



**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**  
**AND**  
**MANAGEMENT INFORMATION CIRCULAR**

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**ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**  
**TO BE HELD ON JULY 30, 2024**

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**June 27, 2024**

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## NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that an annual and special meeting (the “**Meeting**”) of shareholders of NowVertical Group Inc. (the “**Company**”) will be held at the offices of Norton Rose Fulbright Canada LLP located at 222 Bay Street, Suite 3000, Toronto, Ontario, M5K 1E7 on July 30, 2024 at 9:00 a.m. (Toronto time), for the following purposes, as more particularly described in the accompanying management information circular (the “**Information Circular**”):

1. **TO RECEIVE** the financial statements of the Company for the year ended December 31, 2023, together with the auditor’s report thereon, and for the three month interim period ended March 31, 2024;
2. **TO ELECT** members of the board of directors of the Company;
3. **TO RE-APPOINT** Ernst & Young LLP as the auditors of the Company, to hold office until the next annual general meeting of shareholders or until its successor is appointed, and to authorize the board of directors of the Company to fix the remuneration to be paid to the auditors;
4. **TO APPROVE** the amended and restated omnibus equity incentive plan of the Company, which was adopted by the directors of the Company on June 27, 2024; and
5. **TO TRANSACT** such other business as may properly come before the Meeting or any adjournment or postponement thereof.

Holders of subordinate voting shares and proportionate voting shares of the Company (collectively, “**Shareholders**”) of record at the close of business on June 24, 2024 (the “**Record Date**”) will be entitled to receive notice of and vote at the Meeting. It is important that Shareholders read the accompanying Information Circular carefully. The Information Circular provides, among other things, additional information relating to the matters to be dealt with at the Meeting and forms part of this notice.

Shareholders are entitled to vote at the Meeting or by proxy, as described in the Information Circular under the heading “*Proxy Solicitation and Voting*”. Only registered Shareholders, or the persons appointed as their proxies, are entitled to attend and vote at the Meeting. For information with respect to Shareholders who own their shares of the Company through an intermediary, see “*Proxy Solicitation and Voting — Voting as a Non-Registered Shareholder*” in the accompanying Information Circular.

Whether or not you are able to attend the Meeting, you are encouraged to vote on the matters before the Meeting by completing a proxy or voting instruction form.

To be valid, proxies or instructions must be completed, signed, dated and returned to the offices of TSX Trust Company (the “**Agent**”) at 301 – 100 Adelaide Street West, Toronto, Ontario M5H 4H1, Canada, by mail (using the enclosed envelope, if desired), by fax to 416.595.9593 or by Internet at [www.voteproxyonline.com](http://www.voteproxyonline.com), at any time up to and including 9:00 a.m. (Toronto time) on July 26, 2024, or if the meeting is adjourned or postponed, not later than 48 hours (excluding Saturdays, Sundays and statutory holidays) preceding the time of such adjourned or postponed meeting. For additional information regarding the appointment of proxyholders, please see the Information Circular at “*Proxy Solicitation and Voting — Appointment of Proxies*”.

**DATED** at Toronto, Ontario this 27th day of June, 2024.

**BY ORDER OF THE BOARD OF DIRECTORS**

“*Elaine Kunda*”

**Chair of the Board of Directors**  
NowVertical Group Inc.



## MANAGEMENT INFORMATION CIRCULAR

Unless otherwise noted or the context otherwise indicates, the “Company”, “NowVertical”, “us”, “we” or “our” refer to NowVertical Group Inc., together with its direct and indirect subsidiaries and predecessors or other entities controlled by it or them on a combined basis. The board of directors of the Company is referred to herein as the “**Board**” or the “**Directors**”, and a “**Director**” means any one of them.

This management information circular (the “**Information Circular**”) is furnished in connection with the solicitation of proxies by or on behalf of management of the Company, for use at the annual and special meeting (the “**Meeting**”) of holders (“**Shareholders**”) of Class A subordinate voting shares (“**Subordinate Voting Shares**”) and Class B proportionate voting shares (“**Proportionate Voting Shares**” and, together with the Subordinate Voting Shares, the “**Shares**”) of the Company scheduled to be held at the offices of Norton Rose Fulbright Canada LLP located at 222 Bay Street, Suite 3000, Toronto, Ontario, M5K 1E7 on July 30, 2024 at 9:00 a.m. (Toronto time), and at all postponements or adjournments thereof, for the purposes set forth in the accompanying notice of the Meeting (the “**Notice of Meeting**”). Shareholders of record at the close of business on June 24, 2024 (the “**Record Date**”) will be entitled to vote at the Meeting.

A summary of the information that Shareholders will need to attend the Meeting is provided under the heading “*Proxy Solicitation and Voting — Appointment of Proxies.*”

Except as otherwise stated in this Information Circular, the information contained herein is given as of June 24, 2024.

In this Information Circular, unless otherwise noted, all references to dollars, “\$” or “US\$” are to U.S. dollars, and all references to “C\$” are to Canadian dollars. Any conversions from Canadian dollars to U.S. dollars were calculated based on an exchange rate of \$0.7561 based on the Bank of Canada’s daily exchange rate on December 31, 2023.

## PROXY SOLICITATION AND VOTING

### Solicitation of Proxies

Solicitation of proxies will be primarily by mail, but proxies may also be solicited in person, by telephone or other forms of correspondence by individual Directors of the Company or by officers and/or other employees of the Company. Directors, officers, and employees of the Company will not receive any extra compensation for such activities.

The Company is not using “notice and access” to send its proxy-related materials to Shareholders. The Company will bear the cost in respect of the solicitation of proxies for the Meeting and will bear the legal, printing and other costs associated with the preparation of the Information Circular. The Company also intends to pay reasonable fees and costs of intermediaries for their services in transmitting proxy-related material in accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”). This cost is expected to be nominal.

Copies of the financial statements of the Company for the year ended December 31, 2023, together with the auditors’ report thereon and the related management’s discussion and analysis (“**MD&A**”), and copies of the interim financial statements for the period ended March 31, 2024, together with the related MD&A are enclosed with this Information Circular and are available on the Company’s website at [www.nowvertical.com](http://www.nowvertical.com) and on the Company’s profile on the System for Electronic Document Analysis and Retrieval + (“**SEDAR+**”) website at [www.sedarplus.com](http://www.sedarplus.com).

The delivery of this Information Circular shall not, under any circumstances, create an implication that there has not been any change in the information set forth herein since the date hereof.

## Appointment of Proxies

Enclosed with this Information Circular is a form of proxy (the “**Form of Proxy**”) for use in connection with the Meeting. The persons named in such Form of Proxy are currently Directors or officers of the Company. **A Shareholder who wishes to appoint some other person to represent him, her or it at the Meeting may do so by crossing out the persons named in the Form of Proxy and inserting such person’s name in the blank space provided in the Form of Proxy or by completing another proper Form of Proxy. Such other person need not be a Shareholder of the Company.**

**We encourage Shareholders to submit their votes in advance of the Meeting by going to [www.voteproxyonline.com](http://www.voteproxyonline.com) and entering the 12-digit control number from their proxy, by facsimile to 416-595-9593, or by mail to TSX Trust Company 301-100 Adelaide Street West, Toronto, ON M5H 4H1.**

To be valid, proxies or instructions must be completed, signed, dated and returned to the offices of TSX Trust Company (the “**Agent**”) at 301 – 100 Adelaide Street West, Toronto, Ontario M5H 4H1, Canada, by mail (using the enclosed envelope, if desired), by fax to 416.595.9593 or by Internet at [www.voteproxyonline.com](http://www.voteproxyonline.com), at any time up to and including 9:00 a.m. (Toronto time) on July 26, 2024, or if the meeting is adjourned or postponed, not later than 48 hours (excluding Saturdays, Sundays and statutory holidays) preceding the time of such adjourned or postponed meeting.

The document appointing a proxy must be in writing and completed and signed by a Shareholder or his or her attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized. Instructions provided to the Agent by a Shareholder must be in writing and completed and signed by the Shareholder or his or her attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized. Persons signing as officers, attorneys, executors, administrators, and trustees should so indicate and provide satisfactory evidence of such authority.

Registered Shareholders who wish to appoint a person other than the management nominees identified on the Form of Proxy, must carefully follow the instructions in this Circular and on their Form of Proxy. These instructions include the additional step of registering such proxyholder with our transfer agent, TSX Trust, by emailing [tsxtrustproxyvoting@tmx.com](mailto:tsxtrustproxyvoting@tmx.com) the “Request for Control Number” form, which can be found at <https://tsxtrust.com/resource/en/75>, after submitting their Form of Proxy. **Failure to register the proxyholder with TSX Trust will result in the proxyholder not receiving a control number to participate in the Meeting and only being able to attend as a guest. Guests will not be permitted to vote or ask questions at the Meeting.**

For non-registered Shareholders whose Shares are registered in the name of an intermediary, which is usually a trust company, securities broker or other financial institution, their intermediary is entitled to vote the Shares held by it and beneficially owned by the non-registered Shareholder on the Record Date. Non-registered Shareholders who wish to attend and vote at the Meeting must insert his, her or its own name in the space provided for the appointment of a proxyholder on the voting instruction form provided by the intermediary and return it in accordance with the intermediary’s directions. By doing so, non-registered Shareholders are instructing their nominee to appoint them as proxyholder.

## Revocation of Proxies

A proxy given by a Shareholder for use at the Meeting may be revoked at any time prior to its use. In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing executed by the Shareholder or by his or her attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized and deposited with the Agent at 301 - 100 Adelaide Street West, Toronto, Ontario M5H 4H1, Canada at any time up to and including two business days preceding the Meeting or any adjournment or postponement thereof at which the proxy is to be used, and upon such deposit, the proxy is revoked.

**Only Registered Holders (as defined below) have the right to revoke a proxy. Beneficial Holders (as defined below) who wish to change their vote must make appropriate arrangements with their respective dealers or other intermediaries.**

## Voting of Proxies

The persons named in the Form of Proxy will vote, or withhold from voting, the Shares in respect of which they are appointed, on any ballot that may be called for, in accordance with the instructions of the Shareholder as indicated on the Form of Proxy. In the absence of such specification, such Shares will be voted at the Meeting as follows:

- **FOR** the election of those persons listed in this Information Circular as the proposed Directors for the ensuing year; and
- **FOR** the re-appointment of Ernst & Young LLP as the auditors of the Company, to hold office until the close of the next annual meeting of shareholders or until its successor is appointed, and to authorize the board of directors of the Company to fix their remuneration; and
- **FOR** the approval of the amended and restated omnibus equity incentive plan, which was adopted by the directors of the Company on June 27, 2024.

For more information on these issues, please see the section entitled “Matters to be Considered at the Meeting” in this Information Circular.

The persons named in the enclosed proxy will have discretionary authority with respect to any amendments or variations of the matters of business to be acted on at the meeting or any other matters properly brought before the meeting or any adjournment or postponement thereof, in each instance, to the extent permitted by law, whether or not the amendment, variation or other matter that comes before the meeting is routine and whether or not the amendment, variation or other matter that comes before the meeting is contested.

The Chair of the meeting may waive or extend the proxy cut-off without notice.

## Quorum

A quorum for the transaction of business at the Meeting or any adjournment or postponement thereof shall be two persons present and entitled to vote at the Meeting that hold, or represent by proxy, more than 5% of the votes attached to the outstanding Shares entitled to vote at the Meeting.

## INFORMATION FOR BENEFICIAL HOLDERS OF SECURITIES

**Information set forth in this section is very important to persons who hold Shares otherwise than in their own names.** A Shareholder who beneficially owns Shares (a “**Beneficial Holder**”) that are registered in the name of an intermediary (such as a securities broker, financial institution, trustee, custodian or other nominee who holds securities on behalf of the Beneficial Holder or in the name of a clearing agency in which the intermediary is a participant) should note that only proxies or instructions deposited by securityholders whose names are on the records of the Company as the registered holders of Shares (“**Registered Holders**”) can be recognized and acted upon at the Meeting.

Shares that are listed in an account statement provided to a Beneficial Holder by a broker are likely not registered in the Beneficial Holder’s own name on the records of the Company and such Shares are more likely registered in the name of CDS Clearing and Depository Services Inc. (“**CDS**”), which acts as a nominee for many Canadian brokerage firms, and in the United States, under the name of Cede & Co. as nominee for The Depository Trust Company (“**DTC**”), which acts as a nominee for many U.S. brokerage firms and custodian banks, or their nominees.

Non-Registered Shareholders fall into two categories — those who object to their identity being known to the issuers of the securities which they own (“**OBOs**”) and those who do not object to their identity being made known to the issuers of the securities which they own (“**NOBOs**”). Subject to the provisions of NI 54-101, issuers may request and obtain a list of their NOBOs from intermediaries directly or via their transfer agent and may obtain and use the NOBO list for the distribution of proxy-related materials to such NOBOs. If you are a NOBO and the Company or its agent has sent the Meeting materials directly to you, your name, address and information about your holdings of Shares would have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the Shares on your behalf. The Company does

not intend to pay for intermediaries to deliver the Meeting materials to OBOs, and therefore an OBO will not receive the materials unless the OBO's intermediary assumes the costs of delivery.

Applicable regulatory policy in Canada requires brokers and other intermediaries to seek voting instructions from Beneficial Holders in advance of securityholder meetings. Every broker or other intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Holders in order to ensure that their Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Holder by its broker is identical to that provided to registered securityholders. However, its purpose is limited to instructing the registered securityholder how to vote on behalf of the Beneficial Holder. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications Solutions ("**Broadridge**"). Broadridge typically prepares a machine-readable voting instruction form, mails those forms to the Beneficial Holders and asks Beneficial Holders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions representing the voting of the securities to be represented at the Meeting. A Beneficial Holder receiving a Broadridge voting instruction form cannot use that voting instruction form to vote Shares directly at the Meeting. The voting instruction form must be returned to Broadridge well in advance of the Meeting in order to have the Shares voted. Proxy-related materials will be sent by the Company directly to "non-objecting beneficial owners" under NI 54-101.

Although Beneficial Holders may not be recognized directly at the Meeting for the purposes of voting Shares registered in the name of CDS, DTC or their broker or other intermediary, a Beneficial Holder may attend the Meeting as proxy holder for the Registered Holder and vote their Shares in that capacity. Beneficial Holders who wish to attend the Meeting and indirectly vote their own Shares as proxy holder for the Registered Holder should enter their own names in the blank space on the Form of Proxy provided to them and return the same to their broker or other intermediary (or the agent of such broker or other intermediary) in accordance with the instructions provided by such broker, intermediary or agent well in advance of the Meeting.

## **VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

### **Shares**

The authorized capital of the Company consists of (i) an unlimited number of Subordinate Voting Shares and (ii) an unlimited number of Proportionate Voting Shares. The Subordinate Voting Shares are listed and posted for trading on the TSX Venture Exchange (the "**TSXV**") under the symbol "NOW".

Holders of the Subordinate Voting Shares are entitled to one vote per Subordinate Voting Share on all matters upon which holders of the Subordinate Voting Shares are entitled to vote at the Meeting, while holders of Proportionate Voting Shares are entitled to 100 votes per Proportionate Voting Share on all matters upon which holders of the Proportionate Voting Shares are entitled to vote at the Meeting.

As at the Record Date, there are 75,267,977 Subordinate Voting Shares and 118,584 Proportionate Voting Shares issued and outstanding. Approximately 86.39% of the aggregate voting rights attached to the Subordinate Voting Shares and Proportionate Voting Shares are represented by the Subordinate Voting Shares.

In the event a take-over bid (as such term is defined in National Instrument 62-104 – *Take-Over Bids and Issuer Bids*) is made for the Proportionate Voting Shares, and such take-over bid is not made to the holders of the Subordinate Voting Shares for consideration per Subordinate Voting Share equal to or greater than 1/100<sup>th</sup> of the consideration offered per Proportionate Voting Share, the holders of Subordinate Voting Shares shall be entitled to convert such Subordinate Voting Shares on and 100-to-1 basis into Proportionate Voting Shares at any time while the take-over bid is in effect until one day after the time prescribed by applicable securities legislation or stock exchange rules for the offeror to take up and pay for such shares as are to be acquired pursuant to the take-over bid.

This summary is qualified by reference to, and is subject to, the detailed provisions of the articles of incorporation of the Company (the "**Articles**").

## Eligibility for Voting

At the Meeting, each holder of record of Subordinate Voting Shares at the close of business on the Record Date will be entitled to one vote for each Subordinate Voting Share held on all matters proposed to come before the Meeting, and each holder of record of Proportionate Voting Shares at the close of business on the Record Date will be entitled to 100 votes for each Proportionate Voting Share held on all matters proposed to come before the Meeting.

Any Shareholder who was a Shareholder on the Record Date shall be entitled to receive notice of and vote at the Meeting or any adjournment thereof, even though he, she or it has since that date disposed of his, her or its Shares, and no Shareholder becoming such after that date shall be entitled to receive notice of and vote at the Meeting or any adjournment thereof or to be treated as a Shareholder of record for purposes of such other action.

## Principal Shareholders

To the knowledge of the Company and its executive officers, the only persons that beneficially own, or control or direct, directly or indirectly, voting securities of the Company carrying 10% or more of the votes attached to any class of issued and outstanding Shares as of the date hereof, are:

Name	Type of Ownership	Shares Owned (Percentage of Class)	Percentage of Voting Rights <sup>(1)</sup>
Sandeep Mendiratta	Direct	8,734,742 Subordinate Voting Shares (11.60%)	10.03%
Daren Trousdell <sup>(2)</sup>	Beneficial	14,222,597 Subordinate Voting Shares (18.90%) 94,819 Proportionate Voting Shares (79.96%)	27.21%

### Notes:

- (1) On a fully-diluted basis, expressed as the number of underlying Subordinate Voting Shares (including conversion of all Proportionate Voting Shares held).
- (2) 100% of Mr. Trousdell's shares are held through KOAT Holdings LLC.

The principal shareholder information above is based on publicly available information and is not within the knowledge of the Company. Management of the Company understands that the Shares registered in the name of CDS or DTC are beneficially owned through various dealers and other intermediaries on behalf of their clients and other parties and the names of the Beneficial Holders of such Shares are not known to the Company. Except as set out above, the Company and its executive officers have no knowledge of any person or company that beneficially owns, or controls or directs, directly or indirectly, 10% or more of the outstanding Shares of the Company.

## MATTERS TO BE CONSIDERED AT THE MEETING

### Financial Statements

The financial statements of the Company for the year ended December 31, 2023 and the auditors' report thereon, together with the interim financial statements for the three months ended March 31, 2024, will be placed before the Shareholders at the Meeting. No formal action will be taken at the Meeting to approve the financial statements. If any Shareholder has questions regarding such financial statements, such questions may be brought forward at the Meeting.

### Election of Directors

The Company's Articles provide that the Board must, at a minimum, have one Director, with the actual number of Directors to be determined from time to time by the Board. The Board currently consists of five (5) Directors and the present term of office of each Director of the Company will expire upon the election of Directors at the Meeting. It is proposed that each of the five (5) persons whose name appears below be elected as a Director of the Company to serve, subject to the Articles and the *Business*

*Corporations Act* (Ontario) (the “**OBCA**”), until the close of the next annual meeting of Shareholders or until his or her successor is elected. All of the individuals who have been nominated as Directors are currently members of the Board and all Director nominees have agreed to stand for re-election at the Meeting.

The persons named in the Form of Proxy, if not expressly directed to the contrary in such Form of Proxy, intend to vote for the election, as Directors, of the proposed nominees whose names are set out below. It is not contemplated that any of the proposed nominees will be unable to serve as a Director but, if that should occur for any reason prior to the Meeting, the persons named in the Form of Proxy reserve the right to vote for another nominee at their discretion.

*Advance Notice Provisions*

The Company’s By-Law No. 1 dated February 28, 2018 (“**By-Law No. 1**”) provides for certain advance notice provisions with respect to the election of Directors (the “**Advance Notice Provisions**”). The Advance Notice Provisions are intended to: (i) facilitate orderly and efficient annual general meetings or, where the need arises, special meetings of Shareholders; (ii) ensure that all Shareholders receive adequate notice of Board nominations and sufficient information with respect to all nominees; and (iii) allow Shareholders to register an informed vote. Only persons who are nominated by Shareholders in accordance with the Advance Notice Provisions will be eligible for election as Directors at any annual meeting of Shareholders, or at any special meeting of Shareholders if one of the purposes for which the special meeting was called was the election of directors.

Under the Advance Notice Provisions, a Shareholder wishing to nominate a Director would be required to provide the Company with notice, in the prescribed form, within the prescribed time periods. These time periods include, (i) in the case of an annual meeting of Shareholders (including annual and special meetings), not less than 30 days and not more than 65 days prior to the date of the annual meeting of Shareholders; provided, that if the first public announcement of the date of the annual meeting of Shareholders (the “**Notice Date**”) is less than 50 days before the meeting date, not later than the close of business on the 10th day following the Notice Date; and (ii) in the case of a special meeting (which is not also an annual meeting) of Shareholders called for any purpose which includes electing Directors, not later than the close of business on the 15th day following the Notice Date.

A copy of By-Law No. 1 is available on the Company’s profile on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com) and on our website at <https://ir.nowvertical.com/governance/>.

*Majority Voting Policy*

The Board has adopted a majority voting policy (the “**Majority Voting Policy**”), which requires that in an uncontested election of Directors, if any nominee receives a greater number of votes “withheld” than votes “for”, the nominee will tender his or her resignation to the Chair of the Board promptly following the meeting of Shareholders. The Governance, Human Resources and Compensation Committee of the Board (the “**GHRC Committee**”) will consider such resignation and make a recommendation to the Board whether to accept it or not. The Board will promptly accept the resignation unless it determines that there are exceptional circumstances that should delay the acceptance of the resignation or justify rejecting it. The Board will make its decision and announce it in a press release within 90 days following the meeting of Shareholders. A Director who tenders a resignation pursuant to the Majority Voting Policy will not participate in any meeting of the Board or the GHRC Committee at which the resignation is considered.

A copy of the Majority Voting Policy is available on our website at <https://ir.nowvertical.com/governance/>.

*About the Nominees*

The following table sets forth the names of and certain other biographical information for the five (5) individuals proposed to be nominated for election as Directors at the Meeting:

<b>SANDEEP MENDIRATTA</b>	<b>Biographical Information and Principal Occupation</b>
Age: 48 Location: Isleworth, United Kingdom Director Since: May 2024	Sandeep Mendiratta is a director and Chief Executive Officer of the Company. Mr. Mendiratta joined the Company in January 2023 as the former Chief Executive Officer of

Status: <b>NOT INDEPENDENT</b>	Acrotrend. He has a proven track record of scaling businesses, is a seasoned expert in the data analytics industry, and is a well-respected leader within the Company.				
	In addition to serving as the Chief Executive Officer of Acrotrend, before joining the Company, Mr. Mendiratta served as Practice Manager at Metricsphere, as a Manager at Deloitte, and as a Senior Consultant at Datamatics Ltd.				
	<b>Other Public Board Memberships</b>				
N/A					
<b>Board / Committee Memberships</b>				<b>Attendance at Meetings in 2023<sup>(1)</sup></b>	<b>Overall Attendance (%)<sup>(1)</sup></b>
Board				N/A	N/A
<b>Securities Beneficially Owned or Controlled<sup>(2)</sup></b>					
<b>Subordinate Voting Shares</b>		<b>Options</b>		<b>Total Shares and Options<sup>(5)</sup></b>	
<b>Number</b>	<b>Market Value<sup>(3)</sup></b>	<b>Number</b>	<b>Market Value<sup>(4)</sup></b>	<b>Number</b>	<b>Market Value</b>
8,734,742	C\$1,571,893.56	Nil.	Nil.	Nil.	C\$1,571,893.56

<b>DAVID CHARRON</b>		<b>Biographical Information and Principal Occupation</b>			
Age: 61 Location: Toronto, Ontario, Canada Director Since: January 2024 Status: <b>INDEPENDENT</b>		David Charron is an accomplished public company Chief Financial Officer and director known for his achievements in Canadian capital markets, equity financing, debt financing, mergers and acquisitions, and driving profitable growth in global technology businesses. His extensive experience includes serving as a public and non-profit board director with organizations such as International Datacasting Corp, William Osler Health System, CMA Ontario, and serving as the Corporate Secretary for Redknee Solutions Inc.  Mr. Charron currently serves as the Chief Financial Officer of Tiny Ltd., a TSXV listed holding company based in Canada with investments in North America and Europe. He has a B.Eng and an MBA from McMaster University, holds CPA and CMA designations, and is a Chartered Director (C.Dir).			
		<b>Other Public Board Memberships</b>			
		N/A			
<b>Board / Committee Memberships</b>				<b>Attendance at Meetings in 2023<sup>(6)</sup></b>	<b>Overall Attendance (%)<sup>(6)</sup></b>
Board Audit Committee (Chair) GHRC Committee				N/A	N/A

Securities Beneficially Owned or Controlled <sup>(2)</sup>					
Subordinate Voting Shares		Options		Total Shares and Options <sup>(5)</sup>	
Number	Market Value <sup>(3)</sup>	Number	Market Value <sup>(4)</sup>	Number	Market Value
Nil.	Nil.	Nil.	Nil.	Nil.	Nil.

DAVID DORITTY	Biographical Information and Principal Occupation
Age: 67 Location: Toronto, Ontario, Canada Director Since: May 2024 Status: <b>INDEPENDENT</b>	<p>David Doritty has served as Vice-Chair at Echelon Wealth Partners since December 2018 and has demonstrated a commitment to fostering robust client relationships and advancing innovative capital markets solutions. He has expertise in capital markets, corporate and financial governance and has decades of senior executive experience.</p> <p>Mr. Doritty previously served as Executive Vice President, Head of Sales &amp; Trading at Echelon Wealth Partners. Before his time at Echelon Wealth Partners, Mr. Doritty served as Deputy Chairman at Mackie Research Capital and spent three and a half years at Aurion Capital Management, a distinguished pension fund manager. Prior to Aurion Capital Management, Mr. Doritty served as Vice Chairman at Dundee Capital Markets. His contributions have driven growth and strategic direction in these roles, reflecting his commitment to excellence and leadership in the financial sector. He is also a distinguished graduate of the Directors Education Program at the Institute of Corporate Directors, Rotman School of Management, University of Toronto.</p>
	Other Public Board Memberships
	N/A

Board / Committee Memberships	Attendance at Meetings in 2023 <sup>(7)</sup>	Overall Attendance (%) <sup>(7)</sup>
Board	N/A	N/A

Securities Beneficially Owned or Controlled <sup>(2)</sup>					
Subordinate Voting Shares		Options		Total Shares and Options <sup>(5)</sup>	
Number	Market Value <sup>(3)</sup>	Number	Market Value <sup>(4)</sup>	Number	Market Value
Nil.	Nil.	Nil.	Nil.	Nil.	Nil.

ELAINE KUNDA	Biographical Information and Principal Occupation
Age: 51 Location: Toronto, Ontario, Canada Director Since: June 2021 Status: <b>INDEPENDENT</b>	<p>Elaine is the Founder and Managing Partner of Disruption Ventures, a Venture Capital Fund that invests in Seed Stage Tech companies. Fund I is in the top decile of Global Venture Funds quickly returning capital and upside to Investors in an extremely tough market. Elaine uses the experience she gained from having run 4 venture backed tech companies with two exits, to share wisdom, success and challenges with her portfolio companies. Before starting the Fund, she was a serial entrepreneur who successfully built teams and realigned business strategies for over 15 years. Elaine also spent 6 years consulting and advising early stage companies, helping them reach their goals and access financing.</p> <p>She has been a long time mentor to CDL, Next Canada and various University programs.</p>
	Other Public Board Memberships

N/A					
Board / Committee Memberships				Attendance at Meetings in 2023	Overall Attendance (%)
Board (Chair)				10	100%
Audit Committee				6	100%
GHRC Committee				6	100%
Securities Beneficially Owned or Controlled <sup>(2)</sup>					
Subordinate Voting Shares		Options		Total Shares and Options <sup>(5)</sup>	
Number	Market Value <sup>(3)</sup>	Number	Market Value <sup>(4)</sup>	Number	Market Value
27,700	C\$4,986.00	500,000	Nil.	527,700	C\$4,986.00

CHRIS FORD	Biographical Information and Principal Occupation				
Age: 48 Location: Toronto, Ontario, Canada Director Since: January 2024 Status: <b>INDEPENDENT</b>	<p>Chris Ford is a senior business executive with over 20 years of market experience, specializing in strategy and implementation of technology transformation services. Mr. Ford spent six years as Chief Executive Officer of Capco Canada, a leading business and technology professional services firm specializing in the financial services domain, including during its US\$1.45 billion acquisition by Wipro in 2021. Recently, Mr. Ford served as program consultant in an executive capacity responsible for enterprise modernization at Jacksonville-based FIS, one of the world's largest fintechs.</p> <p>Presently, Mr. Ford is CEO and Managing Partner of Intellware, a Toronto-based consulting and professional services business that provides services to customers across the US, Canada and the United Kingdom. He is a recognized thought leader, speaker and author on technology, futurology, IT strategy, digital transformation and performance engineering. Mr. Ford holds a Bachelor's Degree in System's Design Engineering with an option in Cognitive Sciences from the University of Waterloo.</p>				
	Other Public Board Memberships				
	N/A				
Board / Committee Memberships				Attendance at Meetings in 2023 <sup>(8)</sup>	Overall Attendance (%) <sup>(6)</sup>
Board				Nil.	Nil.
Audit Committee					
GHRC Committee (Chair)					
Securities Beneficially Owned or Controlled <sup>(2)</sup>					
Subordinate Voting Shares		Options		Total Shares and Options <sup>(5)</sup>	
Number	Market Value <sup>(3)</sup>	Number	Market Value <sup>(4)</sup>	Number	Market Value
Nil.	Nil.	Nil.	Nil.	Nil.	Nil.

**Notes:**

- (1) Mr. Mendiratta was appointed as a Director on January 15, 2024.
- (2) The Information as to securities beneficially owned or controlled is not within the knowledge of the Company and has been furnished by the respective individuals.
- (3) Market value of the Subordinate Voting Shares is calculated using the closing price of the Subordinate Voting Shares on the TSXV of C\$0.18 on June 21, 2024, being the last trading day prior to the Record Date.

- (4) The market value of Options is determined by calculating the “in the money” amount of all unexercised Options, using the exercise price of each option and the closing price of the Subordinate Voting Shares on the TSXV of C\$0.18 on June 21, 2024, being the last trading day prior to the Record Date. As a result, none of the Options held by the Director nominees are “in the money” and, therefore, have a market value of nil.
- (5) Total number of Shares and Options and market value thereof is calculated on a fully diluted basis, assuming that all Proportionate Voting Shares or vested Options held are converted to Subordinate Voting Shares and summing the market value of all Subordinate Voting Shares, Proportionate Voting Shares and fully vested “in the money” Options.
- (6) Mr. Charron and Mr. Ford were each appointed as a Director on January 8, 2024.
- (7) Mr. Doritty was appointed as a Director on May 14, 2024.

#### *Corporate Cease Trade Orders or Bankruptcies*

To the knowledge of the Company, during the past 10 years, no nominee proposed for election has been a director, chief executive officer or chief financial officer of any company that:

(a) was subject to a cease trade order or similar order or an order that denied the company access to any exemption under securities legislation for a period of more than 30 consecutive days while the nominee was acting in such capacity; or

(b) was subject to a cease trade order or similar order or an order that denied the company access to any exemption under securities legislation for a period of more than 30 consecutive days that was issued after the nominee ceased to act in such capacity and which resulted from an event that occurred while the nominee was acting in such capacity.

To the knowledge of the Company, during the past 10 years, no nominee proposed for election has been a director or executive officer of any company that, while the nominee was acting in such capacity, or within a year of the nominee ceasing to act in such 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 director appointed to hold its assets.

#### *Personal Bankruptcies*

To the knowledge of the Company, no nominee proposed for election has, within the 10 years prior to the date of this Information Circular, become bankrupt or made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or director appointed to hold the assets of the nominee.

#### *Penalties or Sanctions*

No nominee proposed for election has been subject to 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 Canadian securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

#### **Appointment of Auditors**

Ernst & Young LLP was appointed as auditor of the Company on October 9, 2023. The Board recommends to Shareholders that Ernst & Young LLP be re-appointed as auditor of the Company, to hold office until the close of the next annual meeting of Shareholders or until its successor is appointed, and that the Board be authorized to fix the remuneration of the auditors.

The persons named in the Form of Proxy, if not expressly directed to the contrary in such Form of Proxy, will vote such proxies in favour of a resolution to authorize the Board to re-appoint Ernst & Young LLP as auditor of the Company and to authorize the Directors to fix the auditor’s remuneration.

#### **Approval of the Amended and Restated Omnibus Equity Incentive Plan**

The Company maintains an omnibus incentive compensation plan (the “**Prior Plan**”) in accordance with TSXV Policy 4.4 – Security Based Compensation of the Corporate Finance Manual of the TSXV (“**Policy 4.4**”). The Prior Plan was adopted by

the Company on June 28, 2021. On June 27, 2024, the Board adopted amendments to the Prior Plan (as amended and restated, the “**Amended Incentive Plan**”). The Amended Incentive Plan was amended to convert the plan from a fixed plan to a “rolling 10% plan” in respect of awards issuable thereunder, among other amendments of a housekeeping nature in order to comply with certain regulatory requirements of the TSXV. The Amended Incentive Plan is subject to shareholder and TSXV approval. **The proposed Amended Incentive Plan is subject to TSXV acceptance, and if the TSXV finds the disclosure to Shareholders to be inadequate, that Shareholder approval of the Amended Incentive Plan may not be accepted by the TSXV.** The Amended Incentive Plan is a “rolling 10%” maximum plan that provides for the grant of incentive stock awards, including stock options, restricted stock units, deferred share units and performance share units.

At the Meeting, Shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution in the form set out below approving the Amended Incentive Plan, including certain amendments thereto, in substantially the form attached hereto as Schedule “C” to this Circular.

The text of the ordinary resolution is as follows:

**“BE IT RESOLVED THAT:**

- (a) Subject to the acceptance of the TSX Venture Exchange (the “**TSXV**”), the amended and restated omnibus equity incentive plan of NowVertical Group Inc. (the “**Company**”), in substantially the form attached as Schedule “C” to the management information circular of the Company dated June 27, 2024 (the “**Plan**”), is hereby confirmed and approved.
- (b) Any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver under the corporate seal of the Company or otherwise all such deeds, documents, instruments and assurances as in his opinion may be necessary or desirable to give effect to the foregoing resolutions, including, without limitation, making any changes to the Stock Option Plan required by the Exchange or applicable securities regulatory authorities and to complete all transactions in connection with the implementation of the Plan.”

The persons named in the Form of Proxy, if not expressly directed to the contrary in such Form of Proxy, will vote such proxies in favour of a resolution approving the Amended Incentive Plan.

For a summary of the material features of the Amended Incentive Plan, see “Statement of Director and Named Executive Officer Compensation — Stock Option Plans and Other Incentive Plans — Amended Incentive Plan”.

## **EXECUTIVE COMPENSATION**

### **Compensation Discussion and Analysis**

#### *Interpretation*

During the year ended December 31, 2023, the Company had the following Named Executive Officers (as such term is defined in Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*): Alim Virani, Sasha Grujicic and Andre Garber.

#### *Compensation Program Objectives*

The Company established the GHRC Committee consisting of Chris Ford (Chair), David Charron and Elaine Kunda, all of whom are independent directors. With respect to compensation, the GHRC Committee has been mandated to, among other things, oversee, and recommend for approval to the Board, the compensation, compensation plans or policies applicable to executive officers, including those whose compensation is set forth below.

The Board has adopted a written charter setting forth the purpose, composition, authority and responsibility of the GHRC Committee, which includes the following, among other things:

- assessing the effectiveness of the Board, each of its committees and individual directors;

- overseeing the recruitment and selection of director candidates to be nominated by the Company;
- organizing an orientation and education program for new directors;
- considering and approving proposals by the directors to engage outside advisors on behalf of the Board as a whole or on behalf of the independent directors;
- reviewing and making recommendations to the Board concerning the size, composition and structure of the Board and its committees;
- overseeing management succession;
- administering any securities-based compensation plans of the Company;
- assessing the performance of management of the Company;
- reviewing and approving the compensation paid by the Company, if any, to the officers of the Company; and
- reviewing and making recommendations to the Board concerning the level and nature of the compensation payable to directors and officers of the Company.

#### *Elements of the Compensation Program*

The compensation package for the NEOs of the Company is principally composed of the following elements:

- base salary and benefits;
- short-term incentives, which currently take the form of cash bonuses; and
- long-term incentive programs, which may consist of options ("**Options**"), restricted share units ("**RSUs**"), performance share units ("**PSUs**") and deferred share units ("**DSUs**", collectively with Options, RSUs and PSUs, "**Awards**") granted under the Amended Incentive Plan,

each as described in further detail below.

- Base Salary and Benefits. Each NEO's base salary is paid in cash and intended to provide appropriate fixed compensation to assist in retention and recruitment of skilled executives, while rewarding their skills, knowledge and experience. The amount payable is determined by considering the total individual compensation package and our overall compensation philosophy. Factors considered include scope or breadth of responsibilities, competencies and prior relevant experience, market demand and compensation paid in the market for similar positions. Any adjustments to an NEO's compensation are determined annually based on success in meeting or exceeding individual objectives and market competitiveness, and any such adjustments may be made throughout the year as warranted to reflect promotions, scope or breadth of the role or responsibility and to maintain market competitiveness. Base salaries are generally recommended to the Board by the GHRC Committee and reviewed annually.
- Short-Term Incentives. Short-term incentives provided by the Company are paid in cash and are intended to motivate executives to achieve the strategic business and financial objectives of the Company. Short-term incentives reward executives for the financial and strategic achievements of the Company as well as recognize individual contribution to the Company's performance. Short-term incentives are generally reviewed and recommended by the GHRC Committee to the Board for approval annually.
- Long-Term Incentives. The Company believes that encouraging its executive officers and employees to become shareholders is the best way to align their interests with those of its shareholders. Equity participation is accomplished through the Amended Incentive Plan. Share-based and option-based awards, including Options, RSUs, DSUs and

PSUs are granted to executive officers taking into account a number of factors, including the amount and terms of Awards previously granted, base compensation and performance bonuses, if any. Long-term incentives are generally recommended by the GHRC Committee to the Board for approval each year.

### **Risks of Compensation Policies and Practices**

The GHRC Committee is responsible for assisting the Board in fulfilling its governance and supervisory responsibilities, and overseeing our human resources, succession planning and compensation policies, processes and practices. The GHRC Committee also ensures that compensation policies and practices provide an appropriate balance of risk and reward consistent with our risk profile. The GHRC Committee's oversight includes setting objectives, evaluating performance and ensuring that total compensation paid to our NEOs and various other key executive officers and key managers is fair, reasonable and consistent with the objectives of our philosophy and compensation program.

The Company has certain policies and procedures in place to mitigate any risk associated with its compensation program, including the following:

- The Company's insider trading policy (the "**Insider Trading Policy**") provides that all directors, officers, employees, contractors and consultants of the Company and their respective spouses, minor children, immediate family members who reside in the same home as that person and any legal entities controlled by that person are prohibited from (i) selling "short" any of the Company's securities; (ii) purchasing or selling puts, calls or other derivative securities, on an exchange or in any other organized market; (iii) engaging in hedging or monetization transactions that allow an individual to continue to own the covered securities, but without the full risks and rewards of ownership; or (iv) purchasing financial instruments, such as prepaid variable forward contracts, equity swaps, collars or common shares of exchange funds that are designed to hedge or offset a decrease in the market value of equity securities granted to such person as compensation or held directly or indirectly by such person.
- A substantial portion of executive pay is delivered through long-term incentives, which focus executives on sustained, long-term shareholder value creation. Long-term incentives are expected to be awarded annually, with overlapping vesting periods, ensuring that executives remain exposed to the longer-term risks of their decision making through unvested equity incentives.
- The GHRC Committee has discretion over the incentive awards granted to the executive team, thereby providing oversight of the total value awarded. In addition, the Board evaluates and approves the compensation packages for each of the Company's NEOs that are recommended by the GHRC Committee each year, which provides a further level of oversight.
- From time to time, the GHRC Committee reviews the compensation program currently in place to identify any risks related to compensation.

Based on this review, the Board believes that the Company's total executive compensation program does not encourage executive officers to take unnecessary or excessive risk.

### **Incentive Plans**

#### Amended Incentive Plan

The material features of the Amended Incentive Plan are summarized below. The following discussion is qualified entirely by the full text of the Amended Incentive Plan. Capitalized terms used in this section and not otherwise defined, have the meanings ascribed thereto in the Amended Incentive Plan.

#### *Shares Subject to the Amended Incentive Plan*

The Amended Incentive Plan is a "rolling 10%" maximum plan and any increase or decrease or reduction in the number of outstanding Subordinate Voting Shares will result in an increase or decrease, respectively, in the number of Subordinate Voting Shares that are available to be issued under the Amended Incentive Plan. Subordinate Voting Shares covered by grants that

have been settled in cash, or that have been cancelled, terminated, surrendered, forfeited or have expired without being exercised, and pursuant to which no securities have been issued, may continue to be available for subsequent grants under the Plan. Any Subordinate Voting Shares underlying Options under the Plan that have been exercised, or disposed of or that have expired or been cancelled or terminated for any reason (without being exercised), shall become available for subsequent grants under the Plan.f

#### *Granting of Awards*

Awards granted under the Amended Incentive Plan shall be subject to the requirement that, if determined by the Company that the listing, registration, qualification of an Award is subject to the law, regulation, consent or approval of any securities exchange or governmental body and is necessary as a condition of or in connection with, the grant or exercise of such Award or issuance or purchase of Subordinate Voting Shares, such Award may not be accepted or exercised unless such listing, registration, qualification, consent or approval shall have been obtained.

#### *Participation Limits*

The Amended Incentive Plan provides that unless disinterested shareholder approval is obtained, the aggregate number of Subordinate Voting Shares (a) issuable to Insiders at any time (under all of the Company's security-based compensation arrangements, including the Legacy Incentive Plan (as defined below)) cannot exceed ten (10%) percent of the issued and outstanding Subordinate Voting Shares, and (b) issued to Insiders within any one-year period (under all of the Company's security-based compensation arrangements, including the Legacy Incentive Plan) cannot exceed ten (10%) percent of the issued and outstanding Subordinate Voting Shares.

The Amended Incentive Plan further provides that: (a) the maximum number of Subordinate Voting Shares that may be made issuable pursuant to Awards made to any Eligible Participant under the Amended Incentive Plan together with any other Security-Based Compensation Arrangement in any 12-month period shall not exceed 5% of the issued and outstanding Subordinate Voting Shares calculated at the date of grant; (b) the aggregate number of Awards granted to any one Eligible Participant that is a Consultant in any 12-month period must not exceed 2% of the issued and outstanding Subordinate Voting Shares calculated at the date of grant; (c) the aggregate number of Options granted to any one Eligible Participant that is an Investor Relations Provider (as defined in the policies of the TSXV) must not exceed 2% of the issued and outstanding Subordinate Voting Shares calculated at the date of grant, and any such Investor Relations Provider may not receive Awards other than Options.

#### *Implementation and Administration of the Amended Incentive Plan*

The Amended Incentive Plan is under the direction of the Board. The GHRC Committee makes recommendations to the Board in relation to the Amended Incentive Plan and to the grants of Awards. The Board may, as it deems expedient, adopt, amend and rescind rules and regulations to carry out the purposes of the Amended Incentive Plan, subject to any applicable rules of the TSXV. The interpretation, construction and application of the Amended Incentive Plan and any provisions hereof made by the Board shall be final and binding on all Eligible Participants.

#### *Eligible Participants*

All Eligible Directors, officers, Consultants and employees of the Company are eligible to participate in the Amended Incentive Plan. Participation in the Amended Incentive Plan shall be entirely voluntary and any decision not to participate will not affect an Eligible Participant's employment or engagement with the Company.

#### *Types of Awards*

Awards of Options, RSUs, PSUs and DSUs may be made under the Amended Incentive Plan. All of the awards described below will be subject to the conditions, limitations, restrictions, exercise price, vesting, settlement and forfeiture provisions provided in the Amended Incentive Plan, and will be evidenced by an award agreement.

### *Options*

An Option entitles a holder to acquire a prescribed number of Subordinate Voting Shares from treasury. The Board will determine (a) which Eligible Participant may receive Options under the Amended Incentive Plan; (b) fix the number and date at which the Options will be granted; and (c) the price per Subordinate Voting Shares payable upon the exercise of such Option, the relevant vesting provisions and Option Term.

The Board determines the period during which the Option becomes exercisable and expires, however, in no event shall an Option expire later than ten years from the date the Option is granted. Should an expiration date for an Option fall within a Black-Out Period (or within nine Business Days following a Black-Out Period), then except with respect to Incentive Stock Options, such expiration date will be automatically extended to the tenth Business Day after the end of the Black-Out Period. Subject to the Amended Incentive Plan and vesting limitations, a Participant is entitled to exercise an Option granted at any time prior to its expiry.

In all cases, the exercise price of the option must not be less than the Market Value of the Subordinate Voting Shares on the trading day immediately preceding the date of grant of the Option. Unless otherwise specified by the Board, Options will vest and be exercisable such that 1/4 of the Subordinate Voting Shares that may be purchased shall vest on the first anniversary date of the grant and 1/48 of the Subordinate Voting Shares that may be purchased shall vest on the last day of each month beginning the month following the month of the first option vesting date. The entire Option subject to the grant shall be vested and exercisable as of the fourth anniversary date of the grant. Once a portion of an Option that has vested becomes exercisable, it remains exercisable until expiration or termination of the Option, unless otherwise specified by the Board.

A participant may, in lieu of exercising a vested Option (other than an Incentive Stock Option) and pursuant to a Surrender Notice, elect to surrender such Option and instead receive a number of Subordinate Voting Shares, calculated as per the Amended Incentive Plan. Where Subordinate Voting Shares are to be issued to the Participant, as soon as practicable following the receipt of such notice, the Company shall issue such Subordinate Voting Shares to the Participant as fully paid and non-assessable.

The maximum number of Subordinate Voting Shares available for issuance with respect to Incentive Stock Options will be a subset of, and not in addition to, the maximum number of Subordinate Voting Shares issued pursuant to the Amended Incentive Plan from time to time. The terms of any Incentive Stock Option will comply with Section 422 of the Code and the terms and conditions set out in the Amended Incentive Plan.

### *Restricted Share Units*

An RSU is an award unit which entitles the holder to receive payment based on the value of one Subordinate Voting Shares after a specified vesting period. The Board will determine (a) which Eligible Participants may receive RSUs under the Amended Incentive Plan; (b) fix the number and date of RSUs granted to each Eligible Participant; and (c) determine the relevant conditions, vesting provisions and Unit Restriction Period of such RSUs. Unless otherwise set forth in the RSU Agreement, each RSU will vest as to 1/3 on each of the first, second and third anniversary of the date of the grant, provided that the Participant remains in service with the Company from the date of grant of the RSU through the vesting date. No RSUs may vest before the date that is one year following the date it is granted or issued, other than as may be permitted or not prohibited pursuant to TSXV policies.

Upon settlement, holders will receive (a) one Subordinate Voting Shares from treasury or purchased on the open market; (b) the Cash Equivalent of one Subordinate Voting Shares; or (c) either one Subordinate Voting Shares, the Cash Equivalent of one Subordinate Voting Shares or a combination of cash and Subordinate Voting Shares. Cash Equivalents shall be equal to the Market Value of one Subordinate Voting Shares on the RSU Settlement Date multiplied by the number of vested RSUs in the Participant's Account, in which the Participant desires to settle in cash. Except as otherwise provided, all vested RSUs covered by a particular grant made to a non-U.S. Participant may be settled on any day on or before the last day of the Unit Restriction Period by delivering a Unit Settlement Notice to the Company. All U.S. Participants will be subject to the settlement periods as stipulated in the Amended Incentive Plan.

### *Performance Share Units*

A PSU is an award entitling the holder to receive payment based on the value of one Subordinate Voting Shares (or such reduced or increased number of Subordinate Voting Shares as calculated by the Company, depending on the level of attainment of the Performance Criteria) once such Award is earned and vested, subject to restrictions and conditions as determined by the Board. PSU conditions will be based upon the achievement of pre-established Performance Criteria over the Performance Period, as well as continuing employment or engagement with the Company. The Board will also determine the Eligible Participants who may receive PSUs under the Amended Incentive Plan, the number of PSUs granted to each Eligible Participant and the date at which such PSUs will be granted. Notwithstanding the foregoing, no PSUs may vest before the date that is one year following the date it is granted or issued, other than as may be permitted or not prohibited pursuant to TSXV policies

Upon settlement, holders will receive (a) one Subordinate Voting Shares from treasury or purchased on the open market; (b) the Cash Equivalent of one Subordinate Voting Shares; or (c) either one Subordinate Voting Shares, the Cash Equivalent of one Subordinate Voting Shares or a combination of cash and Subordinate Voting Shares. Any Cash Equivalents of PSUs shall be equal to the Market Value of one Subordinate Voting Shares on the PSU Settlement Date (as defined below) multiplied by the number of vested PSUs in which the Participant wants to settle in cash.

For each PSU award, the Board will establish a Performance Period in which the Performance Criteria (and any other vesting conditions) must be met in order for the Participant to be entitled to receive Subordinate Voting Shares in exchange for all or a portion of the PSUs held by such Participant. All PSUs of non-U.S. Participants shall be settled at any time beginning on the first Business Day following their PSU Vesting Determination Date but no later than the last day of the Unit Restriction Period. PSUs of U.S. Participants will be subject to the settlement dates as stipulated in the Amended Incentive Plan (the “**PSU Settlement Date**”).

### *Deferred Share Units*

A DSU is an Award of phantom share units to an Eligible Director, subject to certain restrictions and conditions determined by the Board. The Board will determine (a) which Eligible Directors may receive DSUs under the Amended Incentive Plan; (b) fix the number and date of DSUs granted to each Eligible Director; and (c) determine the relevant conditions and vesting provisions of such DSUs. Upon settlement, holders will receive (a) one Subordinate Voting Shares from treasury or purchased on the open market; (b) the Cash Equivalent of one Subordinate Voting Shares; or (c) either one Subordinate Voting Shares, the Cash Equivalent of one Subordinate Voting Shares or a combination of cash and Subordinate Voting Shares. No DSUs may vest before the date that is one year following the date it is granted or issued, other than as may be permitted or not prohibited pursuant to TSXV policies

Each Eligible Director shall receive a portion of his or her Board Retainer in the form of DSUs as determined by the compensation policies by the Board (the “**Mandatory Portion**”) and may elect to receive, up to 100%, of the balance of his or her Board Retainer in the form of DSUs (the “**Voluntary Portion**”). Each Eligible Director will receive the number of DSUs as calculated by dividing the sum of any Mandatory Portion and the Voluntary Portion payable quarterly to the Eligible Director by the Market Value on the date on which the DSUs were awarded. DSUs shall be awarded to Eligible Directors quarterly on the last day each fiscal quarter, unless otherwise determined by the Board. Subject to certain rules, any Participant may elect to receive the equivalent of any Mandatory Portion in cash instead of DSUs.

Each Participant who elects to participate in the Voluntary Portion of the Amended Incentive Plan must send an Election Notice to the Company, which shall be deemed to apply to all subsequent calendar years until the Participant sends an Election Notice to the Company containing different instructions or a termination notice. No Election Notice, amendment or termination of an election shall be made during a Black-Out Period.

A Participant who is not a U.S. Participant and who ceases to be a director of the Company may request the settlement of all of his or her DSUs at any time during the period between which the Participant ceases to be a director and the DSU Expiry Date. The settlement of such DSUs shall take place on or before December 15th of the calendar year in which the Settlement Date occurs or, if later, on or before the date that is two and a half months following the Settlement Date. DSUs for U.S. Participants will be subject to the settlement procedure, as set out in the Amended Incentive Plan.

No amendments of the Amended Incentive Plan or decision of the Board will accelerate a Participant's settlement of DSUs prior to the date to which the Participant (a) ceases to be a director of the Company; (b) ceases to be employed or provide services to the Company; or (c) dies.

*Adjustment to Subordinate Voting Shares subject to Outstanding Awards*

Subject to the prior approval of the TSXV, In the event of (a) a subdivision of the Subordinate Voting Shares into a greater number of Subordinate Voting Shares or (b) a consolidation of Subordinate Voting Shares into a lesser number of number Subordinate Voting Shares at any time after the grant of an Award (and prior to the expiration of such Award), the Company shall deliver to the Participant the number of Subordinate Voting Shares the Participant would have held, if on the record date, the Participant had been the registered holder of the number of Subordinate Voting Shares to which the Participant was entitled to upon the exercise or vesting of such Award.

If at any time after the grant of an Award to a Participant and prior to the expiration of the term of such Award, the Subordinate Voting Shares are reclassified, reorganized or changed or the Company consolidates, merges or amalgamates with another corporation, the Participant, upon the exercise or vesting of the Award, will be entitled to receive the aggregate number of shares of the class or securities of the Company that such Participant would have been entitled to before such reclassification, reorganization, change, consolidation, merger or amalgamation occurred.

If at any time after the grant of an Award to a Participant and prior to the expiration of the term of such Award, the Company distributes cash, evidences of indebtedness or other assets of the Company to Subordinate Voting Shares holders, or should the Company effect a transaction or change having a similar effect, then the price of the Subordinate Voting Shares to which the Participant is entitled to, shall be adjusted to consider such distribution, transaction or change.

No fractional Subordinate Voting Shares shall be delivered to a Participant under the Amended Incentive Plan. Any fractional Share entitlement shall be satisfied by the payment of an amount in cash equal to such fractional Subordinate Voting Shares entitlement multiplied by the Market Value of one Subordinate Voting Shares on the applicable exercise or settlement date.

*Termination, Resignation, Death and/or Disability*

The following table describes the impact of (a) termination for cause; (b) resignation; (c) termination other than for cause; and (d) death or disability, upon the participants under the Amended Incentive Plan. Each Award shall be subject to the following conditions:

Event	Provisions
<b>Termination for Cause</b>	<ul style="list-style-type: none"> <li>Upon a Participant ceasing to be an Eligible Participant for Cause, all unexercised, unsettled vested or unvested Awards shall terminate as of the Termination Date.</li> </ul>
<b>Resignation</b>	<ul style="list-style-type: none"> <li>Upon an Eligible Participant's resignation, subject to any later expiration dates determined by the Board, all unexercised, unsettled vested or unvested Awards granted to such Participant shall terminate on the Termination Date caused by such resignation.</li> </ul>
<b>Termination other than for Cause</b>	<ul style="list-style-type: none"> <li>Upon a Participant ceasing to be an Eligible Participant for any reason (other than for Cause, resignation, death or after becoming subject to the Disability), the number of Awards that may vest is subject to pro ration over the applicable vesting period (ending on the Termination Date) and shall expire on the earlier of 90 days after the Termination Date and the expiry date of the Awards.</li> </ul>

Event	Provisions
<b>Death or Disability</b>	<ul style="list-style-type: none"> <li>• If a Participant dies while in his or her capacity as an Eligible Participant, or ceases to be an Eligible Participant as a result of a Disability, the number of Awards that may vest is subject to pro ration over the applicable vesting period (ending on the Termination Date) and shall expire on the earlier of 180 days after the Participant’s death Termination Date or the expiry date of the Awards. Notwithstanding the foregoing, in accordance with Policy 4.4., the Amended Incentive Plan does not permit acceleration of the mandatory one year vesting provision for Awards (RSUs/DSUs/PSUs) in case of a Disability of a Participant.</li> <li>• If a Participant is determined to have breached any post-employment restrictive covenants in favour of the Company, then any Awards held by the Participant, whether vested or unvested, will immediately expire and the Participant shall pay to the Company any “in-the-money” amounts realized upon exercise of Awards following the Termination Date.</li> </ul>

*Change in Control*

A “**Change in Control**” includes (a) the sale of all or substantially all of the Company’s assets to a Person that is not a Subsidiary; (b) the dissolution or liquidation of the Company; (c) the acquisition of the Company via reorganization, consolidation or merger, pursuant to which a Person (or any associate or affiliated corporation thereof) acquires direct or indirect “beneficial ownership” (as defined in the OBCA) of securities of the Company representing 50% or more of the aggregate voting power of all the Company’s then issued and outstanding securities; (d) a transaction pursuant to which the Company goes out of existence; or (e) the occurrence of a transaction that requires approval of the Company’s shareholders involving the acquisition of the Company by an entity through the purchase of assets, by amalgamation, arrangement or otherwise.

Notwithstanding anything else in the Amended Incentive Plan, but subject to the terms of any Grant Agreement and the approval of the TSXV, the Board shall have the right to deal with any or all Awards (or any portion thereof) issued under the Amended Incentive Plan in the manner it deems fair and reasonable in the circumstances of Change in Control, provided that with respect to Awards to U.S. Participants, any such action of Awards will comply with Section 409A of the Code.

The Board, without any action or consent required on the part of any Participant, shall have the right to: (a) determine that the Awards, in whole or in part, vested or unvested, shall remain in effect in accordance with the terms after the Change in Control; (b) provide for the conversion or exchange of any or all Awards into or for options, rights, units or securities resulting from a Change in Control; (c) cancel any unvested Awards without payment of any kind to any Participant; (d) accelerate the vesting of outstanding Awards; (e) purchase outstanding Awards; (f) accelerate the date by which Awards, whether vested or unvested, must be exercised or settled in whole or in part; (g) deem any or all Awards, whether vested or unvested, to have been exercised or settled in whole or in part and tender to the Participant, the underlying Subordinate Voting Shares that would have been issued pursuant to the settlement of such Awards (and pay to the Participant an amount underlying Subordinate Voting Shares equal to the Change in Control price of the Subordinate Voting Shares); (h) cancel any or all outstanding Awards, in whole or in part and pay to the Participant an amount per underlying Subordinate Voting Shares equal to the Change in Control price of the Subordinate Voting Shares; and (i) take such actions (as permitted under the Amended Incentive Plan) that the Board deems fair and reasonable under the circumstances.

*Non-Transferability and Non-Assignability of Awards*

Other than by will or under the law of succession, or as otherwise set forth in the Amended Incentive Plan, Awards are not assignable or transferable. Awards may only be exercised: (a) by the Participant to whom the Awards were granted; (b) with the Company’s prior written approval and subject to such conditions as the Company may stipulate; (c) upon the Participant’s death, by the legal representative of the Participant’s estate; or (d) upon the Participant’s incapacity, the legal representative having authority to deal with the property of the Participant.

*Amendments to the Amended Incentive Plan*

The Board may amend the Amended Incentive Plan or any Award at any time without the consent of a Participant provided that such amendment shall:

- (a) not adversely alter or impair any Award previously granted except as permitted by the terms of the Amended Incentive Plan;
- (b) be in compliance with applicable law and subject to any regulatory approvals including, where required, the approval of the TSXV; and
- (c) be subject to shareholder approval (including disinterested shareholder approval), provided that shareholder approval shall not be required for the following amendments and the Board may make any changes which may include but are not limited to:
  - (i) any amendment to the vesting or assignability provisions of Awards;
  - (ii) any amendment which accelerates the date on which any Award may be exercised under the Amended Incentive Plan;
  - (iii) any amendment necessary to comply with applicable law or the requirements of the TSXV or any other regulatory body;
  - (iv) any amendment of a “housekeeping” nature;
  - (v) any amendment regarding the administration of the Amended Incentive Plan;
  - (vi) any amendment to add or amend provisions permitting a clawback for the granting of cash-settled awards, a form of financial assistance or clawback; and
  - (vii) any other amendment that does not require the approval of the holders of Subordinate Voting Shares pursuant to the amendment provisions of the Amended Incentive Plan.

Notwithstanding such, the Board shall be required to obtain shareholder approval (including disinterested shareholder approval), to make the following amendments:

- (a) any amendment to the definition of Eligible Participant;
- (b) any change to the maximum number of Subordinate Voting Shares issuable from treasury under the Amended Incentive Plan (subject to certain limitations);
- (c) any amendment to the limitations under the Amended Incentive Plan on the number of Awards that may be granted to any one Person or any category of Persons;
- (d) the method for determining the Option Price of an Option;
- (e) any reduction in the Option Price of an Option held by an Insider;
- (f) any amendment which extends the expiry date of any Award held by an Insider, or the Unit Restriction Period of any Units beyond the original expiry date, except in the case of an extension due to a Black-Out Period;
- (g) any amendment regarding the effect of termination of a Participant’s employment or engagement; or

(h) any amendment to the amendment provisions of the Amended Incentive Plan.

Subject to regulatory approval, the Board may discontinue the Amended Incentive Plan at any time without the consent of the Participants provided that such discontinuance shall not materially and adversely affect any Awards previously granted to a Participant under the Amended Incentive Plan. Any amendment of this nature to outstanding awards of U.S. Participants shall comply with the Code.

#### *General Conditions applicable to Awards*

Upon the granting of an Award to a Participant, the Company will not be obligated to retain the Participant in its employ or modify any engagement between the Company and the Participant. The Participant will also not be entitled to receive any future grants, upon the granting of an Award.

The Participant (or its representative) will not have any shareholder rights with respect to any Subordinate Voting Shares covered by such Participant's Awards until a share certificate is issued to the Participant or the Participant is entered onto the share register for the Subordinate Voting Shares.

If an Award is granted or a Grant Agreement is executed which does not conform to the provisions of the Amended Incentive Plan, the Award or the grant of such Award will be adjusted to conform to the Amended Incentive Plan. Such Award will not be void or invalidated.

#### Unfunded Plan

Unless otherwise determined by the Board, the Amended Incentive Plan shall be unfunded. To the extent any Participant holds any rights by virtue of a grant of Awards under this Plan, such rights (unless the Board determines otherwise) shall not be greater than the rights of an unsecured creditor of the Company.

#### U.S. Securities Laws

The Awards or the securities acquired pursuant to the settlement of Awards have not been registered under the U.S. Securities Act or under any securities laws of any state in the United States and are considered "restricted securities". The Awards may not be offered or sold, directly or indirectly, except pursuant to registration under the U.S. Securities Act and the securities laws of all applicable states.

#### **Legacy Incentive Plan**

Prior to the Company's Amended Incentive Plan, we granted Options to acquire Shares to certain executive officers, employees and consultants under the Legacy Incentive Plan. The Board or any of its Committees (the "**Administrator**") is responsible for administering the Legacy Incentive Plan and may delegate its responsibility thereunder. The following discussion is qualified entirely by the full text of the Legacy Incentive Plan. No additional Options will be granted under the Legacy Incentive Plan.

The Legacy Incentive Plan allows for the grant of incentive stock Options, non-statutory stock Options, stock appreciation rights and restricted stock to any employee, director and consultant of the Company or any of its affiliates. Pursuant to the Legacy Incentive Plan, the Administrator has the authority to determine the individuals to whom Options may be granted and to grant Options in such amounts and, subject to the provisions of the Legacy Incentive Plan, on such terms and conditions as it determines including: (i) the time or times at which Options may be granted; (ii) the exercise price; (iii) the time or times when each option becomes exercisable and the duration of the exercise period (provided however that the exercise period may not exceed ten years); (iv) whether restrictions or limitations are to be imposed on the shares underlying Options and the nature of such restrictions or limitations; and (v) any vesting acceleration or waiver of forfeiture restrictions regarding any Option.

As of the date of this Circular, there are 2,195,209 Options outstanding under the Legacy Incentive Plan.

Unless otherwise specified by the Administrator, in its sole discretion, an option granted under the Legacy Incentive Plan expires and terminates on the earliest of (i) the date of expiration specified in the option grant letter or resolution of the Board granting such option, as applicable, being not more than ten years after the date of grant; (ii) 30 days after the option holder

ceases to be a Service Provider; and (iii) six months after the option holder is no longer eligible to participate in the Legacy Incentive Plan, including by reason of disability or death. In the case of an Incentive Stock Option granted to a participant who, at the time the Incentive Stock Option is granted, owns stock representing more than 10% of the total combined voting power of all classes of stock of the Company, the term of the Incentive Stock Option will be five years from the date of grant.

Any Options granted under the Legacy Incentive Plan will be exercisable according to the terms of the Legacy Incentive Plan and under such conditions as determined by the Administrator and set forth in the option award agreement.

#### *Triggering Events; Change in Control*

The Legacy Incentive Plan provides that certain events, including where a participant ceases to be a Service Provider, disability or death, may trigger forfeiture or reduce the vesting period, where applicable, of the option, subject to the terms of the participant's agreement. The Administrator may, in its discretion, at any time prior to or following such events, permit the exercise of any or all options held by the participant in the manner and on the terms authorized by the Board.

The Legacy Incentive Plan also provides that, in connection with a recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of our shares, or other change in the corporate structure of the Company affecting the shares, the Administrator may make certain adjustments to the class of shares of stock that may be delivered under the Legacy Incentive Plan and/or the number, class and price of shares of stock covered by each outstanding Award.

In the event of a merger of the Company with another corporation or a Change in Control, the Administrator, without a Participant's consent, may determine that (a) Awards will be assumed by the acquiring or succeeding corporation; (b) upon written notice to a participant, the participant's Awards will terminate upon or immediately prior to the consummation of such merger or Change in Control; (c) outstanding Awards will vest and become exercisable, realizable, or payable, or restrictions applicable to an Award will lapse, in whole or in part prior to or upon consummation of such merger or Change in Control; (d) the termination of an Award in exchange for an amount of cash and/or property equal to the amount that would have been attained upon the exercise of such Award or the replacements of such Award with other rights or property selected by the Administrator in its sole discretion; or (e) any combination of the foregoing.

#### *Amendments and Termination*

Subject to compliance with applicable law and the approval of any regulatory authorities having jurisdiction over the affairs of the Company, the Administrator may at any time amend, suspend or terminate the Legacy Incentive Plan provided that such amendment shall not adversely alter or impair any Award previously granted under the Legacy Incentive Plan or be subject to shareholder approval.

#### **Director and Named Executive Officer Compensation, excluding Compensation Securities**

The compensation paid to the NEOs and directors during the Company's two most recently completed financial years ended December 31, 2023 and 2022, excluding stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the Company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries ("**Compensation Securities**"), is as set out below:

Table of Compensation excluding Compensation Securities							
Name and position	Year	Salary, consulting fee, retainer or commission	Bonus	Committee or meeting fees	Value of perquisites	Value of all other compensation	Total compensation
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Sasha Grujicic <sup>(1)</sup> <i>Former Chief Executive Officer, Director</i> <i>Former Chief Operating Officer</i>	2023	245,733	Nil	Nil	Nil	Nil	245,733
	2022	214,107	Nil	Nil	Nil	Nil	214,107
Alim Virani <sup>(2)</sup> <i>Former Chief Financial Officer</i>	2023	189,603	Nil	Nil	Nil	Nil	189,603
	2022	53,936.43	Nil	Nil	Nil	Nil	53,936.43
Andre Garber <sup>(3)</sup> <i>Chief Development Officer, Former Director</i>	2023	250,118	Nil	Nil	Nil	Nil	250,118
	2022	275,000	Nil	Nil	Nil	Nil	275,000
Elaine Kunda <i>Board Chair, Director</i>	2023	22,436	Nil	Nil	Nil	Nil	22,436
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Scott Nireberski <sup>(4)</sup> <i>Former Audit Committee Chair, Former Director</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Darrell MacMullin <sup>(5)</sup> <i>Former GHRC Committee Chair, Former Director</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
John Adamovich <sup>(6)</sup> <i>Former Director</i>	2023	50,000	Nil	Nil	Nil	Nil	50,000
	2022	275,000	Nil	Nil	Nil	Nil	275,000
Daren Trousdell <sup>(7)</sup> <i>Former Director</i>	2023	294,427	Nil	Nil	Nil	Nil	294,427
	2022	420,000	420,000	Nil	Nil	420,000	840,000

**Notes:**

- (1) Appointed as Chief Executive Officer and as director on May 30, 2023 and stepped down from both roles on January 12, 2024. All compensation listed pertains to compensation received as an officer and employee, not a director.
- (2) Mr. Virani resigned from his role as Chief Financial Officer on February 1, 2024.
- (3) Mr. Garber resigned from his role as director on May 13, 2024.
- (4) Mr. Nireberski resigned from his role as director on January 8, 2024.
- (5) Mr. MacMullin resigned from his role as director on March 21, 2024.
- (6) Mr. Adamovich resigned from his role as director on May 30, 2023.
- (7) Mr. Trousdell resigned from his role as director on May 30, 2023.

**Stock Options and Other Compensation Securities**

The following table sets forth information in respect of all Compensation Securities granted or issued to each director and NEO by the Company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the Company or its subsidiaries during the Company's most recently completed financial year ended December 31, 2023:

Compensation Securities							
Name and position	Type of Compensation Security	Number of Compensation Securities, number of underlying securities and percentage of class <sup>(1)</sup>	Date of issue or grant	Issue, conversion or exercise price <sup>(2)</sup> (C\$)	Closing price of security or underlying security on date of grant <sup>(2)</sup> (C\$)	Closing price of security or underlying security at year end <sup>(2)</sup> (C\$)	Expiry date
Sasha Grujicic <sup>(3)</sup> <i>Former Chief Executive Officer, Former Director</i>	Options	1,125,000 (1.80%)	125,000 on February 6, 2023  1,000,000 on July 4, 2023	125,000 options at \$1.00 per option  1,000,000 options at \$0.31 per option	0.65 on February 6, 2023  0.31 on July 4, 2023	0.375	10 years after each date of grant
Alim Virani <sup>(4)</sup> <i>Former Chief Financial Officer</i>	Options	200,000 (0.32%)	July 4, 2023	0.31	0.31	0.375	July 4, 2033
Andre Garber <sup>(5)</sup> <i>Chief Development Officer, Former Director</i>	Options	225,000 (0.37%)	July 4, 2023	0.31	0.31	0.375	July 4, 2033
Elaine Kunda <sup>(6)</sup> <i>Board Chair, Director</i>	Options	100,000 (0.16%)	July 4, 2023	0.31	0.31	0.375	July 4, 2033
Scott Nirenberski <sup>(7)</sup> <i>Former Audit Committee Chair, Former Director</i>	Options	100,000 (0.16%)	July 4, 2023	0.31	0.31	0.375	July 4, 2033
Darrell MacMullin <sup>(8)</sup> <i>Former GHRC Committee Chair, Former Director</i>	Options	34,000 (0.06%)	July 4, 2023	0.31	0.31	0.375	July 4, 2033

Compensation Securities							
Name and position	Type of Compensation Security	Number of Compensation Securities, number of underlying securities and percentage of class <sup>(1)</sup>	Date of issue or grant	Issue, conversion or exercise price <sup>(2)</sup> (C\$)	Closing price of security or underlying securing on date of grant <sup>(2)</sup> (C\$)	Closing price of security or underlying security at year end <sup>(2)</sup> (C\$)	Expiry date
John Adamovich <i>Former Chief Financial Officer, Former Director</i>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Daren Trousdell <i>Former Director</i>	Nil	Nil	Nil	Nil	Nil	Nil	Nil

**Notes:**

- (1) The percentage of class is based on Subordinate Voting Shares issued and outstanding on an as converted basis as of December 31, 2023. Each Compensation Security represents an equal number of underlying securities, being Subordinate Voting Shares. The vesting provisions of the Compensation Securities and restrictions or conditions for converting, exercising or exchanging the Compensation Securities are described under the heading "Amended Incentive Plan".
- (2) As of December 31, 2023, Mr. Grujic held 1,325,000 Options.
- (3) As of December 31, 2023, Mr. Virani held 525,000 Options and 4,800 Subordinate Voting Shares.
- (4) As of December 31, 2023, Mr. Garber, held directly 225,000 Options and, indirectly through Variety Ventures Ltd., held 2,195,209 Options. Mr. Garber also held 4,464,636 Subordinate Voting Shares, of which 63,100 Subordinate Voting Shares were held directly and 4,401,536 Subordinate Voting Shares were held indirectly through Variety Ventures Ltd.
- (5) As of December 31, 2023, Ms. Kunda held 300,000 Options and 27,700 Subordinate Voting Shares.
- (6) As of December 31, 2023, Mr. Nirenberski held 300,000 Options.
- (7) As of December 31, 2023, Mr. MacMullin held 234,000 Options and 25,000 Subordinate Voting Shares.

**Exercise of Compensation Securities by Directors and NEOs**

For the most recently completed financial year ended December 31, 2023, no director or NEO exercised any Compensation Securities.

**Executive Employment Contracts**

The following summarizes the material terms of each employment agreement or arrangement with an NEO or director under which compensation was provided or payable during the most recently completed financial year ended December 31, 2023, which terms are in addition to mandatory employment or labour standards legislation and regulations as may be applicable to an NEO's employment with the Company:

(a) *Andre Garber*

Employment Agreement Term	Summary
<b>Annual Base Salary</b>	For the financial year ended December 31, 2023, the Company paid Mr. Garber an annual base salary of \$250,118.
<b>Long-Term Incentives</b>	Mr. Garber is eligible to receive Company equity awards pursuant to any plans or arrangements the Company has in effect. Any equity award granted will be governed by the terms and conditions of the applicable award.

<b>Termination without “Cause” or resignation for “Good Reason”</b>	Upon termination of Mr. Garber’s employment without Cause or for Good Reason (each as defined in his employment agreement), the Company will make severance payments at a rate equal to his base salary for a period of (x) 24 months, plus (y) the greater of (a) their target bonus or (b) the average of any bonus payments received over the last three years of service prior to such termination without Cause or for Good Reason.
<b>Termination without “Cause” or resignation for “Good Reason” following a change of control</b>	If Mr. Garber’s employment is terminated following a change in control of the Company (a “ <b>Change in Control Termination</b> ”), then the Company will pay him a lump sum severance payment of (x) 24 months, plus (y) the greater of (a) their target bonus or (b) the average of any bonus payments received over the last three years of service prior to the Change in Control Termination and the then-current year’s target bonus pro-rated for the actual amount of service in such current year until the occurrence of the Change in Control Termination.
<b>Restrictive Covenants</b>	During Mr. Garber’s the employment term, he agrees not to (a) actively engage in any other employment without prior approval of the Board or (b) serve on other boards of directors without the prior approval of the Board (subject to certain exceptions).

(b) Daren Trousdell – Prior to Mr. Trousdell’s resignation on May 30, 2023

<b>Employment Agreement Term</b>	<b>Summary</b>
<b>Annual Base Salary</b>	For the financial year ended December 31, 2023, Mr. Trousdell was entitled to a base annual salary of \$420,000.
<b>Long-Term Incentives</b>	Mr. Trousdell was eligible to receive Company equity awards pursuant to any plans or arrangements the Company had in effect. Any equity award granted would be governed by the terms and conditions of the applicable award.
<b>Termination without “Cause” or resignation for “Good Reason”</b>	Upon termination of Mr. Trousdell’s employment without Cause or for Good Reason (each as defined in their employment agreement), the Company would make severance payments at a rate equal to his base salary for a period of (x) 24 months, plus (y) the greater of (a) their target bonus or (b) the average of any bonus payments received over the last three years of service prior to such termination without Cause or for Good Reason.
<b>Termination without “Cause” or resignation for “Good Reason” following a change of control</b>	If Mr. Trousdell’s employment was terminated following a change in control of the Company (a “ <b>Change in Control Termination</b> ”), then the Company would have paid him a lump sum severance payment of (x) 24 months, plus (y) the greater of (a) their target bonus or (b) the average of any bonus payments received over the last three years of service prior to the Change in Control Termination and the then-current year’s target bonus pro-rated for the actual amount of service in such current year until the occurrence of the Change in Control Termination.
<b>Restrictive Covenants</b>	During Mr. Trousdell’s employment term, he each agreed not to (a) actively engage in any other employment without prior approval of the Board or (b) serve on other boards of directors without the prior approval of the Board (subject to certain exceptions).

(c) Sasha Grujicic – prior to Mr. Grujicic’s resignation on January 12, 2024

<b>Employment Agreement Term</b>	<b>Summary</b>
<b>Annual Base Salary</b>	For the financial year ended December 31, 2023, the Company paid Mr. Grujicic an annual salary of \$245,733.

<b>Long-Term Incentives</b>	Mr. Grujicic was eligible to receive Company equity awards pursuant to any plans or arrangements the Company had in effect. Any equity award granted would have been governed by the terms and conditions of the applicable award.
<b>Termination without “Cause”</b>	Upon termination of Mr. Grujicic’s employment without Cause (as defined in his employment agreement), the Company was required under the terms of the agreement to make severance payments at a rate equal to their base salary for a period of 6 months.
<b>Restrictive Covenants</b>	During the employment term for Mr. Grujicic, he agreed not to (a) actively engage in any other employment without prior approval of the Board or (b) serve on other boards of directors without the prior approval of the Board (subject to certain exceptions).

(d) Alim Virani – Prior to Mr. Virani’s resignation on February 1, 2024

<b>Employment Agreement Term</b>	<b>Summary</b>
<b>Annual Base Salary</b>	For the financial year ended December 31, 2023, the Company paid Mr. Virani an annual salary of \$189,603.
<b>Long-Term Incentives</b>	Mr. Virani was eligible to receive Company equity awards pursuant to any plans or arrangements the Company had in effect. Any equity award granted will be governed by the terms and conditions of the applicable award.
<b>Termination without “Cause”</b>	Upon termination of Mr. Virani’s employment without Cause (as defined in his employment agreement), the Company will make severance payments at a rate equal to their base salary for a period of 6 months.

*Termination and Change of Control Benefits*

The following table indicates the amounts payable to each NEO under the terms of their respective employment agreement as well as the Amended Incentive Plan upon termination other than for Cause (as defined therein), assuming their employment was terminated on December 31, 2023. For purposes of valuing option-based awards, the closing price of the Subordinate Voting Shares on the TSXV on December 29, 2023, the last trading day of the fiscal year, being C\$0.375 per Subordinate Voting Share.

<b>Name and Principal Position<sup>(1)</sup></b>	<b>Event</b>	<b>Severance<sup>(2)</sup></b>	<b>Acceleration of Unvested Options</b>	<b>Total</b>
<b>Andre Garber</b> <i>Chief Development Officer</i>	Termination without Cause or resignation for Good Reason	\$700,330.40	Nil	\$700,330.40
	Termination without Cause or resignation for Good Reason following a change of control	\$900,424.80 <sup>(3)</sup>	\$2,764.49 <sup>(4)</sup>	\$903,189.29

**Notes:**

- (1) Mr. Grujicic, Mr. Trousdell and Mr. Virani have each retired or resigned from their roles with the Company, and are not owed and/or entitled to any termination or change of control benefits as of the date hereof.
- (2) Severance payments are calculated based on the base salary and annual incentive compensation paid to the NEO for the financial year ended December 31, 2023 and assumes achievement of target annual short-term incentive bonus for the year in which the termination or resignation, as applicable, occurs. Amounts do not include accrued amounts for earned but unpaid vacation, perquisites, allowances and benefits.
- (3) Severance payment assumes that the change of control occurred on December 31, 2023.
- (4) Represents the “in-the-money” amount of unexercised unvested options which would be subject to accelerated vesting upon a change of control as of December 31, 2023. Assumes that the per share transaction price is based on the closing price of the Subordinate Voting Shares on the TSXV on December 29, 2023, being C\$0.375 per Subordinate Voting Share.

## External Management Companies

The Company has not entered into any agreement with any external management company that employs or retains one or more of the NEOs or directors of the Company and the Company has not entered into any understanding, arrangement or agreement with any external management company to provide executive management services to the Company, directly or indirectly, in respect of which any compensation was paid by the Company.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table summarizes certain information as of December 31, 2023 regarding compensation plans of the Company under which equity securities are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (#)	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in first column) (#)
Equity compensation plans <sup>(1)</sup> approved by Shareholders	5,700,942	\$0.72	1,264,704 <sup>(3)</sup>
Equity compensation plans <sup>(1)</sup> not approved by Shareholders	Nil.	Nil.	Nil.
<b>Total:</b>	5,700,942	\$0.72	1,264,704 <sup>(3)</sup>

### Notes:

- (1) See “Equity Incentive Plans – Legacy Incentive Plan” for a description of the material features of the Legacy Option Plan. See “Equity Incentive Plans – Amended Incentive Plan” for a description of the material features of the Amended Incentive Plan. See “Equity Incentive Plans – Amended Incentive Plan” for a description of the material features of the proposed Amended Incentive Plan.
- (2) Of the Options, 2,195,209 Options were issued and outstanding under the Legacy Option Plan and 3,505,733 Options were issued under the Prior Plan and are outstanding under the Amended Incentive Plan.
- (3) Does not take into consideration any availability under the Legacy Option Plan (as there will be no further Option issuances under the Legacy Option Plan) or under the Amended Incentive Plan. As at December 31, 2023, the Prior Plan was a fixed plan authorizing Awards of up to 6,965,646 Subordinate Voting Shares.

## STATEMENT OF GOVERNANCE PRACTICES

**The Board believes that strong corporate governance is important to the long-term success of the Company and maintaining the trust of Shareholders, customers and other stakeholders.**

In accordance with the corporate governance guidelines set out under NI 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) and National Policy 58-201 – *Corporate Governance Guideline* (together with NI 58-101, the “**CSA Governance Rules**”), the following is a summary of the governance practices of the Company.

### Governance Highlights

Governance Element	Company Practice
Board Size	5 Directors
Board Independence	Majority independent
Entirely Independent Committees	Audit Committee; GHRC Committee

Governance Element	Company Practice
Independent Board and Committee Meetings	The independent Directors hold <i>in-camera</i> sessions at the conclusion of each regularly scheduled Board and committee meeting
Voting Standard for Board Elections	Annually by a majority of votes cast
Majority Voting Policy	Yes
New Director Orientation and Continuing Education	Yes
Annual Board Assessments	Yes

To comply with the various applicable governance standards and to achieve best practices, the Company has adopted comprehensive corporate governance policies and procedures, including:

- Code of Business Conduct and Ethics;
- Charter of the Board of Directors;
- Charter of the Audit Committee;
- Charter of the GHRC Committee;
- Position Descriptions for the Chief Executive Officer, Chair of the Board and Committee Chairs;
- Diversity Policy;
- Whistleblower Policy;
- Majority Voting Policy;
- Insider Trading Policy; and
- Disclosure and Confidential Information Policy.

The Board believes that the Company's governance practices are in compliance with the CSA Governance Rules. The policies are available on the Company's website at <https://ir.nowvertical.com/governance/>.

### Composition of Board of Directors and Independence

The Board is comprised of five (5) Directors, four (4) of whom are independent. Pursuant to NI 58-101, an independent Director is one who is free from any direct or indirect relationship which could, in the view of the Board, be reasonably expected to interfere with a Director's independent judgment. The Company has determined that Elaine Kunda, David Charron, David Doritty, and Chris Ford are independent under NI 58-101 and that Sandeep Mendiratta (Chief Executive Officer) is not independent. Sandeep Mendiratta is not considered to be independent under NI 58-101 because he is Chief Executive Officer of the Company.

The independent Directors hold *in-camera* sessions at the conclusion of each regularly scheduled Board and committee meeting. The Chair of the Board conducts the in-camera sessions of the Board, and the Chair of each committee conducts the in-camera sessions of its committee, as applicable, without management or the other non-independent Directors present.

## **Nomination of Directors**

All Board nominees are nominated by the GHRC Committee, who make such nominations after considering the mix of skills and experience it believes are necessary to further the Company's goals. The written charter of the GHRC Committee sets out the committee's responsibilities with respect to nominating Board member candidates, which include to: (i) review annually the competencies, skills and personal qualities of the Board, in light of relevant factors; (ii) seek individuals qualified (in the context of the needs of the Company and any formal criteria established by the Board) to become members of the Board; (iii) review and recommend to the Board the membership and allocation of Board members to the various committees of the Board; and (iv) consider the level of diversity on the Board.

The GHRC Committee will seek prospective candidates who are independent, have recognized functional and industry experience, sound business judgement, high ethical standards, time to devote to the Board and the ability to contribute to the Board's diversity (with respect to gender, experience, geography, ethnicity and age). The GHRC Committee intends to identify qualified candidates when necessary through a number of possible sources, including search firms where appropriate.

Directors elected at an annual meeting are elected for a term expiring at the close of the subsequent annual meeting and are eligible for re-election. Directors appointed by the Directors between meetings of Shareholders in accordance with the Articles are appointed for a term expiring at the close of the next annual meeting and are eligible for election or re-election, as the case may be.

## **Term Limits**

The Board has not adopted director term limits, mandatory retirement ages or other automatic mechanisms of board renewal. Rather than adopting formal term limits, mandatory age-related retirement policies and other mechanisms of board renewal, the GHRC Committee will seek to maintain the composition of the Board in a way that provides, in the judgment of the Board, the best mix of skills and experience to provide for overall stewardship of the Company. The GHRC Committee also is expected to conduct an annual process for the assessment of the Board (see below under "**Board Assessments**"), each Board committee and each Director regarding his, her or its effectiveness and performance, and to report evaluation results to the Board.

## **Board Assessments**

The GHRC Committee intends to conduct an annual assessment of the performance, effectiveness and contribution of the Board, Board committees and of each individual Director. The results of the assessments will be communicated to the Board. This process will be used (i) as an assessment tool; (ii) as a component of the regular review process of Board members' participation; (iii) to assist with the Board's succession planning; and (iv) to determine appropriate individuals to stand for re-election to the Board.

## **Charter of the Board**

The mandate of the Company's Board is one of stewardship and oversight of the Company and its affairs. In fulfilling its mandate, the Board has adopted a written charter setting out its responsibility for, among other things, (i) participating in the development of and approving a strategic plan for the Company; (ii) supervising the activities and managing the investments and affairs of the Company; (iii) approving major decisions regarding the Company; (iv) defining the roles and responsibilities of management; (v) reviewing and approving the business and investment objectives to be met by management; (vi) assessing the performance of and overseeing management; (vii) issuing securities of the Company for such consideration as the Board may deem appropriate, subject to applicable law; (viii) reviewing the Company's debt strategy; (ix) identifying and managing risk exposure; (x) ensuring the integrity and adequacy of the Company's internal controls and management information systems; (xi) succession planning; (xii) establishing committees of the Board, where required or prudent, and defining their mandate; (xiii) establishing and maintaining procedures and policies to ascertain Director independence; (xiv) maintaining records and providing reports to Shareholders; (xv) ensuring effective and adequate communication with Shareholders, other stakeholders and the public; and (xvi) determining the amount and timing of dividends to Shareholders. A copy of the Board's written charter (the "**Charter of the Board**") is attached to this Information Circular as Schedule A.

## **Position Descriptions**

### *Chair of the Board*

The Board has adopted a written position description for the Chair of the Board which sets out the Chair's key responsibilities, including, as applicable, duties relating to setting Board meeting agendas, chairing Board and Shareholder meetings, managing *in camera* sessions, Director development and communicating with Shareholders and regulators.

### *Committee Chairs*

The Board has adopted a written position description for the Chair of the Audit Committee and the Chair of the GHRC Committee, each of which sets out such Chair's key responsibilities, including duties relating to setting committee meeting agendas, chairing committee meetings and working with the respective committee and management to ensure, to the greatest extent possible, the effective functioning of the committee.

### *Chief Executive Officer*

The Board has adopted a written position description and mandate for the Chief Executive Officer, which sets out the key responsibilities of the Chief Executive Officer. The primary functions of the Chief Executive Officer are to lead management of the business and affairs of the Company, to lead the implementation of the resolutions and the policies of the Board, to supervise day to day management of the Company and to communicate with Shareholders and regulators.

## **Orientation and Continuing Education**

When new Directors are elected to the Board, they can expect to participate in an orientation program for new Directors under which they will be provided with comprehensive orientation and education as to the nature and operation of the Company and our business, the role of the Board and Board committees, and the contribution that an individual director is expected to make. The GHRC Committee is responsible for overseeing director continuing education designed to maintain or enhance the skills and abilities of the Directors and to ensure that their knowledge and understanding of our business remains current. The chair of each Board committee is responsible for coordinating orientation and continuing director development programs relating to the committee's mandate.

## **Ethical Business Conduct**

The Company has adopted a Code of Business Conduct and Ethics that applies to all of our Directors, managers, officers, and employees. The objective of the Code of Business Conduct and Ethics is to provide guidelines for maintaining the integrity, reputation, honesty, objectivity and impartiality of the Company and its subsidiaries. Among other things, the Code of Business Conduct and Ethics addresses conflicts of interest, protecting the Company's assets, confidentiality, fair dealing with security holders, competitors and employees, insider trading, accuracy of records and reporting, compliance with laws and reporting any illegal or unethical behaviours. As part of the Code of Business Conduct and Ethics, any person subject to the Code of Business Conduct and Ethics is required to avoid or fully disclose interests or relationships that are harmful or detrimental to the Company's best interests or that may give rise to real, potential, or the appearance of, conflicts of interest. The Board will have the ultimate responsibility for the stewardship of the Code of Business Conduct and Ethics. The Code of Business Conduct and Ethics is available on the Company's website at <https://ir.nowvertical.com/governance/>.

In order to ensure compliance with the Code of Business Conduct and Ethics, Company personnel are encouraged to talk to supervisors, managers or other appropriate personnel about observed illegal or unethical behavior and when in doubt about the best course of action in a particular situation. If required, employees may report violations of the Code of Business Conduct and Ethics anonymously. It is the policy of the Company not to allow retaliation for reports of misconduct by others made in good faith. It is, at the same time, unacceptable to file a report knowing it is false. In addition, to foster a strong culture of ethical business conduct, the Company has implemented several other policies discussed in further detail below and elsewhere in this Information Circular.

If a Director or officer holds an interest in a transaction or agreement under consideration at a Board meeting or a Board committee meeting, that Director or officer shall not be present at the time the Board or Board committee deliberates such

transaction or agreement and shall abstain from voting on the matter, subject to certain limited exceptions provided for in the OBCA.

### **Whistleblower Policy**

The Company has adopted a whistleblower policy (the “**Whistleblower Policy**”) which sets out established procedures for personnel of the Company to confidentially and anonymously submit concerns to the Chair of the Audit Committee (who is independent of the Company) or to a third-party reporting system regarding any accounting or auditing matter or any other matter which the individual believes to be in violation of the Code of Business Conduct and Ethics. The Whistleblower Policy is available on the Company’s website at <https://ir.nowvertical.com/governance/>.

### **Insider Trading Policy**

The Insider Trading Policy expressly states that no one with any knowledge of a material fact or a material change in the affairs of the Company that has not been generally disclosed to the public should purchase or sell any securities of the Company, inform anyone of such material fact or material change (other than in the necessary course of business) or advise anyone to purchase, sell, hold or exchange securities of the Company (or any other securities whose price or value may reasonably be expected to be affected by material changes affecting the Company) until the information has been generally disclosed to the public and sufficient time has elapsed for such information to have been adequately disseminated to the public. For the purpose of implementing such principles, the Insider Trading Policy sets out a number of guidelines, including directives to Directors, officers and employees of the Company. The Insider Trading Policy is available on the Company’s website at <https://ir.nowvertical.com/governance/>.

### **Disclosure and Confidential Information Policy**

The Company has adopted a disclosure and confidential information policy (the “**Disclosure and Confidential Information Policy**”) which provides guidelines on the disclosure of material information and the protection of confidential information. The guidelines include the directive to disclose any material information in respect of the Company, whether favourable or unfavourable, to the public promptly via news release and to not engage in selective disclosure. All written and oral disclosure, including news releases, must be approved, before public disclosure, by the disclosure committee of the Company (or designated members thereof). Any news releases containing material information should also be approved by the Board. The Disclosure and Confidential Information Policy also establishes guidelines with respect to electronic communications, dealings with the investment community and forward-looking information. To prevent the inadvertent disclosure of confidential information, the Disclosure and Confidential Information Policy provides that NowVertical personnel should not discuss the affairs of the Company with, or make information about the Company available to, outsiders and should take specific steps to preserve confidentiality where information is required to be disclosed to third parties. The Disclosure of Confidential Information Policy is available on the Company’s website at <https://ir.nowvertical.com/governance/>.

### **Diversity**

The Company is committed to fostering an open and inclusive workplace culture. The Company underscores a commitment to diversity and recognizes it as an important asset. The Company and its affiliates are firmly committed to providing equal opportunity in all aspects of employment.

The GHRC Committee values and considers diversity as part of its overall annual evaluation of Board nominees for election or re-election, as well as candidates for management positions. Recommendations concerning Board nominees are, foremost, based on merit and performance, but diversity is taken into consideration, as it is beneficial that a diversity of backgrounds, views and experiences be present at the Board and management levels.

In furtherance of the Company’s commitment to diversity at the Board level, the Board has adopted a diversity policy (the “**Diversity Policy**”). The Diversity Policy emphasizes the Company’s belief in diversity and the potential for diversity in the composition of the Board and senior management of the Company, to advance the best interests of the Company. In this context, diversity may encompass a variety of dimensions (including, among other things, diversity in business experience, professional expertise, personal skills and perspectives, as well as gender, geography, age, race and ethnicity), the relative importance of

which may change from time to time. The Diversity Policy is available on the Company's website at <https://ir.nowvertical.com/governance/>.

The Diversity Policy does not specify a numerical target for women, visible minorities, indigenous peoples and those with disabilities to sit on the Board, nor does the Company maintain a specific numerical target in making executive officer appointments. However, as specified in the Diversity Policy, the level of representation of women, visible minorities, indigenous peoples and people with disabilities will be considered by NowVertical, the Board and the GHRC Committee in the identification and nomination of Directors.

The level of representation of women, visible minorities, indigenous peoples and people with disabilities has been, and will continue to be, considered by the Company, the Board and the GHRC Committee in the making of executive officer appointments. In searches for new executive officers, the GHRC Committee will consider the level of female representation and diversity in management as one of several factors used in its search process. This will be achieved through continuously monitoring the level of female representation in senior management positions and, where appropriate, recruiting qualified female candidates as part of our overall recruitment and selection process to fill senior management positions, as the need arises, through vacancies, growth or otherwise.

The GHRC Committee will annually review the effectiveness of the Diversity Policy. The GHRC Committee will solicit feedback from members of the Board and senior management with respect to the functioning of the policy, and implement any appropriate changes or new initiatives resulting from such feedback. Further, the GHRC Committee will maintain a list of candidates considered or proposed by the GHRC Committee as new Directors, and track the actual nomination and appointment of said nominees to the Board. At the time of each annual review, the GHRC Committee will re-evaluate the appropriateness of adopting numerical targets.

Currently, one of our executive officers is female and one woman sits on the Board (as Chairperson), representing 33.33% of all executive officers and 20% of all Directors, respectively.

### **Conflicts of Interest**

Certain of our Directors and officers are associated with other companies or entities, which may give rise to conflicts of interest. In accordance with the OBCA, Directors who have a material interest in any person who is a party to a material contract or proposed material contract with the Company are required, subject to certain exceptions, to disclose that interest and abstain from voting on any resolution to approve that contract. In addition, the Directors are required to act honestly and in good faith with a view to the best interests of the Company.

The Company's Code of Business Conduct and Ethics also prohibits conflicts of interest as a matter of policy, except as may be approved by the Board.

The Audit Committee is responsible for reviewing all material related party transactions.

### **Committees of the Board**

The Board has established two committees: (i) the Audit Committee; and (ii) the GHRC Committee.

#### *Audit Committee*

Our Audit Committee consists of three Directors, all of whom are persons determined by the Board to be both independent Directors and financially literate within the meaning of National Instrument 52-110 – *Audit Committees* (“NI 52-110”). The Audit Committee is currently comprised of David Charron (Chair), Chris Ford and Elaine Kunda.

Each of the Audit Committee members has an understanding of the accounting principles used to prepare financial statements and varied experience as to the general application of such accounting principles, as well as an understanding of the internal controls and procedures necessary for financial reporting. For additional details regarding the relevant education and experience of each member of the Audit Committee, see “Matters to be Considered at the Meeting – Election of Directors – About the Nominees”.

The Board has adopted a written charter for the Audit Committee (the “**Charter of the Audit Committee**”), which sets out the Audit Committee’s responsibilities. The Audit Committee assists the Board in fulfilling its oversight of, among other things:

- the quality and integrity of the Company’s financial statements and related information;
- the qualifications, independence, appointment and performance of the external auditor;
- the accounting and financial reporting policies, practices and procedures of the Company and its subsidiaries and affiliates;
- the Company’s risk management practices and legal and regulatory compliance;
- management’s design, implementation and effective conduct of internal controls over financial reporting and disclosure controls and procedures;
- the performance of the Company’s external auditor;
- the performance of the Company’s internal audit function, if applicable; and
- preparation of disclosures and reports required to be prepared by the Audit Committee by any law, regulation, rule or listing standard.

A copy of the Charter of the Audit Committee is attached to this Information Circular as Schedule B.

It is the responsibility of the Audit Committee to maintain free and open means of communication between the Audit Committee, the external auditor and management of the Company. The Audit Committee has full access to the Company’s management and records and external auditor as necessary to carry out these responsibilities. The Audit Committee has the authority to carry out such special investigations as it sees fit in respect of any matters within its various roles and responsibilities. The Company shall provide appropriate funding, as determined by the Audit Committee, for the payment of compensation to the external auditor for the purpose of rendering or issuing an audit report and to any advisors employed by the Audit Committee.

#### Audit Fees

In the following table, “audit fees” are fees billed by the Company’s external auditor for services provided in auditing the Company’s annual financial statements for the subject year. “Audit-related fees” are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit review of the Company’s financial statements. “Tax fees” are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. “All other fees” are fees billed by the auditor for products and services not included in the foregoing categories.

<b>Fiscal Year Ending</b>	<b>Audit Fees</b>	<b>Audit-Related Fees</b>	<b>Tax Fees</b>	<b>All Other Fees</b>
December 31, 2023	\$510,000	\$75,607	Nil.	Nil.
December 31, 2022	\$869,455	\$65,000	\$29,425	Nil.

#### Exemption for Venture Issuers

Pursuant to Section 6.1 of NI 52-110, as a venture issuer, the Company is exempt from the provisions of NI 52-110 that would otherwise require its audit committee to be constituted in accordance with Part 3 of NI 52-110, and the Company to provide comprehensive disclosure about the members of its audit committee in accordance with Part 5 of NI 52-110.

## *Governance, Human Resources and Compensation Committee*

The GHRC Committee consists of a minimum of three Directors, a majority of whom must be independent Directors within the meaning of NI 58-101 and is charged with overseeing executive compensation, management development and succession, director compensation and executive compensation disclosure. It also assists the Board in overseeing corporate governance, the composition of the Board and its committees, and the effectiveness of the Board, its committees and the Directors themselves. The GHRC Committee is comprised of Chris Ford (Chair), Elaine Kunda and David Charron. For additional details regarding the GHRC Committee, see “Statement of Governance Practices – Committees of the Board – Governance, Human Resources and Compensation Committee”.

### **Board Interlocks**

While the Board has not adopted a formal policy with respect to Board interlocks, the Charter of the Board provides that each Board member should, when considering membership on another board or committee, make every effort to ensure that such membership will not impair the member’s time and availability for his or her commitment to the Company, and that directors should advise the Chair of the Board and the Chief Executive Officer before accepting membership on other public company boards or any audit committee or other significant committee assignment on any other board. The Board intends to consider interlocking memberships on a case-by-case basis and will consider recommendations from the GHRC Committee with respect thereto.

### **Succession Planning**

The Board is responsible for providing guidance and oversight on succession management processes for the Chief Executive Officer and other key executives. As part of its mandate, the GHRC Committee intends to periodically review, with the Board, the succession plans relating to the position of the Chief Executive Officer and other senior positions. In addition, management is regularly asked to work with the Board to assess and enhance talent within the organization with the goal of investing time and resources in the managerial capabilities of its existing and future leaders.

### **Shareholder Engagement**

Management welcomes frequent dialogue with shareholders. Management is committed to ensuring that if items of significant concern are raised by shareholders, these items are brought to the attention of the Board. In addition, management regularly engages with the investment community through: annual and quarterly reports, news releases, our website [www.nowvertical.com](http://www.nowvertical.com), disclosure and regulatory documents filed on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com); quarterly conference calls to review financial and operating results open to all investors, the investment community, analysts and media; attendance at investor-focused conferences; and are available to meet or set up calls, as requested, with shareholders and potential shareholders.

### **Risk Oversight**

The Board is responsible for identifying the principal risks of the Company’s business and ensuring these risks are being appropriately managed. The Board periodically discusses with management guidelines and policies with respect to risk assessment, risk management, and major strategic, financial and operational risk exposures, and the steps management has taken to monitor and control any exposure resulting from such risks. The Board relies on the Chief Executive Officer, Interim Chief Financial Officer and Chief Development Officer to supervise day-to-day risk management, and management reports periodically to the Audit Committee and Board on risk management matters.

## **DIRECTORS’ AND OFFICERS’ INSURANCE AND INDEMNIFICATION**

### *Overview*

The Company has obtained directors’ and officers’ liability insurance policies, which cover indemnification of Directors and officers of the Company in certain circumstances. Under this insurance coverage, we will be reimbursed for insured claims where payments have been made under indemnity provisions on behalf of our and our subsidiaries’ directors and officers, subject to a deductible for each loss, which will be paid by us. Our individual Directors and officers will also be reimbursed

for insured claims arising during the performance of their duties for which they are not indemnified by us. Excluded from insurance coverage are illegal acts, acts which result in personal profit and certain other acts. In addition, the Company has entered into indemnification agreements with each of its Directors and officers for liabilities and costs in respect of any action or suit against them in connection with the execution of their duties, subject to customary limitations prescribed by applicable law.

#### *Insurance Policies*

The Company renewed a \$10,000,000 (subject to certain coverage extensions) directors and officers liability insurance policy (“**D&O Policy**”) with an annual premium \$74,375 plus applicable taxes for the Directors and officers of the Company, as a group. The D&O Policy has a deductible of \$250,000.

### **INDEBTEDNESS OF DIRECTORS AND OFFICERS**

As of the date hereof, none of the Directors, executive officers, employees, former executive officers or former employees of the Company or any of its subsidiaries, and none of their respective associates, is indebted to the Company or any of its subsidiaries or another entity whose indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar agreement or understanding provided by the Company or any of its subsidiaries.

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

To the knowledge of the Directors and executive officers of the Company, other than the election of Directors, none of the Directors or executive officers of the Company who have been a Director or executive officer at any time since the beginning of the Company’s last financial year, none of the proposed nominees for election as Directors of the Company, and no associate or affiliate of any of the foregoing, have any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

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

Other than as described elsewhere in this Information Circular, to the knowledge of the Directors of the Company, no informed person (as defined in NI 51-102) of the Company, no proposed Director of the Company and no known associate or affiliate of any such informed person or proposed Director, during the year ended December 31, 2023, has or has had any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction which has or would materially affect the Company or any of its subsidiaries.

### **OTHER BUSINESS**

The Directors are not aware of any matters intended to come before the Meeting other than those items of business set forth in the Notice of Meeting accompanying this Information Circular. If any other matters properly come before the Meeting, it is the intention of the persons named in the Form of Proxy to vote in respect of those matters in accordance with their judgment.

### **ADDITIONAL INFORMATION**

Financial information is provided in the Company’s comparative financial statements and the Company’s MD&A for the year ended December 31, 2023. Copies of the financial statements of the Company for the year ended December 31, 2023, together with the auditors’ reports thereon and the related MD&A, and copies of the interim financial statements for the three month interim period ended March 31, 2024, together with the related MD&A are enclosed with this Information Circular and are available on the Company’s website at [www.nowvertical.com](http://www.nowvertical.com) and on the Company’s profile on the SEDAR+ website at [www.sedarplus.com](http://www.sedarplus.com). Copies of the Company’s financial statements for the year ended December 31, 2022 together with the auditors’ reports thereon, and the related MD&A, are available upon written request to the Company (at NowVertical Group Inc., 545 King Street West, Toronto, ON, CA, M5V 1M1, Attention: Christine Nelson, Interim Chief Financial Officer). The Company may require payment of a reasonable charge if the request is made by a person who is not a Shareholder. These documents and additional information relating to the Company may also be found on the Company’s profile on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com) and on the Company’s website at [www.nowvertical.com](http://www.nowvertical.com).

## **APPROVAL OF DIRECTORS**

The Information Circular has been sent to each member of the Board and each shareholder entitled to notice of the Meeting in the manner described in this Information Circular. The contents and the sending of this Information Circular to the Shareholders have been approved by the Board.

### **BY ORDER OF THE BOARD OF DIRECTORS**

Dated: June 27, 2024

*“Elaine Kunda”*

Chair of the Board of Directors  
NowVertical Group Inc.

**SCHEDULE A  
CHARTER OF THE BOARD OF DIRECTORS**

**NOWVERTICAL GROUP INC.**

**CHARTER OF THE BOARD OF DIRECTORS**

**(the “Charter”)**

**1. Purpose**

The purpose of this Charter is to set out the mandate and responsibilities of the board of directors (the “**Board**”) of NowVertical Group Inc. (the “**Company**”). By approving this Charter, the Board confirms its responsibility for the stewardship of the Company and its affairs. This stewardship function includes responsibility for the matters set out in this Charter. The responsibilities of the Board described herein are pursuant to, and subject to, the provisions of applicable statutes and the constating documents of the Company and do not impose any additional responsibilities or liabilities on the directors at law or otherwise.

**2. Composition**

The Board shall be constituted with a majority of individuals who qualify as “independent” as defined in National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”); provided, however, that if at any time a majority of the directors are not independent because of the death, resignation, bankruptcy, adjudicated incompetence, removal or change in circumstance of any director who was an independent director within the meaning of NI 58-101, this requirement shall not be applicable for a period of 60 days thereafter, during which time the remaining directors shall appoint a sufficient number of directors who qualify as “independent” to comply with this requirement.

Pursuant to NI 58-101, an independent director is one who is free from any direct or indirect relationship which could, in the view of the Board, be reasonably expected to interfere with a director’s independent judgment.

**3. Responsibilities of the Board of Directors**

The Board is responsible for the stewardship and oversight of the Company and in that regard shall be specifically responsible for:

- (a) participating in the development of and approving a strategic plan for the Company;
- (b) supervising the activities and managing the investments and affairs of the Company;
- (c) approving major decisions regarding the Company;
- (d) defining the roles and responsibilities of management;
- (e) reviewing and approving the business and investment objectives to be met by management;
- (f) assessing the performance of and overseeing management;
- (g) issuing securities of the Company for such consideration as the Board may deem appropriate, subject to applicable law;
- (h) reviewing the Company’s debt strategy;
- (i) identifying and managing risk exposure;

- (j) ensuring the integrity and adequacy of the Company’s internal controls and management information systems;
- (k) succession planning;
- (l) establishing committees of the Board, where required or prudent, and defining their mandate;
- (m) establishing and maintaining procedures and policies to ascertain director independence;
- (n) maintaining records and providing reports to shareholders;
- (o) ensuring effective and adequate communication with shareholders, other stakeholders and the public; and
- (p) determining the amount and timing of dividends to shareholders, if any.

It is recognized that every director in exercising powers and discharging duties must act honestly and in good faith with a view to the best interest of the Company. Directors must exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In this regard, they will comply with their duties of honesty, loyalty, care, diligence, skill and prudence.

In addition, directors are expected to carry out their duties in accordance with policies and regulations adopted by the Board from time to time.

It is expected that management will co-operate in all ways to facilitate compliance by the Board with its legal duties by causing the Company and its subsidiaries to take such actions as may be necessary in that regard and by promptly reporting any data or information to the Board that may affect such compliance.

#### 4. Expectations of Directors

The Board has developed a number of specific expectations of directors to promote the discharge by the directors of their responsibilities and to promote the proper conduct of the Board.

- (a) ***Commitment and Attendance.*** All directors are expected to maintain a high attendance record at meetings of the Board and the committees of which they are members. Attendance by telephone or video conference may be used to facilitate a director’s attendance.
- (b) ***Preparation for Meetings.*** All directors are expected to review the materials circulated in advance of meetings of the Board and its committees and should arrive prepared to discuss the issues presented. Directors are encouraged to contact the Chair of the Board (the “**Chair**”), the Chief Executive Officer and any other appropriate executive officer(s) of the Company to ask questions and discuss agenda items prior to meetings.
- (c) ***Participation in Meetings.*** Each director is expected to be sufficiently knowledgeable of the business of the Company, including its financial statements, and the risks it faces, to ensure active and effective, and candid and forthright participation in the deliberations of the Board and of each committee on which he or she serves.
- (d) ***Loyalty and Ethics.*** In their roles as directors, all members of the Board owe a duty of loyalty to the Company. This duty of loyalty mandates that the best interests of the Company take precedence over any other interest possessed by a director. Directors are expected to conduct themselves in accordance with the Company’s Code of Business Conduct and Ethics.
- (e) ***Other Board Memberships and Significant Activities.*** The Company values the experience directors bring from other boards on which they serve and other activities in which they participate but recognizes that those boards and activities also may present demands on a director’s time and availability and may present conflicts or legal issues, including independence issues. Each member of the Board should, when considering membership on another board or committee, make every effort to ensure that such membership will not

impair the member's time and availability for his or her commitment to the Company. Directors should advise the Chair and the Chief Executive Officer before accepting membership on other public company boards or any audit committee or other significant committee assignment on any other board, or establishing other significant relationships with businesses, institutions, governmental units or regulatory entities, particularly those that may result in significant time commitments or a change in the member's relationship to the Company.

- (f) **Personal Conduct.** Directors are expected to: (i) exhibit high standards of personal integrity, honesty and loyalty to the Company; (ii) project a positive image of the Company to news media, the financial community, governments and their agencies, shareholders and employees; (iii) be willing to contribute extra efforts, from time to time, as may be necessary including, among other things, being willing to serve on committees of the Board; and (iv) disclose any potential conflict of interest that may arise with the affairs or business of the Company and, generally, avoid entering into situations where such conflicts could arise or could reasonably be perceived to arise.
- (g) **Confidentiality.** The proceedings and deliberations of the Board and its committees are confidential. Each member of the Board will maintain the confidentiality of information received in connection with his or her service as a director.

## 5. Meetings

The Board will meet not less than four times per year: three meetings to review quarterly results and one meeting prior to the issuance of the annual financial results of the Company. The Board shall meet periodically without management present to ensure that the Board functions independently of management. At each Board meeting, unless otherwise determined by the Board, an in-camera meeting of independent directors will take place, which session will be chaired by the Chair. In discharging its mandate, the Board and any committee of the Board will have the authority to retain and receive advice from outside financial, legal or other advisors (at the cost of the Company) as the Board or any such committee determines to be necessary to permit it to carry out its duties.

The Board appreciates having certain members of senior management attend each Board meeting to provide information and opinions to assist the directors in their deliberations. Management attendees who are not Board members will be excused for any agenda items which are reserved for discussion among directors only.

## 6. Board Meeting Agendas and Information

The Chair, in consultation with management, will develop the agenda for each Board meeting. Agendas will be distributed to the directors before each meeting, and all directors shall be free to suggest additions to the agenda in advance of the meeting.

Whenever practicable, information and reports pertaining to Board meeting agenda items will be circulated to the directors in advance of the meeting. Reports may be presented during the meeting by members of the Board, management and/or staff, or by invited outside advisors. It is recognized that under some circumstances, due to the confidential nature of matters to be discussed at a meeting, it will not be prudent or appropriate to distribute written materials in advance.

## 7. Measures for Receiving Shareholder Feedback

All publicly disseminated materials of the Company shall provide for a mechanism for feedback of shareholders.

## 8. Telephone Board Meetings

A director may participate in a meeting of the directors or in a committee meeting by means of telephone, electronic or such other communication facilities as permit all persons participating in the meeting to communicate with each other, and a director participating in such a meeting by such means is deemed to be present at the meeting.

While it is the intent of the Board to follow an agreed meeting schedule as closely as possible, it is felt that, from time to time, with respect to time sensitive matters, telephone board meetings may be required to be called in order for directors to be in a position to better fulfill their legal obligations. Alternatively, management may request the directors to approve certain matters by unanimous written consent.

#### **9. Expectations of and Access to Management**

Management shall be required to report to the Board at the request of the Board on the performance of the Company, new and proposed initiatives, the Company's business and investments, management concerns and any other matter the Board or its Chair may deem appropriate. In addition, the Board expects management to promptly report to the Chair any significant developments, changes, transactions or proposals respecting the Company or its subsidiaries. All members of the Board should be free to contact management at any time to discuss any aspect of the Company's business. Directors should use their judgement to ensure that any such contact is not disruptive to the operations of the Company. The Board expects that there will be frequent opportunities for members of the Board to meet with management in meetings of the Board and committees, or in other formal or informal settings.

#### **10. Access to Outside Advisors**

The Board may, in its sole discretion, retain and obtain the advice and assistance of such advisors as it deems necessary to fulfil its duties and responsibilities under this Charter. The Board may set the compensation and oversee the work of such advisors to be paid by the Company.

#### **11. Communications Policy**

The Board shall approve the content of the Company's major communications to shareholders and the investing public including any annual report, management information circular, annual information form and any prospectuses which may be issued. The Audit Committee shall review and recommend to the Board the approval of the quarterly and annual financial statements (including the management discussion & analysis) and press releases relating to financial matters. The Board also has responsibility for monitoring all of the Company's external communications. However, the Board believes that it is generally the function of management to speak for the Company in its communications with the investment community, the media, customers, suppliers, employees, governments and the general public. The Board will appoint an independent, non-executive director to be available to shareholders with concerns should communications with management fail to resolve the issue or such contact is inappropriate.

The Board shall have responsibility for reviewing the Company's policies and practices with respect to disclosure of financial and other information including insider reporting and trading. The Board shall approve and monitor the disclosure policies designed to assist the Company in meeting its objective of providing timely, consistent and credible dissemination of information, consistent with disclosure requirements under applicable securities law. The Board shall review the Company's policies relating to communication and disclosure on an annual basis.

#### **12. Internal Control and Management Information Systems**

The Board has responsibility for the integrity of the Company's internal control and management information systems. All material matters relating to the Company and its business require the prior approval of the Board, subject to the Board's ability to delegate such matters to, among others, the Company's Audit Committee, Compensation, Governance and Nominating Committee and management. Management is authorized to act, without Board approval, on all ordinary course matters relating to the Company's business subject to any management authority guidelines adopted by the Board.

The Audit Committee has responsibility for ensuring internal controls are appropriately designed, implemented and monitored and for ensuring that management's financial reporting is complete and accurate, even though management may be charged with developing and implementing the necessary procedures.

**13. Delegation of Powers**

The directors may establish one or more committees and may delegate to such committees any of the powers of the Board. The directors may also delegate powers to manage the business and affairs of the Company to such of the officers of the Company as they, in their sole and absolute discretion, may deem necessary or desirable to appoint, and define the scope of and manner in which such powers will be exercised by such persons as they may deem appropriate.

The Board retains responsibility for oversight of any matters delegated to any director(s) or any committee of the Board, to management or to other persons.

**14. Board Effectiveness**

The Board shall review and, if determined appropriate, approve the recommendations of the applicable committee of the Board, if any, concerning formal position descriptions for the Chair, and for each committee of the Board, and for the Chief Executive Officer; provided that in approving a position description for the Chief Executive Officer, the Board shall consider the input of the Chief Executive Officer and shall develop and approve corporate goals and objectives that the Chief Executive Officer is responsible for meeting (which may include goals and objectives relevant to the Chief Executive Officer's compensation, as recommended by the applicable committee of the Board, if any).

The Board shall review and, if determined appropriate, adopt a process recommended by the applicable committee of the Board, if any, for reviewing the performance and effectiveness of the Board as a whole, the committees of the Board and the contributions of individual directors on an annual basis.

**15. Education and Training**

The Board will provide newly elected directors with an orientation program to educate them on the Company, their roles and responsibilities on the Board or Committees, as well as the Company's internal controls, financial reporting and accounting practices. In addition, directors will, from time to time, as required, receive: (a) training to increase their skills and abilities, as it relates to their duties and their responsibilities on the Board; and (b) continuing education about the Company to maintain a current understanding of the Company's business, including its operations, internal controls, financial reporting and accounting practices.

**16. No Rights Created**

This Charter is a broad policy statement and is intended to be part of the Board's flexible governance framework. While this Charter should comply with all applicable law and the Company's constituting documents, this Charter does not create any legally binding obligations on the Board, any committee, any director or the Company.

**SCHEDULE B  
CHARTER OF THE AUDIT COMMITTEE**

**NOWVERTICAL GROUP INC.**

**CHARTER OF THE AUDIT COMMITTEE**

(the “Charter”)

**1. General**

**A. Purpose**

The Audit Committee (the “**Committee**”) is a committee of the Board of Directors (the “**Board**”) of NowVertical Group Inc. (the “**Company**”). The members of the Committee and the chair of the Committee (the “**Chair**”) are appointed by the Board on an annual basis (or until their successors are duly appointed) for the purpose of overseeing the Company’s financial controls and reporting and monitoring whether the Company complies with financial covenants and legal and regulatory requirements governing financial disclosure matters and financial risk management.

**2. Composition**

- (1) The Committee should be comprised of a minimum of three directors and a maximum of five directors.
- (2) The Committee must be constituted as required under National Instrument 52-110 – *Audit Committees*, as it may be amended or replaced from time to time (“**NI 52-110**”).
- (3) All members of the Committee must (except to the extent permitted by NI 52-110) be independent (as defined by NI 52-110), and free from any relationship that, in the view of the Board, could be reasonably expected to interfere with the exercise of his or her independent judgment as a member of the Committee.
- (4) No members of the Committee shall receive, other than for service on the Board or the Committee or other committees of the Board, any consulting, advisory, or other compensatory fee from the Company or any of its related parties or subsidiaries.
- (5) All members of the Committee must (except to the extent permitted by NI 52-110) be financially literate (which is defined as 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 the issues that can reasonably be expected to be raised by the Company’s financial statements).
- (6) Any member of the Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Committee on ceasing to be a director. The Board may fill vacancies on the Committee by election from among the Board. If and whenever a vacancy shall exist on the Committee, the remaining members may exercise all powers of the Committee so long as a quorum remains.

**3. Limitations on Committee’s Duties**

In contributing to the Committee’s discharge of its duties under this Charter, each member of the Committee shall be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in this Charter is intended or may be construed as imposing on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which any member of the Board may be otherwise subject.

Members of the Committee are entitled to rely, absent actual knowledge to the contrary, on (i) the integrity of the persons and organizations from whom they receive information, (ii) the accuracy and completeness of the information provided, (iii) representations made by management of the Company as to the non-audit services provided to the Company by the external

auditor, (iv) financial statements of the Company represented to them by a member of management or in a written report of the external auditors to present fairly the financial position of the Company in accordance with applicable generally accepted accounting principles, and (v) any report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.

#### **4. Meetings**

The Committee should meet not less than four times annually. The Committee should meet within 90 days following the end of the first three financial quarters of the Company and shall meet within 120 days following the end of the fiscal year of the Company. A quorum for the transaction of business at any meeting of the Committee shall be a majority of the members of the Committee or such greater number as the Committee shall by resolution determine. The Committee shall keep minutes of each meeting of the Committee. A copy of the minutes shall be provided to each member of the Committee.

Meetings of the Committee shall be held from time to time and at such place as any member of the Committee shall determine upon two days' prior notice to each of the other Committee members. The members of the Committee may waive the requirement for notice. In addition, each of the Chief Executive Officer, the Chief Financial Officer and the external auditor shall be entitled to request that the Chair call a meeting.

The Committee may ask members of management and employees of the Company (including, for greater certainty, its affiliates and subsidiaries) or others (including the external auditor) to attend meetings and provide such information as the Committee requests. Members of the Committee shall have full access to information of the Company (including, for greater certainty, its affiliates, subsidiaries and their respective operations) and shall be permitted to discuss such information and any other matters relating to the results of operations and financial position of the Company with management, employees, the external auditor and others as they consider appropriate.

The Committee should meet at least once per year with the external auditor in a separate session to discuss any matters that the Committee desires to discuss privately. In addition, the Committee or its Chair should meet with management quarterly in connection with the review and approval of the Company's interim financial statements.

The Committee shall determine any desired agenda items.

#### **5. Committee Activities**

As part of its function in assisting the Board in fulfilling its oversight responsibilities (and without limiting the generality of the Committee's role), the Committee will have the power and authority to:

##### **A. Disclosure**

- (1) Review, approve and recommend for Board approval the Company's interim financial statements, including any certification, report, opinion or review rendered by the external auditor and the related management's discussion and analysis and press release.
- (2) Review, approve and recommend for Board approval the Company's annual financial statements, including any certification, report, opinion or review rendered by the external auditor, the annual information form, and the related management's discussion and analysis and press release.
- (3) Review and approve any other press releases that contain material financial information and such other financial information of the Company provided to the public or any governmental body as the Committee requires.
- (4) Satisfy itself that adequate procedures have been put in place by management for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements and the related management's discussion and analysis.

- (5) Review any litigation, claim or other contingency and any regulatory or accounting initiatives that could have a material effect upon the financial position or operating results of the Company and the appropriateness of the disclosure thereof in the documents reviewed by the Committee.
- (6) Receive periodically management reports assessing the adequacy and effectiveness of the Company's disclosure controls and procedures.

**B. Internal Control**

- (1) Review management's process to identify and manage the significant risks associated with the activities of the Company.
- (2) Review the effectiveness of the internal control systems for monitoring compliance with laws and regulations.
- (3) Have the authority to communicate directly with the internal auditor, if applicable.
- (4) Receive periodical management reports assessing the adequacy and effectiveness of the Company's internal control systems.
- (5) Assess the overall effectiveness of the internal control and risk management frameworks through discussions with management and the external auditors and assess whether recommendations made by the external auditors have been implemented by management.

**C. Relationship with the External Auditor**

- (1) Recommend to the Board the selection of the external auditor and the fees and other compensation to be paid to the external auditor.
- (2) Have the authority to communicate directly with the external auditor and arrange for the external auditor to be available to the Committee and the Board as needed.
- (3) Advise the external auditor that it is required to report to the Committee, and not to management.
- (4) Monitor the relationship between management and the external auditor, including reviewing any management letters or other reports of the external auditor, discussing any material differences of opinion between management and the external auditor and resolving disagreements between the external auditor and management.
- (5) Review and discuss with the external auditor all critical accounting policies and practices to be used in the Company's financial statements, all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, the ramifications of the use of such alternative treatments and the treatment preferred by the external auditor.
- (6) Review any major issues regarding accounting principles and financial statement presentation with the external auditor and management, including any significant changes in the Company's selection or application of accounting principles and any significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements.
- (7) If considered appropriate, establish separate systems of reporting to the Committee by each of management and the external auditor.
- (8) Review and discuss on an annual basis with the external auditor all significant relationships they have with the Company, management or employees that might interfere with the independence of the external auditor.

- (9) Pre-approve all non-audit services to be provided by the external auditor. For non-audit services up to \$50,000, such pre-approval of non-audit services is delegated to the Chair of the Committee, provided that the Chair shall notify the Committee at each Committee meeting of the non-audit services they approved since the last Committee meeting.
- (10) Review the performance of the external auditor and recommend any discharge of the external auditor when the Committee determines that circumstances warrant.
- (11) Periodically consult with the external auditor out of the presence of management about (a) any significant risks or exposures facing the Company, (b) internal controls and other steps that management has taken to control such risks, and (c) the fullness and accuracy of the financial statements of the Company, including the adequacy of internal controls to expose any payments, transactions or procedures that might be deemed illegal or otherwise improper.
- (12) Review and approve any proposed hiring of current or former partners or employees of the current (and any former) external auditor of the Company.

**D. Audit Process**

- (1) Review the scope, plan and results of the external auditor's audit and reviews, including the auditor's engagement letter, the post-audit management letter, if any, and the form of the audit report. The Committee may authorize the external auditor to perform supplemental reviews, audits or other work as deemed desirable.
- (2) Following completion of the annual audit and quarterly reviews, review separately with each of management and the external auditor any significant changes to planned procedures, any difficulties encountered during the course of the audit and, if applicable, reviews, including any restrictions on the scope of work or access to required information and the cooperation that the external auditor received during the course of the audit and, if applicable, reviews.
- (3) Review any significant disagreements among management and the external auditor in connection with the preparation of the financial statements.
- (4) Where there are significant unsettled issues between management and the external auditor that do not affect the audited financial statements, the Committee shall seek to ensure that there is an agreed course of action leading to the resolution of such matters.
- (5) Review with the external auditor and management significant findings and the extent to which changes or improvements in financial or accounting practices, as approved by the Committee, have been implemented.
- (6) Review the system in place to seek to ensure that the financial statements, management's discussion and analysis and other financial information disseminated to regulatory authorities and the public satisfy applicable requirements.

**E. Financial Reporting Process**

- (1) Review the integrity of the Company's financial reporting processes, both internal and external, in consultation with the external auditor.
- (2) Monitor and review the effectiveness of the Company's internal audit function, including ensuring that any internal auditors have adequate monetary and other resources to complete their work and appropriate standing within the Company and, if the Company has no internal auditors, consider, on an annual basis, whether the Company requires internal auditors, report to the Board on the internal auditors' performance and make related recommendations to the Board.

- (3) Review all material balance sheet issues, material contingent obligations and material related party transactions.
- (4) Review with management and the external auditor the Company's accounting policies and any changes that are proposed to be made thereto, including all critical accounting policies and practices used, any alternative treatments of financial information that have been discussed with management, the ramification of their use and the external auditor's preferred treatment and any other material communications with management with respect thereto. Review the disclosure and impact of contingencies and the reasonableness of the provisions, reserves and estimates that may have a material impact on financial reporting.

**F. Other**

- (1) Inform the Board of matters that may significantly impact on the financial condition or affairs of the business.
- (2) Review the public disclosure regarding the Committee required from time to time by NI 52-110.
- (3) Review in advance, and approve, the hiring and appointment of the Company's Chief Financial Officer and any other senior officers responsible for financial reporting.
- (4) Establish and oversee the effectiveness of procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing under the Company's whistleblower policy.
- (5) Perform any other activities as the Committee or the Board deems necessary or appropriate.

**6. Independent Advice**

In discharging its mandate, the Committee shall have the authority to retain, at the expense of the Company, special advisors as the Committee determines to be necessary to permit it to carry out its duties.

**7. Annual Evaluation**

At least annually, the Committee shall, in a manner it determines to be appropriate:

- (1) Perform a review and evaluation of the performance of the Committee and its members, including the compliance of the Committee with this Charter.
- (2) Review and assess the adequacy of this Charter and recommend to the Board any improvements to this Charter that the Committee believes to be appropriate.

**8. No Rights Created**

This Charter is a broad policy statement and is intended to be part of the Committee's flexible governance framework. While this Charter should comply with all applicable law and the Company's constating documents, this Charter does not create any legally binding obligations on the Committee, the Board, any director or the Company.

**SCHEDULE C  
AMENDED INCENTIVE PLAN**

See attached.



**OMNIBUS INCENTIVE PLAN**

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**ADDENDUM A OMNIBUS INCENTIVE PLAN**

# NOWVERTICAL GROUP INC. OMNIBUS INCENTIVE PLAN

NowVertical Group Inc. (the “**Corporation**”) hereby establishes an Omnibus Incentive Plan for certain eligible directors, officers, employees and Consultants (as defined herein) providing ongoing services to the Corporation and its Subsidiaries (as defined herein).

## ARTICLE 1 DEFINITIONS

### 1.1 Definitions

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

“**Awards**” means Options, DSUs, PSUs and RSUs granted to a Participant pursuant to the terms of the Plan;

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

“**Board**” means the Board of Directors of the Corporation;

“**Board Retainer**” means the retainer fees payable to a Participant as a member of the Board, as the Lead Director and/or as a member or chair of a committee of the Board;

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

“**Cash Equivalent**” means (i) with respect to PSUs, the amount of money equal to the Market Value multiplied by the number of vested PSUs in the Participant’s Account, net of any applicable withholdings made in accordance with Section 9.2, on the applicable PSU Settlement Date, (ii) with respect to RSUs, the amount of money equal to the Market Value multiplied by the number of vested RSUs in the Participant’s Account, net of any applicable withholdings made in accordance with Section 9.2, on the applicable RSU Settlement Date; and (iii) with respect to DSUs, the amount of money equal to the Market Value multiplied by the number of vested DSUs in the Participant’s Account, net of any applicable withholdings made in accordance with Section 9.2 on the applicable DSU Settlement Date;

“**Change of Control**” shall mean (i) the sale of all or substantially all of the assets of the Corporation on a consolidated basis, in one transaction or a series of related transactions, to a Person that is not a Subsidiary, (ii) a merger, reorganization, acquisition or consolidation pursuant to which a Person, or any associate or affiliated corporation of such Person hereafter acquires the direct or indirect “beneficial ownership” (as defined in the OBCA) of securities of the Corporation representing 50% or more of the aggregate voting power of all of the Corporation’s then issued and outstanding securities, (iii) a transaction pursuant to which the Corporation goes out of existence, (iv) the dissolution or liquidation of the Corporation except in connection with the distribution of assets of the Corporation to one or more Subsidiaries prior to such event; or (v) the occurrence of a transaction requiring approval of the Corporation’s shareholders involving the acquisition of the Corporation by an entity through purchase of assets, by amalgamation, arrangement or otherwise;

“**Code**” means the United States Internal Revenue Code of 1986, as amended;

**“Code of Ethics”** means the Corporation’s code of ethics or any other code of ethics or code of conduct adopted by the Corporation or a Subsidiary, as modified from time to time;

**“Committee”** means the Governance, Human Resources and Compensation Committee of the Board, or such other committee of the Board as the Board may determine from time to time;

**“Consultant”** means a Person, other than an employee, executive officer or director of the Corporation or a Subsidiary, that provides ongoing *bona fide* services to the Corporation or a Subsidiary pursuant to a written contract between the Corporation or the Subsidiary and the Person, other than services provided in relation to a distribution or in connection with the offer or sale of securities in a capital-raising transaction, and does not directly or indirectly promote or maintain a market for the Corporation’s securities, and who (i) spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or a Subsidiary, and (ii) has a relationship with the Corporation or a Subsidiary that enables them to be knowledgeable about the business and affairs of the Corporation;

**“Disability”** means the circumstance whereby the Participant is permanently or substantially incapacitated so as to be prevented from properly and continuously performing in full his/her duties to the Corporation for a substantially continuous period of four months or more or for a cumulative six-month period in any consecutive 12-month period;

**“DSU”** means a deferred share unit, which is a bookkeeping entry equivalent in value to a Subordinate Voting Share credited to a Participant’s Account in accordance with Article 4;

**“DSU Expiry Date”** means the Business Day preceding December 31 of the calendar year following the calendar year during which a Participant’s Termination Date occurs.; For greater certainty, for any Participant who is an employee of the Corporation, the Participant shall cease to be employed by the Corporation or its subsidiaries on the last day of the Participant’s actual and active employment other than due to an authorized leave of absence, whether such day is selected by mutual agreement with the individual or unilaterally by the Corporation or a Subsidiary and whether with or without advance notice to the Participant. No period of notice, if any, or payment in lieu of notice that is given or that may be applicable under law, whether by statute, imposed by common law or otherwise, in respect of such termination of employment that follows or is in respect of a period after the Participant’s last day of actual and active employment will be considered as extending the Participant’s period of employment for the purposes of determining the DSU Expiry Date for the Participant;

**“DSU Settlement Date”** means, (i) with respect to DSUs awarded to a Participant who is not a U.S. Participant, the date of receipt of a DSU settlement request in accordance with Paragraph 4.5.1 or the date of automatic settlement of a DSU pursuant to Paragraph 4.5.2, as applicable; and (ii) with respect to DSUs awarded to U.S. Participants, the date of the U.S. Participant’s Separation from Service;

**“Dual Status Taxpayer”** has the meaning set forth in Section 4.6.1;

**“Election Notice”** has the meaning set forth in Section 4.3.4;

**“Eligible Director”** means each member of the Board who, subject to Section 2.3.1, at the time of execution of a Grant Agreement, and at all times thereafter while they continue to serve as a member of the Board, are not officers, employees or Consultants of the Corporation or a Subsidiary;

**“Eligible Participants”** has the meaning ascribed thereto in Section 2.3.1;

**“Employment Agreement”** means, with respect to any Participant, any written agreement regarding a Participant’s employment or engagement with the Corporation or a Subsidiary and that is between the Corporation or a Subsidiary and such Participant;

**“Exchange”** means the TSXV or, if the Subordinate Voting Shares are not listed on the TSXV, the stock exchange on which the Subordinate Voting Shares are then principally listed from time to time;

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

**“Grant Agreement”** means an agreement evidencing the grant to a Participant of an Award, including an Option Agreement and a RSU Agreement;

**“Incentive Stock Option”** means an Option granted under Article 3 of the Plan to a U.S. Participant that is intended to meet the requirements of Section 422 of the Code.

**“Insider”** has the meaning ascribed thereto in the TSXV Corporate Finance Manual, as same may be amended, supplemented or replaced from time to time;

**“Investor Relations Activities”** has the meaning ascribed thereto in the TSXV Corporate Finance Manual, as same may be amended, supplemented or replaced from time to time;

**“Mandatory Portion”** has the meaning set forth in Section 4.3.1;

**“Market Value”** means, (A) if the Subordinate Voting Shares of the Corporation are listed on an Exchange, (i) with respect to Options, at any date when the market value of Subordinate Voting Shares of the Corporation is to be determined, the closing price of the Subordinate Voting Shares on the Trading Day prior to such date on the Exchange less any discount permitted by the rules or policies of the Exchange and approved by the Board, provided that no such discount will be permitted with respect to Options awarded to U.S. Participants, and (ii) with respect to Units, the volume weighted average trading price of the Subordinate Voting Shares on the Exchange for the five trading days preceding the date on which the Market Value is to be determined less any discount permitted by the rules or policies of the Exchange and approved by the Board, provided that for so long as the Subordinate Voting Shares are listed and posted for trading on the TSXV, the Market Value shall not be less than the market price, as calculated under the policies of the TSXV or, (B) if the Subordinate Voting Shares of the Corporation are not listed on any Exchange, the value as is determined solely by the Board, acting reasonably and in good faith, and with respect to Options granted to U.S. Participants using valuation principles consistent with Section 409A of the Code;

**“Non-Qualified Stock Option”** means an Option granted under Article 3 of the Plan that is not an Incentive Stock Option.

**“OBCA”** means the *Business Corporations Act* (Ontario);

**“Option”** means an Incentive Stock Option or a Non-Qualified Stock Option granted by the Corporation to a Participant entitling such Participant to acquire a designated number of Subordinate Voting Shares from treasury at the Option Price, but subject to the provisions hereof;

**“Option Agreement”** means a written letter agreement between the Corporation and a Participant evidencing the grant of Options and the terms and conditions thereof, in such form as may be determined by the Board from time to time in accordance with Section 3.8;

**“Option Price”** has the meaning ascribed thereto in Section 3.3;

**“Option Term”** has the meaning ascribed thereto in Section 3.4;

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

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

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

**“Performance Period”** means the period determined by the Board pursuant to Section 5.3.1;

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

**“Plan”** means this Omnibus Incentive Plan, as amended and/or restated from time to time;

**“PSU”** means a right awarded to a Participant to receive a payment in the form of Subordinate Voting Shares as provided in Article 5 and subject to the terms and conditions of this Plan;

**“PSU Agreement”** means a written letter agreement between the Corporation and a Participant evidencing the grant of PSUs and the terms and conditions thereof, in such form as may be determined by the Board from time to time in accordance with Section 5.7;

**“PSU Settlement Date”** has the meaning determined in Section 5.5.1(a);

**“PSU Vesting Determination Date”** has the meaning ascribed thereto in Section 5.4;

**“RSU”** means a right awarded to a Participant to receive a payment in the form of Subordinate Voting Shares as provided in Article 6 and subject to the terms and conditions of this Plan;

**“RSU Agreement”** means a written letter agreement between the Corporation and a Participant evidencing the grant of RSUs and the terms and conditions thereof, in such form as may be determined by the Board from time to time in accordance with Section 6.6;

**“RSU Settlement Date”** has the meaning determined in Section 6.4.1(a);

**“RSU Vesting Date”** has the meaning ascribed thereto in Section 6.2.2;

**“Security-Based Compensation Arrangement”** a stock option, stock option plan, employee stock purchase plan, long-term incentive plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Subordinate Voting Shares from treasury, including a share purchase from treasury by a full-time employee, director, officer, Insider, or Consultant which is financially assisted by the Corporation or a Subsidiary by way of a loan, guarantee or otherwise;

**“Separation from Service”** means a separation from service as defined under Section 409A of the Code;

**“Specified Employee”** has the meaning ascribed thereto in Section 4.5.1;

**“Subordinate Voting Shares”** means the subordinate voting shares in the share capital of the Corporation;

**“Subsidiary”** has the meaning given to this term in the *Securities Act* (Ontario), as such legislation may be amended, supplemented or replaced from time to time;

**“Successor Corporation”** has the meaning ascribed thereto in Section 8.1.3;

**“Tax Act”** means the *Income Tax Act* (Canada) and the regulations promulgated thereunder, as amended from time to time.

**“Termination Date”** means the date on which a Participant ceases to be an Eligible Participant;

**“Trading Day”** means any day on which the Exchange is opened for trading;

**“TSXV”** means the TSX Venture Exchange;

**“Unit”** means a PSU, a RSU or a DSU;

**“Unit Restriction Period”** means, subject to Section 8.3.1, the applicable restriction period in respect of a particular PSU or RSU, which period shall end on the Business Day preceding December 31 of the calendar year which is three (3) years after the calendar year in which the PSU or RSU is granted, or such shorter period as may be determined by the Board at the time the PSU or RSU is granted;

**“Unit Settlement Notice”** means a notice by a Participant to the Corporation electing to settle vested Units;

**“United States”** or **“U.S.”** means the United States of America, its territories and possessions, any State of the United States, and the District of Columbia;

**“U.S. DSU Outside Settlement Date”** has the meaning ascribed thereto in Section 4.5.2;

**“U.S. Awardee”** means a Participant who is granted an Award pursuant to this Plan who is a “U.S. person” (within the meaning of Rule 902(k) of Regulation S under the *U.S. Securities Act*) or a person in the United States;

**“U.S. Participant”** means a Participant who is subject to income taxation under the Code with respect to his or her Awards under the Plan;

**“U.S. Securities Act”** means the *United States Securities Act of 1933*, as amended and the rules and regulations promulgated thereunder; and

**“Voluntary Portion”** has the meaning set forth in Paragraph 4.3.1.

## **ARTICLE 2 PURPOSE AND ADMINISTRATION OF THE PLAN; GRANTING OF AWARDS**

### **2.1 Purpose of the Plan**

The purpose of the Plan is to permit the Corporation to grant Awards to Eligible Participants, subject to certain conditions as hereinafter set forth, for the purposes of securing for the Corporation and its shareholders the benefits of incentive interest in Subordinate Voting Share ownership by the Eligible Participants.

## 2.2 Implementation and Administration of the Plan

- 2.2.1 The Plan is under the direction of the Board. The Committee makes recommendations to the Board in relation to the Plan and to the grants of Awards.
- 2.2.2 The Board may, from time to time, as it may deem expedient, adopt, amend and rescind rules and regulations for carrying out the provisions and purposes of the Plan, subject to any applicable rules of the Exchange. Subject to the provisions of the Plan, the Board is authorized, in its sole discretion, to make such determinations under, and such interpretations of, and take such steps and actions in connection with, the proper administration of the Plan, as it may deem necessary or advisable. The interpretation, construction and application of the Plan and any provisions hereof made by the Board shall be final and binding on all Eligible Participants.
- 2.2.3 The Board may (a) modify the terms and conditions of any Awards granted to Participants outside of Canada to comply with applicable foreign laws, (b) establish subplans and addendums and (c) modify settlement procedures and other terms and procedures, to the extent the Board determines such actions to be necessary or advisable (and such subplans and addendums and/or modifications shall be attached to this Plan as addendums).
- 2.2.4 No member of the Board or of the Committee shall be liable for any action or determination taken or made in good faith in the administration, interpretation, construction or application of the Plan or any Award granted hereunder.
- 2.2.5 Any determination approved by a majority of the Board shall be deemed to be a determination of that matter by the Board.

## 2.3 Eligible Participants

- 2.3.1 The Persons who shall be eligible to receive Awards (“**Eligible Participants**”) shall be the *bona fide* Eligible Directors, officers and employees of the Corporation or a Subsidiary, as well as Consultants providing ongoing services to the Corporation or its Subsidiaries, as determined by the Board from time to time, in its sole discretion. For greater certainty, a Person whose employment or engagement with the Corporation or a Subsidiary has ceased for any reason, or who has given notice or been given notice of such cessation, whether such cessation was initiated by such Person, the Corporation or such Subsidiary, as the case may be, shall cease to be eligible to receive Awards hereunder as of the date on which such Person provides notice to the Corporation or the Subsidiary, as the case may be, in writing or verbally, of such cessation, or on the Termination Date for any cessation of a Participant’s employment or engagement initiated by the Corporation or the Subsidiary.
- 2.3.2 Participation in the Plan shall be entirely voluntary and any decision not to participate shall not affect an Eligible Participant’s employment or engagement with the Corporation.
- 2.3.3 Notwithstanding any express or implied term of this Plan to the contrary, the granting of an Award pursuant to the Plan shall in no way be construed as a guarantee of employment by the Corporation or a Subsidiary to the Participant or the commencement, extension, continuation or modification of any engagement between the Corporation or a Subsidiary and the Participant.
- 2.3.4 A Participant shall have no rights as a shareholder of the Corporation with respect to any Subordinate Voting Shares underlying his or her Awards until he or she shall have become the holder of record of such Subordinate Voting Shares.

## **2.4 Shares Subject to the Plan**

- 2.4.1 Subject to adjustment pursuant to the provisions of Article 8, the total number of Subordinate Voting Shares reserved and available for grant and issuance pursuant to Awards shall not exceed 10% of the Corporation's total issued and outstanding Subordinate Voting Shares from time to time.
- 2.4.2 Subordinate Voting Shares covered by grants that have been settled in cash, or that have been cancelled, terminated, surrendered, forfeited or have expired without being exercised, and pursuant to which no securities have been issued, may continue to be available for subsequent grants under the Plan. Any Subordinate Voting Shares underlying Options under the Plan that have been exercised, or disposed of or that have expired or been cancelled or terminated for any reason (without being exercised), shall become available for subsequent grants under the Plan..
- 2.4.3 Subordinate Voting Shares in respect of which an Award is granted under the Plan, but not exercised prior to the termination of such Award or not vested or delivered prior to the termination of such Award due to the expiration, termination or lapse of such Award, shall be available for Awards to be granted thereafter pursuant to the provisions of the Plan. All Subordinate Voting Shares issued pursuant to the exercise or the vesting of the Awards granted under the Plan shall be so issued as fully paid and non-assessable Subordinate Voting Shares.

## **2.5 Granting of Awards**

- 2.5.1 Any Award granted under the Plan shall be subject to the requirement that, if at any time counsel to the Corporation shall determine that the listing, registration or qualification of the Subordinate Voting Shares subject to such Award, if applicable, upon any securities exchange (including the Exchange) or under any law or regulation of any jurisdiction, or the consent or approval of any securities exchange (including the Exchange) or any governmental or regulatory body, is necessary as a condition of, or in connection with, the grant or exercise of such Award or the issuance or purchase of Subordinate Voting Shares thereunder, if applicable, such Award may not be accepted or exercised in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions acceptable to the Board. Nothing herein shall be deemed to require the Corporation to apply for or to obtain such listing, registration, qualification, consent or approval.
- 2.5.2 Any Award granted under the Plan shall be subject to the requirement that, the Corporation has the right to place any restriction or legend on any securities issued pursuant to this Plan including, but in no way limited to placing a legend to the effect that the securities have not been registered under the U.S. Securities Act and may not be offered or sold in the United States unless registration or an exemption from registration is available.
- 2.5.3 The Board or the Committee shall not grant any Awards that may be denominated or settled in Subordinate Voting Shares to residents of the United States unless such Awards and the Subordinate Voting Shares issuable upon exercise or settlement thereof are registered under the U.S. Securities Act or are issued in compliance with an available exemption from the registration requirements of the U.S. Securities Act.

## **2.6 Limits with Respect to Insiders, Individual Persons, Annual Grant Limits and Non- Employee Directors**

- 2.6.1 The maximum number of Awards issuable to Insiders under the Plan, or when combined with all of the Corporation's other Security-Based Compensation Arrangements, (i) cannot

at any time exceed ten percent (10%) of the Corporation's total issued and outstanding Subordinate Voting Shares and the maximum number of Awards; and (ii) cannot, within a 12-month period, exceed ten percent (10%) of the Corporation's total issued and outstanding Subordinate Voting Shares at the date an Award is granted to any Insider, unless the approval of the disinterested shareholders of the Corporation is obtained.

- 2.6.2 The maximum number of Subordinate Voting Shares that may be made issuable pursuant to Awards made to any Eligible Participant under the Plan together with any other Security-Based Compensation Arrangement in any 12-month period shall not exceed five percent (5%) of the issued and outstanding Subordinate Voting Shares calculated at the date of grant.
- 2.6.3 The aggregate number of Awards granted to any one Eligible Participant that is a Consultant of the Corporation in any 12-month period must not exceed two percent (2%) of the issued and outstanding Subordinate Voting Shares calculated at the date of grant.
- 2.6.4 The aggregate number of Options granted to all Persons retained to provide Investor Relations Activities must not exceed two percent (2%) of the issued and outstanding Subordinate Voting Shares in any 12-month period calculated at the date of grant (and including any Eligible Participant that performs Investor Relations Activities and/or whose role or duties primarily consist of Investor Relations Activities).
- 2.6.5 Options granted to any Person retained to provide Investor Relations Activities must vest in a period of not less than 12 months from the date of grant and with no more than twenty-five percent (25%) of the Options vesting in any three-month period notwithstanding any other provision of this Plan.
- 2.6.6 Units may not be granted to Consultants performing Investor Relations Activities.

### **ARTICLE 3 OPTIONS**

#### **3.1 Nature of Options**

An Option is an option granted by the Corporation to a Participant entitling such Participant to acquire, for each Option issued, one Subordinate Voting Share from treasury at the Option Price, subject to the provisions hereof.

#### **3.2 Option Awards**

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

#### **3.3 Option Price**

The price payable by a Participant to acquire a Subordinate Voting Share upon exercising an Option ("**Option Price**") shall be fixed by the Board when such Option is granted but shall not be less than the Market Value of the Subordinate Voting Shares on the trading day immediately preceding the date of the granting of the Option.

### 3.4 Option Term and Vesting

- 3.4.1 The Board shall determine, at the time of granting the particular Option, the period during which the Option is exercisable, commencing on the date such Option is granted to the Participant and ending as specified in this Plan, or in the Option Agreement, but in no event shall an Option expire on a date which is later than ten (10) years from the date the Option is granted (“**Option Term**”). Unless otherwise determined by the Board, all unexercised Options shall be cancelled at the expiry of such Options.
- 3.4.2 Should the expiration date for an Option fall within a Black-Out Period, then except with respect to Incentive Stock Options such expiration date shall be automatically extended without any further act or formality to that date which is the tenth (10th) Business Day after the end of the Black-Out Period, such tenth (10th) Business Day to be considered the expiration date for such Option for all purposes under the Plan. Notwithstanding Section 8.2, the ten (10) Business Day-period referred to in this Section 3.4 may not be extended by the Board.
- 3.4.3 Unless otherwise specified by the Board at the time of granting the particular Option and except as otherwise provided in this Plan, Options will vest and be exercisable as follows:

<b>Fraction of Total Number of Subordinate Voting Shares that may be <u>Purchased</u></b>	<b>Exercise Period</b>
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1/4	Shall vest on the first anniversary of the date of grant (the “ <b>First Option Vesting Date</b> ”); and
1/48	Shall vest on the last day of each month starting in the month following the month of the First Option Vesting Date;

with the result that the entire Option subject to the grant shall be vested and exercisable as of the fourth anniversary of the date of grant.

- 3.4.4 Once a portion of an Option that has vested becomes exercisable in accordance with Section 3.5, it remains exercisable until expiration or termination of the Option, unless otherwise specified by the Board in connection with the grant of such Option.
- 3.4.5 Subordinate Voting Shares in respect of which Options are not exercised due to the expiration, termination or lapse of such Options, shall become available for Options to be granted thereafter pursuant to the provisions of the Plan. For greater certainty, Subordinate Voting Shares in respect of Options which are exercised shall not become available for Options to be granted thereafter pursuant to the provisions of Plan.

### 3.5 Exercise of Options

- 3.5.1 Subject to the provisions of this Plan, a Participant shall be entitled to exercise an Option granted to such Participant at any time prior to the expiry of the Option Term, subject to vesting limitations which may be imposed by the Board at the time such Option is granted.
- 3.5.2 Prior to its expiration or earlier termination in accordance with the Plan, each Option shall be exercisable as to all or such part or parts of the optioned Subordinate Voting Shares and at such time or times and/or pursuant to the achievement of such Performance Criteria and/or other vesting conditions as the Board, at the time of granting the particular Option,

may determine in its sole discretion. For greater certainty, no Option shall be exercised by a Participant during a Black-Out Period.

- 3.5.3 An Option holder who is a U.S. Awardee may not exercise Options unless the Subordinate Voting Shares are registered under the U.S. Securities Act or are issued in compliance with an available exemption from the registration requirements of the U.S. Securities Act.

### **3.6 Method of Exercise and Payment of Purchase Price**

- 3.6.1 Subject to the provisions of the Plan and the alternative exercise procedures set out herein, an Option granted under the Plan may be exercisable (from time to time as provided in Section 3.5) by the Participant (or by the liquidator, executor or administrator, as the case may be, of the estate of the Participant) in such manner as the Board may determine from time to time and in accordance with such rules and regulations as the Board may prescribe from time to time.
- 3.6.2 Where Subordinate Voting Shares are to be issued to the Participant pursuant to the terms of this Section 3.6, as soon as practicable following the receipt of the Exercise Notice and, if Options are exercised only in accordance with the terms of Section 3.6.1, the required bank draft, certified cheque or other acceptable form of payment, the Corporation shall duly issue such Subordinate Voting Shares to the Participant as fully paid and non-assessable.
- 3.6.3 Upon the exercise of an Option pursuant to Section 3.6.1, the Corporation shall, as soon as practicable after such exercise but no later than ten (10) Business Days following such exercise, forthwith cause the transfer agent and registrar of the Subordinate Voting Shares to either:
- (a) deliver to the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) a certificate in the name of the Participant representing in the aggregate such number of Subordinate Voting Shares as the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall have then paid for and as are specified in such Exercise Notice; or
  - (b) in the case of Subordinate Voting Shares issued in uncertificated form, cause the issuance of the aggregate number of Subordinate Voting Shares the Participant (or the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall have then paid for and as are specified in such Exercise Notice to be evidenced by a book position on the register of the shareholders of the Corporation to be maintained by the transfer agent and registrar of the Subordinate Voting Shares.

### **3.7 Terms Applicable to Incentive Stock Options**

Subject to adjustment as provided in Article 9 of the Plan and without limiting Section 2.4.1 of the Plan, the maximum number of Subordinate Voting Shares available for issuance with respect to Incentive Stock Options shall equal 1,000,000. For greater certainty, such number of Subordinate Voting Shares is a subset of, and not in addition to, the maximum number of Subordinate Voting Shares reserved for issuance pursuant to the Plan. The terms of any Incentive Stock Option granted under the Plan shall comply in all respects with the provisions of Section 422 of the Code, and shall be subject to the following terms and conditions, with such additional restrictions or changes as the Committee determines are appropriate but not in conflict with Section 422 of the Code and the relevant regulations and rulings of the Internal Revenue Service:

- 3.7.1 Incentive Stock Options may be granted only to employees of the Corporation or of a parent or subsidiary corporation (as defined in Section 424 of the Code).
- 3.7.2 If, immediately before the Incentive Stock Option is granted, the Participant owns directly or by reason of the applicable attribution rules in Section 424(d) of the Code 10% or less of the total combined voting power of all classes of stock of the Corporation or a Subsidiary, the Option Price per share of the Subordinate Voting Shares covered by each Incentive Stock Option shall not be less than 100% of the Market Value per share of the Subordinate Voting Shares on the grant date of the Incentive Stock Option. If, immediately before the Incentive Stock Option is granted, the Participant owns directly or by reason of the applicable attribution rules in Section 424(d) of the Code more than 10% of the total combined voting power of all classes of stock of the Corporation or a Subsidiary, the Option Price per share of the Subordinate Voting Shares covered by each Incentive Stock Option shall not be less than 110% of the Market Value per share of the Subordinate Voting Shares on the grant date of the ISO.
- 3.7.3 For Participants who own 10% or less of the total combined voting power of all classes of stock of the Corporation or a Subsidiary, each Incentive Stock Option shall terminate not later than the tenth anniversary of the grant date or at such earlier time as the Grant Agreement may provide. For Participants who own more than 10% of the total combined voting power of all classes of stock of the Corporation or a Subsidiary, each Incentive Stock Option shall terminate not later than the fifth anniversary of the grant date or at such earlier time as the Grant Agreement may provide.
- 3.7.4 The Grant Agreements shall restrict the amount of Incentive Stock Options which may vest and become exercisable in any calendar year (under this or any other plan of the Corporation or a Subsidiary pursuant to which Incentive Stock Options are awarded) so that the aggregate Market Value (determined on the grant date for each Incentive Stock Option) of the Subordinate Voting Shares with respect to which Incentive Stock Options are exercisable for the first time by the Participant in any calendar year does not exceed \$100,000. To the extent that the aggregate Market Value of the Subordinate Voting Shares with respect to which Incentive Stock Options are exercisable for the first time by the Participant during any calendar year (under all plans of the Corporation and any Subsidiary) exceeds \$100,000, such Options shall be treated as non-qualified options. For purposes of determining whether the \$100,000 vesting limitation is exceeded, Incentive Stock Options shall be taken into account in the order in which they were granted.
- 3.7.5 To the extent that an Incentive Stock Option is not exercised on or prior to the date that is three (3) months following the date on which the Participant ceases to be an employee of the Corporation (or a parent or subsidiary of the Corporation, as defined in Section 424 of the Code), such Option will no longer qualify as an Incentive Stock Option, and if the Option remains exercisable pursuant to its terms, the Option automatically will be converted to a Non- Qualified Stock Option. Notwithstanding the foregoing, if a Participant's termination of employment is due to disability as defined in Section 22(e) of the Code or death, then to the extent that an Incentive Stock Option is not exercised on or prior to the date that is one year following the date on which the Participant ceases to be an employee of the Corporation (or a parent or subsidiary of the Corporation) such Option will cease to be an Incentive Stock Option. For greater certainty, the limitations in this paragraph govern the U.S. federal income tax treatment of an outstanding Option and whether it will continue to qualify as an Incentive Stock Option. Nothing in this paragraph shall have the effect of extending the period during which an Option otherwise may be exercised pursuant to its terms. For purposes of the paragraph, the Participant's employment will not be considered interrupted or terminated upon (A) sick leave, military leave or any other leave of absence approved by the Corporation that does not exceed ninety (90) days in the aggregate, provided however that if reemployment upon expiration of any such leave is guaranteed by contract of applicable law, such ninety (90) limitation will not apply, or (B) a transfer from

one office of the Corporation (or a parent or subsidiary of the Corporation) to another office of the Corporation (or a parent or subsidiary) or a transfer between the Corporation and any parent or subsidiary of the Corporation.

- 3.7.6 Notwithstanding any other provision of the Plan, the Committee shall accept only such payment on exercise of an Incentive Stock Option as is also permitted by Section 422 of the Code.
- 3.7.7 Notwithstanding anything to the contrary in the Plan or Option Agreement, an Incentive Stock Option may be exercised during a Participant's lifetime only by such Participant, and an Incentive Stock Option may not be transferred, assigned, pledged or hypothecated or otherwise disposed of by the Participant except by will or the laws of descent and distribution.
- 3.7.8 Each Participant who receives Incentive Stock Options must notify the Corporation in writing immediately after the Participant makes a Disqualifying Disposition of any Subordinate Voting Shares acquired pursuant to the exercise of an Incentive Stock Option. A "Disqualifying Disposition" is defined in Section 424(c) of the Code and includes any disposition (including any sale or gift) of such Subordinate Voting Shares before the later of (A) two years after the date the Participant was granted the Incentive Stock Option, and (B) one year after the date the Participant acquired Subordinate Voting Shares by exercising the Incentive Stock Options except as otherwise provided in Section 424(c) of the Code. If the Participant dies before the Subordinate Voting Shares are sold, these holding period requirements do not apply and no Disqualifying Disposition can occur after the date of the Participant's death.
- 3.7.9 No Incentive Stock Option will be granted more than ten (10) years after the earlier of the date the Plan is adopted by the Board and the date this Plan is approved by the shareholders of the Corporation.
- 3.7.10 The Committee, at the written request of a Participant, may in its discretion take such actions as may be necessary to convert the Participant's Incentive Stock Options (or any portions thereof) that have not been exercised on the date of conversion into non-qualified options at any time prior to the expiration of such Incentive Stock Options, regardless of whether the Participant is an employee of the Corporation or a subsidiary at the time of such conversion. At the time of such conversion, the Committee (with the consent of the Participant) may impose such conditions on the exercise of the resulting non-qualified options as the Committee in its discretion may determine, provided that the conditions are consistent with this Plan and do not violate Section 409A of the Code. Nothing in the Plan shall be deemed to give any Participant the right to have such Participant's Incentive Stock Options converted into non-qualified options, and no such conversion shall occur until and unless the Committee takes appropriate action. The Committee, with the consent of the Participant, may also terminate any portion of any Incentive Stock Options that has not been exercised at the time of the conversion.
- 3.7.11 In the event that the Plan is not approved by the shareholders of the Corporation as required by Section 422 of the Code within twelve (12) months before or after the date on which the Plan is adopted by the Board, any Incentive Stock Option granted under the Plan automatically will be deemed to be a Non- Qualified Stock Option.

### **3.8 Option Agreements**

Options shall be evidenced by an Option Agreement or included in an Employment Agreement, in such form not inconsistent with the Plan as the Board may from time to time determine, provided that the substance of Article 3 and Article 7 be included therein. For Options granted to U.S. Participants, the Option Agreement will specify whether the Option is an Incentive Stock Option or a Non-Qualified Stock Option,

and if no such designation is made, the Option will be a Non-qualified Stock Option. The Option Agreement shall contain such terms that may be considered necessary in order that the Option will comply with any provisions respecting options in laws (including tax laws) in force in any country or jurisdiction of which the Participant may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the Corporation.

U.S. Awardees will acknowledge and agree in the Option Agreement that (i) the Options may not be exercised in the United States unless exempt from the registration requirements under the U.S. Securities Act and any applicable state securities laws; (ii) the Subordinate Voting Shares have not been and will not be registered under the U.S. Securities Act, and the Subordinate Voting Shares will be issued by the Corporation in reliance upon an exemption from registration under the U.S. Securities Act; and (iii) any Subordinate Voting Shares issued to the U.S. Awardee upon exercise of the subject Options will be deemed "restricted securities" (as defined in Rule 144(a)(3) of the U.S. Securities Act) and bear a restrictive legend to such effect.

## **ARTICLE 4 DEFERRED SHARE UNITS**

### **4.1 Nature of DSUs**

A DSU is an Award of phantom share units to an Eligible Director, subject to restrictions and conditions as the Board may determine at the time of grant. Conditions may be based on such factors as may be determined by the Board from time to time, including the achievement of pre-established vesting and performance goals and objectives.

### **4.2 DSU Awards**

- 4.2.1 Subject to the provisions herein set forth and any shareholder or regulatory approval which may be required, the Board shall, from time to time by resolution, in its sole discretion, (i) designate the Eligible Directors who may receive DSUs under the Plan, (ii) fix the number of DSUs, if any, to be granted to each Eligible Director and the date or dates on which such DSUs shall be granted, and (iii) determine the relevant conditions and vesting provisions of such DSUs, the whole subject to the terms and conditions prescribed in this Plan.
- 4.2.2 The DSUs are structured so as to be considered an arrangement described in paragraph 6801(d) of the *Income Tax Regulations* (Canada) or any successor to such provision.
- 4.2.3 DSUs will be credited in the registers maintained by the Corporation but will not be represented by any certificate or other document.

### **4.3 Mandatory and Voluntary Participation**

- 4.3.1 Each Eligible Director (i) shall receive, subject to Paragraph 4.3.3, such portion of his Board Retainer in the form of DSUs as may be determined by the compensation policies of the Board from time to time (the "**Mandatory Portion**"), and (ii) may elect to receive, in accordance with Paragraph 4.3.4, any portion, up to 100%, of the balance of his or her Board Retainer in the form of DSUs (the "**Voluntary Portion**").
- 4.3.2 Each Eligible Director will receive such number of DSUs as is obtained by dividing the sum of any Mandatory Portion and the Voluntary Portion payable quarterly to the Eligible Director by the Market Value on the date on which the DSUs are awarded. DSUs shall be awarded to Eligible Directors quarterly on the last day of each fiscal quarter (or, if not a Business Day, on the first Business Day following such day), unless otherwise determined by the Board.

- 4.3.3 Notwithstanding Paragraph 4.3.1, any Participant may elect to receive the equivalent of any Mandatory Portion in cash instead of DSUs if (i) the Participant purchases in the open market the same number of Subordinate Voting Shares he or she would have received in the form of DSUs, or (ii) the Participant is otherwise exempted by the Board for any reason, provided that with respect to U.S. Participants, any such election by a Participant to receive cash in lieu of DSUs, or any such exemption by the Board, must occur by December 31st of the year prior to the calendar year in which the services giving rise to such Mandatory Portion are performed.
- 4.3.4 Each Participant who elects to participate in the Plan in respect of the Voluntary Portion for a given calendar year must send to the Corporate Secretary a written notice to that effect (an “**Election Notice**”) prior to December 31 of the previous calendar year. Each Participant who is a newly elected or appointed director and who elects to participate in the Plan in respect of the Voluntary Portion for the then current calendar year must send to the Corporate Secretary an Election Notice within 15 days of his or her election or appointment, but prior to the receipt of the first Board Retainer payment, and with respect to U.S. Participants such election will be effective only with respect to compensation earned after the date the election is received by the Corporate Secretary.
- 4.3.5 The Election Notice shall be deemed to apply to all subsequent calendar years until such time as the Participant shall send to the Corporate Secretary an Election Notice containing different instructions or a termination notice (in which case the new Election Notice or the termination notice, as applicable, shall apply to the calendar year following the calendar year during which it was sent to the Corporate Secretary).
- 4.3.6 If no Election Notice is received in accordance with Paragraph 4.3.4, and no prior Election Notice is deemed to apply in accordance with Paragraph 4.3.5, the Participant shall be deemed not to have elected to participate in the Plan in respect of the Voluntary Portion and the corresponding portion of their Board Retainer shall be paid in cash.
- 4.3.7 Each Participant is entitled to terminate his or her participation in the Plan in respect of the Voluntary Portion for a given calendar year by sending a written notice to that effect to the Corporate Secretary prior to December 31 of the previous calendar year.
- 4.3.8 No Election Notice, or amendment or termination of an election contemplated in this Section 4.3 shall be made during a Black-Out Period, and any Election Notice sent by a Participant during a Black-Out Period shall be null and void. To the extent that an Election Notice is sent during a Black-Out Period, or cannot be made during the period set forth in this Section 4.3.8 as a result of the existence of a Black-Out Period, the Participant shall continue to participate in the Plan in respect of a Voluntary Portion on the basis of the prior election made, or, if no prior election has been made, shall be deemed to have elected not to participate in the Plan in respect of an Voluntary Portion.

#### **4.4 Vesting of DSUs**

The Board shall have the authority to determine any vesting terms applicable to the grant of DSUs, provided that no DSUs shall vest until at least one (1) year following the date of grant, unless otherwise permitted by the TSXV.

#### **4.5 Settlement of DSUs**

- 4.5.1 A Participant who is not a U.S. Participant and who ceases to be a director of the Corporation may request the settlement of all (but not less than all) of his or her DSUs at any time during the period between the date on which he or she ceases to be a director and the DSU Expiry Date, in such manner as the Board may determine from time to time

and in accordance with such rules and regulations as the Board may prescribe from time to time. With respect to DSUs of a U.S. Participant, the DSU Settlement Date is the date of the U.S. Participant's Separation from Service, provided that if the U.S. Participant is a specified employee within the meaning of Section 409A of the Code (a "**Specified Employee**"), the DSU Settlement Date will be the first day of the seventh (7th) month following the date of the U.S. Participant's Separation from Service.

- 4.5.2 Any DSU of a Participant who is not a U.S. Participant which has not been settled prior to the DSU Expiry Date, provided that with respect to DSUs of a U.S. Participant, settlement of DSUs shall take place on or before December 15<sup>th</sup> of the calendar year in which the Settlement Date occurs, or, if later, on or before the date that is two and one-half (2 ½) months following the Settlement Date and the U.S. Participant shall have no ability to influence, directly or indirectly, the calendar year in which settlement will occur (the "**U.S. DSU Outside Settlement Date**"), shall be automatically settled on the DSU Expiry Date.
- 4.5.3 Settlement of DSUs shall take place promptly following the DSU Settlement Date and, for greater certainty, before the DSU Expiry Date, through one of the following methods as determined by the Board at the time of settlement:
- (a) in the case of the settlement of DSUs for their Cash Equivalent, delivery of a cheque to the Participant representing the Cash Equivalent, less applicable withholding taxes;
  - (b) in the case of the settlement of DSUs for Subordinate Voting Shares, delivery of a share certificate to the Participant or the entry of the Participant's name on the share register for the Subordinate Voting Shares; or
  - (c) in the case of settlement of the DSUs for a combination of Subordinate Voting Shares and the Cash Equivalent, a combination of 4.5.3(a) and 4.5.3(b) above.
- 4.5.4 Notwithstanding any other provision of this Plan, in the event that a DSU Settlement Date occurs during a Black-Out Period or other trading restriction imposed by the Corporation, then settlement of the applicable DSUs shall be automatically extended to the tenth (10th) Business Day following the date that such Black-Out Period or other trading restriction is lifted, terminated or removed, provided that with respect to DSUs of a U.S. Participant settlement will not be delayed beyond the U.S. DSU Outside Settlement Date unless settlement during such Black-Out Period would violate applicable securities laws or other applicable laws or unless a delay until the end of the Black Out Period would be permitted under Section 409A of the Code.
- 4.5.5 A DSU holder who is a U.S. Awardee may not settle their DSUs for Subordinate Voting Shares unless the Subordinate Voting Shares issuable upon settlement are registered under the U.S. Securities Act or are issued in compliance with an available exemption from the registration requirements of the U.S. Securities Act.

#### **4.6 Provisions Applicable to Dual Status Taxpayers**

- 4.6.1 If DSUs of a U.S. Participant are subject to tax under the income tax laws of Canada and also are subject to tax under Section 409A of the Code (a "**Dual Status Taxpayer**"), the following special rules regarding forfeiture will apply. For greater clarity, these forfeiture provisions are intended to avoid adverse tax consequences under Section 409A and/or under paragraph 6801(d) of the *Income Tax Regulations* (Canada) or any successor to such provision, that may result because of the different requirements as to the time of distribution of DSUs (and thus the time of taxation) with respect to a Dual Status Taxpayer's separation from service (under U.S. tax law) and his retirement or loss of office (under tax

laws of Canada). The intended consequence of this Section 4.6 is that distributions with respect to DSUs of Dual Status Taxpayers only will occur if such Participant's cessation of services triggering settlement of DSUs constitutes both a Separation From Service under Section 409A of the Code and a retirement or loss of office within the meaning of paragraph 6801(d) of the regulations under the Tax Act. By way of example, if a Dual Status Taxpayer otherwise would be entitled to payment of DSUs in any of the following circumstances, such DSUs shall instead be immediately and irrevocably forfeited:

- (a) a Dual Status Taxpayer who was awarded DSUs for services as an employee experiences a Separation From Service as a result of a permanent decrease in the level of services such Dual Status Taxpayer provides to the Corporation and its affiliates to less than 20% of his past service, but such Dual Status Taxpayer continues to provide some level of service to the Corporation or an affiliate such that he has not had a retirement from, or loss of office or employment with, the Corporation or a corporation related thereto, within the meaning of paragraph 6801(d) of the *Income Tax Regulations* (Canada) or any successor to such provision; or
- (b) a Dual Status Taxpayer experiences a Separation From Service as a result of ceasing to be a member of the Board, but such person continues providing services as an employee of the Corporation or an affiliate, and as a result he has not experienced a retirement from, or loss of office or employment with, the Corporation or a corporation related thereto, within the meaning of paragraph 6801(d) of *Income Tax Regulations* (Canada) or any successor to such provision; or
- (c) a Dual Status Taxpayer experiences a retirement from, or loss of office or employment with, the Corporation or a corporation related thereto, within the meaning of paragraph 6801(d) of the *Income Tax Regulations* (Canada) or any successor to such provision, by virtue of ceasing employment as both an employee and as a director, but he continues to provide services as an independent contractor such that he has not experienced a Separation from Service.

4.6.2 In no event will a Dual Status Taxpayer receive a distribution of his DSUs as a result of his termination unless such termination also is a Separation From Service, applying the fifty percent common ownership standard for determining affiliate status. For greater certainty, in no event will the settlement of a Dual Status Taxpayer's DSUs be delayed beyond the U.S. DSU Outside Settlement Date, unless such delay would be permitted in compliance with Section 409A of the Code.

#### **4.7 DSU Agreements**

DSUs shall be evidenced by a DSU Agreement, in such form not inconsistent with the Plan as the Board may from time to time determine, provided that the substance of Article 5 and Article 7 be included therein. The DSU Agreement shall contain such terms that may be considered necessary in order that the DSU will comply with any provisions respecting deferred share units in the laws (including tax laws) in force in any country or jurisdiction of which the Participant may be subject to or the rules of any regulatory body having jurisdiction over the Corporation.

U.S. Awardees will acknowledge and agree in the DSU Agreement that (i) the Subordinate Voting Shares issuable upon settlement of the DSUs have not been and will not be registered under the U.S. Securities Act, and the Subordinate Voting Shares will be issued by the Corporation in reliance upon an exemption from registration under the U.S. Securities Act; and (ii) any Subordinate Voting Shares issued to the U.S. Awardee upon settlement of the subject DSUs will be deemed "restricted securities" (as defined in Rule 144(a)(3) of the U.S. Securities Act) and bear a restrictive legend to such effect.

## **ARTICLE 5 PERFORMANCE SHARE UNITS**

### **5.1 Nature of PSU**

A PSU is an Award entitling the recipient to receive payment based on the value of one Subordinate Voting Share (or such reduced or increased number of Subordinate Voting Shares as shall be calculated by the Corporation depending on the level of attainment of relevant Performance Criteria) once such Award is earned and has vested, subject to such restrictions and conditions as the Board may determine at the time of grant. Conditions shall be based upon the achievement of pre-established Performance Criteria over the Performance Period as well as continuing employment or engagement with the Corporation or a Subsidiary.

### **5.2 PSU Awards**

- 5.2.1 Subject to the provisions herein set forth and any shareholder or regulatory approval which may be required, the Board shall, from time to time by resolution, in its sole discretion, (i) designate the Eligible Participants who may receive PSUs under the Plan, (ii) fix the number of PSUs, if any, to be granted to each Eligible Participant and the date or dates on which such PSUs shall be granted, and (iii) determine the relevant conditions and vesting provisions (including the applicable Performance Period and Performance Criteria) and Unit Restriction Period of such PSUs, the whole subject to the terms and conditions prescribed in this Plan and in any PSU Agreement.
- 5.2.2 PSUs of Participants who are not U.S. Participants shall be settled by the Participant at any time beginning on the first Business Day following their PSU Vesting Determination Date but no later than the last day of the Unit Restriction Period. PSUs of U.S. Participants will be settled by the Corporation on or before March 15th of the year immediately following the year in which the PSU Vesting Determination Date occurs and no later than the last day of the Unit Restriction Period, and the U.S. Participant shall have no ability to influence, directly or indirectly, the calendar year in which the PSUs will be settled. Unless otherwise determined by the Board, all unvested PSUs shall be cancelled on the PSU Vesting Determination Date and, in any event, no later than the last day of the Unit Restriction Period.
- 5.2.3 A PSU holder who is a U.S. Awardee may not settle their PSUs for Subordinate Voting Shares unless the Subordinate Voting Shares issuable upon settlement are registered under the U.S. Securities Act or are issued in compliance with an available exemption from the registration requirements of the U.S. Securities Act.

### **5.3 Performance Criteria and Performance Period**

- 5.3.1 For each award of PSUs, the Board shall establish the period (the “**Performance Period**”) in which any Performance Criteria and other vesting conditions must be met in order for a Participant to be entitled to receive Subordinate Voting Shares in exchange for all or a portion of the PSUs held by such Participant, provided that (i) no PSUs shall vest until at least one (1) year following the date of grant; and (ii) such Performance Period may not expire after the last day of the Unit Restriction Period, unless otherwise permitted by the TSXV.
- 5.3.2 For each award of PSUs, the Board shall establish any Performance Criteria and other vesting conditions which must be met during the Performance Period (unless waived or otherwise deemed to be satisfied by the Board in its sole discretion) in order for a Participant to be entitled to receive Subordinate Voting Shares in exchange for his or her PSUs.

#### 5.4 PSU Vesting Determination Date

The vesting determination date means the date on which the Board determines if the Performance Criteria and all other vesting conditions with respect to a PSU have been met or have been waived or deemed satisfied by the Board in the sole discretion (the “**PSU Vesting Determination Date**”), and as a result, establishes the number of PSUs that become vested, if any. For greater certainty, the PSUs Vesting Determination Date must fall after the end of the Performance Period (except in the case of the Board’s discretionary waiver of Performance Criteria and other vesting conditions), but no later than the last day of the Unit Restriction Period.

#### 5.5 Settlement of PSUs

5.5.1 Except as otherwise provided in the PSU Agreement and subject to Section 8.3.1, in the event that the vesting conditions, the Performance Criteria and Performance Period of a PSU are satisfied:

- (a) all of the vested PSUs covered by a particular grant to a Participant who is not a U.S. Participant may, be settled at on any day (each such day being a “**PSU Settlement Date**”) beginning on the PSUs Vesting Determination Date and ending on or before the last day of the Unit Restriction Period by delivering a Unit Settlement Notice in respect of any or all vested PSUs held by such Participant. PSUs of a U.S. Participant will be settled by the Corporation on or before March 15<sup>th</sup> of the year immediately following the calendar year in which the PSU Vesting Determination Date occurred but no later than the last day of the Unit Restriction Period and the U.S. Participant shall have no ability to influence, directly or indirectly, the calendar year in which the PSUs will be settled; and
- (b) any vested PSU of a Participant who is not a U.S. Participant for which no Unit Settlement Notice has been delivered prior to the last day of the Unit Restriction Period shall be automatically settled on the last day of the Unit Restriction Period.

5.5.2 Subject to Section 8.3.1, settlement of PSUs shall take place promptly following the PSU Settlement Date and, for greater certainty, before the last day of the Unit Restriction Period, and with respect to U.S. Participants on or before March 15<sup>th</sup> of the year immediately following the year in which the PSU Vesting Determination Date occurs and no later than the last day of the Unit Restriction Period and the U.S. Participant shall have no ability to influence, directly or indirectly, the calendar year in which the PSUs will be settled, through one of the following methods as determined by the Board at the time of settlement:

- (a) in the case of the settlement of PSUs for their Cash Equivalent, delivery of a cheque to the Participant representing the Cash Equivalent, less applicable withholding taxes;
- (b) in the case of the settlement of PSUs for Subordinate Voting Shares, delivery of a share certificate to the Participant or the entry of the Participant’s name on the share register for the Subordinate Voting Shares; or
- (c) in the case of settlement of the PSUs for a combination of Subordinate Voting Shares and the Cash Equivalent, a combination of 5.5.2(a) and 5.5.2(b) above.

#### 5.6 Determination of Amounts

5.6.1 **Cash Equivalent of PSUs.** For purposes of determining the Cash Equivalent of PSUs to be paid pursuant to Section 5.5 (if any), such calculation will be made on the PSU Settlement Date and shall be equal to the Market Value of one Subordinate Voting Share

on the PSU Settlement Date multiplied by the number of vested PSUs in the Participant's Account which the Participant desires to settle in cash pursuant to the Unit Settlement Notice.

- 5.6.2 **Payment in Subordinate Voting Shares.** For the purposes of determining the number of Subordinate Voting Shares from treasury to be issued or purchased on the open market and delivered to a Participant upon settlement of a PSU pursuant to Section 5.5, such calculation will be made on the PSU Settlement Date and be the whole number of Subordinate Voting Shares equal to the whole number of vested PSUs then recorded in the Participant's Account which the Participant desires to settle in Subordinate Voting Shares pursuant to the Unit Settlement Notice. Subordinate Voting Shares issued from treasury or purchased on the open market, as applicable, will be issued or transferred, as applicable, and the entitlement of the Participant under this Plan shall be satisfied in full by such issuance or transfer of Subordinate Voting Shares.

## 5.7 PSU Agreements

PSUs shall be evidenced by a PSU Agreement, in such form not inconsistent with the Plan as the Board may from time to time determine, provided that the substance of Article 5 and Article 7 be included therein. The PSU Agreement shall contain such terms that may be considered necessary in order that the PSU will comply with any provisions respecting performance share units in the laws (including tax laws) in force in any country or jurisdiction of which the Participant may be subject to or the rules of any regulatory body having jurisdiction over the Corporation.

U.S. Awardees will acknowledge and agree in the PSU Agreement that (i) the Subordinate Voting Shares issuable upon settlement of the PSUs have not been and will not be registered under the U.S. Securities Act, and the Subordinate Voting Shares will be issued by the Corporation in reliance upon an exemption from registration under the U.S. Securities Act; and (ii) any Subordinate Voting Shares issued to the U.S. Awardee upon settlement of the subject PSUs will be deemed "restricted securities" (as defined in Rule 144(a)(3) of the U.S. Securities Act) and bear a restrictive legend to such effect.

## ARTICLE 6 RESTRICTED SHARE UNITS

### 6.1 Nature of RSUs

A RSU is an Award entitling the recipient to receive payment based on the value of one Subordinate Voting Share once such Award has vested, subject to such restrictions and conditions as the Board may determine at the time of grant. Conditions may be based on continuing employment (or engagement) with the Corporation or a Subsidiary.

### 6.2 RSU Awards

- 6.2.1 Subject to the provisions herein set forth and any shareholder or regulatory approval which may be required, the Board shall, from time to time by resolution, in its sole discretion, (i) designate the Eligible Participants who may receive RSUs under the Plan, (ii) fix the number of RSUs, if any, to be granted to each Eligible Participant and the date or dates on which such RSUs shall be granted, and (iii) determine the relevant conditions and vesting provisions and the Unit Restriction Period of such RSUs, the whole subject to the terms and conditions prescribed in this Plan and in any RSU Agreement.
- 6.2.2 Unless otherwise set forth in the RSU Agreement, each RSU shall vest as to 1/3 on each of the first, second and third anniversary of the date of grant provided the Participant remains in continuous service with the Corporation or an affiliate from the date of grant of the RSU through such vesting date (each such date being a "**RSU Vesting Date**").

Notwithstanding the foregoing, if the Board in its discretion waives all vesting conditions or deems them satisfied, the date of such determination by the Board will be the RSU Vesting Date.

- 6.2.3 RSUs of a Participant who is not a U.S. Participant shall be settled by the Participant at any time beginning on the first Business Day following the RSU Vesting Date but no later than the last day of the Unit Restriction Period. RSUs of a U.S. Participant will be settled by the Corporation on or before March 15th of the year immediately following the calendar year in which the RSU Vesting Date occurred but no later than the last day of the Unit Restriction Period and the U.S. Participant shall have no ability to influence, directly or indirectly, the calendar year in which the RSUs will be settled.
- 6.2.4 A RSU holder who is a U.S. Awardee may not settle their RSUs for Subordinate Voting Shares unless the Subordinate Voting Shares issuable upon settlement are registered under the U.S. Securities Act or are issued in compliance with an available exemption from the registration requirements of the U.S. Securities Act.

### 6.3 Vesting of RSUs

The Board shall have the authority to determine any vesting terms applicable to the grant of RSUs, provided that no RSUs shall vest until at least one (1) year following the date of grant, unless otherwise permitted by the TSXV.

### 6.4 Settlement of RSUs

- 6.4.1 Except as otherwise provided in the RSU Agreement and subject to Section 8.3.1:
  - (a) all of the vested RSUs covered by a particular grant made to a Participant who is not a U.S. Participant may be settled at on any day (each such day being a “**RSU Settlement Date**”) on or before the last day of the Unit Restriction Period by delivering a Unit Settlement Notice in respect of any or all vested RSUs held by such Participant. RSUs of a U.S. Participant will be settled by the Corporation on or before March 15<sup>th</sup> of the year immediately following the calendar year in which the RSU Vesting Date occurred but no later than the last day of the Unit Restriction Period and the U.S. Participant shall have no ability to influence, directly or indirectly, the calendar year in which the RSUs will be settled; and
  - (b) any vested RSU of a Participant who is not a U.S. Participant for which no Unit Settlement Notice has been delivered prior to the last day of the Unit Restriction Period, shall be automatically settled on the last day of the Unit Restriction Period.
- 6.4.2 Subject to Section 8.5, settlement of RSUs shall take place promptly following the RSU Settlement Date and, for greater certainty, before the last day of the Unit Restriction Period, and with respect to U.S. Participants on or before March 15th of the year immediately following the year in which the RSU Vesting Date occurs and no later than the last day of the Unit Restriction Period and the U.S. Participant shall have no ability to influence, directly or indirectly, the calendar year in which the PSUs will be settled, through one of the following methods as determined by the Board at the time of settlement:
  - (a) in the case of settlement of RSUs for their Cash Equivalent, delivery of a cheque to the Participant representing the Cash Equivalent, less applicable withholding taxes;

- (b) in the case of settlement of RSUs for Subordinate Voting Shares, delivery of a share certificate to the Participant or the entry of the Participant's name on the share register for the Subordinate Voting Shares; or
- (c) in the case of settlement of the RSUs for a combination of Subordinate Voting Shares and the Cash Equivalent, a combination of (a) and (b) above.

## 6.5 Determination of Amounts

- 6.5.1 **Cash Equivalent of RSUs.** For purposes of determining the Cash Equivalent of RSUs to be paid pursuant to Section 6.4 (if any), such calculation will be made on the RSU Settlement Date and shall be equal to the Market Value of one Subordinate Voting Share on the RSU Settlement Date multiplied by the number of vested RSUs in the Participant's Account which the Participant desires to settle in cash pursuant to the Unit Settlement Notice.
- 6.5.2 **Payment in Subordinate Voting Shares.** For the purposes of determining the number of Subordinate Voting Shares from treasury to be issued or purchased on the open market and delivered to a Participant upon settlement of RSUs pursuant to Section 6.4, such calculation will be made on the RSU Settlement Date and be the whole number of Subordinate Voting Shares equal to the whole number of vested RSUs then recorded in the Participant's Account which the Participant desires to settle in Subordinate Voting Shares pursuant to the Unit Settlement Notice. Subordinate Voting Shares issued from treasury or purchased on the open market, as applicable, will be issued or transferred, as applicable, and the entitlement of the Participant under this Plan shall be satisfied in full by such issuance or transfer of Subordinate Voting Shares.

## 6.6 RSU Agreements

RSUs shall be evidenced by a RSU Agreement or included in an Employment Agreement, in such form not inconsistent with the Plan as the Board may from time to time determine, provided that the substance of Article 6 and Article 7 be included therein. The RSU Agreement shall contain such terms that may be considered necessary in order that the RSU will comply with any provisions respecting restricted share units in the laws (including tax laws) in force in any country or jurisdiction of which the Participant may be subject to or the rules of any regulatory body having jurisdiction over the Corporation.

U.S. Awardees will acknowledge and agree in the RSU Agreement that (i) the Subordinate Voting Shares issuable upon settlement of the RSUs have not been and will not be registered under the U.S. Securities Act, and the Subordinate Voting Shares will be issued by the Corporation in reliance upon an exemption from registration under the U.S. Securities Act; and (ii) any Subordinate Voting Shares issued to the U.S. Awardee upon settlement of the subject PSUs will be deemed "restricted securities" (as defined in Rule 144(a)(3) of the U.S. Securities Act) and bear a restrictive legend to such effect.

## ARTICLE 7 GENERAL CONDITIONS

### 7.1 General Conditions Applicable to Awards

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

- 7.1.1 **Employment or Other Relationship.** The granting of an Award to a Participant shall not impose upon the Corporation or a Subsidiary any obligation to retain the Participant in its employ in any capacity or otherwise commence, extend, continue or modify any engagement between the Corporation or a Subsidiary and the Participant. For greater certainty, the granting of Awards to a Participant shall not impose any obligation on the

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

7.1.2 **Rights as a Shareholder.** Neither the Participant nor such Participant's personal representatives or legatees shall have any rights whatsoever as shareholder in respect of any Subordinate Voting Shares covered by such Participant's Awards until the date of issuance of a share certificate to such Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) or the entry of such person's name on the share register for the Subordinate Voting Shares. Without in any way limiting the generality of the foregoing, no adjustment shall be made for dividends or other rights for which the record date is prior to the date such share certificate is issued or entry of such person's name on the share register for the Subordinate Voting Shares is made.

7.1.3 **Conformity to Plan.** In the event that an Award is granted or a Grant Agreement is executed which does not conform in all particulars with the provisions of the Plan, or purports to grant Awards on terms different from those set out in the Plan, the Award or the grant of such Award shall not be in any way void or invalidated, but the Award so granted will be adjusted to become, in all respects, in conformity with the Plan.

7.1.4 **Non-Transferability and Non-Assignability.** Other than by will or under the law of succession, or as otherwise set forth herein, Awards are not assignable or transferable. Awards may be exercised only by:

- (a) the Participant to whom the Awards were granted; or
- (b) with the Corporation's prior written approval and subject to such conditions as the Corporation may stipulate, such Participant's family or retirement savings trust or any registered retirement savings plans or registered retirement income funds of which the Participant is the sole beneficiary; or
- (c) upon the Participant's death, by the legal representative of the Participant's estate; or
- (d) upon the Participant's incapacity, the legal representative having authority to deal with the property of the Participant;

provided that any such legal representative shall first deliver evidence satisfactory to the Corporation of entitlement to exercise any Award. A person exercising an Award may subscribe for Subordinate Voting Shares only in the person's own name or in the person's capacity as a legal representative.

## 7.2 Additional Conditions Applicable to Awards

Each Award shall be subject to the following conditions:

7.2.1 **Termination for Cause.** Upon a Participant ceasing to be an Eligible Participant for "**Cause**", all unexercised or unsettled vested or unvested Awards granted to such Participant shall terminate as of the Termination Date. For the purposes of the Plan, the determination by the Corporation that the Participant was discharged for "**Cause**" shall be binding on the Participant. "**Cause**" shall include, among other things, any dishonest act such as gross misconduct, theft, fraud, embezzlement, misappropriation, breach of confidentiality, breach of loyalty or breach of duty of loyalty or placement in conflict of interest, or breach of the Corporation's Code of Ethics, and any other reason determined by the Corporation to be cause for termination.

- 7.2.2 **Resignation.** In the case of a Participant ceasing to be an Eligible Participant due to such Participant's resignation, subject to any later expiration dates determined by the Board (which later expiration date shall be no later than twelve (12) months from the date the Participant ceased to be an Eligible Participant due to such Participant's resignation), all unexercised or unsettled vested or unvested Awards granted to such Participant shall terminate on the Termination Date caused by such resignation.
- 7.2.3 **Termination or Cessation.** In the case of a Participant ceasing to be an Eligible Participant for any reason (other than for "Cause", resignation, death or after becoming subject to a Disability) then (i) the number of unvested Units that may vest in the then current vesting period is subject to pro ration (based on the vesting terms, including, if applicable, the achievement of Performance Criteria), up to the Termination Date, (ii) all unvested Options will be forfeited on the Termination Date, and (iii) vested Awards will remain exercisable until the earlier of ninety (90) days after the Termination Date or the expiry date of the Awards, after which time all Awards will expire. For greater certainty, if, following a Participant's ceasing to be an Eligible Participant (other than for "Cause", resignation, death or after becoming subject to a Disability), the end of the ninety (90) day period during which Options may be exercised should fall within a Black-Out Period, the provisions of Section 3.4.2 shall apply to extend the end of such period to the tenth (10<sup>th</sup>) Business Day following the end of such Black-Out Period. Notwithstanding the foregoing, with respect to Units awarded to U.S. Participants, nothing in this paragraph will result in a failure to comply with the required timing of settlement of such Units as otherwise specified in the Plan. For greater certainty, the pro ration calculation referred to above shall be net of previously vested Units.
- 7.2.4 **Death or Disability.** If a Participant dies while in his or her capacity as an Eligible Participant, or ceases to be an Eligible Participant as a result of a Disability, (i) the number of unvested Units that may vest in the then current vesting period is subject to pro ration (based on the vesting terms, including, if applicable, the achievement of Performance Criteria), up to the Termination Date, (ii) all unvested Options will be forfeited on the Termination Date, and (iii) vested Awards will remain exercisable until the earlier of one hundred eighty (180) days after the Termination Date or the expiry date of the Awards, after which time all Awards will expire. For greater certainty, if a Participant dies while in his or her capacity as an Eligible Participant, or ceases to be an Eligible Participant as a result of a Disability, the end of the one hundred eighty (180) day period during which Options may be exercised should fall within a Black-Out Period, the provisions of Section 3.4.2 shall apply to extend the end of such period to the tenth (10<sup>th</sup>) Business Day following the end of such Black-Out Period. Notwithstanding the foregoing, with respect to Units awarded to U.S. Participants, nothing in this paragraph will result in a failure to comply with the required timing of settlement of such Units as otherwise specified in the Plan. For greater certainty, the pro ration calculation referred to above shall be net of previously vested Awards. Notwithstanding any other provision of this Plan, the mandatory minimum one (1) year vesting period applicable to Units may not be accelerated in the case of a Disability of an Eligible Participant.
- 7.2.5 **Breach of Post-Employment Restrictive Covenants.** Notwithstanding the foregoing, if a Participant is determined to have breached any post-employment restrictive covenants in favour of the Corporation, then any Awards held by the Participant, whether vested or unvested, will immediately expire and the Participant shall pay to the Corporation any "in-the-money" amounts realized upon exercise of Awards following the Termination Date.

### 7.3 Unfunded Plan

Unless otherwise determined by the Board, this Plan shall be unfunded. To the extent any Participant or his or her estate holds any rights by virtue of a grant of Awards under this Plan, such rights (unless otherwise determined by the Board) shall be no greater than the rights of an unsecured creditor of the Corporation.

Notwithstanding the foregoing, any such determinations made by the Board shall be made in such manner as to ensure that the Options continuously meet the requirements of Section 7 of the Tax Act, the DSUs continuously meet the requirements of paragraph 6801(d) of the *Income Tax Regulations* (Canada) or any successor provision thereto and the PSUs and RSUs continue to satisfy the requirements in paragraph (k) to the definition of salary deferral arrangement in subsection 248(1) of the Tax Act.

#### **7.4 U.S. Securities Laws**

Neither the Awards nor the securities which may be acquired pursuant to the exercise or settlement of the Awards have been registered under the U.S. Securities Act or under any securities law of any state of the United States and are considered “restricted securities” (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act) and any Subordinate Voting Shares issuable pursuant to the Plan shall be affixed with an applicable restrictive legend as set forth in the respective award agreement. The Awards may not be offered or sold, directly or indirectly, in the United States except pursuant to registration under the U.S. Securities Act and the securities laws of all applicable states or available exemptions therefrom, and the Corporation has no obligation or present intention of filing a registration statement under the U.S. Securities Act in respect of any of the Awards or the securities underlying the Awards, which could result in such U.S. Awardee not being able to dispose of any Subordinate Voting Shares issued on exercise or settlement of Awards for a considerable length of time. Each U.S. Awardee will be required to complete an award agreement which sets out the applicable United States restrictions.

Notwithstanding any provisions contained in the Plan to the contrary and to the extent required by applicable U.S. state corporate laws, U.S. federal and state securities laws, the Code, and the applicable laws of any jurisdiction in which stock-based Awards are granted under the Plan, the terms attached hereto as Addendum A shall apply to all such Awards granted to residents of the State of California, until such time as the Board or the Committee, as applicable, amends Addendum A or the Board or the Committee, as applicable, otherwise provides.

### **ARTICLE 8 ADJUSTMENTS AND AMENDMENTS**

#### **8.1 Adjustment to Subordinate Voting Shares Subject to Outstanding Awards**

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

- 8.1.3 Subject to the prior approval of the Exchange, if at any time after the grant of an Award to any Participant and prior to the expiration of the term of such Award, the Subordinate Voting Shares shall be reclassified, reorganized or otherwise changed, otherwise than as specified in Section 8.1.1 or Section 8.1.2, or, subject to the provisions of Section 8.3.1, the Corporation shall consolidate, merge or amalgamate with or into another corporation (the corporation resulting or continuing from such consolidation, merger or amalgamation being herein called the “**Successor Corporation**”), the Participant shall be entitled to receive upon the subsequent exercise or vesting of such Award, in accordance with the terms hereof and shall accept in lieu of the number of Subordinate Voting Shares then subscribed for, but for the same aggregate consideration payable therefor, the aggregate number of shares of the appropriate class or other securities of the Corporation or the Successor Corporation (as the case may be) or other consideration from the Corporation or the Successor Corporation (as the case may be) that such Participant would have been entitled to receive as a result of such reclassification, reorganization or other change of shares or, subject to the provisions of Section 8.3.1, as a result of such consolidation, merger or amalgamation, if on the record date of such reclassification, reorganization or other change of shares or the effective date of such consolidation, merger or amalgamation, as the case may be, such Participant had been the registered holder of the number of Subordinate Voting Shares to which such Participant was immediately theretofore entitled upon such exercise or vesting of such Award.
- 8.1.4 Subject to the prior approval of the Exchange, if, at any time after the grant of an Award to any Participant and prior to the expiration of the term of such Award, the Corporation shall make a distribution to all holders of Subordinate Voting Shares or other securities in the capital of the Corporation, of cash, evidences of indebtedness or other assets of the Corporation (excluding an ordinary course dividend in cash or shares, but including for greater certainty shares or equity interests in a Subsidiary or business unit of the Corporation or one of its Subsidiaries or cash proceeds of the disposition of such a Subsidiary or business unit), or should the Corporation effect any transaction or change having a similar effect, then the price or the number of Subordinate Voting Shares to which the Participant is entitled upon exercise or vesting of such Award may be adjusted to take into account such distribution, transaction or change. The Board shall determine the appropriate adjustments (if any) to be made in such circumstances in order to maintain the Participants’ economic rights in respect of their Awards in connection with such distribution, transaction or change.
- 8.1.5 No fractional Subordinate Voting Share shall be delivered to a Participant under the Plan. Any fractional Share entitlement on settlement of a DSU, PSU or RSU shall be satisfied by the payment of an amount in cash equal to such fractional Subordinate Voting Share entitlement multiplied by the Market Value of one Subordinate Voting Share on the applicable exercise or settlement date. On exercise of an Option, the number of Subordinate Voting Shares shall be rounded down to the nearest whole number of Subordinate Voting Shares without payment in cash in lieu of a fractional Subordinate Voting Share.

## **8.2 Amendment or Discontinuance of the Plan**

- 8.2.1 The Board may amend the Plan or any Award at any time without the consent of the Participants provided that such amendment shall:
- (a) not adversely alter or impair any Award previously granted except as permitted by the provisions of Article 8;
  - (b) be in compliance with applicable law and subject to any regulatory approvals including, where required, the approval of the Exchange; and

- (c) be subject to shareholder approval, including disinterested shareholder approval, where required by law, the requirements of the Exchange or the provisions of the Plan, provided that shareholder approval shall not be required for the following amendments and the Board may make any changes which may include but are not limited to:
  - (i) any amendment to the vesting provisions of Awards, if applicable,
  - (ii) any amendment which accelerates the date on which any Award may be exercised under the Plan;
  - (iii) any amendment necessary to comply with applicable law or the requirements of the Exchange or any other regulatory body;
  - (iv) any amendment of a “housekeeping” nature, including, without limitation, to clarify the meaning of an existing provision of the Plan, correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan, correct any grammatical or typographical errors or amend the definitions in the Plan;
  - (v) any amendment regarding the administration of the Plan;
  - (vi) any amendment to add or amend provisions permitting a clawback; and
  - (vii) any other amendment that does not require the approval of the holders of Subordinate Voting Shares pursuant to the amendment provisions of the Plan.

The Board may, by resolution, but subject to applicable regulatory approvals, decide that any of the provisions hereof concerning the effect of termination of the Participant’s employment or engagement shall not apply for any reason acceptable to the Board, provided that any such Board decision will be undertaken (i) with regard to U.S. Participants only if it does not result in adverse tax consequences with respect to outstanding Awards resulting from failure to comply with Section 409A of the Code; and (ii) only if it does not cause (A) the Plan or the DSUs to cease to satisfy the requirements of paragraph 6801(d) of the regulations to the Tax Act and any applicable provincial tax laws and regulations, or any successor provisions thereto; (B) the Plan or the PSUs or RSUs to cease to satisfy the requirements of paragraph (k) of the definition of salary deferral arrangement in subsection 248(1) of the Tax Act and any applicable provincial tax laws and regulations, or any successor provisions thereto; or (C) the Plan or the Options to cease to meet the requirements of Section 7 of the Tax Act, as applicable.

8.2.2 Notwithstanding Section 8.2.1(c), the Board shall be required to obtain shareholder approval, including disinterested shareholder approval (when required by law, the requirements of the Exchange or the provisions of the Plan), to make the following amendments:

- (a) any amendment to the definition of “**Eligible Participant**”;
- (b) any change to the maximum number of Subordinate Voting Shares issuable from treasury under the Plan, except such increase by operation of Section 2.4 and in the event of an adjustment pursuant to Article 8;

- (c) any amendment to the limitations under the Plan on the number of Awards that may be granted to any one Person or any category of Persons (including Insiders and Persons retained to provide Investor Relations Activities);
- (d) the method for determining the Option Price of an Option;
- (e) any reduction in the Option Price of an Option held by an Insider;
- (f) any amendment which extends the expiry date of any Award held by an Insider, or the Unit Restriction Period of any Units beyond the original expiry date, except in case of an extension due to a Black-Out Period;
- (g) any amendment regarding the effect of termination of a Participant's employment or engagement;
- (h) any amendment to add or amend provisions permitting for the granting of cash-settled awards or a form of financial assistance; or
- (i) any amendment to the amendment provisions of the Plan.

8.2.3 The Board may, subject to regulatory approval, discontinue the Plan at any time without the consent of the Participants provided that such discontinuance shall not materially and adversely affect any Awards previously granted to a Participant under the Plan. Any amendment to outstanding Awards of U.S. Participants resulting from the application of this Section 8.2 shall be undertaken in a manner that complies with Section 409A of the Code to the extent it is applicable.

### 8.3 Change of Control

8.3.1 **Change of Control.** In the event of and in connection with a transaction that would constitute a Change of Control, notwithstanding anything else in this Plan but subject to the specific terms of any Grant Agreement to the contrary and the approval of the Exchange, if required, the Board shall have the right, in its discretion, to deal with any or all Award (or any portion thereof) issued under this Plan in the manner it deems fair and reasonable in the circumstances of the Change of Control, provided that with respect to Awards of U.S. Participants any such action or treatment of Awards will comply with the requirements of Section 409A of the Code, to the extent it is applicable. Without limiting the generality of the foregoing, in connection with a Change of Control, the Board, without any action or consent required on the part of any Participant, shall have the right to:

- (a) determine that the Awards, in whole or in part and whether vested or unvested, shall remain in full force and effect in accordance with their terms after the Change of Control;
- (b) provide for the conversion or exchange of any or all Awards (or any portion thereof, whether vested or unvested) into or for options, rights, units or other securities in any entity participating in or resulting from a Change of Control;
- (c) cancel any unvested Awards (or any portions thereof) without payment of any kind to any Participant;
- (d) accelerate the vesting of outstanding Awards;
- (e) provide for outstanding Awards (other than Options) to be purchased;

- (f) accelerate the date by which any or all Awards or any portion thereof, whether vested or unvested, must be exercised or settled either in whole or in part;
- (g) deem any or all Awards or any portion thereof, whether vested or unvested (including those accelerated pursuant to this Plan) to have been exercised or settled in whole or in part, tender, on behalf of the Participant, the underlying Subordinate Voting Shares that would have been issued pursuant to the exercise or settlement of such Awards to any third party purchaser in connection with the Change of Control, and cause the third party purchaser to pay an amount per underlying Subordinate Voting Share equal to the Change of Control price of the Subordinate Voting Share or, in the case of Options, the positive difference between the Change of Control price of the Subordinate Voting Share and the applicable Option Price;
- (h) cancel any or all outstanding Awards (including those accelerated under pursuant to this Plan) other than Options either in whole or in part and pay to the Participant an amount per underlying Subordinate Voting Share equal to the Change of Control price of the Subordinate Voting Share; or
- (i) take such other actions or combinations of the foregoing actions or any other actions permitted under this Section 8.3.1, as it deems fair and reasonable under the circumstances.

Notwithstanding the foregoing, any such determinations made by the Board shall be made in such manner as to ensure that the Options continuously meet the requirements of Section 7 of the Tax Act, the DSUs continuously meet the requirements of paragraph 6801(d) of the regulations to the Tax Act and the PSUs and RSUs continue to satisfy the requirements in paragraph (k) to the definition of salary deferral arrangement in subsection 248(1) of the Tax Act, in each case including any applicable provincial tax laws and regulations, or any successor provisions thereto.

#### **8.4 Settlement of DSUs**

Notwithstanding any other provision of this Plan, no amendment of the Plan or decision of the Board shall accelerate the settlement of a Participant's DSUs prior to the date on which the Participant (i) ceases to be a director of the Corporation; (ii) ceases to be employed by the Corporation or its Subsidiaries; (iii) ceases to provide services to the Corporation or its Subsidiaries, as applicable; or (iv) dies, as applicable. Further, with respect to U.S. Participants no amendment of the Plan or decision of the Board shall accelerate the settlement of the Participant's DSUs prior to the date on which the Participant experiences a Separation from Service unless such acceleration is permitted under Section 409A of the Code.

#### **8.5 Settlement of RSUs and PSUs during a Black-Out Period**

Notwithstanding any other provision of this Plan, in the event that a PSU Settlement Date or a RSU Settlement Date falls during a Black-Out Period or other trading restriction imposed by the Corporation and a Participant who is not a U.S. Participant has failed to delivered a Unit Settlement Notice, then such PSU Settlement Date or RSU Settlement Date shall be automatically extended to the tenth (10th) Business Day following the date that such Black-Out Period or other trading restriction is lifted, terminated or removed. With respect to Awards of U.S. Participants, the deadline for settlement of such PSUs and RSUs as set forth in the Plan will not be extended due to a Black-Out Period unless settlement during such Black-Out Period would violate applicable securities laws or other applicable laws or unless a delay in settlement until the end of the Black Out Period would be permitted under Section 409A of the Code.

## **ARTICLE 9 MISCELLANEOUS**

### **9.1 Use of an Administrative Agent and Trustee**

The Board may in its sole discretion appoint from time to time one or more entities to act as administrative agent to administer the Awards granted under the Plan and, subject to Section 7.3 of the Plan, to act as custodian to hold and administer the assets that may be held in respect of Awards granted under the Plan, the whole in accordance with the terms and conditions determined by the Board in its sole discretion. The Corporation and the administrative agent will maintain records showing the holdings of the respective Awards, vesting periods, Performance Criteria and Participants.

### **9.2 Tax Withholding**

9.2.1 Notwithstanding any other provision of this Plan, all distributions, delivery of Subordinate Voting Shares or payments to a Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) under the Plan shall be made net of all withholdings required by applicable law. If the event giving rise to a withholding obligation involves an issuance or delivery of Subordinate Voting Shares, then, the withholding obligation may be satisfied by (a) having the Participant elect to have the appropriate number of such Subordinate Voting Shares sold by the Corporation, the Corporation's transfer agent and registrar or any trustee appointed by the Corporation pursuant to Section 9.1, on behalf of and as agent for the Participant as soon as permissible and practicable, with the proceeds of such sale being delivered to the Corporation, which will in turn remit such amounts to the appropriate governmental authorities, or (b) any other mechanism as may be required or appropriate to conform with applicable law.

9.2.2 Notwithstanding Section 9.2.1, withholding in respect of Canadian income tax may be waived where a Participant who is not a U.S. Participant, who is an employee of the Corporation or a Subsidiary for the purposes of the Tax Act, directs in writing that a payment be made directly to the Participant's registered retirement savings plan and provides satisfactory written evidence that such payment is within the Participant's deduction limit for such plan for the taxation year in which the payment is made.

### **9.3 Reorganization of the Corporation**

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

### **9.4 Section 409A**

The Plan is intended to be exempt from or otherwise to comply with the requirements of Section 409A of the Code and the provisions of the Plan and any Grant Agreement shall be interpreted in a manner that satisfies the requirements of Section 409A of the Code, and the Plan shall be operated accordingly. If any provision of the Plan or any term or condition of any Award is ambiguous such that an interpretation of the provision would otherwise frustrate or conflict with this intent, the provision, term or condition will be interpreted so as to avoid frustrating or conflicting with this intent. If an amount payable under an Award as a result of a U.S. Participant experiencing a Separation from Service (other than due to death) at a time when the U.S. Participant is a Specified Employee constitutes a deferral of compensation subject to Section 409A of the Code, then payment of such amount shall not occur until six months and one day after the date

of the Participant's Separation from Service, except as permitted under Section 409A of the Code. If the Award includes a "series of installment payments" (within the meaning of Section 1.409A-2(b)(2)(iii) of the Treasury Regulations), the Participant's right to the series of installment payments shall be treated as a right to a series of separate payments and not as a right to a single payment, and if the Award includes "dividend equivalents" (within the meaning of Section 1.409A-3(e) of the Treasury Regulations), the Participant's right to the dividend equivalents shall be treated as a right to a payment or series of payments that is separate from the right to any other payments payable under the Award. For any Award that provides for accelerated distribution on a Change of Control of amounts that constitute "deferred compensation" (as defined in Section 409A of the Code), if the event that constitutes such Change of Control does not also constitute a change in the ownership or effective control of the Corporation, or in the ownership of a substantial portion of the Corporation's assets (in either case, as defined in Section 409A of the Code), such amount shall not be distributed on such Change of Control but instead shall vest as of such Change of Control and shall be distributed on the scheduled payment date specified in the Plan or applicable Grant Agreement, except to the extent that earlier distribution would not result in the Participant who holds such Award incurring interest or additional tax under Section 409A of the Code. With respect to any Award subject to Section 409A of the Code (and not exempt therefrom), a Participant will cease to be an Eligible Participant upon the occurrence of the Participant's Separation from Service. Notwithstanding the foregoing, the tax treatment of the benefits provided under the Plan or any applicable Grant Agreement is not warranted or guaranteed, and in no event shall the Corporation be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Participant on account of non-compliance with Section 409A of the Code.

#### **9.5 Governing Laws**

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

#### **9.6 Severability**

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

#### **9.7 Language**

Each Participant agrees with the Corporation that this Plan and all agreements, notices, declarations and documents accessory to the Plan be drafted in English only. *Chaque participant consent avec la société à ce que ce Plan ainsi que toutes conventions, avis, déclarations et documents afférents au Plan soient rédigés en anglais seulement.*

#### **9.8 Effective Date of the Plan**

This Plan, as amended on June 27, 2024, has been adopted by the Corporation on June 27, 2024 and approved by the shareholders of the Corporation on [●], 2024.

**ADDENDUM A  
OMNIBUS INCENTIVE PLAN**

**(California Participants)**

Notwithstanding anything to the contrary in any section within the Plan itself, the terms set forth herein shall apply to Awards issued to California Participants until such time as the Board (or the Committee, as applicable) amends this Addendum or the Board (or the Committee, as applicable) otherwise provides. “**California Participant**” means a Participant whose Award is issued in reliance on Section 25102(o) of the California Corporations Code. All capitalized terms used herein but not otherwise defined shall have the respective meanings set forth in the Plan.

1. The following rules shall apply to any Option in the event of termination of the Participant’s service to the Corporation or an affiliate:
  - (a) If such termination was for reasons other than death, “**Permanent Disability**” (as defined below), or cause, the Participant shall have at least 30 days after the date of such termination to exercise his or her Option to the extent the Participant is entitled to exercise on his or her termination date, provided that in no event shall the Option be exercisable after the expiration of the term as set forth in the Option Agreement.
  - (b) If such termination was due to death or Permanent Disability, the Participant shall have at least 6 months after the date of such termination to exercise his or her Option to the extent the Participant is entitled to exercise on his or her termination date, provided that in no event shall the Option be exercisable after the expiration of the term as set forth in the Option Agreement.

“**Permanent Disability**” for purposes of this Addendum shall mean the inability of the Participant, in the opinion of a qualified physician acceptable to the Corporation, to perform the major duties of the Participant’s position with the Corporation or any affiliate because of the sickness or injury of the Participant.

2. Unless determined otherwise by the Board or the Committee, as applicable, Awards may not be sold, pledged, assigned, hypothecated, or otherwise transferred in any manner other than by will or by the laws of descent and distribution, and may be exercised, during the lifetime of the Participant, only by the Participant. If the Board or the Committee, as applicable, makes an Award transferable, such Award may only be transferred (A) by will, (B) by the laws of descent and distribution, or (C) as permitted by Rule 701 of the U.S. Securities Act.
3. Notwithstanding anything to the contrary in any section within the Plan itself, the Board or the Committee, as applicable, shall in any event make such adjustments as may be required by Section 25102(o) of the California Corporations Code.
4. Notwithstanding anything stated herein to the contrary, No Award shall be granted to a resident of California more than ten years after the earlier of the date of adoption of the Plan or the date the Plan is approved by the shareholders of the Corporation.
5. The Corporation shall furnish summary financial information (audited or unaudited) of the Corporation’s financial condition and results of operations, consistent with the requirements of applicable law, at least annually to each California Participant during the period such Participant has one or more Awards outstanding, and in the case of an individual who acquired Subordinate Voting Shares, if and as applicable, pursuant to the Plan, during the period such Participant owns such Subordinate Voting Shares; provided, however, the Corporation shall not be required to provide such information if (i) the issuance is limited to key Persons whose duties in connection with the Corporation assure their access to equivalent information or (ii) the Plan or any Option

Agreement complies with all conditions of Rule 701 under the U.S. Securities Act; provided that for purposes of determining such compliance, any registered domestic partner shall be considered a "family member" as that term is defined in Rule 701 under the U.S. Securities Act.

6. The Plan or any increase in the maximum aggregate number of Subordinate Voting Shares issuable thereunder as provided in the Plan (the "**Authorized Shares**") shall be approved by a majority of the outstanding securities of the Corporation entitled to vote by the later of (a) a period beginning twelve (12) months before and ending twelve (12) months after the date of adoption thereof by the Board or (b) the first issuance of any security pursuant to the Plan in the State of California (within the meaning of Section 25008 of the California Corporations Code). Awards granted prior to security holder approval of the Plan or in excess of the Authorized Shares previously approved by the security holders shall become exercisable no earlier than the date of shareholder approval of the Plan or such increase in the Authorized Shares, as the case may be, and such Awards shall be rescinded if such security holder approval is not received in the manner described in the preceding sentence. Notwithstanding the foregoing, a foreign private issuer, as defined by Rule 3b-4 of the *United States Securities Exchange Act of 1934*, as amended, shall not be required to comply with this paragraph provided that the aggregate number of persons in California granted options under all option plans and agreements and issued securities under all purchase and bonus plans and agreements does not exceed 35.