

KITS EYECARE LTD.
RESTRICTED SHARE PLAN

November 5, 2020

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.01 **Definitions**

For purposes of this Plan, unless such word or term is otherwise defined herein or the context in which such word or term is used herein otherwise requires, the following words and terms with the initial letter or letters thereof capitalized shall have the following meanings:

- A. **“Act”** means the *Business Corporations Act* (British Columbia) or its successor, as amended from time to time;
- B. **“Associate”**, where used to indicate a relationship with any person or company, has the meaning as defined in the TSX Policies;
- C. **“Change of Control”** includes situations where, after giving effect to the contemplated transaction and as a result of such transaction:
 - (i) any one person or company holds a sufficient number of voting shares of the Company or resulting company to affect materially the control of the Company or resulting company, or;
 - (ii) any combination of persons or companies, acting in concert by virtue of an agreement, arrangement, commitment or understanding, holds in total a sufficient number of voting shares of the Company or its successor to affect materially the control of the Company or its successor,where such person or company or combination of persons or companies did not previously hold a sufficient number of voting shares to affect materially control of the Company or its successor. In the absence of evidence to the contrary, any person or company or combination of persons or companies acting in concert by virtue of an agreement, arrangement, commitment or understanding, holding more than 20% of the voting shares of the Company or resulting company is deemed to materially affect control of the Company or resulting company;
- D. **“Committee”** means the Directors or if the Directors so determine in accordance with Section 2.03 of the Plan, the committee of the Directors authorized to administer the Plan which includes any compensation committee of the board;
- E. **“Company”** means Kits Eyecare Ltd., a corporation incorporated under the Act;
- F. **“Deferred Payment Date”** means the date for a Participant under the Plan after the Restricted Period and not later than the Participant’s Retirement Date which the Participant has elected to defer receipt of Restricted Shares;
- G. **“Designated Affiliate”** means the affiliates of the Company designated by the Committee for purposes of the Plan from time to time;
- H. **“Directors”** means the board of directors of the Company from time to time;

- I. **“Eligible Contractor”** means consultants acting as independent contractors of the Company or any Designated Affiliate;
- J. **“Eligible Directors”** means the Directors and the directors of any Designated Affiliate from time to time;
- K. **“Eligible Employees”** means employees, including officers, whether Directors or not, and including both full-time and part-time employees, of the Company or any Designated Affiliate;
- L. **“Insider”** has the meaning is defined in the TSX Policies, other than a person who is an insider solely by virtue of being a director or senior officer of a subsidiary of the Company;
- M. **“Management Company Employee”** means an individual employed by a person providing management services to the Company, which are required for the ongoing successful operation of the business enterprise of the Company;
- N. **“Participant”** for the Plan means each Eligible Director, Eligible Contractor, Eligible Employee and Management Company Employees to whom Restricted Share Rights are granted;
- O. **“Plan”** means the Company’s restricted share plan, as same may be amended from time to time;
- P. **“Restricted Period”** means any period of time that a Restricted Share Right is not exercisable and the Participant holding such Restricted Share Right remains ineligible to receive Restricted Shares, determined by the Committee in its absolute discretion, however, such period of time may be reduced or eliminated from time to time and at any time and for any reason as determined by the Committee, including but not limited to circumstances involving the death or disability of a Participant;
- Q. **“Retirement”** in respect of a Participant means the Participant ceasing to be an Eligible Employee, Eligible Director, Eligible Contractor or Management Company Employee after attaining a stipulated age in accordance with the Company’s normal retirement policy or earlier with the Company’s consent;
- R. **“Retirement Date”** means the date that a Participant ceases to be an Eligible Employee, Eligible Director, Eligible Contractor or Management Company Employee due to the Retirement of the Participant;
- S. **“Restricted Share Rights”** has such meaning as ascribed to such term at Section 3.02 of this Plan;
- T. **“Restricted Shares”** means the Shares issuable in satisfaction of Restricted Share Rights;
- U. **“Shares”** means the common shares in the capital of the Company, as adjusted in accordance with the provisions of Article Five of this Plan;
- V. **“Termination”** means: (i) in the case of an Eligible Employee, the termination of the employment of the Eligible Employee with or without cause by the Company or a Designated Affiliate or cessation of employment of the Eligible Employee with the Company or a Designated Affiliate as a result of resignation or otherwise other than the Retirement of the Eligible Employee; (ii) in the case of an Eligible Director, the removal or failure to re-elect the Eligible Director as a director of the Company or a Designated

Affiliate; and (iii) in the case of an Eligible Contractor, the termination of the services of the Eligible Contractor by the Company or a Designated Affiliate;

- W. **"TSX"** means the Toronto Stock Exchange and any successor thereto; and
- X. **"TSX Policies"** means the policies included in the TSX Company Manual, as amended from time to time, and **"TSX Policy"** means any one of them.
- 1.02 **Securities Definitions:** In the Plan, the terms "affiliate" and "subsidiary" shall have the meanings given to such terms in the *Securities Act*, R.S.B.C. 1996, c. 418, or any successor legislation.
- 1.03 **Headings:** The headings of all articles, Sections, and paragraphs in the Plan are inserted for convenience of reference only and shall not affect the construction or interpretation of the Plan.
- 1.04 **Context, Construction:** Whenever the singular or masculine are used in the Plan, the same shall be construed as being the plural or feminine or neuter or vice versa where the context so requires.
- 1.05 **References to this Restricted Share Plan:** The words "hereto", "herein", "hereby", "hereunder", "hereof" and similar expressions mean or refer to the Plan as a whole and not to any particular article, Section, paragraph or other part hereof.
- 1.06 **Canadian Funds:** Unless otherwise specifically provided, all references to dollar amounts in the Plan are references to lawful money of Canada.

ARTICLE 2

PURPOSE AND ADMINISTRATION OF THE RESTRICTED SHARE PLAN

- 2.01 **Purpose of the Restricted Share Plan:** The Plan provides for the acquisition of Shares by Participants for the purpose of advancing the interests of the Company through the motivation, attraction and retention of employees, directors, management company employees and consultants of the Company and the Designated Affiliates and to secure for the Company and the shareholders of the Company the benefits inherent in the ownership of Shares by key employees, consultants and directors of the Company and Designated Affiliates, it being generally recognized that restricted share plans aid in attracting, retaining and encouraging employees, consultants, management company employees and directors due to the opportunity offered to them to acquire a proprietary interest in the Company.
- 2.02 **Administration of the Restricted Share Plan:** The Plan shall be administered by the Committee and the Committee shall have full authority to administer the Plan including the authority to interpret and construe any provision of the Plan and to adopt, amend and rescind such rules and regulations for administering the Plan as the Committee may deem necessary in order to comply with the requirements of the Plan. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and conclusive and shall be binding on the Participants and the Company. No member of the Committee shall be personally liable for any action taken or determination or interpretation made in good faith in connection with the Plan and all members of the Committee shall, in addition to their rights as Directors, be fully protected, indemnified and held harmless by the Company with respect to any such action taken or determination or interpretation made. The appropriate officers of the Company are hereby authorized and empowered to do all things and execute and deliver all instruments, undertakings and applications and writings as they, in their absolute discretion, consider necessary for the implementation of the Plan and of the rules and

regulations established for administering the Plan. All costs incurred in connection with the Plan shall be for the account of the Company.

2.03 **Delegation to Committee:** All of the powers exercisable hereunder by the Directors may, to the extent permitted by applicable law and as determined by resolution of the Directors, be exercised by a committee of the Directors comprised of not less than three (3) Directors, including any compensation committee of the board of directors of the Company, or by the Company's compensation committee.

2.04 **Record Keeping:** The Company shall maintain a register in which shall be recorded:

- (a) the name and address of each Participant in the Plan;
- (b) the number of Restricted Share Rights granted to each Participant under the Plan; and
- (c) the number of Restricted Shares issued to each Participant under the Plan.

2.05 **Determination of Participants and Participation:** The Committee shall from time to time determine the Participants who may participate in the Plan. The Committee shall from time to time determine the Participants to whom Restricted Share Rights shall be granted and the provisions and restrictions with respect to such grant(s), all such determinations to be made in accordance with the terms and conditions of the Plan, and the Committee may take into consideration the present and potential contributions of and the services rendered by the particular Participant to the success of the Company and any other factors which the Committee deems appropriate and relevant.

2.06 **Maximum Number of Shares:** The aggregate maximum number of Shares reserved for issuance from treasury under the Plan, together with all of the Company's other previously established or proposed share compensation arrangements, shall not exceed 10% of the issued and outstanding Shares from time to time. Notwithstanding the foregoing, the aggregate maximum number of Shares reserved for issuance under the Plan shall be reduced by that number of Restricted Share Rights (as defined below) which are issued in accordance with the provisions of the Plan.

The number of Shares which may, under the Plan together with all of the Company's other previously established or proposed share compensation arrangements, be:

- (a) issuable to Insiders (as a group), at any time, shall not exceed 10% of the total number of issued and outstanding Shares calculated on the date of the grant on a non-diluted basis;
- (b) issued to Insiders (as a group), within a 12 month period, shall not exceed 10% of the total number of issued and outstanding Shares, calculated on the date of the grant on a non-diluted basis; and
- (c) issued to any one Participant (and companies wholly owned by that Participant), within a 12 month period, shall not exceed 5% of the total number of issued and outstanding Shares on the date of the grant on a non-diluted basis.

Any Shares subject to a Restricted Share Right which has been grant under the Plan and which have been issued upon vesting, or cancelled or terminated in accordance with the terms of the Plan without the applicable Restricted Periods(s) having expired, will again be available for issuance under the Plan.

ARTICLE 3

RESTRICTED SHARE PLAN

- 3.01 **Restricted Share Plan:** The Plan is hereby established for the Participants.
- 3.02 **Participants:** Subject to Section 2.06 the Committee shall have the right to grant, in its sole and absolute discretion, to any Participant rights to acquire any number of fully paid and non-assessable Shares ("**Restricted Share Rights**") as a discretionary payment in consideration of past services to the Company, subject to the Plan and with such provisions and restrictions as the Committee may determine. Each Restricted Share Right shall entitle the Participant to receive one Share of the Company, without payment of additional consideration, at the end of the Restricted Period or, if applicable, at a later Deferred Payment Date, without any further action on the part of the holder of the Restricted Share Right in accordance with this Article Three.
- 3.03 **Restricted Share Right Grant Letter:** Each grant of a Restricted Share Right under the Plan shall be evidenced by a Restricted Share Right Grant Letter to the Participant from the Company. Such Restricted Share Right Grant Letter shall be subject to all applicable terms and conditions of the Plan and may be subject to any other terms and conditions which are not inconsistent with the Plan and which the Committee deems appropriate for inclusion in a Restricted Share Right Grant Letter. The provisions of the various Restricted Share Right Grant Letters issued under the Plan need not be identical.
- 3.04 **Restricted Period:** Upon the grant of Restricted Share Rights to a Participant, the Committee shall determine the Restricted Period applicable to such Restricted Share Rights.
- 3.05 **Deferred Payment Date:** Participants may elect to defer the receipt of all or any part of their entitlement to Restricted Shares until a Deferred Payment Date. **HOWEVER**, for greater certainty, a Participant's entitlement to receive Restricted Shares may not be deferred by a Participant to a date which is later than December 31st of the third calendar year following the date of grant of the Restricted Share Rights to the Participant, or such later date as may be expressly permitted by the Company and applicable income tax laws. In addition, at the time of grant of Restricted Shares Rights to a Participant, the Committee may also elect to defer the delivery of all or any part of a Participant's entitlement to Restricted Shares until a Deferred Payment Date which will be set out in the Restricted Share Right Grant Letter.
- 3.06 **Prior Notice of Deferred Payment Date:** Participants who elect to set a Deferred Payment Date must give the Company written notice of such Deferred Payment Date not later than thirty (30) days prior to the expiration of the applicable Restricted Period.
- 3.07 **Retirement or Termination during Restricted Period:** In the event of the Retirement or Termination of a Participant during the Restricted Period, any Restricted Share Rights held by the Participant shall immediately terminate and be of no further force or effect, provided that the Committee has the absolute discretion to waive such termination.
- 3.08 **Retirement or Termination after Restricted Period:** In the event of the Retirement or Termination of the Participant following the Restricted Period and, if applicable, prior to the Deferred Payment Date, the Company shall issue forthwith the Restricted Shares in accordance with the Restricted Share Rights held by the Participant.
- 3.09 **Payment of Dividends:** Subject to the absolute discretion of the Committee, the Committee may determine to pay Participants cash equal to any cash dividends declared on Shares that would be payable on Restricted Shares issuable in accordance with the Restricted Share Rights for which the Restricted Period has not expired in the manner and at the time such dividends are ordinarily paid to holders of Shares. The Company

shall pay Participants cash equal to any cash dividends declared and paid on Shares that would be payable on Restricted Shares after the applicable Restricted Period, if the Deferred Payment Date has not occurred, in the manner and at the time such dividends are ordinarily paid to holders of Shares.

- 3.10 **Death or Disability of Participant:** In the event of the death or total disability of a Participant, any Restricted Shares represented by Restricted Share Rights held by the Participant shall be immediately issuable by the Company.
- 3.11 **Change of Control:** In the event of a Change of Control, the Company shall forthwith issue Restricted Shares notwithstanding the Restricted Period and any applicable Deferred Payment Date.
- 3.12 **Necessary Approvals:** The Plan shall be subject to the approval of the shareholders of the Company to be given by a resolution passed at a meeting of the shareholders of the Company or by a written resolution of all of the shareholders of the Company in accordance with the Act and acceptance by the TSX or any regulatory authority having jurisdiction over the securities of the Company.
- 3.13 **Term of the Restricted Share Plan:** The Plan herein shall become effective on the date on which it is approved by the shareholders. The Plan shall remain in effect until it is terminated by the Company's board of directors.

ARTICLE 4 WITHHOLDING TAXES

- 4.01 **Withholding Taxes:** The Company or any Designated Affiliate may take such steps as are considered necessary or appropriate for the withholding of any taxes which the Company or any Designated Affiliate of the Company is required by any law or regulation of any governmental authority whatsoever to withhold in connection with any Share including, without limiting the generality of the foregoing, the withholding of all or any portion of any payment or the withholding of the issue of Shares to be issued under the Plan, until such time as the Participant has paid the Company or any Designated Affiliate of the Company for any amount which the Company or Designated Affiliate of the Company is required to withhold with respect to such taxes or other amounts. Without limitation to the foregoing, the Committee may adopt administrative rules under the Plan which provide for the sale of Restricted Shares (or a portion thereof) in the market upon the issuance of such Shares under the provisions of the Plan to satisfy withholding obligations under the Plan.

ARTICLE 5 GENERAL

- 5.01 **Effective Time of Restricted Share Plan:** The Plan shall become effective upon a date to be determined by the Company's board of directors.
- 5.02 **Amendment of Restricted Share Plan:** The Committee may from time to time in the absolute discretion of the Committee amend, modify and change the provisions of the Plan without shareholder approval, provided that any amendment, modification or change to the provisions of the Plan which would:
- (a) materially increase the benefits under the Plan;
 - (b) increase the number of Shares, other than by virtue of Sections 5.07 and 5.08 of the Plan, which may be issued pursuant to the Plan; or

(c) materially modify the requirements as to eligibility for participation in the Plan;

shall only be effective upon such amendment, modification or change being approved by the shareholders of the Company, if required by the TSX and any other regulatory authority having jurisdiction over the securities of the Company. Any amendment, modification or change of any provision of the Plan shall be subject to approval, if required, by any regulatory authority having jurisdiction over the securities of the Company.

5.03 **Non-Assignable:** Except as otherwise may be expressly provided for under this Plan or pursuant to a will or by the laws of descent and distribution, no Restricted Share Right and no other right or interest of a Participant is assignable or transferable.

5.04 **Rights as a Shareholder:** No holder of any Restricted Share Rights shall have any rights as a shareholder of the Company prior to the end of the applicable Restricted Period or Deferred Payment Date, if applicable. Subject to Section 3.09, no holder of any Restricted Share Rights shall be entitled to receive, and no adjustment shall be made for, any dividends, distributions or any other rights declared for shareholders of the Company for which the record date is prior to the end of the Restricted Period or prior to the Deferred Payment Date, if applicable.

5.05 **No Contract of Employment:** Nothing contained in the Plan shall confer or be deemed to confer upon any Participant the right to continue in the employment of, or to provide services to, the Company or any Designated Affiliate nor interfere or be deemed to interfere in any way with any right of the Company or any Designated Affiliate to discharge any Participant at any time for any reason whatsoever, with or without cause. Participation in the Plan by a Participant shall be voluntary.

5.06 **Automatic Extension of Restricted Period or Deferred Payment Date during Black Outs:** In the event any Restricted Period expires or a Deferred Payment Date occurs during a self imposed black out period on trading securities of the Company, such Restricted Period or Deferred Payment Date shall be automatically extended until 48 hours after such black out period has expired. Notwithstanding Section 3.07, if a Restricted Period is automatically extended pursuant to this Section 5.06, in the event of the Retirement or Termination of a Participant during the time the Restricted Period was extended, the Restricted Share Rights so extended held by the Participant shall not be terminated in accordance with Section 3.07 and shall continue to be in effect.

5.07 **Adjustment in Number of Shares Subject to the Restricted Share Plan:** In the event there is any change in the Shares, whether by reason of a stock dividend, consolidation, subdivision, reclassification or otherwise, an appropriate adjustment shall be made by the Committee in:

- (a) the number of Shares available under the Plan; and
- (b) the number of Shares subject to any Restricted Share Rights.

If the foregoing adjustment shall result in a fractional Share, the fraction shall be disregarded. All such adjustments shall be conclusive, final and binding for all purposes of the Plan.

5.08 **Take-over Bid:** In the event that the Company becomes the subject of a take-over bid pursuant to which 100% of the issued and outstanding Shares are acquired by the offeror either directly or as a result of the compulsory acquisition provisions of the incorporating statute, and where consideration is paid in whole or in part in equity securities of the offeror, the Committee may send notice to all holders of Restricted Share Rights requiring

them to surrender their Restricted Share Rights within 10 days of the mailing of such notice, and the holders of Restricted Share Rights shall be deemed to have surrendered such Restricted Share Rights on the tenth (10th) day after the mailing of such notice without further formality, provided that:

- (a) the offeror delivers with such notice an irrevocable and unconditional offer to grant replacement restricted share rights to the holders of Restricted Share Rights on the equity securities offered as consideration;
- (b) the Committee has determined, in good faith, that such replacement restricted share rights have substantially the same economic value as the Restricted Share Rights being surrendered; and
- (c) the surrender of Restricted Share Rights and the granting of replacement restricted share rights can be effected on a tax-deferred basis under the *Income Tax Act* (Canada).

5.09 **No Representation or Warranty:** The Company makes no representation or warranty as to the future market value of any Shares issued in accordance with the provisions of the Plan.

5.10 **Compliance with Applicable Law:** If any provision of the Plan or any Restricted Share Right contravenes any law or any order, policy, by-law or regulation of any regulatory body having jurisdiction, then such provision shall be deemed to be amended to the extent necessary to bring such provision into compliance therewith.

5.11 **Interpretation:** This Plan shall be governed by and construed in accordance with the laws of the Province of British Columbia.

**STOCK OPTION PLAN
OF**

KITS EYECARE LTD.

November 5, 2020

**ARTICLE 1
PURPOSE OF PLAN**

1.1 The purpose of this Stock Option Plan (the "**Plan**") of Kits Eyecare Ltd. (the "**Company**") is to advance the interests of the Company by encouraging the directors, officers, employees and consultants of the Company and its subsidiaries by providing them with the opportunity, through options ("**Options**"), to acquire common shares in the share capital of the Company (the "**Common Shares**"), thereby increasing their proprietary interest in the Company, encouraging them to remain associated with the Company and furnishing them with additional incentive in their efforts on behalf of the Company in the conduct of its affairs.

**ARTICLE 2
ADMINISTRATION OF PLAN**

2.1 Except as otherwise provided herein, this Plan shall be administered by the board of directors of the Company (the "**Board**") and the Board shall have full authority to administer this Plan, including the authority to interpret and construe any provision of this Plan and to adopt, amend and rescind such rules and regulations for administering this Plan as the Board may deem necessary in order to comply with the requirements of this Plan. All of the powers exercisable hereunder by the Board may, to the extent permitted by applicable law and as determined by resolution of the Board, be delegated to and exercised by the compensation committee of the Board or such other committee as the Board may determine.

2.2 Subject to the provisions of the Plan, the Board shall have authority to construe and interpret the Plan and all Option Agreements (as defined herein) entered into thereunder, to define the terms used in the Plan and in all Option Agreements, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations necessary or advisable for the administration of the Plan. All determinations and interpretations made by the Board shall be binding and conclusive on all Optionees (as defined herein) under the Plan and on their legal personal representatives and beneficiaries.

2.3 Each Option to purchase Common Shares granted hereunder may be evidenced by an agreement in writing, signed on behalf of the Company and by the Optionee (as defined herein), in such form as the Board shall approve (an "**Option Agreement**"). Each Option Agreement shall recite that it is subject to the provisions of this Plan.

**ARTICLE 3
STOCK EXCHANGE RULES**

3.1 All Options granted pursuant to this Plan shall be subject to rules and policies of the Toronto Stock Exchange and any other stock exchange on which the Common Shares may be listed, from time to time, and any other regulatory body having jurisdiction (hereinafter collectively referred to as, the "**Exchange**").

ARTICLE 4
SHARES SUBJECT TO PLAN

4.1 Subject to adjustment as provided in Article 15 hereof, the Common Shares to be offered under the Plan shall consist of authorized but unissued Common Shares of the Company. The aggregate number of Common Shares issuable upon the exercise of all Options granted under the Plan shall not exceed 10% of the issued and outstanding common shares of the Company from time to time. If any Option granted hereunder is validly exercised or shall expire or terminate for any reason in accordance with the terms of the Plan without being exercised, the Common Shares subject thereto shall again be available for the purpose of this Plan.

4.2 The maximum number of Common Shares which may be:

- (a) issuable to Insiders (as defined in the policies of the Exchange), at any time, under all security based compensation arrangements of the Company pursuant to which Common Shares may be issued including, without limitation, this Plan, shall not exceed 10% of the issued and outstanding Common Shares at the time of issuance (on a non-diluted basis); and
- (b) issued to Insiders (as defined in the policies of the Exchange) under the Plan together with all of the Company's other previously established or proposed security based compensation arrangements pursuant to which Common Shares may be issued within a twelve-month period shall not exceed 10% of the issued and outstanding Common Shares at the time of issuance (on a non-diluted basis).

ARTICLE 5
MAINTENANCE OF SUFFICIENT CAPITAL

5.1 The Company shall at all times during the term of the Plan keep available such numbers of Common Shares as will be sufficient to satisfy the requirements of the Plan.

ARTICLE 6
ELIGIBILITY AND PARTICIPATION

6.1 Options may be granted to directors, officers, consultants and employees of the Company or any of its subsidiaries pursuant to the Plan (such persons collectively referred to as the "**Optionees**" and individually, an "**Optionee**"). Subject to compliance with applicable requirements of the Exchange, Optionees may elect to hold Options granted to them in an incorporated entity wholly owned by them and such entity shall be bound by the Plan in the same manner as if the Options were held by the Optionee.

6.2 Subject to the terms hereof, the Board shall determine to whom Options shall be granted, the terms and provisions of the respective Option Agreements, the time or times at which such Options shall be granted and vested, and the number of Common Shares to be subject to each Option. In the case of employees or consultants of the Company, the Option Agreements to which they are a party must contain a representation of the Company that such employee or consultant, as the case may be, is a bona fide employee or consultant of the Company or any of its subsidiaries.

6.3 An Optionee who has been granted an Option may, if such Optionee is otherwise eligible, and if permitted under the policies of the Exchange, be granted an additional Option if the Board shall so determine.

6.4 Notwithstanding the foregoing, if in special circumstances a person is in the regular service of the Company or its subsidiaries as an officer, director, consultant or otherwise, but is not actually an employee of the Company or its subsidiaries, then with the approval of the Board and of the Exchange, Options may be granted under the Plan to such person subject to terms and conditions as may be determined by the Board and accepted by the Exchange, provided applicable securities laws and regulations are complied with. Subject to the foregoing, the terms and conditions of the Plan shall apply to any such Option.

ARTICLE 7 EXERCISE PRICE

7.1 The exercise price of an Option shall be determined by the Board at the time the Option is granted, but shall not be less than the "market price" of the Common Shares subject to the maximum discount permitted by the Exchange on the last trading day prior to the date on which such Option is granted. For purposes of the Option Plan, the "market price" is the last closing price of the Common Shares on the Exchange prior to the date of the grant of the Option. In the event that the Common Shares did not trade on the last business day prior to the date of the grant of the Option, as the case may be, the market price shall be the volume weighted average trading price of the Common Shares on the Exchange for the five (5) trading days preceding the date of the grant. In the event that the Common Shares are not listed and posted for trading on any exchange, the market price is the fair market value of such shares as determined by the Board in its sole discretion.

7.2 Once the exercise price has been determined by the Board, accepted by the Exchange and the Option has been granted, the exercise price of an Option may be reduced upon receipt of Board approval, provided that in the case of Options held by Insiders of the Company (as defined in the policies of the Exchange), the exercise price of an Option may be reduced only if approval is obtained from disinterested shareholders of the Company, except for adjustments made pursuant to Section 15.1.

ARTICLE 8 NUMBER OF OPTIONED SHARES

8.1 The number of Common Shares subject to Options granted to any one Optionee shall be determined by the Board, but no one Optionee shall be granted Options which exceeds the maximum number permitted by the Exchange.

8.2 No single Optionee may be granted Options to purchase a number of Common Shares equaling more than 5% of the issued and outstanding Common Shares of the Company in any twelve-month period, calculated on the date the Option is granted, unless the Company has obtained disinterested shareholder approval in respect of such grant and meets applicable Exchange requirements.

ARTICLE 9 OPTION EXPIRY, VESTING

9.1 Each Option and all rights thereunder shall be expressed to expire on the date (the "**Expiry Date**") set out in the Option Agreement and shall be subject to earlier termination as provided in Articles 11 and 12.

9.2 Subject to any vesting restrictions imposed by the Exchange, the Board may, in its sole discretion, determine the time during which Option shall vest and the method of vesting, or that no vesting restriction shall exist.

9.3 Subject to any vesting restrictions imposed by the Board, an Option may be exercised at any time on or prior to its Expiry Date. No Option shall be exercisable after the expiration of ten (10) years after the effective date of grant of such Option. To the extent required by the Exchange, no Option may be exercised under this Plan until this Plan has been approved by a resolution duly passed by the shareholders of the Company.

9.4 Should the Expiry Date for an Option fall within an interval of time during which the Company has determined that one or more Optionees may not trade any securities of the Company because they may be in possession of undisclosed material information pertaining to the Company or in anticipation of the release of quarterly or annual financials, to avoid potential conflicts associated with applicable securities legislation, (which, for greater certainty, does not include the period during which a cease trade order is in effect to which the Company, or in respect of an Insider, that Insider, is subject) (a "**Blackout Period**"), such Expiry Date shall be automatically extended without any further act or formality to that day which is the tenth (10th) business day after the end of the Blackout Period, such tenth business day to be considered the Expiry Date for such Option for all purposes under the Plan. The tenth business day period referred to in this Article 9 may not be extended by the Board.

ARTICLE 10 OPTION EXERCISE

10.1 Except as set forth in Articles 11 and 12, no Option may be exercised unless the Optionee is at the time of such exercise a director, officer, consultant, or employee of the Company or any of its subsidiaries.

10.2 The exercise of any Option will be contingent upon receipt by the Company at its head office of a written notice of exercise, addressed to the Chief Executive Officer of the Company, specifying the number of Common Shares with respect to which the Option is being exercised, and subject to section 10.3 below, accompanied by cash payment, certified cheque, bank draft or wire transfer for the full purchase price of such Common Shares with respect to which the Option is exercised. Certificates for such Common Shares shall be issued and delivered to the Optionee within a reasonable time following the receipt of such notice and payment. Neither the Optionee nor his or her legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any Common Shares unless and until the certificates for the Common Shares issuable pursuant to Option under the Plan are issued to him or her under the terms of the Plan.

10.3 Subject to Board approval, not to be unreasonably withheld, an Optionee may elect, in its sole discretion, to undertake: (i) a "cashless exercise" pursuant to which the Company or its designee (including third party administrators) may deliver a copy of irrevocable instructions to a broker engaged for such purposes to sell the Common Shares otherwise deliverable upon the exercise of the Option and to deliver promptly to the Company an amount equal to the exercise price of the Option and all applicable required withholding obligations contemplated by Section 20.1 against delivery of the Common Shares to settle the applicable trade; or (ii) a "net exercise" procedure effected by the Optionee surrendering the applicable portion of a then vested and exercisable Option to the Company, that number of Common Shares, disregarding fractions, equal to the value of the exercise price of the Option. In connection with such net exercise, the Optionee shall be entitled to receive such number of whole Common Shares (rounded down to the nearest whole number) obtained pursuant to the following formula:

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

where:

a = the net number of Common Shares to be issued to the Optionee;

b = the number of Common Shares under the Option being exercised;
 c = the closing market price of the Common Shares determined as of the day before the date of delivery of the notice of exercise referred to in Section 10.2; and
 d = the exercise price of the Option;

In the event of a cashless or net exercise pursuant to this Section 10.3: (i) the Optionee shall comply with Section 20.1 of the Plan with regards to any applicable withholding obligations; and (ii) shall comply with all such other procedures and policies as the Board may prescribe or determine to be necessary or advisable from time to time including prior written consent of the Board, in connection with such exercise. No fractional Common Shares will be issued upon an Optionee making an election pursuant to this Section 10.3. If the number of Common Shares to be issued to the Optionee in the event of such an election would otherwise include a fraction of a Common Share, the Optionee will have the right to acquire only the next lowest whole number of Common Shares or other security and no payment or other adjustment will be made with respect to the fractional interest so disregarded.

10.4 Notwithstanding any of the provisions contained in this Plan or in any Option, any and all obligations of the Company whatsoever to issue Common Shares to an Optionee pursuant to the exercise of an Option and/or this Plan shall at all times be subject to:

- (a) completion of such registration or other qualification of such Common Shares or obtaining approval of such governmental authority as the Company shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof;
- (b) the Company being satisfied that the issuance of such Common Shares shall not (whether with notice or the passage of time or both) breach, violate or be contrary to any of its constating documents, partnership agreements, applicable laws, regulations, Exchange rules and policies and agreements to which it is a party;
- (c) the admission of such Common Shares to listing on any Exchange on which the Common Shares may be then listed; and
- (d) the receipt from the Optionee of such representations, agreements and undertaking, including as to future dealings in such Common Shares, as the Company or its counsel determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction.

In this regard, the Company shall, to the extent necessary, take all reasonable steps to obtain such approvals, registrations and qualifications as may be necessary for the issuance of such Common Shares in compliance with applicable securities laws and for the listing of such Common Shares on any Exchange on which the Common Shares are then listed.

10.5 If, as and when any Common Shares have been duly purchased and paid for in cash under the terms of an Option granted under the Plan and subject to compliance with any applicable legal or regulatory requirements, such Common Shares shall be allotted and issued as fully-paid and non-assessable Common Shares.

ARTICLE 11 CEASING TO BE A DIRECTOR, OFFICER, CONSULTANT OR EMPLOYEE

11.1 If an Optionee shall cease to be a director, officer, employee or consultant of the Company or any of its subsidiaries for cause, no Option held by such Optionee shall be exercisable following the date

on which such Optionee ceases to be such a director, officer, employee or consultant. If an Optionee ceases to be a director, officer, employee or consultant of the Company or any of its subsidiaries for any reason other than for cause or by virtue of death, any Option held by such Optionee at such time shall remain exercisable in full at anytime, and in part from time to time, for a period of 90 days after the date on which the Optionee ceases to be such a director, officer, employee or consultant or 30 days in the case of an Optionee who is engaged in investor relations activities at the time his services cease or, in either case, prior to the Expiry Date in respect of the Option, whichever is sooner, and then only to the extent that such Optionee was entitled to exercise the Option at such time, subject to the provisions of any employment agreement.

11.2 Nothing contained in the Plan, nor in any Option granted pursuant to the Plan, shall as such confer upon any Optionee any right with respect to continuance as a director, consultant or employee of the Company or of any of its subsidiaries.

11.3 No Option shall be affected by any change of employment of any director, officer, employee or consultant of the Company or any of its subsidiaries.

ARTICLE 12 DEATH OF OR ILLNESS TO OPTIONEE

12.1 In the event that an Optionee becomes temporarily or permanently, mentally or physically, ill, injured or otherwise disabled during such Optionee's term of employment with the Company or its subsidiaries to such an extent that such Optionee is not able to attend at work on behalf of the Company or its subsidiaries, and is in receipt of benefits from any long term disability plan sponsored by the Company, such Optionee may exercise all the Options granted to him or her in accordance with Section 9.3 hereof until such time as such Optionee is formally terminated from employment or has retired or resigned from employment with the Company or its subsidiaries, at which time the provisions of Section 11.1 shall apply thereof.

12.2 In the event of the death of any Optionee, the legal representatives of the deceased Optionee shall have the right for a period of one year from the date of death of such Optionee, or until the Expiry Date of the Option rights of such Optionee, whichever is earlier, to exercise the deceased Optionee's Options under the Plan to the extent that they were exercisable on the date of death. Upon the expiration of such period all unexercised Option rights of the deceased Optionee shall immediately terminate and shall lapse notwithstanding the original term of the Options granted to the deceased Optionee under the Plan.

ARTICLE 13 RIGHTS OF OPTIONEE

13.1 No person entitled to exercise any Option granted under the Plan shall have any of the rights or privileges of a shareholder of the Company in respect of any Common Shares issuable upon exercise of such Option until certificates representing such Common Shares shall have been issued and delivered.

ARTICLE 14 PROCEEDS FROM SALE OF SHARES

14.1 The proceeds from the sale of Common Shares issued upon the exercise of any Options shall be added to the general funds of the Company and shall thereafter be used from time to time for such corporate purposes as the Board may determine.

**ARTICLE 15
ADJUSTMENTS**

15.1 If the outstanding Common Shares of the Company are increased, decreased, changed into or exchanged for a different number or kind of shares or securities of the Company through re-organization, merger, re-capitalization, re-classification, stock dividend, subdivision or consolidation, an appropriate and proportionate adjustment shall be made by the Board in its discretion in the number or kind of Common Shares optioned and the exercise price per Common Share, in regards to previously granted and unexercised Options or portions thereof, and in regards to Options which may be granted subsequent to any such change in the Company's capital. Adjustments under this Article shall be made by the Board whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional shares shall be required to be issued under the Plan on any such adjustment.

15.2 Upon the liquidation or dissolution of the Company, the Plan shall terminate, and any Options granted hereunder shall terminate.

15.3 In the event of a proposal of any of the following (a "**Change of Control**"):

- (a) a re-organization, merger or consolidation of the Company with one or more corporations as a result of which the Company is not the surviving corporation;
- (b) the sale of substantially all of the assets or the then outstanding Common Shares of the Company to another person or entity;
- (c) a person or entity, other than the current "control person" of the Company (as that term is defined in the *Securities Act* (British Columbia)), becomes a "control person" of the Company; or
- (d) a majority of the directors elected at any annual or extraordinary general meeting of shareholders of the Company are not individuals nominated by the Company's then-incumbent board of directors;

all Options granted which have not yet vested shall immediately vest without consideration as to time or any other vesting provision set forth in the Plan or Option Agreements governing such Options, provided that such vesting is not in violation of the then current policies of the Exchange, if applicable, and all Optionees then entitled to exercise Options then outstanding shall have the right at such time immediately prior to consummation of the Change of Control to exercise their Options to the full extent not theretofore exercised. Upon consummation of the Change of Control, the Plan shall terminate and any Options granted hereunder that remain unexercised upon termination shall also terminate.

**ARTICLE 16
TRANSFERABILITY**

16.1 All benefits, rights and Options accruing to any Optionee in accordance with the terms and conditions of the Plan are non-assignable and non-transferable.

**ARTICLE 17
AMENDMENT AND TERMINATION OF PLAN**

17.1 The Board may at any time or from time to time, in its sole and absolute discretion and without the approval of shareholders of the Company, amend, suspend, terminate or discontinue the Plan and may amend the terms and conditions of any Option granted hereunder, subject to (a) any required approval of the Exchange and (b) any approval of shareholders of the Company as required by the rules of the Exchange or applicable law, 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:

- (a) amendments of a "housekeeping nature";
- (b) amendments for the purpose of curing any ambiguity, error or omission in the Plan or to correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan;
- (c) amendments which are necessary to comply with applicable law or the requirements of the Exchange;
- (d) amendments respecting administration and eligibility for participation under the Plan;
- (e) changes to the terms and conditions on which Options may be or have been granted pursuant to the Plan, including changes to the vesting provisions and terms of any Option;
- (f) amendments which alter, extend or accelerate the terms of vesting applicable to Options granted pursuant to the Plan; and
- (g) changes to the termination provisions of an Option or the Plan which do not entail an extension beyond the original Expiry Date.

If the Plan is terminated, prior Options shall remain outstanding and in effect in accordance with their applicable terms and conditions.

17.2 The Company shall obtain shareholder approval for the following amendments to the Plan:

- (a) a reduction in the exercise price or purchase price benefiting an Insider of the Company (as set out in Section 7.2);
- (b) any increase in the maximum number of Common Shares issuable pursuant to Options granted under the Plan, other than an adjustment pursuant to Section 15.1;
- (c) any extension of the Expiry Date of an Option, except in case of an extension due to a Blackout Period;
- (d) any amendment to remove or exceed the Insider participation limit as set out in Section 4.2, subject to any adjustment pursuant Section 15.1; and
- (e) any amendment to Article 17.

For the purpose of Subsections 17.2 (a), (b) and (c), votes from securities held directly or indirectly by Insiders benefiting directly or indirectly from the amendment are excluded.

**ARTICLE 18
NECESSARY APPROVALS**

18.1 The ability of an Optionee to exercise Options and the obligation of the Company to issue and deliver Common Shares in accordance with the Plan are subject to any approvals, which may be required from shareholders and any regulatory authority or Exchange having jurisdiction over the securities of the Company. If any Common Shares cannot be issued to any Optionee for whatever reason, the obligation of the Company to issue such Common Shares shall terminate and any Option exercise price paid to the Company will be returned to the Optionee.

**ARTICLE 19
EFFECTIVE DATE OF PLAN**

19.1 The Plan has been adopted by the Board subject to the approval of the Exchange and shareholders of the Company and, if so approved, subject to the discretion of the Board, the Plan shall become effective upon such approvals being obtained. For the avoidance of doubt, once this Plan is in effect, all options granted under previous option plans of the Company will remain issued and outstanding; however, such previously granted options will be subject to the terms of this Plan.

**ARTICLE 20
WITHHOLDING TAXES**

20.1 The Company may take such steps as are considered necessary or appropriate for the withholding of any taxes which the Company is required by any law or regulation of any governmental authority whatsoever to withhold in connection with this Plan, any Option, the exercise or surrender by an Optionee of any Option or any Common Share including, without limiting the generality of the foregoing, the withholding of all or any portion of any payment or the withholding of the issue of Common Shares to be issued under the Plan, until such time as the Optionee has paid the Company for any amount which the Company is required to withhold with respect to such taxes or other amounts. Without limitation to the foregoing, the Board may adopt administrative rules under the Plan which provide for the sale of Common Shares (or a portion thereof) in the market upon the exercise of any Option under the provisions of the Plan to satisfy withholding obligations under the Plan.

**ARTICLE 21
INTERPRETATION**

21.1 The Plan will be governed by and construed in accordance with the laws of the Province of British Columbia.

21.2 In this Plan, capitalized terms used herein that are not otherwise defined herein shall have the meaning ascribed thereto in the Company Manual of the Toronto Stock Exchange.

21.3 Nothing in this Plan or in any Option shall confer upon any director, officer, employee or consultant any right to continue in the employ of the Company or any of its subsidiaries or affect in any way the right of the Company or any of its subsidiaries to terminate his employment at any time; nor shall anything in this Plan or in any Option be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Company or any of its subsidiaries to extend the employment of any Optionee beyond the time that he would normally retire pursuant to the provisions of any present or future retirement plan of the Company or any of its subsidiaries or beyond the time at which he would otherwise be retired pursuant to the provisions of any contract of employment with the Company or any of its subsidiaries.

21.4 Nothing in this Plan or any Option shall confer on any Optionee any right to continue providing ongoing services to the Company or affect in any way the right of the Company or any such entity to terminate his, her or its contract at any time, nor shall anything in this Plan or any Option be deemed or construed as an agreement, or an expression of intent, on the part of the Company or any such entity to extend the time for the performance of the ongoing services beyond the time specified in the contract with any such entity.

21.5 References herein to any gender include all genders.

KITS EYECARE, LTD.
Stock Option Plan
September 25, 2019

1. Purpose

The purpose of this Stock Option Plan (the "**Plan**") is to develop the interest of officers, directors, employees and consultants of KITS EYECARE, LTD. (the "**Corporation**") and its subsidiaries by providing them with the opportunity to acquire an increased proprietary interest in the Corporation through the acquisition of common shares of the Corporation (the "**Common Shares**") by way of option (the "**Options**").

2. Administration

The Plan shall be administered by the Board of Directors of the Corporation (the "**Board**"), or such committee as shall be appointed by the Board.

3. Employees Eligible and Granting of Option

3.1 Options may be granted from time to time to officers, directors, consultants and regular full and part-time employees of the Corporation and its subsidiaries. In accordance with this Plan, the Board shall determine:

- a) to whom Options shall be granted ("Optionees");
- b) the number of Common Shares to be optioned to each person, provided the total number of Common Shares to be issued under such Options or any one of them shall not at any time exceed those numbers equal to the percentages provided in Article 4 below;
- c) the Option exercise price, in accordance with and subject to Article 5; and
- d) the period during which the Option is exercisable, in accordance with and subject to Article 6.

No Options shall be granted pursuant to this Article 3 unless such optionee is a bona fide officer, director, employee or consultant of the Corporation or its subsidiaries.

3.2 Notwithstanding the foregoing, if in special circumstances a person is in the regular service of the Corporation or its subsidiaries as an officer, director, consultant or otherwise, but is not actually an employee of the Corporation or its subsidiaries, then with the approval of the Board and of the stock exchange(s) upon which the Common Shares are listed, if any, Options may be granted under the Plan to such person subject to terms and conditions as may be determined by the Board and accepted by such stock exchange(s), if any, provided

applicable securities laws and regulations are complied with. Subject to the foregoing, the terms and conditions of the Plan shall apply to any such Option.

4. Common Shares Subject to the Plan

- 4.1 For the purposes of this Plan, "**Insider**" shall have the meaning as defined from time to time by the Securities Act (British Columbia) and the number of Common Shares outstanding shall be determined on the basis of the number of Common Shares that are outstanding immediately prior to the share issuance in question, excluding Common Shares issued pursuant to share compensation arrangements over the preceding one-year period.
- 4.2 Options for Common Shares may be granted from time to time under the Plan up to a maximum of 10% of the number of fully diluted Common Shares on the date the Option is granted provided that the number of Common Shares reserved for issuance pursuant to Options granted to any one individual, within a one-year period, shall not exceed 2% of the total number of fully diluted Common Shares.
- 4.3 The Corporation shall at all times reserve and keep available a sufficient number of Common Shares as may be required for issuance upon the exercise of all Options which have been granted under the Plan.

5. Option Price

- 5.1 The Option price on Common Shares subject to the Plan shall be fixed by the Board when such Option is granted, provided that such price shall not be less than the market price of the

Common Shares on the stock exchange upon which such Common Shares are then listed, if any, the permissible discount permitted by the rules of any stock exchange or other regulatory body having jurisdiction.

- 5.2 Once such Option price is fixed, and if the optionee is an Insider of the Corporation at the time of the proposed amendment, any reduction in the Option price will be conditional upon disinterested shareholder approval.

6. Option Terms

- 6.1 The options may be granted for such term as the Board shall determine, in its discretion and at the time of the grant of an Option, which term shall not be less than one year or more than ten years from the date of grant.
- 6.2 The Board may, in its discretion and at the time of the grant of an Option, determine the time during which options shall vest and the method of vesting, or determine that no vesting restriction shall exist.
- 6.3 In the event that an Optionee becomes temporarily or permanently, mentally or physically, ill, injured or otherwise disabled during such Optionee's term of employment with the Corporation or its subsidiaries to such an extent that such Optionee is not able to attend at work on behalf of the Corporation or its subsidiaries, and is in receipt of benefits from any long term disability plan sponsored by the Corporation, such Optionee may exercise all the Options granted to him in accordance with paragraph 6.2 hereof until such time as such Optionee is formally terminated from employment or has retired or resigned from employment with the Corporation or its subsidiaries, at which time the provisions of paragraph 6.4 shall apply thereof.
- 6.4 In the event that the Optionee ceases to be a director, officer or employee of the Corporation or its subsidiaries or a consultant to the Corporation or its subsidiaries for any reason whatsoever (other than as a result of death), the Optionee may, but only within two years after the Optionee's ceasing to be a director, officer, employee or consultant or prior to the expiration date in respect of the Option, whichever is earlier, exercise any Option held by the Optionee, but only to the extent that the Optionee was entitled to exercise the Option at the date of such cessation.
- 6.5 In the event of the death of the Optionee, the Option will continue to be exercisable by the legal representative of the Optionee as to such of the vested shares of which such Option has not previously been exercised pursuant to its terms for a period of one year following the Optionee's death, provided that the Option shall not in any case be exercisable on or after the expiration date in respect of such Option or in respect of Options which are not exercisable as at the date of death.
- 6.6 The Options to be granted under the Plan shall not be assignable or transferable, except for a limited right of assignment to allow the exercise of Options by an Optionee's legal representative in the event of death or incapacity, subject to the terms upon which the Option

is granted. Subject to Article 7, the holder of an Option shall have none of the rights of a shareholder in respect of Common Shares subject to an Option until the Common Shares are issued pursuant to the exercise of an Option.

7. Changes in Shares

In the event:

- a) of any change in the Common Shares through stock split, subdivision, consolidation, reclassification or similar transaction;
- b) of any stock dividend to the holders of Common Shares; or
- c) that as a result of any recapitalization, amalgamation, merger or consolidation the Common Shares are converted into or exchangeable for any other shares,

then in any such case, subject to Article 4 hereof, the Board may make such adjustments in the Plan and in the Options hereunder as the Board may in its sole discretion deem equitable to prevent substantial dilution or enlargement of the rights granted to, or available for, participants hereunder.

8. Exercise of Options

- 8.1 Options may be exercised from time to time by the Optionee delivering to the Corporation at its head office in Vancouver, British Columbia, a written notice of exercise substantially in the form attached as Schedule "B" hereto, specifying the number of Common Shares with respect to which the Option is being exercised and accompanied by payment in full by cash, certified cheque, or wire transfer of the purchase price of the Common Shares then being purchased.
- 8.2 If, as and when any Common Shares have been duly purchased and paid for in cash under the terms of an Option granted under the Plan and subject to compliance with any applicable legal or regulatory requirements, such Common Shares shall be allotted and issued as fully-paid and non-assessable Common Shares.
- 8.3 Notwithstanding the above, the Board may, in its sole discretion declare that an Optionee will be entitled to receive in respect of all or a portion of their outstanding Options an amount per Option equal to the difference between the fair market value of the Common Share underlying the Option or the most recently offered price per Common Share underlying the Option, at the choice of the Board acting reasonably, and the Option price, against surrender of such Option by the Optionee to the Corporation for no additional consideration.

9. Issuance of Shares

The Board, in its discretion, may postpone the issuance and delivery of the certificates for Common Shares issuable upon any exercise of an Option until the completion of any stock exchange listing or

registration or other qualification thereof under any provincial, state or federal law, rule or regulation which the Board may deem necessary or appropriate and may require the person exercising an Option to make such representations and furnish such information as it may deem appropriate in connection with the issuance of the Common Shares in compliance with applicable law or sound corporate practice.

10. Acceleration and Termination of Options

- 10.1 If the Corporation shall sell its entire assets and undertaking or shall be merged, amalgamated or absorbed by or into any other corporation (save and except for a subsidiary or subsidiaries of the Corporation) under any circumstances which involve or may involve or require the liquidation of the Corporation, a distribution of its assets among its shareholders, or the termination of its corporate existence, the right of an Optionee to exercise his Option may at the sole discretion of the Board be accelerated so that such Option may be exercised with respect to all Common Shares optioned to him (including those for which his Option is not yet exercisable) at any time during the fifteen (15) day period prior to the date upon which the agreement or arrangement for such sale, merger, amalgamation or absorption shall become effective.
- 10.2 If after the grant of an Option under this Plan, any person or combination of persons sells or exchanges a number of Common Shares which in the opinion of the Board affects materially the control of the Corporation, the right of the Optionee to exercise such Option may at the discretion of the Board be accelerated so that such Option may be exercised with respect to all Common Shares optioned to him (including those for which his Option is not yet exercisable) at any time during the thirty (30) day period after the date upon which the Board becomes aware of such sale or exchange. Any sale of more than 50% of the outstanding Common Shares shall be deemed to affect materially the control of the Corporation.

11. Form and Effect of Option Agreement

Grants of Options hereunder shall be evidenced by agreements between the Corporation and each Optionee substantially in the form attached as Schedule "A" hereto. Each such agreement in any event shall be accompanied with the applicable substantive provisions of this Plan and any stipulations and conditions which may be required by regulatory authorities or stock exchanges and may contain further restrictions on exercise approved from time to time by the Board.

12. Interpretation, Amendment and Discontinuance

The Board may interpret the Plan, prescribe, amend and rescind the rules and regulations relating to it, and make all other determinations necessary or advisable for its administration. The Board may, from time to time, with respect to any Common Shares at the time not subject to Options, suspend, discontinue or terminate the Plan or revise or amend it in any respect whatsoever except no amendment to any outstanding Option hereunder may be made without the consent of the person to whom the Option was granted.

13. Compliance with Laws

The Corporation shall not be obliged to issue any shares upon exercise of Options if the issue would violate any law or regulation or any rule of any governmental authority or stock exchange. The Corporation shall not be required to issue, register or qualify for resale any shares issuable upon of Options pursuant to the provisions of a prospectus or similar document, provided that the Corporation shall notify the stock exchange upon which the Common Shares are listed and any other appropriate regulatory bodies in Canada of the existence of the Plan and the issuance and exercise of Options.

14. Stock Exchange

To the extent applicable, the issuance of any shares of the Corporation pursuant to Options issued pursuant to this Plan is subject to approval of the Plan by the TSX, the TSX Venture Exchange or any other stock exchange upon which the Common Shares are listed, and the Plan shall be subject to the ongoing requirements of such exchange.

15. Effective Date

This Plan shall become effective as of and from, and the effective date of the Plan shall be, the date upon which required Board approvals have been obtained.

Schedule "A"

FORM OF OPTION AGREEMENT

KITS EYECARE LTD.

STOCK OPTION PLAN

OPTION AGREEMENT

This Option Agreement is entered into between KITS EYECARE LTD. (the "**Corporation**") and the Optionee named below pursuant to the KITS EYECARE LTD. Stock Option Plan (the "**Plan**"). This Agreement witnesses that in consideration of the covenants and agreements herein contained and such other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant and agree as set forth below and confirms that:

- a) on _____ (the "**Grant Date**");
- b) _____ (the "**Optionee**");
- c) was granted an option to purchase _____
Common Shares (the "**Optioned Shares**") of the Corporation, exercisable as to [**•**]% on the Grant Date and [**•**]% on each of the [first, second and third anniversary] dates of the Grant Date, on a cumulative basis;
- d) at a price (the "**Exercise Price**") of \$ _____ per Common Share; and
- e) for a term expiring at 5:00 p.m., Eastern time, on _____ (the "**Expiry Date**");

all on the terms set out in, and in accordance with, the Plan. By signing this Option Agreement, the Optionee acknowledges that he or she has read and understands the Plan and accepts the Options in accordance with the terms and conditions of the Plan.

IN WITNESS WHEREOF the Corporation and the Optionee have executed this Option Agreement as of _____, 20**••**.

By:

•

Name of Optionee

Signature of Optionee

Schedule "B"

FORM OF NOTICE OF EXERCISE

KITS EYECARE LTD.

STOCK OPTION PLAN

NOTICE OF EXERCISE

TO: KITS EYECARE LTD.
1020 – 510 Seymour Street BC V6B
3J5

Attention: Roger Hardy

Reference is made to the Option agreement made as of _____ 20••, between KITS EYECARE LTD. (the "**Corporation**") and the Optionee named below. The Optionee hereby exercises the option to purchase Common Shares of the Corporation as follows:

Number of Optioned Shares for which Option being exercised:

•

Exercise Price per Common Share:

\$/Common Share

Total Exercise Price (in the form of a cash or certified cheque tendered with this Notice of Exercise):

Name of Optionee as it is to appear on share certificate:

•

Address of Optionee as it is to appear on the register of Common Shares of the Corporation and to which a certificate representing the Common Shares being purchased is to be delivered:

Dated: _____

Name of Optionee

Signature of Optionee