, Vancouver, British Columbia, Canada, V6C 0A3, at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof, or to the Chair of the Meeting on the day of the Meeting or any adjournment thereof. **Only Registered Shareholders have the right to revoke a Proxy. Non-Registered Holders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective intermediaries to revoke the Proxy on their behalf.**

A revocation of a Proxy does not affect any matter on which a vote has been taken prior to the revocation.



## VOTING OF COMMON SHARES AND PROXIES AND EXERCISE OF DISCRETION

### ***Voting By Poll***

Voting at the Meeting will be by poll only if a poll is requested by a shareholder present at the Meeting in person or by proxy, directed by the Chair or required by law because the number of common shares represented by proxy that are to be voted against the motion is greater than 5% of the Company's issued and outstanding common shares.

On a poll, every shareholder entitled to vote on the matter has one vote in respect of each share entitled to be voted on the matter and held by that shareholder and may exercise that vote either in person or by proxy.

### ***Approval of Resolutions***

To approve a motion for an ordinary resolution, a simple majority of the votes cast in person or by proxy will be required; to approve a motion for a special resolution, a majority of not less than two-thirds of the votes cast on the resolution will be required.

### ***Voting of Proxies and Exercise of Discretion by Proxyholders***

A shareholder may indicate the manner in which the persons named in the accompanying form of proxy are to vote with respect to a matter to be acted upon at the Meeting by marking the appropriate space. **If the instructions as to voting indicated in the proxy are certain, the common shares represented by the proxy will be voted or withheld from voting in accordance with the instructions given in the proxy on any ballot that may be called for.**

**If the shareholder specifies a choice in the proxy with respect to a matter to be acted upon, then the common shares represented will be voted or withheld from the vote on that matter accordingly. If no choice is specified in the proxy with respect to a matter to be acted upon, the proxy confers discretionary authority with respect to that matter upon the proxyholder named in the accompanying form of proxy. It is intended that the proxyholder named by management in the accompanying form of proxy will vote the common shares represented by the proxy in favour of each matter identified in the proxy and for the nominees of the Company's Board of Directors (the "Board of Directors" or "Board") for Directors and auditor.**

The accompanying form of proxy also confers discretionary authority upon the named proxyholder with respect to amendments or variations to the matters identified in the accompanying Notice of Meeting and with respect to any other matters which may properly come before the Meeting. As of the date of this Circular, management of the Company is not aware of any such amendments or variations, or any other matters that will be presented for action at the Meeting other than those referred to in the accompanying Notice of Meeting. If, however, other matters that are not now known to management properly come before the Meeting, then the persons named in the accompanying form of proxy intend to vote on them in accordance with their best judgment.

## NOTICE-AND-ACCESS

The Company has elected to use the "notice-and-access" provisions under National Instrument 54-101 *Communications with Beneficial Owners of Securities of a Reporting Issuer* (the "**Notice-and-Access Provisions**") for delivery of the Notice of Meeting and Circular for the fiscal year ended December 31, 2021 (collectively, the "**Meeting Materials**") to registered and beneficial shareholders. The Notice-and-Access Provisions reduce the volume of materials that the Company must physically print and mail to its Shareholders by allowing the Company to post its Management Information Circular in respect of the Meeting and related materials online, reducing printing and postage costs. The Company believes that notice-and-access is also environmentally responsible to the extent that it decreases the large volume of paper documents generated by printing proxy related materials.



Under Notice and Access, instead of receiving printed copies of the Meeting Materials, shareholders receive a Notice and Access notification containing details of the Meeting date, location and purpose, as well as information on how to access the Meeting Materials electronically. Shareholders with existing instructions on their account to receive printed materials will receive a printed copy of the Meeting Materials.

The Company will not employ what is known as "stratification." Stratification occurs when a reporting issuer using Notice-and-Access Provisions provides a paper copy of their information circular with the notice to certain groups of Shareholders. For the Meeting, all Shareholders will receive the Meeting Materials under the Notice-and-Access Provisions. The Company will only mail paper copies of the Meeting Materials to those registered and beneficial shareholders who have previously elected to receive or otherwise request paper copies of the Meeting Materials. All other Shareholders of the Company will receive a notification containing information on how to obtain electronic and paper copies of the Meeting Materials in advance of the Meeting.

Meeting materials are available electronically under the Company's profile at [www.sedar.com](http://www.sedar.com) and also at <https://www.nanoone.ca/AGM>.

Shareholders wishing to receive a paper copy of the Meeting Materials or those who have questions about notice-and-access, can call 1-800-564-6253 (North American toll free) or 1-514-982-7555 (International) or by email at [info@nanoone.ca](mailto:info@nanoone.ca). The Company advises that a Shareholder's request for paper copies of the Circular and other relevant information will need to be received prior to July 12, 2022, in order for such Shareholder to have sufficient time to receive and review the materials requested and return the completed form of proxy as set forth in this Circular.

In order to receive a paper copy of this Circular and other relevant information, requests by Shareholders may be made up to one year from the date the Circular was filed on System for Electronic Document Analysis and Retrieval ("**SEDAR**") by: (i) mailing a request to the Company at Unit 101B, 8575 Government Street, Burnaby, BC, V3N 4V1, Attention: Corporate Secretary; (ii) calling the Company at 604-420-2041; or (iii) by emailing the Company at [info@nanoone.ca](mailto:info@nanoone.ca).

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## GENERAL INFORMATION

Unless otherwise stated, information in this Circular is as of June 17, 2022. All dollar amounts referenced in this Circular, unless otherwise indicated, are expressed in Canadian dollars.

### VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As at the date hereof, the Company has issued and outstanding 100,252,994 fully paid and non-assessable common shares without par value, each share carrying the right to one vote. The Company has no other classes of voting securities and does not have any classes of restricted securities.

Any shareholder of record at the close of business on June 13, 2022, who has completed and delivered a Proxy in the manner specified, subject to the provisions described above, will be entitled to vote or to have such shareholder's common shares voted at the Meeting.

To the best of the knowledge of the Directors and executive Officers of the Company, there are no persons who, or corporations which, beneficially own, or exercise control or direction over, directly, or indirectly, common shares carrying more than 10% of the voting rights attached to all outstanding common shares.

### MATTERS TO BE ACTED UPON AT THE MEETING

#### FINANCIAL STATEMENTS

The financial statements of the Company for the year ended December 31, 2021, and the auditors' report thereon accompanying this Circular will be placed before the Shareholders at the Meeting. Shareholders who wish to receive interim financial statements are encouraged to send the enclosed notice to Computershare. The financial statements of the Company for the year ended December 31, 2021, are filed on SEDAR.

#### NUMBER OF DIRECTORS

The articles of the Company ("**Articles**") require that the Board consist of the greater of three directors or the number set by ordinary resolution. At the Meeting, the seven persons named in the "Directors" section set out in the table on page 7 will be proposed for election as Directors of the Company.

At the Meeting, shareholders of the Company will be asked to vote, by ordinary resolution, to set the number of Directors of the Company at seven (7) for the ensuing year.

#### ELECTION OF DIRECTORS

The term of office of each of the present Directors expires at the Meeting. **The persons named below will be presented for election at the Meeting as management's nominees.** Management does not contemplate that any of these nominees will be unable to serve as a Director. Each Director elected will hold office until the next annual general meeting of the Company or until his or her successor is elected or appointed, unless his or her office is earlier vacated in accordance with the Articles of the Company or the provisions of the *Business Corporations Act* (British Columbia).

The following table sets out the names of the nominees for election as Directors, the province or state and country in which each is ordinarily resident, the period or periods during which each has served as a Director, the first and last positions held in the Company, their present principal occupations, and the number of common shares of the Company or any of its subsidiaries beneficially owned, or controlled or directed by each, directly or indirectly, as at the date hereof.

Name, Position(s) with the Company <sup>(1)</sup> and Place of Residence <sup>(3)</sup>	Principal Occupation <sup>(2)</sup> <sup>(3)</sup>	Date(s) Served as a Director Since	Ownership or Control Over Voting Shares Held <sup>(3)</sup>
<b>Paul Matysek</b> Executive Chairman and Director <i>British Columbia, Canada</i>	The Company's Chair since March 2015. Executive Chair Freeman Gold Corp since Sept 2021.	January 29, 2012	2,344,416 <sup>(5)</sup> (2.4%)
<b>Dan Blondal</b> CEO and Director <i>British Columbia, Canada</i>	The Company's CEO since March 2015. CEO of Perfect Lithium Corp. since July 2014, co-CEO of Perfect Lithium Corp. since 2011.	March 5, 2015	1,407,500 (1.4%)
<b>Lyle Brown<sup>(4)</sup></b> Director <i>British Columbia, Canada</i>	Partner of Culver & Co., an accounting firm.	March 5, 2015	160,833 (0.2%)
<b>Dr. Joseph Guy</b> Director <i>North Carolina, USA</i>	Patent Agent since 1992. Patent Filing Specialists Inc. since 2018. Perkins Law Firm, LLC from 2013-2018.	March 5, 2015	100,000 (0.01%)
<b>Gordon M. Kukec<sup>(4)</sup></b> Director <i>British Columbia, Canada</i>	Independent consultant and advisor.	September 7, 2021	361,850 <sup>(6)</sup> (0.4%)
<b>Carla Matheson<sup>(4)</sup></b> Director <i>British Columbia, Canada</i>	Independent consultant and advisor. Chief Financial Officer of Tiny Capital from August 2017- March 2021.	December 15, 2021	Nil
<b>Lisa Skakun</b> Director <i>British Columbia, Canada</i>	Chief Legal, Regulatory and Corporate Affairs Officer of Coast Capital Savings Federal Credit Union since July 2018.	June 15, 2022	Nil

- (1) For the purposes of disclosing positions held in the Company, "Company" includes the Company and any parent or subsidiary thereof.
- (2) Unless otherwise stated above, any nominees named above not elected at the last annual general meeting have held the principal occupation or employment indicated for at least five years.
- (3) The information as to province or state and country of residence, principal occupation and number of common shares beneficially owned by the nominees (directly or indirectly or over which control or direction is exercised) is not within the knowledge of the management of the Company and has been furnished by the respective nominees.
- (4) Members of the Company's Audit Committee. Mr. Brown is Chair of the Audit Committee.
- (5) Mr. Matysek holds 1,639,916 common shares directly. 704,500 common shares are held indirectly by Mr. Matysek through Bedrock Capital Corporation, a company controlled by Mr. Matysek.
- (6) Mr. Kukec holds 229,350 common shares directly and has control or direction over an additional 132,500 common shares, 74,000 of which are held jointly with Mr. Kukec's spouse and 58,500 which are held solely by his spouse.

### New Appointees

Ms. Carla Matheson is a Chartered Professional Accountant (CPA, CA) with over 10 years of experience in a variety of public and private industries, specializing in business development, mergers and acquisitions and financial reporting. She is currently the Chief Financial Officer of Plank Ventures Ltd., an investment company targeting investments and business opportunities in the technology arena, with a focus on early-stage start-up companies that have developed a customer and revenue base and are seeking funding for expansion. Most recently, she was Chief Financial Officer of Tiny Capital, where she was responsible for the strategic oversight of the technology-heavy portfolio. This oversight included on-boarding new acquisitions, development of core financial and operational processes as the primary point of contact for portfolio CEOs experiencing periods of high growth. Throughout her career, Carla has been on both buy and sell sides, having closed 30+ majority acquisitions, 50+ minority/venture type transactions, raised over



\$150M in capital via both debt and equity markets and deployed over \$60M in capital. Ms. Matheson's appointment was announced on December 15, 2021.

Ms. Lisa Skakun is a lawyer and executive with over 20 years of experience in a variety of private and public industries. Currently the Chief Legal, Regulatory and Corporate Affairs Officer of Coast Capital Savings Federal Credit Union, Lisa is responsible for all legal, mergers and acquisitions, public affairs, compliance, financial crimes risk management and corporate governance functions. Prior to Coast Capital Savings, Lisa was the Chief Legal & Administrative Officer at Mogo Finance Technology, at TSX listed fintech company, from 2015-2018. Lisa has her LLB from the University of British Columbia, a Master of Laws degree in business law from Osgoode Hall Law School at York University, and also holds her ICD.D designation from the Institute of Corporate Directors. Lisa is the recipient of the Lexpert Zenith Award: Celebrating Women in Law, the Association of Women in Finance's PEAK award for Rising Star, and the National Post Award for Tomorrow's Leader at the Western Canada General Counsel Awards and has been named to Canada's Diversity 50 list by the Canadian Board Diversity Council. Previously, Lisa was the Board Chair of Kwantlen Polytechnic University, a past board member on the Cause We Care Foundation, a previous Chair of the BC Business Law Section of the Canadian Bar Association, and was also member of the Securities Law Advisory Committee for the British Columbia Securities Commission. Ms. Skakun's appointment was announced June 15, 2022.

**Unless otherwise instructed, the Management Proxyholders appointed pursuant to the accompanying proxy form will vote FOR the election of the nominated directors.**

#### Advance Notice Provisions

As of the date of this Circular, the Company has not received notice of any additional director nominations in connection with the Meeting. A copy of the Advance Notice Provisions for the nomination of directors in certain circumstances is available on Nano One's website.

#### Majority Voting Policy

The Board of Nano One believes that each Director should have the confidence and support of the shareholders of the Company. To this end, the Board has unanimously adopted a Majority Voting Policy (the "**Policy**") and future nominee Directors for election to the Board will be required to confirm that they will abide by this Policy.

Under the terms of the Policy, in an uncontested election of Directors at a shareholders' meeting, the votes cast in favour of the election of a Director nominee must represent a majority (50% plus one vote) of the common shares voted and withheld for the election of the Director. If that is not the case, the Director nominee is required to promptly tender his or her resignation for consideration by the balance of the Board.

In the absence of exceptional circumstances, it is expected that the Board will accept the resignation in a time frame consistent with the interest of the Company and in any event within 90 days from the date of the relevant shareholders' meeting. The resignation will be effective when accepted by the Board. A Director who tenders a resignation under this Policy will not participate in any Board or committee meeting at which the resignation is considered. A copy of this Policy is available on the Company's website ([www.nanoone.ca](http://www.nanoone.ca)).

#### Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Company, none of the proposed Directors (or any of their personal holding companies) of the Company:

- (a) is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a Director, Chief Executive Officer or Chief Financial Officer of any company, including the Company, that:
  - (i) was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than

30 consecutive days while that person was acting in the capacity as Director, Chief Executive Officer or Chief Financial Officer; or

- (ii) was subject to a cease trade or similar order or an order that denied the issuer access to any exemption under securities legislation in each case for a period of 30 consecutive days, that was issued after the person ceased to be a Director, Chief Executive Officer or Chief Financial Officer in the Company and which resulted from an event that occurred while that person was acting in the capacity as Director, executive Officer or Chief Financial Officer; or
- (b) is as at the date of this Circular or has been within the 10 years before the date of this Circular, a Director or executive Officer of any company, including the Company, that while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager as trustee appointed to hold the assets of that individual.

To the knowledge of the Company, none of the proposed Directors (or any of their personal holding companies) has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed Director.

#### **APPOINTMENT OF INDEPENDENT AUDITOR**

Shareholders will be asked to approve the appointment of Davidson & Company LLP, Chartered Professional Accountants, as the external independent auditor of the Company to hold office until the next annual general meeting of the shareholders at a remuneration to be fixed by the Directors. The auditor was first appointed on March 5, 2015. The fees paid to the external independent auditor over the last two fiscal years are set out on page 30 of this Circular.

**The Board recommends that shareholders vote FOR the appointment of Davidson & Company LLP as the Company’s auditor for the Company’s financial year ending December 31, 2022, at a remuneration to be fixed by the Board.**

#### **STATEMENT OF EXECUTIVE COMPENSATION**

##### **GENERAL**

The following table provides a summary of compensation paid, directly or indirectly, for each of the three most recently completed fiscal years, to the Directors, and to the following persons (collectively, the “**Named Executive Officers**” or “**NEOs**”):

- a) each individual who, in respect of the Company, during any part of the most recently completed fiscal year, served as Chief Executive Officer (“**CEO**”), including an individual performing functions similar to a CEO;

- b) each individual who, in respect of the Company, during any part of the most recently completed fiscal year, served as Chief Financial Officer (“**CFO**”), including an individual performing functions similar to a CFO;
- c) in respect of the Company and its subsidiaries, each of the three most highly compensated executive Officers other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed fiscal year whose total compensation was more than \$150,000; and
- d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was not an executive Officer of the Company, and was not acting in a similar capacity, at the end of that fiscal year.

Based on the foregoing definitions, the Company's NEO's in respect of the year ended December 31, 2021, were: Dan Blondal, CEO; Dan Martino, CFO; Alex Holmes, Chief Operating Officer (“**COO**”); Stephen Campbell, Chief Technical Officer (“**CTO**”); John Lando, President (until November 30, 2021); and Paul Matysek, Executive Chairman.

### **COMPENSATION GOVERNANCE**

The Board of Directors (the “Board”) has established the Compensation and Nominating Committee (the “CNC”), which is responsible for, amongst other things, the compensation of the Company's Directors and NEOs that the Board (having regard to the recommendations of the CNC) determines is suitable. The members of the CNC are Mr. Lyle Brown (independent), Ms. Carla Matheson (independent) and Mr. Gord Kucek (Chair, independent). Each of the members of the committee has experience with employment and compensation matters, having served as Officers and Directors of various private and public companies.

With respect to the overall objectives of its compensation practices, and taking into consideration its current stage of development, the Company determines the specific amounts of compensation to be paid to each of the NEOs based on a number of factors, including: (i) the Company's understanding of the amount of compensation generally paid by similar companies to the NEOs with similar roles and responsibilities; (ii) the NEOs' performance during the fiscal year; (iii) the roles and responsibilities of the Company's NEOs; (iv) the individual experience, the skills of, and expected contributions from each of the NEOs having regard for the Company's current stage of development and its general perspectives; (v) the amounts of compensation being paid to the other NEOs; (vi) the Company's performance and (vii) any other contractual commitments that the Company has made to its NEOs regarding compensation.

Market comparisons as well as evaluation of similar positions in the same industry and in the same geography are also considered in determining compensation levels. Following a review of such criteria and the recommendations of the CNC, the Board determines compensation amounts and methods as it sees fit and reasonable.

The objective of the Board of Directors in setting compensation levels is to attract, retain, and motivate qualified individuals to serve as Executive Officers of the Company, to motivate their performance in order to achieve the Company's important strategic objectives and to align the interests of Executive Officers with both the short-term and the long-term interests of the Shareholders, while at the same time preserving cash flows. These objectives are designed to ensure that the Company continues to achieve its strategic objectives and pursue cash flow positive and future profitable operations for the Company and its Shareholders.

For the year ended December 31, 2021, the CNC generally considered three elements of compensation – a base compensation for the current fiscal year, a discretionary cash bonus for the previously completed fiscal year and a grant of long-term equity incentives. While the Board considers amounts paid by other companies in similar industries at similar stages of development in determining compensation, no specifically selected peer group was used in 2021.

## **ELEMENTS OF COMPENSATION**

### **Base Salary**

Base compensation is used to provide the NEO with a set salary level during the year with the expectation that he/she will perform his/her responsibilities to the best of his/her ability and in the best interests of the Company. Benchmarking the executive salary was determined based on the stage of the development of the Company, which was particularly challenging as the Company is at a pre-revenue stage. As such, the Company's compensation philosophy was to target between the 25<sup>th</sup> and 50<sup>th</sup> percentile of the market. Additionally, the Company's compensation philosophy focuses on the contribution of the NEOs while also aligning compensation with value created for shareholders.

Benchmark market data was sourced using the Aon plc Radford Salary Survey ("Radford") and Western Compensation and Benefits Group ("WSBC") undertaken in 2020. The CNC made their recommendations based on the results driven from the benchmarking in these two surveys. Both surveys looked into the technology field within adequate sample sizes in the provincial and national region that reflect the company size, revenue, stage of business & industry. WSBC was used as the primary source of data and Radford was used as secondary.

The base salary of each NEO is reviewed annually. The base salary assessment and annual revisions, if any, to each NEO's base salary are made in accordance with the compensation structure and stage of development of the Company. Base salary and annual revisions are approved by the Board after reviewing the recommendations of the CNC.

### **Annual Savings Program**

The Company has established an annual savings program. The intention of this program is to provide a cash dollar amount in lieu of Registered Retirement Saving Plan (RRSP). Under their respective employment terms or the Company's compensation structure, certain NEOs are eligible to receive a discretionary annual cash incentive based on 5% of their annual base salary as part of the Company's Annual Savings Program. The Annual Savings Program and amounts awarded may be revised from time to time by the Company at the discretion of the CNC.

### **Variable Compensation – Short-Term Incentive**

Due to the stage of our business, we emphasized on linking a significant portion of the executive total pay to corporate and individual performance metrics. The Company provides short-term variable compensation as an incentive for performance. Each executive has a specified short-term incentive ("STI") target bonus as a percentage of the base salary, and will be measured against certain corporate performance metrics measured on an annual basis at the outset of each calendar year. Additional cash bonus above the targeted percentage may be awarded to reward extraordinary performance that has led to increased value for shareholders through divestitures, the formation of new strategic or joint venture relationships and/or capital raising efforts. The STI percentages for 2021 are demonstrated below. During the year ended December 31, 2021, the Company paid STIs of \$227,500. STI bonuses based on these STI percentages for 2021 were awarded subsequent to December 31, 2021.

<b>Position</b>	<b>STI Target</b>
CEO	60%
COO	50%
CTO	25%

For the fiscal year ended December 31, 2021, the CNC recommended to the Board the approval of STI allocations to the NEOs as the Company met 100% of its corporate goals in 2021, as they relate to joint development programs, technology development, capital markets, financing, institutional investors and brand recognition.

### Variable Compensation – Long-Term Incentive

The Company's granting of stock options, or restricted share units (“RSU”), deferred share units (“DSU”), performance share units (“PSU”) or equivalent (collectively, “incentive units”), to NEOs under the Company’s Omnibus Equity Incentive Plan (“Equity Incentive Plan”) provides a link between management compensation and the Company’s share price. It also rewards management for achieving results that improve Company performance and thereby increase shareholder value. In making a determination as to whether a grant of incentive units is appropriate, and if so, the number of incentive units that should be granted, the Board will consider: the number and terms of outstanding incentive units held by the NEO; the value in securities of the Company that the Board intends to award as compensation; the potential dilution to shareholders and the cost to the Company; general industry standards; and the limits imposed by the terms of the Equity Incentive Plan and the Toronto Stock Exchange (the “Exchange”).

The Company generally expects future incentive grants should be based on the following factors: (i) the terms and conditions of the employment agreements of NEO; (ii) the NEO's past performance; (iii) the NEO's anticipated future contribution; (iv) the incentive grants to such NEO; (v) the level of vested and unvested stock options or incentive units; (vi) the Company's overall performance and the NEO's contribution thereto; and (vii) the market practices and the NEO's responsibilities and performance. The Company has not set specific target levels for the granting of stock options or incentive units to NEOs but seeks to be competitive with similar companies. For a summary of the main terms and conditions of the Company's Equity Incentive Plan, see "Equity Incentive Plan" below.

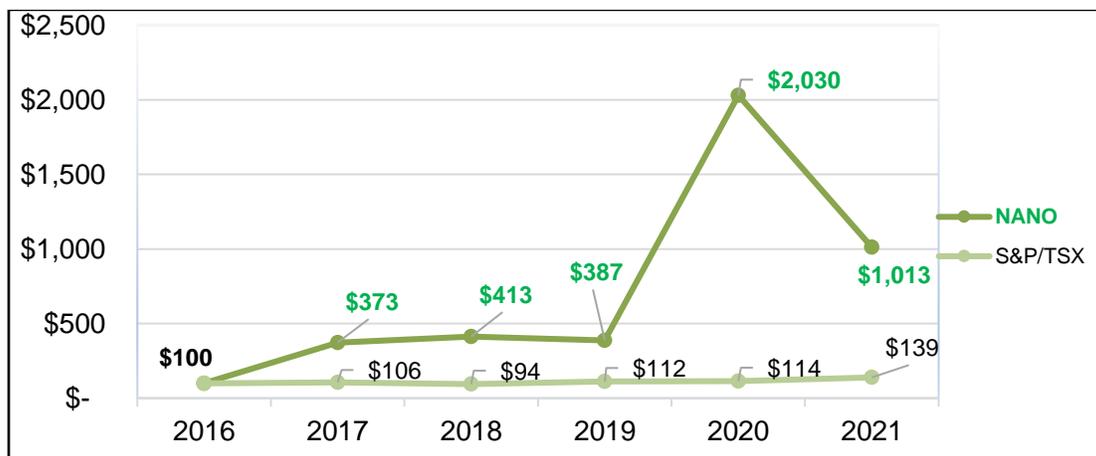
Going forward, the Board has determined that the Company will no longer continue to award stock options to NEOs. LTI awards issued to NEOs for 2021 were issued as RSUs, which the Board believes provides better alignment between the NEOs and shareholders and is in keeping with recommended best practices.

Similar to STIs, each NEO has a specified target long-term incentive (LTI) expressed as a percentage of base salary. LTI incentive was driven from the Radford survey conducted in 2020 that examined various executives within the tech sector and is set as follows:

Position	LTI Target
CEO	60%
COO	50%
CTO	25%
CFO	25%

### Performance Graph

The following graph compares the cumulative total return on a \$100 investment in Common Shares of the Company made on December 31, 2016, to the cumulative total return on the S&P/TSX Composite Index until December 31, 2021 (as of December 31 in each of the five (5) previously completed fiscal year-ends).



There is no direct correlation between the trend of the Company's share performance evidenced by the table above and the Company's compensation to the NEOs over the period of reference. The stock prices of companies within the Company's industry can be volatile and subject to various market conditions. Rather than being based on the performance of the Company's share price, the trend of the Company's compensation to NEOs has evolved positively to reflect the achievement of important developments and milestones to the Company and the Company's overall financial and operational performance. It should also be noted that the Company's Common Shares commenced trading on the Toronto Stock Exchange on June 8, 2021.

### Executive Compensation-Related Fees

For the fiscal year ended December 31, 2021, Miles Employment Group Ltd. was remunerated \$87,861 (2020 - \$61,234) for the services of the HR contractor for general human resources functions and services. Services provided by the HR contractor are not subject to Board pre-approval.

### SUMMARY COMPENSATION TABLE

The following table sets forth all direct and indirect compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Company, or a subsidiary of the Company to each NEO of the Company, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO for services provided and for services to be provided, directly or indirectly, to the Company, for each of the Company's three (3) most recently completed fiscal years:

Name and principal position	Year	Salary, management fee, or professional fee (\$)	Share-based awards (\$)	Option-based awards <sup>(5)</sup> (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans <sup>(6)</sup>	Long-term incentive plans			
Dan Blondal, CEO and Director <sup>(1)</sup>	2021	267,900	159,874	232,091	120,000	Nil	Nil	Nil	779,865
	2020	200,000	Nil	352,393	162,500	Nil	Nil	Nil	714,893
	2019	125,000	Nil	Nil	Nil	Nil	Nil	Nil	125,000
Dan Martino, CFO and Corporate Secretary <sup>(2)</sup>	2021	117,925	35,970	139,255	Nil	Nil	Nil	Nil	293,150
	2020	91,500	Nil	140,957	Nil	Nil	Nil	Nil	232,457
	2019	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Alex Holmes COO	2021	235,000	266,455	309,455	Nil	Nil	Nil	Nil	810,910
	2020	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Stephen Campbell, CTO	2021	198,000	59,952	185,673	45,000	Nil	Nil	Nil	488,625
	2020	180,000	Nil	281,915	Nil	Nil	Nil	Nil	461,915
	2019	123,600	Nil	Nil	Nil	Nil	Nil	Nil	123,600
Paul Matysek, Executive Chairman and Director <sup>(3)</sup>	2021	150,000	127,898	139,255	Nil	Nil	Nil	Nil	417,153
	2020	96,000	Nil	211,436	162,500	Nil	Nil	Nil	469,936
	2019	60,000	Nil	Nil	Nil	Nil	Nil	Nil	60,000
John Lando, President and Director <sup>(4)</sup>	2021	235,000	83,267	139,255	62,500	Nil	Nil	Nil	520,022
	2020	125,000	Nil	211,436	162,500	Nil	Nil	Nil	498,936
	2019	75,000	Nil	Nil	Nil	Nil	Nil	Nil	75,000

#### Notes:

- (1) Mr. Blondal receives no compensation for his services as Director.
- (2) CFO compensation is paid to a firm in which Mr. Martino is a principal. Mr. Martino was appointed CFO on January 20, 2020.
- (3) Includes amounts paid or accrued to a private corporation controlled by Mr. Matysek for consulting services rendered. Mr. Matysek is compensated for his services on the People & Governance committee.
- (4) Mr. Lando received no compensation for his services as Director. Mr. Lando retired from the Company effective November 30, 2021.

- (5) The value of stock options was estimated using the Black-Scholes option pricing model for establishing the fair value of stock options based on the following weighted average assumptions:

	December 31, 2021	December 31, 2020	December 31, 2019
Risk-free interest rate	0.3%	0.3%	Nil
Expected life of stock options (years)	3.5	3.0	Nil
Historical volatility	73.5%	71.4%	Nil
Dividend rate	0%	0.0%	Nil
Weighted average fair value per stock option granted	\$ 2.59	\$ 1.18	Nil

- (6) Represents a non-equity cash bonus.

## External Management Companies

The NEOs who provide executive management services to the Company through external management companies are Mr. Martino who provides CFO services through Donaldson Brohman Martin, CPA Inc. (a private public practice firm in which Mr. Martino is a principal), and Mr. Matysek who provides Executive Chairman services through Bedrock Capital Corp. (a private corporation that is controlled by Mr. Matysek).

## INCENTIVE PLAN AWARDS TABLE

### Stock Options and Other Compensation Securities

The following table sets forth all compensation securities granted or issued, and outstanding to NEOs and/or Directors as at and during the most recently completed fiscal year ended December 31, 2021, for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries:

Name	Date of issue	Option-based Awards				Share-based Awards		
		Number of securities underlying unexercised Options <sup>(1)</sup>	Option exercise price (\$)	Option expiry date	Value of unexercised in-the-money options (\$) <sup>(2)</sup>	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Dan Blondal, CEO and Director <sup>(3)</sup>	Nov. 12, 2018	700,000	1.28	Nov. 12, 2023	1,232,000	38,339	116,733	Nil
	Jul. 20, 2020	300,000	2.52	Jul. 20, 2023	156,000			
	Feb. 1, 2021	300,000	5.10	Feb. 1, 2024	Nil			
Dan Martino, CFO <sup>(3)</sup>	Jul. 20, 2020	120,000	2.52	Jul. 20, 2023	62,400	8,626	26,223	Nil
	Feb. 1, 2021	120,000	5.10	Feb. 1, 2024	Nil			
Alex Holmes COO <sup>(3)</sup>	Feb. 1, 2021	400,00	5.10	Feb. 1, 2024	Nil	63,898	194,250	Nil
Stephen Campbell, CTO <sup>(3)</sup>	Mar. 10, 2017	15,000	0.70	Mar. 10, 2022	35,100	14,377	43,706	Nil
	Jul. 12, 2018	34,950	1.57	Jul. 12, 2023	51,377			
	Nov. 12, 2018	200,000	1.28	Nov. 12, 2023	352,000			
	Jul. 20, 2020	240,000	2.52	Jul. 20, 2023	124,800			
	Feb. 1, 2021	240,000	5.10	Feb. 1, 2021	Nil			
Paul Matysek, Chairman and Director <sup>(3)</sup>	Nov. 12, 2018	525,000	1.28	Nov. 12, 2023	924,000	30,671	93,240	Nil
	Jul. 20, 2020	180,000	2.52	Jul. 20, 2023	93,600			
	Feb. 1, 2021	180,000	5.10	Feb. 1, 2024	Nil			
John Lando, President & Director <sup>(3)(4)</sup>	Nov. 12, 2018	400,000	1.28	Nov. 12, 2023	704,000	19,968	60,703	Nil
	Jul. 20, 2020	180,000	2.52	Jul. 20, 2023	93,600			
	Feb. 1, 2021	180,000	5.10	Feb. 1, 2024	Nil			

#### Notes:

- (1) One common share is issuable on the exercise of each stock option. All stock options are fully vested except for Alex Holmes whose stock options vest 50% in February 2022, and 50% in February 2023.
- (2) The closing price of the Company's Common Shares on December 31, 2021 was \$3.04.

- (3) Subsequent to December 31, 2021, on February 4, 2022, the Company granted 169,223 Restricted Share Units to NEOs at a fair value of \$2.88.
- (4) Mr. Lando retired from the Company effective November 30, 2021.

The following table sets forth, for each NEO, the value of all awards vested and earned during the fiscal year ended December 31, 2021:

Name	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 (\$)
Dan Blondal, CEO and Director <sup>(1)</sup>	734,562	Nil	N/A
Dan Martino, CFO <sup>(1)</sup>	293,825	Nil	N/A
Stephen Campbell, CTO <sup>(1)</sup>	587,649	Nil	N/A
Alex Holmes, COO	Nil	Nil	N/A
Paul Matysek, Chair and Director <sup>(1)</sup>	440,737	Nil	N/A
John Lando, President and Director <sup>(1)(2)</sup>	440,737	Nil	N/A

**Notes:**

- (1) All stock options vested immediately on the date of grant and were issued with exercise prices equal to the closing market price on the date preceding the grants. Accordingly, the values expressed in the table above represent the value of all options granted (and immediately vested) as at and during the fiscal year ended December 31, 2021. The closing price of the Company's Common Shares on December 31, 2021 was \$3.04.
- (2) Mr. Lando retired from the Company effective November 30, 2021.

**PENSION PLAN BENEFITS**

The Company does not have a pension plan that provides for payments or benefits to a Director or NEO. In lieu of a pension plan, the Company has established the Annual Savings Program, see "Compensation and Analysis" above.

**TERMINATION AND CHANGE OF CONTROL BENEFITS**

The figures within the employment and consulting agreements discussed below are as of the date of this Statement of Executive Compensation.

**Employment:** The Company has an executive employment agreement with Dan Blondal, CEO and Director for a base salary of \$22,325 per month (\$267,900 annually). Pursuant to this employment agreement, in the case of termination by the Company without cause, Dan Blondal is entitled to six (6) weeks' base pay (or notice) for every year of service to a maximum of twenty-four (24) months. He would not be entitled to further bonus payments after termination. In the case of resignation after a Change of Control and for Good Reason, Mr. Blondal is entitled to twenty-four (24) months' base salary.

The Company has an executive employment agreement with Alex Holmes, COO for a base salary of \$19,583 per month (\$235,000 annually). Pursuant to this employment agreement, in the case of termination by the Company without cause, Alex Holmes is entitled to six (6) weeks' base pay (or notice) for every year of service to a maximum of twenty-four (24) months. He would not be entitled to further bonus payments after termination. In the case of resignation after a Change of Control and for Good Reason, Mr. Holmes is entitled to twenty-four (24) months' base salary.

Effective November 30, 2021, Mr. Lando retired from the Company. The Company had an executive employment agreement with John Lando, President and Director for a base salary of \$19,583 per month (\$235,000 annually). If the Company had terminated Mr. Lando's executive employment agreement by the

Company without cause, John Lando would have been entitled to six (6) weeks' notice or base pay in lieu for every year of service to a maximum of 18 months' base salary. He would not have been entitled to further bonus payments after termination. In the case of resignation after a Change of Control and for Good Reason, Mr. Lando would have been entitled to eighteen (18) months' base salary.

For Dan Blondal, Alex Holmes, and John Lando, the employment agreements stipulate "Change of Control" as:

- A merger, a consolidation, a reorganization, or an arrangement that results in a transfer of more than fifty percent (50%) of the total voting power of the Company's outstanding securities to a person or a group of persons different from a person or a group of persons holding those securities immediately prior to such transaction;
- A direct or indirect sale or other transfer of beneficial ownership of securities of the Company possessing more than 50 percent (50%) of the total combined voting power of the Company's outstanding securities to a person or a group of persons different from a person or a group of persons holding those securities immediately prior to such transaction;
- A direct or indirect sale or other transfer of all or substantially all of the assets of the Company to a person or a group of persons different from a person or a group of persons holding those assets immediately prior to such transaction; or
- A complete liquidation, dissolution or winding-up of the Company.

The employment agreements also stipulate "Good Reason" as one or more of the following events happening without the Executive's consent:

- Any material adverse change to the Executive's status, position, authority or responsibilities in effect under the Agreement;
- Any material reduction in incentives, health benefits, bonuses or other compensation plans, practices, policies, or programs provided to the Executive in the aggregate under the Agreement;
- An assignment to the Executive of any duties inconsistent with his/her status as an executive of the Company;
- Any action or inaction by the Company that constitutes constructive dismissal at common law; and
- Any failure to secure the agreement of any successor to fully assume the Company's obligations under the contract.

Consulting: The Company has an arrangement with Paul Matysek, Chairman and Director for a consulting fee of \$12,500 per month (\$150,000 annually), payable to Bedrock Capital Corporation (the "Consultant"), a company controlled by Paul Matysek. In the event of a change of control in the Company, and if within six months of the change of control there is a material change in the Consultant's position as Chairman and Director of the Company, without the Consultant's express consent, the Consultant has the election to terminate the Consulting Agreement within one month following the material change, and the Company shall within 30 days of the election date, make a payment of \$30,000 to the Consultant. Either party may terminate the Consulting Agreement by giving the other party six months advance written notice of their intention to terminate the Consulting Agreement.

Except as noted above, management functions of the Company are substantially performed by Directors or Executive Officers of the Company and not, to any substantial degree, by any other person with whom the Company has contracted.

#### Securities Awards

The details regarding change of control for NEO equity grants is explained below in "Equity Incentive Plan – Change in Control".

### **DIRECTOR COMPENSATION**

For the fiscal year ended December 31, 2021, the Board (after considering the recommendations of the CNC) had the responsibility of establishing the compensation to be paid to the non-executive Directors of the Company. The Board, directly or through one of its committees, reviews the compensation payable to

the non-executive Directors at least once a year, considering the Company's financial situation. The CNC commissioned Willis Towers Watson in Q3 2021 to perform a compensation study for the non-executive Directors for which they were remunerated \$30,000 (2020 - \$nil).

For the fiscal year 2021, annual compensation, for the non-executive Directors, which was approved by the board was as follows:

Director Retainers/Fees	Q1-Q3 2021	Q4 2021 <sup>(1)</sup>
Cash retainer – Member	\$18,000	\$25,000
Cash retainer – Lead	N/A	\$58,000
Committee – Member	N/A	\$7,500
Committee – Chair	\$9,000	\$12,500

(1) With the creation of the Lead Director role starting in October 2021, and increasing work assigned to the committees, including the addition of a third committee, the Board approved an increase to the remuneration for the non-executive Directors effective October 1, 2021.

As at December 31, 2021, three of the Company's Directors (Mr. Lyle Brown, Dr. Joseph Guy, and Mr. Gord Kukec) were compensated by the Company for their services in their capacity as Directors or Lead Director. Additionally, the Company compensated Directors for holding membership or chair positions within the Audit Committee, Compensation and Nominating Committee, and People & Governance committee. Compensation was as follows:

- Mr. Lyle Brown was compensated \$19,750 for services in the capacity as Director, and \$13,625 for positions as Audit Committee chair, People & Governance member, and CNC member;
- Dr. Joseph Guy was compensated \$19,750 for services in the capacity as Director, and \$8,625 as Audit Committee member, and CNC member; and
- Mr. Gord Kukec was compensated \$14,500 for services in the capacity as Lead Director from October 1 to December 31, 2021, and \$8,125 as Audit Committee member, People & Governance member, and CNC member.

Additionally, Directors have been granted, from time-to-time, incentive stock options, restricted share units, or deferred share units, in accordance with the terms of the Company's Omnibus Equity Incentive Plan and the Exchange. For 2022, the Board determined that it would no longer award stock options to non-executive Directors, and would instead only award a mix of RSUs and DSUs to better align with recommended compensation best practices. The granting of equity awards provides a link between Director compensation and the Company's share price. It also rewards Directors for achieving results that improve Company performance and thereby increase shareholder value. In making a determination as to whether a grant of long-term incentive award is appropriate, and if so, the number of RSUs or DSUs that should be granted, the Board will consider: the number and terms of outstanding incentive stock options or incentive units held by each Director; the value in securities of the Company that the Board intends to award as compensation; the potential dilution to shareholders and the cost to the Company; general industry standards; and the limits imposed by the terms of the Equity Incentive Plan and the Exchange. The terms and conditions of the Company's equity grants, including vesting provisions and exercise prices, are governed by the terms of the Equity Incentive Plan, which are described under "Equity Incentive Plan" below. The Directors may be reimbursed for actual expenses reasonably incurred in connection with the performance of their duties as Directors.

### Director Compensation Table

During the fiscal year ended December 31, 2021, the aggregate amount paid to the non-executive Directors as compensation for their services as Directors and members of Committees of the Board amounted to \$86,250 in cash payments or \$380,074 including the fair value of securities granted and vesting during the fiscal year then ended using the Black-Scholes option pricing model.

The following table details the compensation paid to the Company's non-executive for their service as Directors for the fiscal year ended December 31, 2021:

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards <sup>(1)</sup> (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Lyle Brown, Director	33,375	Nil	146,912	Nil	N/A	Nil	180,287
Dr. Joseph Guy, Director <sup>(2)</sup>	216,959	Nil	146,912	Nil	N/A	Nil	363,871
Gord Kukec, Director <sup>(3)</sup>	22,625	Nil	Nil	Nil	N/A	Nil	22,625
Carla Matheson, Director <sup>(4)</sup>	Nil	Nil	Nil	Nil	N/A	Nil	Nil

**Notes:**

- (1) The value of stock options was estimated using the Black-Scholes option pricing model for establishing the fair value of stock options based on the following weighted average assumptions:

**December 31,  
2021**

Risk-free interest rate	0.2%
Expected life of stock options (years)	3.0
Historical volatility	74.0%
Dividend rate	0%
Weighted average fair value per stock option granted	\$ 2.45

- (2) Includes \$188,584 (2020 - \$191,635) paid to a private corporation controlled by Dr. Guy for services relating to patent filings, maintenance, and applications, and \$28,375 for services as a Director and member of Committees.
- (3) Mr. Kukec was appointed to the board on September 7, 2021.
- (4) Ms. Matheson was appointed to the board on December 15, 2021. Compensation commenced in 2022.

The following table summarizes all outstanding compensation securities granted or issued to Directors (who are not also NEOs) that remained outstanding as at the end of the fiscal year ended December 31, 2021:

Name	Date of issue	Option-based Awards				Share-based Awards		
		Number of securities underlying unexercised Options <sup>(1)</sup>	Option exercise price (\$)	Option expiry date	Value of unexercised in-the-money options (\$) <sup>(2)</sup>	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Lyle Brown, Director	Nov. 12, 2018	150,000	1.28	Nov. 12, 2023	264,000	8,626	Nil	Nil
	Jul. 20, 2020	60,000	2.52	Jul. 20, 2023	31,200			
	Feb. 1, 2021	60,000	5.10	Feb. 1, 2024	Nil			
Dr. Joseph Guy, Director	Nov. 12, 2018	150,000	1.28	Nov. 12, 2023	264,000	8,626	Nil	Nil
	Jul. 20, 2020	60,000	2.52	Jul. 20, 2023	31,200			
	Feb. 1, 2021	60,000	5.10	Feb. 1, 2024	Nil			
Gord Kukec <sup>(3)</sup> Director	Sept. 13, 2017	50,000	1.08	Sept. 13, 2022	98,000	Nil	Nil	Nil
	Nov. 12, 2018	40,000	1.28	Nov. 12, 2023	70,400			
	Jul. 20, 2020	25,000	2.52	Jul. 20, 2023	13,000			
	Feb. 1, 2021	25,000	5.10	Feb. 1, 2024	Nil			

**Notes:**

- (1) All stock options are fully vested. One common share is issuable on the exercise of each stock option.
- (2) The closing price of the Company's Common Shares on December 31, 2021 was \$3.04.
- (3) Mr. Kukec was appointed to the board on September 7, 2021 and had received prior grants as an advisor to the Company.



The following table sets forth, for each non-executive Director, the value of all awards vested and earned during the fiscal year ended December 31, 2021:

Name	Option-based awards – Value vested during the year (\$) <sup>(1)</sup>	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Lyle Brown, Director	146,912	Nil	N/A
Dr. Joseph Guy, Director	146,912	Nil	N/A
Gord Kukec, Director	Nil	Nil	N/A

**Note:**

(1) All stock options vested immediately on the date of grant and were issued with exercise prices equal to the closing market price on the date preceding the grants. Accordingly, the values expressed in the table above represent the value of all options granted (and immediately vested) as at and during the fiscal year ended December 31, 2021. The closing price of the Company's Common Shares on December 31, 2021 was \$3.04.

**EQUITY INCENTIVE PLAN**

The Company's Equity Incentive Plan was adopted by the Board of Directors of the Company on June 18, 2021 and was most recently approved by shareholders on October 14, 2021. This Equity Incentive Plan replaced the Company's former Stock Option Plan. Notwithstanding the foregoing, pursuant to the terms of the Equity Incentive Plan, all outstanding options granted under the former Option Plan will be governed by the Equity Incentive Plan, unless the former Option Plan is more beneficial, in which case the terms of the Option Plan will apply for the benefit of the option holder.

The purpose of the Equity Incentive Plan is to provide the Company with a share-related mechanism to attract, retain and motivate qualified Directors, Employees and Consultants of the Company, to reward those Directors, employees and consultants as may be granted Awards by the Board from time to time for their contributions. Further, the purpose of the Equity Incentive Plan is to align Directors, employees and consultants with the interests of the shareholders and the long-term goals and success of the Company and to also enable and encourage such Directors, employees and consultants to acquire common shares as long-term investments and proprietary interests in the Company.

The Equity Incentive Plan is considered an "evergreen" plan, since the common shares covered by Awards (defined below) which have been exercised or terminated will be available for subsequent grants under the Equity Incentive Plan and the number of Awards available to grant increases as the number of issued and outstanding common shares increases. Additionally, the Company must seek shareholder approval for an evergreen plan every three years.

*Types of Awards*

The Equity Incentive Plan provides for the grant of Options, DSUs, RSUs, PSUs and Other Share-Based Awards (each more fully described below and collectively, the "Awards") which may be denominated or settled in common shares, cash or in such other forms as provided for in the Equity Incentive Plan. The aggregate number of common shares reserved for issuance pursuant to awards granted under the Equity Incentive Plan (including any predecessor options granted under the 2017 Option Plan) shall not exceed 10% of the Company's total issued and outstanding common shares from time to time. All Awards will be evidenced by an agreement or other instrument or document (an "Award Agreement").

Additionally, in any year, under the terms of the Equity Incentive Plan and any other compensation plan that may be in place from time to time, the maximum annual individual non-executive Director limit shall not exceed \$150,000, of which no more than \$100,000 of value may be comprised of stock options; excluding awards taken in lieu of any cash retainer or meeting director fees, and (ii) a one-time initial grant to a Director upon such Director joining the Board).



### *Plan Administration*

The Equity Incentive Plan will be administered by the Board, which may delegate its authority to any duly authorized committee of the Board (the "Plan Administrator"). The Plan Administrator has sole and complete authority, in its discretion, to:

- (a) determine the individuals (the "Participants") to whom grants of Awards under the Equity Incentive Plan may be made;
- (b) make grants of Awards under the Equity Incentive Plan, whether relating to the issuance of common shares or otherwise (including any combination of Options, DSUs, RSUs, PSUs or Other Share-Based Awards, defined below), in such amounts, to such eligible persons and, subject to the provisions of the Equity Incentive Plan, on such terms and conditions as it determines, including, without limitation:
  - (i) the time or times at which Awards may be granted;
  - (ii) the conditions under which: (A) Awards may be granted to Participants; or (B) Awards may be forfeited to the Company, including vesting and any conditions relating to the attainment of specified Performance Goals;
  - (iii) the number of common shares to be covered by any Award;
  - (iv) the price, if any, to be paid by a Participant in connection with the purchase of common shares covered by any Awards;
  - (v) whether restrictions or limitations are to be imposed on the common shares issuable pursuant to grants of any Award, and the nature of such restrictions or limitations, if any; and
  - (vi) any acceleration of exercisability or vesting, or waiver of termination regarding any Award, based on such factors as the Plan Administrator may determine;
- (c) establish the form or forms of Award Agreements;
- (d) cancel, amend, adjust or otherwise change any Award under such circumstances as the Plan Administrator may consider appropriate in accordance with the provisions of the Equity Incentive Plan;
- (e) construe and interpret the Equity Incentive Plan and all Award Agreements;
- (f) adopt, amend, prescribe and rescind administrative guidelines and other rules and regulations relating to the Equity Incentive Plan, including rules and regulations relating to sub-plans established for the purpose of satisfying applicable foreign laws or for qualifying for favorable tax treatment under applicable foreign laws; and
- (g) make all other determinations and take all other actions necessary or advisable for the implementation and administration of the Equity Incentive Plan.

Notwithstanding the foregoing, the grant of any Other Share-Based Awards that are not Options, DSUs, RSUs or PSUs will be subject to Exchange and shareholder approval (as applicable).

Under the terms of the Equity Incentive Plan, "*Market Price*" is defined as, with respect to one common share as of any date, (a) if the common shares are listed on the Exchange, the price of one common share at the close of the regular trading session of such market or exchange on the last trading day prior to such date, and if no sale of common shares shall have occurred on such date, on the next preceding date on which there was a sale of common shares; (b) if the common shares are not so listed on an established stock exchange, the average of the closing "bid" and "asked" prices quoted by the OTC Markets, the National Quotation Bureau, or any comparable reporting service on such date or, if there are no quoted "bid" and "asked" prices on such date, on the next preceding date for which there are such quotes for a common share; or (c) if the common shares are not publicly traded as of such date, the per share value of one common share, as determined by the Board, or any duly authorized committee of the Board, in its sole discretion, by applying principles of valuation with respect thereto, and with respect to Options awarded to U.S. Taxpayers, such valuation principles will be in accordance with U.S. Treasury Regulation Section 1.409A-1(b)(5)(iv)(B)(1).



### *Description of Awards*

Subject to the provisions of the Equity Incentive Plan and such other terms and conditions as the Plan Administrator may prescribe, including with respect to performance and vesting conditions, the Plan Administrator may, from time to time, grant the following types of Awards to any Participant:

#### Options

An Option entitles a holder thereof to purchase a common share at an exercise price set at the time of the grant, which price must in all cases be not less than the Market Price on the date of grant. Each Option will expire on the expiry date specified in the Award Agreement (which shall not be later than the tenth anniversary of the date of grant) or, if not so specified, the tenth anniversary of the date of grant. The Plan Administrator shall have the authority to determine the vesting terms applicable to grants of Options and will establish the exercise price at the time each Option is granted, which exercise price must in all cases be not less than the Market Price on the date of grant.

#### Deferred Share Units ("DSUs")

A DSU is a unit that vests immediately upon grant but does not settle until a future date, generally as established in the Award Agreement, or if not so established, then upon termination of service with the Company. The number of DSUs (including fractional DSUs) granted at any particular time will be calculated by dividing (a) the amount of any compensation that is to be paid in DSUs, as determined by the Plan Administrator, by (b) the Market Price of a Share on the date of grant.

DSUs shall be settled on the date established in the Award Agreement; provided, however that in no event shall a DSU be settled prior to a Participant's Termination Date (as defined in the Equity Incentive Plan attached hereto as Appendix 3), or later than one (1) year following, the date of the applicable Participant's Termination Date. In no event shall a DSU Award be settled later than three (3) years following the date of the applicable Participant's separation from service. Subject to the terms of the Equity Incentive Plan, and except as otherwise provided in an Award Agreement, on the settlement date for any DSU, each vested DSU will be redeemed for a common share, a cash payment, or a combination thereof.

Unless otherwise determined by the Plan Administrator and set forth in the particular Award Agreement, DSUs will be credited with dividend equivalents in the form of additional DSUs as of each dividend payment date in respect of which normal cash dividends are paid on common shares. Dividend equivalents will be subject to the same terms and conditions, including vesting and time of settlement, as the DSUs to which they relate.

#### Restricted Share Units ("RSUs")

A RSU is a unit equivalent in value to a common share that does not vest until after a specified period, or satisfaction of other vesting conditions as determined by the Plan Administrator. The number of RSUs (including fractional RSUs) granted at any particular time will be calculated by dividing (a) the amount of any compensation that is to be paid in RSUs, as determined by the Plan Administrator, by (b) the Market Price of a common share on the date of grant.

The Plan Administrator will have the sole authority to determine the vesting terms applicable to the grant of RSUs. Subject to the terms of the Equity Incentive Plan, and except as otherwise provided in an Award Agreement, on the settlement date for any RSU, each vested RSU will be redeemed for a common share, a cash payment, or a combination thereof.

Unless otherwise determined by the Plan Administrator and set forth in the particular Award Agreement, RSUs will be credited with dividend equivalents in the form of additional RSUs as of each dividend payment date in respect of which normal cash dividends are paid on common shares. Dividend equivalents will be subject to the same terms and conditions, including vesting and time of settlement, as the RSUs to which they relate.

#### Performance Share Units ("PSUs")

A PSU is a unit equivalent in value to a common share that does not vest until after a specified period, or satisfaction of other vesting conditions as determined by the Plan Administrator. The Plan Administrator will issue performance goals prior to the date of grant to which such performance goals pertain. The performance goals may be based upon the achievement of corporate, divisional or individual goals and



may be applied to performance relative to an index or comparator group, or on any other basis determined by the Plan Administrator. The Plan Administrator may modify the performance goals as necessary to align them with the Company's corporate objectives, subject to any limitations set forth in an Award Agreement or other agreement with a Participant. The performance goals may include a threshold level of performance below which no payment will be made (or no vesting will occur), levels of performance at which specified payments will be made (or specified vesting will occur) and a maximum level of performance above which no additional payment will be made (or at which full vesting will occur), all as set forth in the applicable Award Agreement.

Unless otherwise determined by the Plan Administrator and set forth in the particular Award Agreement, PSUs will be credited with dividend equivalents in the form of additional PSUs as of each dividend payment date in respect of which normal cash dividends are paid on common shares. Dividend equivalents will be subject to the same terms and conditions, including vesting and time of settlement, as the PSUs to which they relate.

Each PSU will consist of a right to receive a common share, cash payment, or a combination thereof, upon the achievement of such performance goals during such performance periods as the Plan Administrator may establish.

#### Other Share-Based Awards

Each "Other Share-Based Award" shall consist of a right (a) which is other than an Award or right described above, and (b) which is denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, common shares (including, without limitation, securities convertible into common shares) as are deemed by the Plan Administrator to be consistent with the purposes of the Equity Incentive Plan; provided, however, that such right will comply with applicable law. Subject to the terms of the Equity Incentive Plan and any applicable Award Agreement, the Plan Administrator will determine the terms and conditions of Other Share-Based Awards.

#### *Blackout Period*

In the event that the date of grant of an Award occurs, or an Award expires, at a time when an undisclosed material change or material fact in the affairs of the Company exists, the effective date of grant, or expiry of, such Award, as the case may be, will be no later than 10 business days after which there is no longer such undisclosed material change or material fact, and the Market Price with respect to the grant of such Award will be calculated based on the closing price of the common shares on the last trading day immediately preceding the effective date of grant. Notwithstanding the foregoing, in no event will the expiry date extend beyond ten years from the date of grant, and with respect to ISOs awarded to 10% owners (as described in Section 12.3 of the Equity Incentive Plan) in no event will the expiry date extend beyond five years from the date of grant. With respect to a U.S. Awardee, the application of the blackout period shall be made in the Company's sole discretion in accordance with the United States Internal Revenue Code of 1986, as amended from time to time (the "Code") and Section 409A thereof.

#### *Effect of Termination on Options and Other Awards*

The below table describes the impact of certain events upon the Participants under the Equity Incentive Plan, including termination for cause, resignation, termination without cause, disability, death or retirement with respect to treatment of Options, subject, in each case, to the terms of a Participant's employment agreement, Award Agreement or other written agreement. With respect to Awards other than Options, the treatment of such Awards upon various types of termination of a Participant's employment and the amount of any payment or transfer to be made pursuant to any Award will be determined by the Plan Administrator and by the other terms and conditions of any Award, all as set out in the applicable Award Agreement.

<b>Event Provisions</b>	<b>Provisions</b>
Termination for cause	Forfeiture of any unexercised Option.



Event Provisions	Provisions
Resignation and Termination without cause	Any unvested Options held by the Participant as of the Termination Date (as defined in the Equity Incentive Plan attached hereto as Appendix 3) shall be immediately forfeited and cancelled as of the Termination Date and any vested Options held by the Participant as of the Termination Date may be exercised or surrendered to the Company by the Participant at any time during the period that terminates on the earlier of: (A) the expiry date of such Award; and (B) the date that is 90 days after the Termination Date. Any Option that remains unexercised or has not been surrendered to the Company by the Participant shall be immediately forfeited upon the termination of such period.
Death	Any Option held by the Participant that has not vested as of the date of the death of such Participant shall vest on such date and may be exercised or surrendered to the Company by the Participant at any time during the period that terminates on the earlier of: (A) the expiry date of such Award; and (B) the third anniversary of the date of the death of such Participant. Any Option that remains unexercised or has not been surrendered to the Company by the Participant shall be immediately forfeited upon the termination of such period.
Retirement	A retirement Option continues to vest in accordance with its terms and may be exercised or surrendered to the Company at any time during the period that terminates on the earlier of the expiry date and three years after retirement date to exercise. Any Option that remains unexercised or has not been surrendered to the Company by the Participant shall be immediately forfeited upon the termination of such period. If the Participant commences employment following retirement, any Option held by the Participant that has not been exercised as of such date is immediately forfeited.
Disability	Any Option held by the Participant that has not vested as of the date of the disability of such Participant shall continue to vest in accordance with its terms and may be exercised or surrendered to the Company by the Participant at any time during the period that terminates on the earlier of: (A) the expiry date of such Award; and (B) the third anniversary of the Participant's date of disability. Any Option that remains unexercised or has not been surrendered to the Company by the Participant shall be immediately forfeited upon the termination of such period.

Notwithstanding the foregoing, the Plan Administrator may, in its discretion, permit the acceleration of vesting of any or all Awards or waive termination of any or all Awards, all in the manner and on the terms as may be authorized by the Plan Administrator and with respect to Awards to U.S. Taxpayers, in a manner that does not result in adverse tax consequences under Section 409A of the Code.

*Change in Control*

Except as may be set forth in an employment agreement, Award Agreement or other written agreement between the Company or a subsidiary of the Company and the Participant, and except with respect to DSUs, the Plan Administrator may, without the consent of any Participant, take such steps as it deems necessary or desirable, including to cause:

- (a) the conversion or exchange of any outstanding Awards into or for rights or other securities of substantially equivalent value, as determined by the Plan Administrator in its discretion, in any entity participating in or resulting from a Change in Control (as defined in the Equity Incentive Plan);

- (b) outstanding Awards to vest and become exercisable, realizable or payable, or restrictions applicable to an Award to lapse, in whole or in part prior to or upon consummation of such Change in Control, and, to the extent the Plan Administrator determines, terminate upon or immediately prior to the effectiveness of such Change in Control;
- (c) the termination of an Award in exchange for an amount of cash and/or property, if any, equal to the amount that would have been attained upon the exercise or settlement of such Award or realization of the Participant's rights as of the date of the occurrence of the transaction net of any exercise price payable by the Participant and subject to any withholding taxes, if applicable (and, for the avoidance of doubt, if as of the date of the occurrence of the transaction, the Plan Administrator determines, in good faith, that no amount would have been attained upon the exercise or settlement of such Award or realization of the Participant's rights net of any exercise price payable by the Participant, then such Award may be terminated by the Company without payment);
- (d) the replacement of such Award with other rights or property selected by the Board in its sole discretion; or
- (e) any combination of the foregoing.

In taking any of the foregoing actions, the Plan Administrator will not be required to treat all Awards similarly in the transaction.

Notwithstanding the foregoing, and unless otherwise determined by the Plan Administrator or as set out in the Equity Incentive Plan, if, as a result of a Change in Control, the common shares will cease trading on the Exchange, the Company may terminate all of the Awards granted under the Equity Incentive Plan (other than Options held by Canadian Taxpayers) at the time of and subject to the completion of the Change in Control by paying to each holder an amount for each Award equal to the fair market value of the Award held by such Participant as determined by the Plan Administrator, acting reasonably. In the case of Options held by a Canadian Taxpayer by permitting the Canadian Taxpayer to surrender such Options to the Company for an amount for each such Option equal to the fair market value of such Option as determined by the Plan Administrator, acting reasonably, upon the completion of the Change in Control (following which such Options may be cancelled for no consideration).

#### *Assignability*

Except as required by law, the rights of a Participant under the Equity Incentive Plan are not capable of being assigned, transferred, alienated, sold, encumbered, pledged, mortgaged or charged and are not capable of being subject to attachment or legal process for the payment of any debts or obligations of the Participant unless otherwise approved by the Plan Administrator.

#### *Amendment, Suspension or Termination of the Equity Incentive Plan*

The Plan Administrator may from time to time, without notice and without approval of the shareholders, amend, modify, change, suspend or terminate the Equity Incentive Plan or any Awards granted pursuant thereunder as it, in its discretion, determines appropriate, provided, however, that: (a) no such amendment, modification, change, suspension or termination may materially impair any rights of a Participant or materially increase any obligations of a Participant under the Equity Incentive Plan without the consent of the Participant, unless the Plan Administrator determines such adjustment is required or desirable in order to comply with any applicable Securities Laws or Exchange requirements; (b) any amendment that would cause an Award held by a U.S. Taxpayer to be subject to the additional tax penalty under Section 409A(1)(b)(i)(II) of the Code will be null and void with respect to the U.S. Taxpayer unless his or her consent is obtained; and (c) any amendments to the Equity Incentive Plan or to any Awards granted pursuant to the Equity Incentive Plan are subject to Exchange approval (including such amendments that do not otherwise trigger approval of the holders of voting common shares of the Company).

Without limiting the generality of the foregoing, but subject to the below, the Plan Administrator may, without shareholder approval, at any time or from time to time, amend the Equity Incentive Plan for the purposes of:

- (a) making any amendments to the general vesting provisions of each Award;

- (b) making any amendment regarding the effect of termination of a participant's employment or engagement;
- (c) making any amendments to add covenants of the Company for the protection of Participants, provided that the Plan Administrator must be of the good faith opinion that such additions will not be prejudicial to the rights or interests of the Participants;
- (d) making any amendments not inconsistent with the Equity Incentive Plan as may be necessary or desirable with respect to matters or questions which, in the good faith opinion of the Plan Administrator, having in mind the best interests of the Participants, it may be expedient to make, including amendments that are desirable as a result of changes in law in any jurisdiction where a Participant resides, provided that the Plan Administrator must be of the opinion that such amendments and modifications will not be prejudicial to the interests of the Participants and non-employee directors;
- (e) amending or modifying the Equity Incentive Plan to the extent the Plan Administrator in its sole discretion deems necessary or advisable to comply with any guidance issued under Section 409A of the Code or other tax regulation; or
- (f) making such changes or corrections which, on the advice of counsel to the Company, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error, provided that the Plan Administrator must be of the opinion that such changes or corrections will not be prejudicial to the rights and interests of the Participants.

Notwithstanding the foregoing and subject to any rules of the Exchange, shareholder approval (including by way of disinterested shareholder approval where required by the Exchange) will be required for any amendment, modification or change that:

- (a) increases the percentage of common shares reserved for issuance under the Equity Incentive Plan, except pursuant to the provisions in the Equity Incentive Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Company or its capital;
- (b) increases or removes the 10% limits on common shares issuable or issued to insiders;
- (c) if the Company is subject to the policies of the TSX Venture Exchange, allows for the grant to insiders (as a group), within a 12 month period, an aggregate number of Awards exceeding 10% of the Company's issued common shares, calculated at the date the Award is granted to the insider;
- (d) if the Company is subject to the policies of the TSX Venture Exchange, allows for the grant to any one Participant, within a 12 month period, an aggregate number of Awards exceeding 5% of the Company's issued common shares, calculated at the date the Award is granted to the insider;
- (e) reduces the exercise price of an Award, except pursuant to the provisions in the Equity Incentive Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Company or its capital;
- (f) extends the term of an Award beyond the original expiry date (except where an expiry date would have fallen within a blackout period applicable to the Participant or within five business days following the expiry of such a blackout period);
- (g) permits an Award to be exercisable beyond 10 years from its date of grant (except where an expiry date would have fallen within a blackout period);
- (h) increases or removes the non-employee director participation limits;
- (i) permits Awards to be transferred to a person;
- (j) changes the eligible participants of the Equity Incentive Plan; or
- (k) deletes or reduces the range of amendments which require shareholder approval.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out information as of the end of the Company's most recently completed fiscal year with respect to compensation plans under which equity securities of the Company are authorized for issuance.

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 securityholders	6,530,181	2.76	3,022,629
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	6,530,181	2.76	3,022,629

The table below summarizes the burn rates in connection with the Company's Option Plan during the fiscal years ended December 31, 2019, 2020 and 2021.

	2021	2020	2019
Burn Rate(1)	0.23%	1.90%	0.29%

**Notes:**

- (1) Burn rate represents: (total stock options granted during the applicable fiscal year) ÷ (weighted average of total common shares issued and outstanding for the applicable fiscal year). The weighted average number of common shares outstanding during the fiscal year is the number of common shares outstanding at the beginning of the period, adjusted by the number of common shares issued during the year multiplied by a time-weighting factor. The time-weighting factor is the number of days that the common shares are outstanding as a proportion of the total number of days in the year.

For further information on the Option Plan and Equity Incentive Plan, see "*Statement of Executive Compensation - Equity Incentive Plans*", above.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed herein, since the commencement of the Company's most recently completed fiscal year, no informed person of the Company, nominee for Director or any associate or affiliate of an informed person or nominee, had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries. An "informed person" means: (a) a Director or executive Officer of the Company; (b) a Director or executive Officer of a person or company that is itself an informed person or subsidiary of the Company; (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company or a combination of both carrying more than 10% of the voting rights other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Company itself, if and for so long as it has purchased, redeemed or otherwise acquired any of its common shares.



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

Except as disclosed herein, no Person has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting other than the election of Directors or the appointment of auditors. For the purpose of this paragraph, "Person" shall include each person or company: (a) who has been a Director or executive Officer of the Company at any time since the commencement of the Company's last fiscal year; (b) who is a proposed nominee for election as a Director of the Company; and (c) who is an associate or affiliate of a person or company included in subparagraphs (a) or (b).

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

During the Company's last completed fiscal year, no current or former executive Officer, Director or employee of the Company or any of its subsidiaries, proposed nominee for election as a Director of the Company or associate of any Director or executive Officer of the Company or proposed nominee is or has been indebted to the Company or any of its subsidiaries or is or has been indebted to another entity where such indebtedness is or has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries, other than routine indebtedness.

## CORPORATE GOVERNANCE DISCLOSURE

National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("NI 58-101") requires each reporting issuer to disclose its corporate governance practices on an annual basis. The Company's approach to corporate governance is set forth below.

### Board of Directors

Section 1.4 of National Instrument 52-110 - *Audit Committees* ("NI 52-110") sets out the standard for Director independence for the purposes of NI 58-101. Under section 1.4 of NI 52-110, a Director is independent if he or she has no direct or indirect material relationship with the Company. A material relationship is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a Director's independent judgment. NI 52-110 also sets out certain situations where a Director will automatically be considered to have a material relationship with the Company.

Applying the definition set out in section 1.4 of NI 52-110, two of the six current members of the Board are independent, being Mr. Lyle Brown and Mr. Gord Kucec. Dan Blondal, Paul Matysek, and John Lando are not considered to be independent due to their position as executive Officers of the Company. Dr. Joseph Guy is not considered to be independent due fees charged to the Company by a private company controlled by Dr. Joseph Guy for patent filing, application, and maintenance services. The Company is working towards a majority independence inline with best practices, with the expectation of having a majority independent board by January 2022.

### Directorships

In addition to their positions on the Board, the following Directors also serve as Directors of the following reporting issuers or reporting issuer equivalent(s):

Name of Director	Reporting Issuer(s) or Equivalent(s)
Paul Matysek	Forsys Metals Corp. Nevada King Gold Corp. (formerly Victory Metals Inc.) Freeman Gold Corp.
Lyle Brown	FEC Resources Inc.

### Orientation and Continuing Education

Board turnover is relatively rare. As a result, the Board provides ad hoc orientation for new Directors.

On occasions where it is considered advisable, the Board will provide Directors with information regarding topics of general interest, such as fiduciary duties and continuous disclosure obligations. The Board also ensures that each Director is up to date with current information regarding the business of the Company, the role the Director is expected to fulfil and basic procedures and operations of the Board. Board members are also given access to management and other employees and advisors, who can answer any questions that may arise.

### **Ethical Business Conduct**

Directors, Officers and employees are required as a function of their Directorship, office or employment to structure their activities and interests to avoid conflicts of interest and potential conflicts of interest and refrain from making personal profits from their positions. The Board does not consider it necessary at this time to have a written policy regarding ethical conduct.

### **Board Committees**

The Board has three committees: (i) Audit Committee; (ii) Compensation and Nominating Committee; and (iii) People and Governance Committee.

<b>Board Committee</b>	<b>Member</b>	<b>Status</b>
Audit	Lyle Brown (Chair)	Independent
	Gord Kukec	Independent
	Carla Matheson	Independent
Compensation & Nominating	Lyle Brown	Independent
	Gord Kukec (Chair)	Independent
	Carla Matheson	Independent
People & Governance	Lyle Brown	Independent
	Gord Kukec (Chair)	Independent
	Carla Matheson	Independent
	Paul Matysek	Not Independent

### **Nomination of Directors**

The Board as a whole is responsible for reviewing the composition of the Board on a periodic basis. The CNC is responsible for recommending to the Board the appropriate criteria for the selection of new directors and in consultation with the Board establishing a process for the identification of prospective directors and performing the preliminary interviews and reference checks before any potential candidate is put forward to the Board for further assessment before an appointment is decided upon.

### **Compensation**

The Board as a whole review and approve all matters relating to compensation of the Directors and executive Officers of the Company upon recommendations from the CNC. See “*Statement of Executive Compensation – Compensation Governance*” above.

### **Assessments**

The entire Board is responsible for assessing the effectiveness of the Board, its members and the committees of the Board, in consultation with the chair of each committee. The Board has not adopted formal procedures for assessing the effectiveness of the Board, its committees or its members based on the Company’s size and its stage of development.

## AUDIT COMMITTEE DISCLOSURE

### Audit Committee

As at the date hereof, the Audit Committee is composed of:

Lyle Brown	Independent	Financially Literate
Carla Matheson	Independent	Financially Literate
Gord Kukec	Independent	Financially Literate

All of the members of the Audit Committee are “financially literate” and “independent” within the meaning of sections 1.4, 1.5 and 1.6 of NI 52-110.

The Company must also, pursuant to the provisions of NI 52-110 have a written charter which sets out the duties and responsibilities of its audit committee. The text of the Audit Committee’s Charter is attached as Appendix 1 to this Circular.

The Audit Committee is responsible for the review of both interim and annual financial statements for the Company. For the purposes of performing their duties, the members of the Audit Committee have the right at all times, to inspect all the books and financial records of the Company and to discuss with management and the external auditors of the Company any accounts, records and matters relating to the financial statements of the Company. Audit committee members meet periodically with management and annually with the external auditors.

### Relevant Education and Experience

Mr. Brown, chair of the Audit Committee, is a Chartered Professional Accountant. He has a clear understanding of the accounting principles used by the Company to prepare its financial statements; has the ability to assess the general application of such accounting principles in connection with the accounting for estimates and accruals; has experience actively supervising one or more individuals engaged in 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 Company’s financial statements, and has an understanding of internal controls and procedures for financial reporting.

Carla Matheson: Ms. Matheson is a Chartered Professional Accountant (CPA, CA) with over ten years of experience in a variety of industries, specializing in business development, mergers and acquisitions and financial reporting for public and private corporations. Ms. Matheson is currently the Chief Financial Officer of Plank Ventures Ltd., an investment company targeting investments and business opportunities in the technology arena, with a focus on early-stage start-up companies that have developed a customer and revenue base and are seeking funding for expansion.

Gord Kukec: Mr. Kukec currently sits on the boards of Intelligent City, BC Ferry Services Inc. and Solshare Energy Corp. and has 30 years experience spanning a range of senior executive leadership roles which provides him with an understanding of the accounting principles used by the Company to prepare its financial statements, the ability to assess the general application of such accounting principles, and analyze or evaluate financial statements, and an understanding of internal controls and procedures for financial reporting. Mr. Kukec holds a BA, Economics from University of Calgary, an MBA from Queen’s University.

### Audit Committee Oversight

At no time since the commencement of the Company’s most recently completed fiscal year was a recommendation of the Audit Committee to nominate or compensate an external auditor (currently Davidson & Company LLP) not adopted by the Board.

## Pre-Approval Policies and Procedures

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Company's Board, and where applicable by the Audit Committee, on a case-by-case basis.

## External Auditor Service Fees

The fees paid by the Company to its auditor in each of the last two fiscal years, by category, are as follows:

Fiscal Year Ending	Audit Fees	Audit-Related Fees <sup>(1)</sup>	Tax Fees	All Other Fees <sup>(2)</sup>
December 31, 2021	\$65,000	\$ -	\$ -	\$18,000
December 31, 2020	\$40,000	\$10,000	\$ -	\$22,500

### Notes:

- (1) Audit-related fees were for the auditors' review of the financial statements and MD&A for the quarter ended June 30, 2020.
- (2) All Other Fees were for the auditors' involvement in the preliminary and final short-form prospectus offerings in October 2020, and March 2021.
- (3) Audit Fees relate to amounts paid or accrued in relation to the associated fiscal year.

## ADDITIONAL INFORMATION

Additional information relating to the Company is available on the SEDAR website located at [www.sedar.com](http://www.sedar.com) under "Company Profiles - Nano One Materials Corp". Financial information concerning the Company is provided in the Company's comparative financial statements and Management's Discussion and Analysis ("MD&A") for its most recently completed fiscal year.

Shareholders wishing to obtain a copy of the Company's financial statements and MD&A may obtain them free of charge on SEDAR at [www.sedar.com](http://www.sedar.com), or may contact the Company as follows:

Nano One Materials Corp.  
Unit 101B, 8575 Government Street  
Burnaby, B.C. V3N 4V1  
Telephone: 604-420-2041  
E-mail: [info@nanoone.ca](mailto:info@nanoone.ca)

## OTHER BUSINESS

Management is not aware of any matters to come before the Meeting other than those set forth in the Notice of Meeting accompanying this Circular. However, if any other matter properly comes before the Meeting, it is the intention of the persons designated by management of the Company in the form of proxy accompanying this Circular to vote the common shares represented thereby in accordance with their best judgment on such matter.

## BOARD APPROVAL

The contents of this Circular have been approved and its mailing authorized by the Directors of the Company.

DATED at Vancouver, British Columbia, the 17<sup>th</sup> day of June, 2022.

## ON BEHALF OF THE BOARD OF NANO ONE MATERIALS CORP.

*"Dan Blondal"*

Dan Blondal  
Chief Executive Officer



## APPENDIX 1

### Charter of the Audit Committee of the Board of Directors of Nano One Materials Corp. (the "Company")

#### MANDATE

The primary function of the audit committee (the "**Committee**") of Nano One Materials Corp. (the "**Company**") is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting and the Company's auditing, accounting and financial reporting processes. The Committee's primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements.
- Review and appraise the performance of the Company's external auditors (the "**Auditor**").
- Provide an open avenue of communication among the Company's auditors, management and the Board of Directors.

#### COMPOSITION AND ORGANIZATION

The Committee shall consist of at least three members. No member of the Committee shall be an officer or employee of the Company or any of its affiliates for the purposes of the applicable corporate statute. The members of the Committee shall meet all applicable securities laws, instruments, rules and policies and regulatory requirements and their respective applicable exemptions (collectively "Applicable Laws").

All members of the Committee shall have financial management experience and be financially literate. For the purposes of this Charter, the term "financially literate" means the ability to read and understand a set of 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 Company's financial statements. At least one member of the Audit Committee shall be a financial expert as determined by the Board of Directors in accordance with the Applicable Laws.

The members of the Committee shall be appointed by the Board of Directors at its first meeting following the annual shareholders' meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership. The Board of Directors may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.

#### MEETINGS OF THE COMMITTEE

Meetings of the Committee shall be scheduled to take place at regular intervals and, in any event, not less frequently than quarterly. Unless all members are present and waive notice, or those absent waive notice before or after a meeting, the Chairman will give the Committee members 24 hours' advance notice of each meeting and the matters to be discussed at such meeting. Notice may be given personally, by telephone, by facsimile or e-mail.

The Auditor shall be given reasonable notice of, and be entitled to attend and speak at, each meeting of the Committee concerning the Company's annual financial statements and, if the Committee determines it to be necessary or appropriate, at any other meeting. On request by the Auditor, the Chair shall call a meeting of the Committee to consider any matter that the Auditor believes should be brought to the attention of the Committee, the Board of Directors or the shareholders of the Company.

At each meeting of the Committee, a quorum shall consist of a majority of members that are not officers or employees of the Company or of an affiliate of the Company. A member may participate in a meeting of the

Committee in person or by telephone if all members participating in the meeting, whether in person or by telephone or other communications medium other than telephone are able to communicate with each other and if all members who wish to participate in the meeting agree to such participation.

The Committee may periodically meet separately with each of management and the Auditor to discuss any matters that the Committee or any of these groups believes would be appropriate to discuss privately. In addition, the Committee should meet with the Auditor and management annually to review the Company's financial statements.

The Committee may invite to its meetings any director, any manager of the Company, and any other person whom it deems appropriate to consult in order to carry out its responsibilities.

## **RESPONSIBILITIES AND DUTIES**

To fulfill its responsibilities and duties, the Committee shall:

1. Review the Company's financial statements, including any certification, report, opinion, or review rendered by the Auditor, Management's Discussion and Analysis ("**MD&A**"), annual information form and any annual and interim financial information press releases before the Company publicly discloses such information.
2. Review and satisfy itself that adequate procedures are in place and review the Company's public disclosure of financial information extracted or derived from its financial statements, other than disclosure described in the previous paragraph, and periodically assess the adequacy of those procedures.
3. Be directly responsible for overseeing the work by the Auditor (including resolution of disagreements between management and the Auditor regarding financial reporting) engaged for the purpose of preparing or issuing an audit report or performing other audit review services for the Company.
4. Require the Auditor to report directly to the Committee.
5. Review annually the performance of the Auditor who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Company.
6. Review and discuss with the Auditor any disclosed relationships or services that may impact the objectivity and independence of the Auditor.
7. Take, or recommend that the Board of Directors take, appropriate action to oversee the independence of the Auditor.
8. Recommend to the Board of Directors the external auditor to be nominated at the annual general meeting for appointment and the Auditor for the ensuing year and the compensation for the Auditors, or, if applicable, the replacement of the Auditor, from time to time.
9. Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the Auditor and former independent external auditors of the Company.
10. Review with management and the Auditor the audit plan for the annual financial statements.
11. Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services provided by the Auditor. The pre-approval requirement is waived with respect to the provision of non-audit services if:
  - a. the aggregate amount of all such non-audit services that were not pre-approved is reasonably expected to constitute not more than 5% of the total amount of fees paid by the Company and its subsidiary entities to the Auditor during the fiscal year in which the non-

audit services are provided;

- b. such services were not recognized by the Company at the time of the engagement to be non-audit services; and
  - c. such services are promptly brought to the attention of the Committee and approved, prior to the completion of the audit, by the Committee or by one or more members of the Committee to whom authority to grant such approvals has been delegated by the Committee.
12. The Committee may delegate to one or more independent members of the Committee the authority to pre-approve non-audit services in satisfaction of the pre-approval requirement set forth in this section provided the pre-approval of non-audit services by any member to whom authority has been delegated must be presented to the Committee at its first scheduled meeting following such pre-approval.
  13. In consultation with the Auditor, review with management the integrity of the Company's financial reporting process, both internal and external.
  14. Consider the Auditor's judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
  15. Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the Auditor and management.
  16. Review significant judgments made by management in the preparation of the financial statements and the view of the Auditor as to the appropriateness of such judgments.
  17. Following completion of the annual audit, review separately with management and the Auditor any significant difficulties encountered during the course of the audit, including any restrictions on the scope of the work or access to required information.
  18. Review any significant disagreement among management and the Auditor in connection with the preparation of the financial statements.
  19. Review with the Auditor and management the extent to which changes and improvements in financial or accounting practices have been implemented.
  20. Discuss with the Auditor the Auditor's perception of the Company's financial and accounting personnel, any material recommendations which the Auditor may have, the level of co-operation which the Auditor received during the course of their review and the adequacy of their access to records, data or other requested information.
  21. Maintain, review and update the procedures for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
  22. Review and assess, on a quarterly basis, management's risk assessment and risk management strategies including hedging and derivative strategies.
  23. Oversee and assess management's controls and processes to prevent and detect fraud.
  24. Review the financial reporting of any transaction between the Company and any officer, director or other "related party" (including any shareholder holding an interest greater than 5% in the Company) or any entity in which any such person has a financial interest.
  25. Perform such other duties as may be assigned to it by the Board of Directors from time to time or

as may be required by applicable regulatory authorities or legislation.

26. Report regularly and on a timely basis to the Board of Directors on the matters coming before the Committee.
27. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board of Directors for approval.

#### **AUTHORITY**

The Committee is authorized to:

- to seek any information it requires from any employee of the Company in order to perform its duties;
- to engage, at the Company's expense, independent legal counsel or other professional advisors in any matter within the scope of the role and duties of the Committee under this Charter;
- to set and pay compensation for any advisors engaged by the Committee; and
- to communicate directly with the internal and external auditors of the Company.

This Charter supersedes and replaces all prior charters and other terms of reference pertaining to the Committee.

#### **OVERSIGHT FUNCTION**

While the Committee has the responsibilities and powers set out in this Charter, the members of the Committee are members of the Board of Directors who are appointed to provide broad oversight of the Company's day to day operations. It is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with international financial reporting standards. This is the responsibility of management (with respect to whom the Committee performs an oversight function) and the Auditors.

**Updated December 2021.**