



**NOTICE OF MEETING  
AND  
MANAGEMENT INFORMATION CIRCULAR  
FOR THE  
ANNUAL GENERAL AND SPECIAL MEETING  
OF SHAREHOLDERS  
OF  
YNVISIBLE INTERACTIVE INC.  
TO BE HELD ON  
THURSDAY, DECEMBER 14, 2023**

**DATED: OCTOBER 26, 2023**



**Ynvisible Interactive Inc.**  
PO Box 43, Suite 830, 1100 Melville Street  
Vancouver, British Columbia, V6E 4A6  
Tel: 778-683-4324

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN** that the **Annual General and Special Meeting** (the “**Meeting**”) of the holders of common shares (“**Shareholders**”) of **YNVISIBLE INTERACTIVE INC.** (the “**Company**”) will be held on **Thursday, December 14, 2023, at 9:00 a.m. (Pacific Time)** at **Suite 1500, Royal Centre, 1055 West Georgia Street, Vancouver, British Columbia, Canada, V6E 4N7**, for the following purposes:

1. to receive the audited financial statements of the Company for the year ended December 31, 2022;
2. to fix the number of directors to be elected at the Meeting at six (6);
3. to elect six (6) directors of the Company to hold office until the next annual meeting of Shareholders;
4. to appoint Baker Tilly WM LLP, Chartered Professional Accountants, as auditor of the Company for the ensuing year and to authorize the directors of the Company to fix the remuneration to be paid to the auditor;
5. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution approving and ratifying the Company’s Omnibus Equity Incentive Compensation Plan, substantially in the form attached as Schedule “A” to and as more particularly described in the accompanying Management Information Circular of the Company dated October 26, 2023 (the “**Circular**”); and
6. to transact such further and other business as may be properly brought before the Meeting and any adjournment thereof.

The accompanying Circular provides additional information relating to the matters to be dealt with at the Meeting and is deemed to form part of this Notice. Although no other matters are contemplated, the Meeting may also consider the transaction of such other business, and any permitted amendment to or variation of any matter identified in this Notice, as may properly come before the Meeting or any adjournment thereof. Shareholders are advised to review the Circular before voting.

Accompanying this Notice is a (i) form of proxy or voting instruction form, and (ii) request for financial statements form.

The board of directors of the Company (the “**Board**”) has fixed Thursday, October 26, 2023, as the record date (the “**Record Date**”) for determining Shareholders who are entitled to receive notice and to vote at the Meeting. Only Shareholders of record at the close of business on the Record Date will be entitled to vote at the Meeting.

Registered Shareholders unable to attend the Meeting in person and who wish to ensure that their common shares (“**Shares**”) will be voted at the Meeting are requested to complete, date and sign a form of proxy and deliver it in accordance with the instructions set out in the form of proxy and in the Circular

NOTICE OF MEETING

**no later than December 12, 2023, at 9:00 a.m. (Pacific Time), the cut-off time for the deposit of proxies prior to the Meeting.**

Non-registered (or beneficial) Shareholders who plan to attend the Meeting must **follow the instructions set out in the voting instruction form**. If you hold your Shares in a brokerage account, you are a non-registered (or beneficial) Shareholder. If voting by proxy, please **carefully follow the instructions of your broker or intermediary in order to ensure your Shares are voted at the Meeting**.

**DATED** at Vancouver, British Columbia, this 26<sup>th</sup> day of **October 2023**.

BY ORDER OF THE BOARD:

/s/ Ramin Heydarpour  
Ramin Heydarpour  
Chief Executive Officer and Director



## MANAGEMENT INFORMATION CIRCULAR

### SECTION 1 – INTRODUCTION

This management information circular (the “**Circular**”) accompanies the notice of annual general and special meeting (the “**Notice**”) and is furnished to the holders (the “**Shareholders**” and each, a “**Shareholder**”) of Class A common shares (“**Shares**”) in the capital of Ynvisible Interactive Inc. (the “**Company**”) in connection with the solicitation by the management of the Company of proxies to be voted at the annual general and special meeting (the “**Meeting**”) of the Shareholders to be held on **Thursday, December 14, 2023, at 9:00 a.m. (Pacific Time) at Suite 1500, Royal Centre, 1055 West Georgia Street, Vancouver, British Columbia, Canada, V6E 4N7**, and any adjournment thereof, for the purposes set forth in the Notice of the Meeting.

#### DATE AND CURRENCY

Unless otherwise indicated, all information in this Circular is given as at October 26, 2023, and all dollar amounts referenced herein are in Canadian dollars (“\$”).

#### NOTICE-AND-ACCESS

The Company is not relying on the “Notice and Access” delivery procedures outlined in National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) to distribute copies of proxy-related materials in connection with the Meeting. However, the Company is electronically delivering proxy-related materials to Shareholders who have requested such delivery method and encourages Shareholders to sign up for electronic delivery (e-Delivery) of future proxy materials. The proxy materials for the Meeting can be found under the Company’s profile on SEDAR+, the Canadian Securities Administrators’ national system that all market participants use for filings and disclosure, at [www.sedarplus.ca](http://www.sedarplus.ca) and on the Company’s website at <https://www.ynvisible.com/investors/financial-reports>.

The Circular contains details of matters to be considered at the Meeting. **Please review the Circular before voting.**

### SECTION 2 – PROXIES AND VOTING RIGHTS

#### MANAGEMENT SOLICITATION

The solicitation of proxies by the management of the Company will be conducted by mail and may be supplemented by telephone or other personal contact to be made without special compensation by the directors, officers and employees of the Company. The Company does not reimburse Shareholders, nominees or agents for costs incurred in obtaining from their principals’ authorization to execute forms of proxy, except that the Company has requested brokers and nominees who hold stock in their respective names to furnish this proxy material to their customers, and the Company will reimburse such brokers and nominees for their related out-of-pocket expenses. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company.

## MANAGEMENT INFORMATION CIRCULAR

No person has been authorized to give any information or to make any representation other than as contained in this Circular in connection with the solicitation of proxies. If given or made, such information or representations must not be relied upon as having been authorized by the Company. The delivery of this Circular shall not create, under any circumstances, any implication that there has been no change in the information set forth herein since the date of this Circular. This Circular does not constitute the solicitation of a proxy by anyone in any jurisdiction in which such solicitation is not authorized, or in which the person making such solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such an offer of solicitation.

### APPOINTMENT OF PROXY

The purpose of a proxy is to designate persons who will vote the proxy on a Shareholder's behalf in accordance with the instructions given by the Shareholder in the proxy. The persons whose names are printed on the enclosed form of proxy (the "**Management Proxyholders**") are officers and/or directors of the Company.

**A Shareholder has the right to appoint a person or company to attend and act for or on behalf of that Shareholder at the Meeting, other than the Management Proxyholders named in the enclosed form of proxy. A proxyholder need not be a Shareholder.**

**To exercise the right, the Shareholder may do so by inserting the name of such other person in the blank space provided in the form of proxy. Such Shareholder should notify the nominee of the appointment, obtain the nominee's consent to act as proxy and should provide instruction to the nominee on how the Shareholder's Shares should be voted. The nominee should bring personal identification to the Meeting.**

Those Shareholders desiring to be represented at the Meeting by proxy – either by a Management Proxyholder or another person - must deposit their respective forms of proxy with the Company's registrar and transfer agent, Computershare Investor Services Inc. ("**Computershare**"), 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, Attention: Proxy Department, by mail, facsimile transmission, telephone voting system or via the internet at least two business days (excluding Saturdays, Sundays and holidays) prior to the scheduled time of the Meeting, or any adjournment thereof.

A proxy may not be valid unless it is dated and signed by the Shareholder who is giving it or by that Shareholder's attorney-in-fact duly authorized by that Shareholder in writing or, in the case of a corporation, dated and executed by a duly authorized officer or attorney-in-fact for the corporation. If a form of proxy is executed by an attorney-in-fact for an individual Shareholder or joint Shareholders, or by an officer or attorney-in-fact for a corporate Shareholder, the instrument so empowering the officer or attorney-in-fact, as the case may be, or a notarized certified copy thereof, must accompany the form of proxy.

**The Company may refuse to recognize any instrument of proxy deposited in writing or by the internet received later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in British Columbia) prior to the Meeting or any adjournment thereof.**

### VOTING BY PROXY AND EXERCISE OF DISCRETION

**Only registered Shareholders and duly appointed proxyholders are permitted to vote at the Meeting.** Shares represented by a properly executed proxy will be voted or be withheld from voting on each matter referred to in the Notice of Meeting in accordance with the instructions of the Shareholder on any ballot that may be called for and if the Shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted accordingly.

**If a Shareholder does not specify a choice and the Shareholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.**

**The form of proxy, when properly signed, also confers discretionary authority to the person named therein as proxyholder with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting.** As of the date of this Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

#### **REGISTERED SHAREHOLDERS**

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered Shareholders may choose one of the following options to submit their proxy:

- (a) complete, date and sign the Proxy and return it to the Company's transfer agent, Computershare Investor Services Inc. ("**Computershare**"), by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524, or by mail to the 8th Floor, 100 University Avenue, Toronto, Ontario, Canada, M5J 2Y1 or by hand delivery at 3<sup>rd</sup> Floor, 510 Burrard Street, Vancouver, British Columbia, Canada, V6C 3B9 or by hand delivery at any Computershare office in Canada;
- (b) use a touch-tone phone to transmit voting choices to a toll-free number. Registered Shareholders must follow the instructions of the voice response system and refer to the enclosed proxy form for the toll-free number, the holder's account number and the control number; or
- (c) use the internet through the website of the Company's transfer agent at [www.investorvote.com](http://www.investorvote.com). Registered Shareholders must follow the instructions that appear on the screen and refer to the enclosed proxy form for the holder's account number and the control number.

In all cases the Registered Shareholder must ensure the proxy is received at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting or adjournment thereof at which the proxy is to be used.

#### **NON-REGISTERED (OR BENEFICIAL) SHAREHOLDERS**

**The following information is of significant importance to Shareholders who do not hold Shares in their own name.** These Shareholders are called beneficial Shareholders. Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by registered Shareholders (those whose names appear on the records of the Company as the registered holders of Shares). If Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Shares will not be registered in the Shareholder's name on the records of the Company. Such Shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada the vast majority of such Shares are registered under the name of CDS & Co. (the registration name for the Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms), and in the United States, under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many United States brokerage firms and custodian banks). Intermediaries are required to seek voting instructions from beneficial Shareholders in advance of Shareholders' meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

**ADVICE TO NON-REGISTERED (OR BENEFICIAL) SHAREHOLDERS**

You should carefully follow the instructions of your broker or intermediary in order to ensure that your Shares are voted at the Meeting. The form of proxy supplied to you by your broker will be similar to the proxy provided to registered Shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote on your behalf.

Many brokers delegate responsibility for obtaining instructions from clients to an investor communication service (“ICS”) in Canada/the United States. The ICS will typically mail a voting instruction form in lieu of a proxy provided by the Company. The voting instruction form will name the same persons as the Company’s form of proxy to represent you at the Meeting. You have the right to appoint a person (who need not be a Shareholder of the Company), other than the persons designated in the voting instruction form, to represent you at the Meeting. To exercise this right, you should insert the name of the desired representative in the blank space provided in the voting instruction form. The completed voting instruction form must then be returned to the ICS by mail or facsimile or given to the ICS by phone or over the internet, in accordance with the ICS’ instructions. The ICS then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Shares to be represented at the Meeting.

If you receive a voting instruction form from an ICS, you cannot use it to vote Shares directly at the Meeting - the voting instruction form must be completed and returned to the ICS, in accordance with its instructions, well in advance of the Meeting in order to have the Shares voted. Although as a beneficial Shareholder you may not be recognized directly at the Meeting for the purposes of voting Shares registered in the name of your broker, you, or a person designated by you, may attend at the Meeting as proxy holder for your broker and vote your Shares in that capacity. If you wish to attend at the Meeting and indirectly vote your Shares as proxy holder for your broker, or have a person designated by you do so, you should enter your own name, or the name of the person you wish to designate, in the blank space on the voting instruction form provided to you and return the same to your broker in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting. Alternatively, you can request in writing that your broker send you a legal proxy which would enable you, or a person designated by you, to attend at the Meeting and vote your Shares.

These securityholder materials are being sent to both registered and Non-Registered Shareholders. If you are a Non-Registered Shareholder and the Company or its agent has sent these materials directly to you, your name and address and information about your shareholdings, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

By choosing to send these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

**REVOCAION OF PROXIES**

Registered Shareholders

A Registered Shareholder who has submitted a proxy may revoke it at any time prior to the exercise thereof by:

- completing and signing a proxy bearing a later date and delivering such proxy to Computershare by 10:00 a.m. (Pacific Time) on Tuesday, December 12, 2023, or the last business day prior to the day the Meeting is reconvened if it is adjourned;

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- sending a signed written statement (or have your attorney sign a statement with your written authorization) to:

Corporate Secretary  
Ynvisible Interactive Inc.  
1500 Royal Centre  
1055 West Georgia Street  
Vancouver, British Columbia  
Canada V6E 4N7

Email: [issuers@keystonecorp.ca](mailto:issuers@keystonecorp.ca)

The Company must receive your written statement prior to 5:00 p.m. (Pacific Time) on Wednesday, December 13, 2023, or the last business day prior to the day the meeting is reconvened if it is adjourned;

- providing a signed written statement, at the Meeting, to the chair of the Meeting prior to the vote being taken; or
- any other manner permitted by law.

If you have followed the instructions for attending and voting at the Meeting, voting at the Meeting will revoke any previous proxy.

### Beneficial Shareholders

If you change your mind, contact your broker or nominee.

### NOTICE TO SHAREHOLDERS IN THE UNITED STATES

The solicitation of proxies involves securities of an issuer located in Canada and is being effected in accordance with the corporate laws of the Province of British Columbia, Canada, and securities laws of the provinces of Canada. The proxy solicitation rules under the United States Securities Exchange Act of 1934, as amended, are not applicable to the Company or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the provinces of Canada differ from the disclosure requirements under United States securities laws.

The enforcement by Shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is incorporated under the *Business Corporations Act* (British Columbia), certain of its directors and its executive officers are residents of Canada and a substantial portion of its assets and the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgement by a United States court.

## SECTION 3 – VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

### RECORD DATE

The board of directors of the Company (the “**Board**”) has set the close of business on Thursday, October 26, 2023, as the record date (the “**Record Date**”) for the Meeting. Only Shareholders of record as at the Record Date are entitled to receive notice of and to attend and vote at the Meeting or any adjournment

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thereof, unless after that date a Shareholder of record transfers his or her Shares and the transferee, upon producing properly endorsed certificates evidencing such Shares or otherwise establishing that he or she owns such Shares, requests at least ten (10) days prior to the Meeting that the transferee's name be included in the list of Shareholders entitled to vote, in which case such transferee is entitled to vote such Shares at the Meeting.

Persons who are non-registered or beneficial Shareholders as at the Record Date will be entitled to exercise their voting rights in accordance with the procedures established under NI 54-101. See "*Section 2 – Proxies and Voting Rights – Advice to Non-Registered (or Beneficial) Shareholders*".

### VOTING RIGHTS

The Company is authorized to issue an unlimited number of (i) Class A Common Shares ("**Shares**"), and (ii) Class B Non-Voting Common Shares ("**Class B Shares**"). As at the Record Date, there were 124,671,915 Shares issued and outstanding and no Class B Shares were issued and outstanding. Each Share carries the right to one vote. No group of Shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Shares.

### PRINCIPAL HOLDERS OF COMMON SHARES

To the knowledge of the directors and executive officers of the Company, no holder beneficially owns, or controls or directs, directly or indirectly, voting securities of the Company carrying 10% or more of the voting rights attached to any class of outstanding voting securities of the Company as at the Record Date.

### QUORUM

Pursuant to the Articles of the Company, subject to the special rights and restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at a meeting of shareholders is two persons who are, or represent by proxy, shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the meeting.

## SECTION 4 – PARTICULARS OF MATTERS TO BE ACTED UPON

**MANAGEMENT OF THE COMPANY KNOWS OF NO OTHER MATTERS TO COME BEFORE THE MEETING OTHER THAN THOSE REFERRED TO IN THE NOTICE OF MEETING. HOWEVER, IF ANY OTHER MATTERS THAT ARE NOT KNOWN TO MANAGEMENT SHOULD PROPERLY COME BEFORE THE MEETING, THE ACCOMPANYING FORM OF PROXY CONFERS DISCRETIONARY AUTHORITY UPON THE PERSONS NAMED THEREIN TO VOTE ON SUCH MATTERS IN ACCORDANCE WITH THEIR BEST JUDGEMENT.**

Additional details regarding each of the matters to be acted upon at the Meeting is set forth below.

#### 1. PRESENTATION OF FINANCIAL STATEMENTS

The audited annual financial statements of the Company for the year ended December 31, 2022, and the auditor's report thereon, will be placed before Shareholders at the Meeting.

Copies of these documents will be available at the Meeting and may also be obtained by a Shareholder upon request without charge from the Company, P.O. Box 43, Suite 830, 1100 Melville Street, Vancouver, British Columbia, Canada, V6E 4A6 or via email to [ir@ynvisible.com](mailto:ir@ynvisible.com). These documents are also available under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on the Company's website at <https://www.ynvisible.com/investors/financial-reports>.

Shareholders and proxyholders will be given an opportunity to discuss the Company's financial results with management. **Shareholder approval is not required and no formal action will be taken at the Meeting to approve the financial statements.**

## 2. FIXING THE NUMBER OF DIRECTORS

At the Meeting, it will be proposed that six (6) directors be elected to hold office until the next annual general meeting or until their successors are elected or appointed. Shareholders will be asked to consider and, if deemed advisable, to approve an ordinary resolution, the text of which is as follows:

**“BE IT RESOLVED**, as an ordinary resolution of Shareholders, that the number of directors to be elected at the Meeting, to hold office until the close of the next annual meeting of Shareholders or until their successors are duly elected or appointed pursuant to the constating documents of the Company, unless their offices are earlier vacated in accordance with the provisions of the *Business Corporations Act* (British Columbia) or the Company's constating documents, be and is hereby fixed at six (6).”

In order for the foregoing resolution to be passed, it must be approved by a simple majority of the votes cast by Shareholders in person or by proxy in respect of the resolution at the Meeting.

**Management believes the passing of the above resolution is in the best interests of the Company and recommends Shareholders vote in favour of the ordinary resolutions fixing the number of directors to be elected at the Meeting as set out above. Unless directed to the contrary, it is the intention of the Management Proxyholders, if named as proxy, to vote IN FAVOUR of the ordinary resolutions fixing the number of directors to be elected at the Meeting at six (6).**

## 3. ELECTION OF DIRECTORS

The directors of the Company are elected annually and hold office until the next annual general meeting of Shareholders or until their successors are elected or until such director's earlier death, resignation or removal.

### Proposed Management Nominees for Election to the Board

Management of the Company proposes to nominate the persons listed below for election as directors of the Company to serve until their successors are elected or appointed. All of the nominees are current members of the Board and each has agreed to stand for election. Management of the Company does not contemplate that any of the nominees will be unable to serve as a director.

Pursuant to the advance notice provisions (the **“Advance Notice Provisions”**) in the constating documents of the Company advance notice must be provided to the Company in circumstances where nomination of persons for election to the Board are made by Shareholders of the Company. The Advance Notice Provisions set a deadline by which Shareholders must submit nominations (a **“Notice”**) to the Company for the election of directors prior to any annual or special meeting of Shareholders. The Advance Notice Provisions also set forth the information that a Shareholder must include in the Notice to the Company and establish the form in which the Shareholder must submit the Notice for the Notice to be in proper written form.

In the case of an annual meeting of Shareholders, a Notice must be provided to the Company not less than 30 days and not more than 65 days prior to the date of the annual meeting. However, in the event that the annual meeting is to be held on a date that is less than 40 days after the date on which the first public announcement of the date of the annual meeting was made, a Notice must be provided to the Company not later than the close of business on the 10<sup>th</sup> day following such public announcement. The Advance

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Notice Provisions are available for viewing in the Articles of the Company available under the Company’s profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

As at the date of this Circular, the Company has not received a Notice in compliance with the Advance Notice Provisions and, as such, management’s nominees for election as directors set forth below shall be the only nominees eligible to stand for election at the Meeting.

The following disclosure sets out the names of management’s five nominees for election as directors, all major offices and positions with the Company and any of its significant affiliates each now holds, each nominee’s principal occupation, business or employment for the five preceding years for new director nominees, the period of time during which each has been a director of the Company and the number of Shares beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at the Record Date:

Name and Province/ Country of Residence and Present Office Held	Principal Occupation, Business or Employment <sup>(1)</sup>	Periods During Which Nominee Has Served as a Director	Number of Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly <sup>(2)</sup>
<b>Ramin Heydarpour</b> <sup>(4) (7)</sup> California, USA  <b>Chief Executive Officer and Executive Chairman of Board (Director)</b>	Founder and Managing Partner of FLEX R&D, an engineering consulting firm that specializes in product development for Packaging, Flexible Electronics, Brand Identification and Decoration; over 25 years’ experience in Research and Development at large multinational companies; previously Global Vice President, Avery Dennison Corporation	December 1, 2020 – present	452,000
<b>Inês Henriques</b> <sup>(3) (5) (6) (7)</sup> Lisbon, Portugal  <b>EVP - People, Culture, and Corporate Affairs and Director</b>	EVP – People, Culture, and Corporate Affairs of the Company (September 15, 2023 – present; Chief Operating Officer of the Company (April 13, 2022 – September 15, 2023, and January 2018 – September 2020)	September 16, 2020 – present  May 25, 2018 – November 21, 2019	1,901,472
<b>Alexander Helmel</b> <sup>(3) (5)</sup> British Columbia, Canada  <b>Director</b>	President, Chief Executive Officer and Director, Redonda Management Ltd., a private company owned by Mr. Helmel, that provides executive management services to public and private companies (1994 – present)	March 1, 2006 – present	55,837
<b>Benjamin Leboe</b> <sup>(3) (5)</sup> British Columbia, Canada  <b>Director</b>	Principal, Independent Management Consultant of British Columbia (1990 – present)	May 25, 2018 – present	60,000
<b>Alexander Langer</b> <sup>(4) (6)</sup> British Columbia, Canada  <b>Director</b>	Chief Executive Officer, Andros Capital Corporation (private consulting firm) (2012 – present); VP Capital Markets, Millennial Lithium Corp. (May 2016 – present; Director, Ptolemy Capital (January 2015 – present); President, Chief Executive Officer and Director, Sierra Madre Gold and Silver Ltd. (2016 – present); Director, Reyna Silver Corp. (2020 – present)	June 3, 2021 – present	Nil

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Name and Province/ Country of Residence and Present Office Held	Principal Occupation, Business or Employment <sup>(1)</sup>	Periods During Which Nominee Has Served as a Director	Number of Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly <sup>(2)</sup>
<b>Jani-Mikael Kuusisto</b> <sup>(4) (6) (7)</sup> Tampere, Finland	Commercialization Specialist, VTT Technical Research Centre Finland (February 2021 – December 2021); CEO of the Company (January 2018 - January 2021); Director, PrintoCent (February 2018 – March 2019)	January 19, 2018 - present	629,405
<b>Senior VP - Ventures and Vice Chairman of Board (Director)</b>			

NOTES:

- (1) The information in the table above as to principal occupation and business or employment of director nominees is not within the knowledge of management of the Company and has been furnished by the respective nominees.
- (2) The information as to number of Shares beneficially owned, or controlled or directed, directly or indirectly, is not within the knowledge of management of the Company and has been furnished by the respective nominees or sourced from information available to the Company from SEDI ([www.sedi.ca](http://www.sedi.ca)) and/or in reports provided by the transfer agent of the Company.
- (3) Member of the Audit Committee
- (4) Member of the Corporate Governance Committee
- (5) Member of the Compensation Committee
- (6) Member of Disclosure and Investor Relations Committee
- (7) Member of the Investment Committee

Cease Trade Orders, Bankruptcies, Penalties and Sanctions

To the knowledge of the management of the Company, no proposed nominee for election as a director of the Company:

- (a) is, at the date of this Circular, or has been within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that,
  - (i) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (an “**Order**”) that was issued while the proposed director was acting in the capacity as a director, chief executive officer or chief financial officer; or
  - (ii) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer,
- (b) is, at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets,
- (c) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement, or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed

director, or

- (d) 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 securities regulatory authority or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

**A Shareholder can vote for all of the above nominees, vote for some of the above nominees and withhold for other of the above nominees, or withhold for all of the above nominees. Management recommends Shareholders vote in favour of the election of each of the nominees listed above for election as directors of the Company for the ensuing year. Unless directed to the contrary, it is the intention of the Management Proxyholders named in the enclosed instrument of proxy to vote proxies IN FAVOUR of each of the nominees.**

#### **4. APPOINTMENT OF AUDITOR**

Shareholders will be asked to vote for the appointment of Baker Tilly WM LLP, Chartered Professional Accountants, of Suite 900, 400 Burrard Street, Vancouver, British Columbia, V6C 3B7, as auditor of the Company to hold office until the next annual meeting of Shareholders, or until a successor is appointed, and to authorize the directors of the Company to fix the remuneration of the auditor.

Baker Tilly WM LLP, Chartered Professional Accountants, has served as auditor of the Company since September 22, 2022.

**Management recommends Shareholders vote in favour of the appointment of Baker Tilly WM LLP, Chartered Professional Accountants, as auditor of the Company for the ensuing year and authorize the Board to fix the auditor's remuneration. Unless directed to the contrary, it is the intention of the Management Proxyholders named in the enclosed instrument of proxy to vote proxies IN FAVOUR of the resolution approving the appointment of Baker Tilly WM LLP, Chartered Professional Accountants, as auditor of the Company until the close of its next annual meeting and to authorize the Board to fix the remuneration to be paid to the auditor.**

#### **5. APPROVAL OF OMNIBUS EQUITY INCENTIVE COMPENSATION PLAN**

The Company has established a “rolling up to 10% and fixed up to 10%” Omnibus Equity Incentive Compensation Plan (the “**Omnibus Plan**”), which was adopted by the Board on October 27, 2022, and subsequently approved by Shareholders on December 15, 2022. The purpose of the Omnibus Plan is to: (i) provide the Company with a mechanism to attract, retain and motivate highly qualified directors, officers, employees and consultants; (ii) align the interests of eligible participants in the Omnibus Plan (“**Participants**”) with that of other Shareholders generally; and (iii) enable and encourage Participants to participate in the long-term growth of the Company through the acquisition of Shares as long-term investments.

Under the Omnibus Plan the Company may grant equity-based incentive awards (“**Awards**”) in the form of stock options (“**Options**”) as well as deferred share units (“**DSUs**”), performance share units (“**PSUs**”) and restricted share units (“**RSUs**”) (collectively “**Share Units**”). The maximum number of Shares issuable pursuant to (a) outstanding Options at any time will be equal to 10% of the outstanding Shares, as measured as at the date of any Option grant; and (b) RSUs, DSUs and PSUs, on an aggregate basis, is fixed at 12,467,191 Shares.

The policies of the Exchange respecting the granting of Options and/or Awards require that all companies listed on the Exchange implement a security-based compensation plan and that a “rolling up to 10% and

fixed up to 10%” plan must receive Shareholder approval on an annual basis and subsequent acceptance by the Exchange. Should the Exchange require the Company to make certain changes to the Plan to remain compliant, such changes must be implemented.

Since Shareholders last approved the Omnibus Plan, at the request of the Exchange, the Company amended Section 4.5 *Adjustments in Authorized Shares* of the Omnibus Plan to add the underlined text in this sentence, “*Additional, subject to Exchange approval and shareholder approval where necessary, the Committee may amend the Plan, or adopt supplements to the Plan, in such manner as it deems appropriate to provide for such issuance, assumption, substitution or conversion as provided in the previous sentence.*”

For a summary of the material terms of the Omnibus Plan, see “Section 5 – Statement of Executive Compensation – Omnibus Plan.” For additional details, see “Section 8 – Other Information - Securities Authorized for Issuance Under Equity Compensation Plans.” Any summary is qualified in its entirety by the full text of the Omnibus Plan attached hereto as Schedule “A”. A copy of the Omnibus Plan will also be available at the Meeting.

### ***Shareholder Approval***

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution approving the Omnibus Plan. The text of the ordinary resolution – the Omnibus Plan Resolution - which management intends to place before the Meeting is as follows:

“**BE IT RESOLVED**, as an ordinary resolution of Shareholders, that:

1. the “rolling up to 10% and fixed up to 10%” Omnibus Equity Incentive Compensation Plan of the Company (the “**Omnibus Plan**”) be and is hereby ratified, confirmed and approved as the security-based compensation plan of the Company until such time as further ratification is required pursuant to the rules of the TSX Venture Exchange (the “**Exchange**”) or other applicable regulatory requirements;
2. the board of directors of the Company be and is hereby authorized in its absolute discretion to administer the Omnibus Plan, in accordance with its terms and conditions and to further amend or modify the Omnibus Plan to ensure compliance with the policies of the Exchange; and
3. 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 Omnibus Plan required by the Exchange or applicable securities regulatory authorities and to complete all transactions in connection with the administration of the Omnibus Plan.”

In order for the foregoing Omnibus Plan Resolution to be passed, it must be approved by a simple majority of the votes cast by Shareholders in person or by proxy at the Meeting. If the Omnibus Plan is not approved at the Meeting, the Company will not be permitted to grant further Options or Awards until Shareholder approval is obtained. However, all Options and Awards previously granted will continue unaffected.

**Management of the Company has reviewed the Omnibus Plan Resolution, concluded that it is fair and reasonable to the Shareholders and in the best interest of the Company, and recommends Shareholders vote in favour of ratifying, confirming and approving the Omnibus Plan. Unless**

**directed to the contrary, it is the intention of the Management Proxyholders named in the enclosed instrument of proxy to vote proxies IN FAVOUR of the Omnibus Plan Resolution.**

**SECTION 5 – STATEMENT OF EXECUTIVE COMPENSATION**

**Objective:**

The objective of this disclosure is to communicate the compensation the Company paid, made payable, awarded, granted, gave or otherwise provided to each named executive officer and director for the financial year, and the decision-making process relating to compensation. This disclosure provides insight into executive compensation as a key aspect of the overall stewardship and governance of the Company and will help investors understand how decisions about executive compensation are made.

**Definitions:**

For the purpose of this Statement of Executive Compensation, in this form:

- (a) **“company”** includes other types of business organizations such as partnerships, trusts and other unincorporated business entities;
- (b) **“compensation securities”** includes 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;
- (c) **“named executive officer”** or **“NEO”** means each of the following individuals:
  - (i) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief executive officer (**“CEO”**), including an individual performing functions similar to a CEO;
  - (ii) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer (**“CFO”**), including an individual performing functions similar to a CFO;
  - (iii) in respect of the company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000 for that financial year;
  - (iv) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the company, and was not acting in a similar capacity, at the end of that financial year;
- (d) **“plan”** includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, compensation securities or any other property may be received, whether for one or more persons; and
- (e) **“underlying securities”** means any securities issuable on conversion, exchange or exercise of compensation securities.

**DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION**

During the financial year ended December 31, 2022, based on the definition above, the NEOs of the Company were (a) Ramin Heydarpour, who served as Interim CEO of the Company for the period January 1, 2022, until April 13, 2022, at which time he was appointed CEO of the Company, and who also serves as Executive Chairman of the Board; and (b) Darren Urquhart, who has served as CFO of the Company since April 26, 2013. Individuals serving as Directors of the Company who were not NEOs during the financial year ended December 31, 2022, were Inês Henriques, who served as Chief Operating Officer (“COO”) from April 13, 2022, to September 15, 2023, at which time she was appointed EVP – People, Culture, and Corporate Affairs; Jani-Mikael Kuusisto, who has also served as Senior VP – Ventures since January 20, 2021; Alexander Helmel; Benjamin Leboe; and Alexander Langer.

**Director and NEO compensation, excluding compensation securities**

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

Table of Compensation Excluding Compensation Securities							
Name and position	Year ended (December 31)	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
<b>Ramin Heydarpour</b> <sup>(1)</sup> CEO and Director (Executive Chairman)	2022	180,000	Nil	Nil	Nil	Nil	180,000
	2021	67,000	Nil	Nil	Nil	Nil	67,000
<b>Darren Urquhart</b> <sup>(2)</sup> CFO	2022	30,000	Nil	Nil	Nil	Nil	30,000
	2021	30,000	Nil	Nil	Nil	Nil	30,000
<b>Inês Henriques</b> <sup>(3)</sup> COO and Director	2022	144,762	Nil	Nil	Nil	Nil	144,762
	2021	97,628	1,266	Nil	Nil	Nil	98,894
<b>Jani-Mikael Kuusisto</b> <sup>(4)</sup> Senior VP – Ventures, Director (Vice-Chairman), and former CEO	2022	85,087	Nil	Nil	Nil	Nil	85,087
	2021	101,115	54,830	Nil	Nil	Nil	155,945
<b>Alexander Helmel</b> <sup>(5)</sup> Director	2022	36,000	Nil	Nil	Nil	Nil	36,000
	2021	33,000	Nil	Nil	Nil	Nil	33,000
<b>Benjamin Leboe</b> <sup>(6)</sup> Director	2022	19,000	Nil	Nil	Nil	Nil	19,000
	2021	15,000	Nil	Nil	Nil	Nil	15,000
<b>Alexander Langer</b> <sup>(7)</sup> Director	2022	18,000	Nil	Nil	Nil	Nil	18,000
	2021	10,500	Nil	Nil	Nil	Nil	10,500
<b>Michael Robinson</b> <sup>(8)</sup> Former CEO and former COO	2022	33,916	N/A	N/A	N/A	N/A	33,916
	2021	130,604	14,038	Nil	Nil	Nil	144,642
<b>Duarte Mineiro</b> <sup>(9)</sup> Former Director	2022	N/A	N/A	N/A	N/A	N/A	N/A
	2021	Nil	Nil	Nil	Nil	Nil	Nil
<b>Leif Ljungqvist</b> <sup>(10)</sup> Former Director	2022	N/A	N/A	N/A	N/A	N/A	N/A
	2021	Nil	Nil	Nil	Nil	Nil	Nil

**NOTES:**

- (1) Ramin Heydarpour was appointed Interim CEO on January 1, 2022, and CEO on April 13, 2022. He has also served as Director of the Company since December 1, 2020, and as Executive Chairman of the Board since September 23, 2021.
- (2) Darren Urquhart has served as CFO of the Company since April 26, 2013.

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- (3) Inês Henriques served as COO of the Company from April 13, 2022, to September 15, 2023, at which time she was appointed EVP – People, Culture, and Corporate Affairs. She has also served as Director of the Company since September 16, 2020.
- (4) Jani-Mikael Kuusisto has served as Senior VP – Ventures of the Company since January 20, 2021, and as Director of the Company since January 19, 2018. He previously served as CEO of the Company from January 19, 2018, to January 20, 2021.
- (5) Alexander Helmel has served as Director of the Company since March 1, 2006.
- (6) Benjamin Leboe has served as Director of the Company since May 25, 2018.
- (7) Alexander Langer has served as Director of the Company since June 3, 2021.
- (8) Michael Robinson served as CEO of the Company from January 20, 2021, to December 31, 2021, and COO of the Company from September 10, 2020, to January 20, 2021.
- (9) Duarte Mineiro served as Director of the Company from January 19, 2018, to June 3, 2021.
- (10) Leif Ljungqvist served as Director of the Company from November 14, 2019, to February 1, 2021.

### Options and Other Compensation Securities

The following table sets out all compensation securities granted or issued to each NEO and director by the Company or one of its subsidiaries during the financial year ended December 31, 2022, for services provided or to be provided, directly or indirectly, to the Company or any subsidiary thereof:

Compensation Securities							
Name and position	Type of compensation security <sup>(1)</sup>	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end <sup>(2)</sup> (\$)	Expiry Date
<b>Ramin Heydarpour</b> CEO and Director (Executive Chairman)	Options	250,000 (2.61%) (underlying securities: 250,000 Shares (0.20%))	July 20, 2022	\$0.20	\$0.12	\$0.075	July 20, 2027
<b>Darren Urquhart</b> CFO	Options	100,000 (1.04%) (underlying securities: 100,000 Shares (0.08%))	July 20, 2022	\$0.20	\$0.12	\$0.075	July 20, 2027
<b>Inês Henriques</b> COO and Director	Options	200,000 (2.09%) (underlying securities: 200,000 Shares (0.16%))	July 20, 2022	\$0.20	\$0.12	\$0.075	July 20, 2027
<b>Jani-Mikael Kuusisto</b> Senior VP – Ventures, Director (Vice-Chairman) and former CEO	Options	100,000 (1.04%) (underlying securities: 100,000 Shares (0.08%))	July 20, 2022	\$0.20	\$0.12	\$0.075	July 20, 2027
<b>Alexander Helmel</b> Director	Options	100,000 (1.04%) (underlying securities: 100,000 Shares (0.08%))	July 20, 2022	\$0.20	\$0.12	\$0.075	July 20, 2027
<b>Benjamin Leboe</b> Director	Options	100,000 (1.04%) (underlying securities: 100,000 Shares (0.08%))	July 20, 2022	\$0.20	\$0.12	\$0.075	July 20, 2027
<b>Alexander Langer</b> Director	Options	100,000 (1.04%) (underlying securities: 100,000 Shares (0.08%))	July 20, 2022	\$0.20	\$0.12	\$0.075	July 20, 2027
<b>Michael Robinson</b> Former CEO and former COO	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Duarte Mineiro</b> Former Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Leif Ljungqvist</b> Former Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A

NOTES:

(1) All Options vest 25% on the date of grant and 25% each four months thereafter.

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(2) Closing price of a common share of the Company (a “Share”) as at December 31, 2022, was \$0.075.

As at December 31, 2022, the total amount of compensation securities and underlying securities held by each NEO or director was as follows:

- (a) Ramin Heydarpour held 100,000 Options (100,000 underlying Shares) each exercisable at \$0.285 until November 11, 2025; 250,000 Options (250,000 underlying Shares) each exercisable at \$0.55 until August 26, 2026; 100,000 (100,000 underlying Shares) each exercisable at \$0.44 until October 20, 2026; and 250,000 Options (250,000 underlying Shares) each exercisable at \$0.20 until July 20, 2027.
- (b) Darren Urquhart held 50,000 Options (50,000 underlying Shares) each exercisable at \$0.37 until May 1, 2024; and 100,000 Options (100,000 underlying Shares) each exercisable at \$0.20 until July 20, 2027.
- (c) Inês Henriques held 300,000 Options (300,000 underlying Shares) each exercisable at \$0.30 until January 19, 2023 (these have since expired unexercised); 150,000 Options (150,000 underlying Shares) each exercisable at \$0.37 until May 1, 2024; and 200,000 Options (200,000 underlying Shares) each exercisable at \$0.20 until July 20, 2027.
- (d) Jani-Mikael Kuusisto held 450,000 Options (450,000 underlying Shares) each exercisable at \$0.30 until January 19, 2023 (these have since expired unexercised); 150,000 Options (150,000 underlying Shares) each exercisable at \$0.37 until May 1, 2024; and 100,000 Options (100,000 underlying Shares) each exercisable at \$0.20 until July 20, 2027.
- (e) Alexander Helmel held 100,000 Options (100,000 underlying Shares) each exercisable at \$0.20 until July 20, 2027.
- (f) Benjamin Leboe held 100,000 Options (100,000 underlying Shares) each exercisable at \$0.37 until May 1, 2024; and 100,000 Options (100,000 underlying Shares) each exercisable at \$0.20 until July 20, 2027.
- (g) Alexander Langer held 100,000 Options (100,000 underlying Shares) each exercisable at \$0.63 until June 3, 2026; 250,000 Options (250,000 underlying Shares) each exercisable at \$0.44 until October 20, 2026; and 100,000 Options (100,000 underlying Shares) each exercisable at \$0.20 until July 20, 2027.
- (h) Michael Robinson held no Options.
- (i) Duarte Mineiro held no Options.
- (j) Leif Ljungqvist held no Options.

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

There were no exercises of compensation securities by any NEO or director of the Company during the financial year ended December 31, 2022.

## Stock Option Plans and Other Incentive Plans

### Omnibus Equity Incentive Compensation Plan

The following is a summary of certain provisions of the Omnibus Plan. This description is intended as a summary only and is qualified in its entirety by the full text of the Omnibus Plan, a copy of which will be available at the Meeting and which is attached hereto as Schedule “A”. A Shareholder may also obtain a copy of the Omnibus Plan from the Company upon written request.

#### *Summary of Material Terms*

The purposes of the Omnibus Plan are to: (i) provide the Company with a mechanism to attract, retain and motivate highly qualified directors, officers, employees and consultants; (ii) align the interests of eligible participants in the Omnibus Plan (“**Participants**”) with that of other Shareholders generally; and (iii) enable and encourage Participants to participate in the long-term growth of the Company through the acquisition of Shares as long-term investments. It serves to promote the interests of the Company and Shareholders by aiding the Company in attracting and retaining employees, officers, consultants, advisors and non-employee directors capable of assuring the future success of the Company, to offer such persons incentives to put forth maximum efforts for the success of the Company’s business and to compensate such persons through various stock and cash-based arrangements and provide them with opportunities for stock ownership in the Company, thereby aligning the interests of such persons with Shareholders.

The Omnibus Plan is administered by the Board and provides that the Board may, from time to time, in its discretion, and in accordance with Exchange requirements or any other stock exchange on which the Shares are listed, grant to eligible Participants, non-transferable Awards. Such Awards include Options, RSUs, DSUs, and PSUs.

Under the “rolling up to 10% and fixed up to 10%” Omnibus Plan, the maximum number of Shares issuable pursuant to (a) outstanding Options at any time will be equal to 10% of the outstanding Shares, as measured as at the date of any Option grant; and (b) RSUs, DSUs and PSUs, on an aggregate basis, will be fixed at a maximum of 12,467,191. For greater certainty, only the “rolling up to 10%” component of the Omnibus Plan that applies to the granting of Options is considered “evergreen”, whereby Shares covered by Awards which have been exercised or settled, as applicable, and Awards which expire or are forfeited, cancelled or otherwise terminated or lapse for any reason without having been exercised, will be available for subsequent grant under the Omnibus Plan. The “fixed up to 10%” component of the Omnibus Plan applicable to Shares in connection with RSUs, DSUs and PSUs is set at a maximum of 12,467,191 and any redemption of such Award will decrease the number of Shares in reserve accordingly.

No Award that can be settled in Shares issued from treasury may be granted if such grant would have the effect of causing the total number of Shares subject to such Award to exceed the above noted total number of Shares reserved for issuance pursuant to the settlement of Awards.

The maximum number of Shares for which Awards may be issued to any one Participant in any 12-month period shall not exceed 5% of the outstanding Common Shares, unless the Company obtains disinterested shareholder approval as required by the policies of the Exchange. The aggregate number of Shares for which Awards may be issued to any one consultant within any 12-month period shall not exceed 2% of the outstanding Shares, calculated on the date an Award is granted to the consultant. The aggregate number of Shares for which Options may be issued to all persons retained to provide Investor Relations Activities (as defined by the Exchange), in aggregate, within any 12-month period shall not exceed 2% of the outstanding Shares, calculated on the date an Option is granted to such persons.

Further, unless disinterested shareholder approval as required by the policies of the Exchange is obtained: (i) the maximum number of Shares for which Awards may be issued to insiders of the Company (as a

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group) at any point in time shall not exceed 10% of the outstanding Shares; and (ii) the aggregate number of Awards granted to insiders of the Company (as a group), within any 12-month period, shall not exceed 10% of the outstanding Shares, calculated at the date an Award is granted to any insider.

The Omnibus Plan provides for customary adjustments or substitutions, as applicable, in the number of Shares that may be issued under the Omnibus Plan in the event of a merger, arrangement, amalgamation, consolidation, reorganization, recapitalization, separation, stock dividend, extraordinary dividend, stock split, reverse stock split, split up, spin-off or other distribution of stock or property of the Company, combination of securities, exchange of securities, dividend in kind, or other like change in capital structure or distribution (other than normal cash dividends) to shareholders of the Company, or any similar corporate event or transaction.

In the event of an actual or potential Change of Control (as is defined in the Omnibus Plan) of the Company, the Board shall have discretion as to the treatment of Awards, including whether to (i) accelerate, conditionally or otherwise, on such terms as it sees fit, the vesting date of any Awards; (ii) permit the conditional redemption or exercise of any Awards, on such terms as it sees fit; (iii) otherwise amend or modify the terms of any Awards; and (iv) terminate, following the successful completion of a Change of Control, on such terms as it sees fit, the Awards not exercised prior to the successful completion of such Change of Control. If there is a Change of Control, any Awards held by a Participant shall automatically vest following such Change of Control, if the Participant is an employee, officer or a director and their employment, or officer or director position is terminated within 12 months following the Change of Control, provided that no acceleration of Awards shall occur in the case of a Participant that was retained to provide Investor Relations Activities unless the approval of the Exchange is either obtained or not required.

### *Options*

Subject to the terms and conditions of the Omnibus Plan, the Board may grant Options to Participants in such amounts and upon such terms (including the exercise price, duration of the Options, the number of Shares to which the Option pertains, and the conditions, if any, upon which an Option shall become vested and exercisable) as the Board shall determine.

The exercise price of the Options will be determined by the Board at the time any Option is granted. In no event will such exercise price be lower than the last closing price of the Shares on the Exchange less any discount permitted by the rules or policies of the Exchange at the time the Option is granted. Such price upon exercise of any Option shall be payable to the Company in full in cash, by certified cheque or by wire transfer, by a cashless exercise or a net exercise.

In connection with a cashless exercise, the Participant shall elect, on a notice of exercise, to receive a loan from a brokerage firm, which the Company has an arrangement with, to purchase the underlying Shares. Upon the sale by the brokerage firm of an equivalent number of Shares received from the exercise of the Options to repay the loan made to the Participant, the Participant shall elect to receive either the balance of the Shares following the sale or the cash proceeds from the balance of the Shares.

In connection with a net exercise, the Participant shall elect on a notice of exercise to receive an amount equal to the number of underlying Shares listed on the Exchange that is the equal to the quotient obtained by dividing: (a) the product of the number of Options being exercised multiplied by the difference between the five-day volume weighted average price of the underlying Shares so listed and the exercise price of the subject Options; by (b) the five-day volume weighted average price of the underlying Shares so listed; provided, however, that persons retained to provide investor relations activities shall not be permitted to exercise an Option using the net exercise method.

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Unless otherwise specified in an Award agreement granting Options, Options shall vest subject to Exchange policies, and the Board may in its sole discretion, determine the time during which an Option shall vest and the method of vesting, or that no vesting restriction shall exist.

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

### ***RSUs***

Subject to the terms and conditions of the Omnibus Plan, the Board may grant RSUs to Participants in such amounts and upon such terms (including time-based restrictions on vesting, restrictions under applicable laws or under the requirements of the Exchange) as the Board shall determine.

No RSU may vest before one year following the date it is granted or issued. The vesting of RSUs may be accelerated in limited circumstances, in the case of the death of Participant or upon a Participant ceasing to be an eligible participant under the Omnibus Plan in connection with a change of control, take-over bid, Reverse Take-Over or other similar transaction.

Unless otherwise specified in an Award agreement granting RSUs, RSUs shall vest at the discretion of the Board, subject to the policies of the Exchange, provided that, and subject to the Board's discretion: (i) upon a Participant's termination for cause, all RSUs, whether vested (if not yet paid out) or not as at the Termination Date will automatically and immediately expire and be forfeited; (ii) upon the death of a Participant, all unvested RSUs as at the Termination Date shall automatically and immediately vest and be paid out; (iii) in the case of the disability of a Participant, all RSUs shall remain and continue to vest in accordance with the terms of the Omnibus Plan for a period of 12 months after the Termination Date, provided that any RSUs that have not been vested within 12 months after the Termination Date shall automatically and immediately expire and be forfeited on such date; (iv) in the case of the retirement of a Participant, the Board shall have discretion, with respect to such RSUs, to determine whether cancel such RSUs with or without payment and determine how long, if at all, such RSUs may remain outstanding following the Termination Date, provided, however, that in no event shall such RSUs be exercisable for more than 12 months after the Termination Date; and (v) in all other cases where a Participant ceases to be eligible under the Omnibus Plan, including a termination without cause or a voluntary resignation, unless otherwise determined by the Board, all unvested RSUs shall automatically and immediately expire

and be forfeited as of the Termination Date, and all vested RSUs will be paid out in accordance with the Omnibus Plan.

When and if RSUs become payable, the Participant issued such RSUs shall be entitled to receive payment from the Company in settlement of such RSU: (i) in a number of Shares (issued from treasury) equal to the number of RSUs being settled, or (ii) in any other form, all as determined by the Board at its sole discretion. The Board's determination regarding the form of payout shall be set forth or reserved for later determination in the Award agreement for the grant of the RSUs.

Participants holding RSUs may, if the Board so determines, be credited with dividends paid with respect of the underlying Shares or dividend equivalents while they are so held in a manner determined by the Board in its sole discretion.

### *DSUs*

Subject to the terms and conditions of the Omnibus Plan, the Board may grant DSUs to Participants in such amounts and upon such terms (including the requirement that Participants pay a stipulated purchase price for each DSU, restrictions based upon the achievement of specific performance criteria, time-based restrictions, restrictions under applicable laws or under the requirements of the Exchange, or holding or sale restrictions placed on the Shares by the Company upon vesting of such DSUs) as the Board shall determine.

When and if DSUs become payable, the Participant issued such DSUs shall be entitled to receive payment from the Company in settlement of such DSU: (i) in a number of Shares (issued from treasury) equal to the number of DSUs being settled, or (ii) in any other form, all as determined by the Board at its sole discretion. The Board's determination regarding the form of payout shall be set forth or reserved for later determination in the Award agreement for the grant of the DSUs. Participants holding DSUs may, if the Board so determines, be credited with dividends paid with respect of the underlying Shares or dividend equivalents while they are so held in a manner determined by the Board in its sole discretion.

The extent to which a Participant shall have the right to retain DSUs following termination of the Participant's employment or other relationship with the Company, shall be set out in each DSU award agreement and determined in the sole discretion of the Board, and need not be uniform among all DSUs issued pursuant to the Omnibus Plan, and may reflect distinctions based on the reasons for termination, provided that the provisions shall comply with the applicable rules of the Exchange.

No DSU may vest before one year following the date it is granted or issued. The vesting of DSUs may be accelerated in limited circumstances, in the case of the death of Participant or upon a Participant ceasing to be an eligible participant under the Omnibus Plan in connection with a change of control, take-over bid, Reverse Take-Over or other similar transaction, provided, however, that in the event that a Participant ceases to be an eligible Participant under the Omnibus Plan, no DSU granted to that Participant shall remain outstanding for a period of more than 12 months following the Termination Date, provided that any DSUs that have not been settled within 12 months after the Termination Date shall automatically and immediately expire and be forfeited on such date.

### *Performance Awards*

Subject to the terms and conditions of the Omnibus Plan, the Board may grant PSUs to Participants in such amounts and upon such terms (including the performance criteria applicable to such PSUs) as the Board shall determine. Each PSU shall have an initial value equal to the fair market value of a Common Share on the date of grant. After the applicable performance period has ended, the holder of a PSU shall be entitled to receive payout on the value and number of PSUs, determined as a function of the extent to which the corresponding performance criteria have been achieved.

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Subject to the terms of the Omnibus Plan, the Board, in its sole discretion, may pay earned PSUs in the form of a number of Shares issued from treasury equal to the number of earned PSUs at the end of the applicable performance period. Any Shares may be granted subject to any restrictions deemed appropriate by the Board.

Participants holding PSUs may, if the Board so determines, be credited with dividends paid with respect of the underlying Shares or dividend equivalents while they are so held in a manner determined by the Board in its sole discretion.

The extent to which a Participant shall have the right to retain PSUs following termination of the Participant's employment or other relationship with the Company, shall be set out in each PSU award agreement and determined in the sole discretion of the Board, and need not be uniform among all PSUs issued pursuant to the Omnibus Plan, and may reflect distinctions based on the reasons for termination, provided that the provisions shall comply with the applicable rules of the Exchange.

No PSU may vest before one year following the date it is granted or issued. The vesting of PSUs may be accelerated in limited circumstances, in the case of the death of Participant or upon a Participant ceasing to be an eligible participant under the Omnibus Plan in connection with a change of control, take-over bid, Reverse Take-Over or other similar transaction, provided, however, that in the event that a Participant ceases to be an eligible Participant under the Omnibus Plan, no PSU granted to that Participant shall remain outstanding for a period of more than 12 months following the Termination Date, provided that any PSUs that have not been settled within 12 months after the Termination Date shall automatically and immediately expire and be forfeited on such date.

Participants who are investor relations service providers cannot receive any security-based compensation other than Options.

### ***Employment, Consulting and Management Agreements***

Except as disclosed herein, the Company did not have any employment, consulting or management agreements or any formal arrangements with the Company's current NEOs or directors regarding compensation during the financial year ended December 31, 2022, in respect of services provided to the Company or subsidiaries thereof.

#### Consulting Agreement with Ramin Heydarpour

The Company entered into a consulting agreement with Ramin Heydarpour dated January 1, 2022 (the "**Heydarpour Agreement**"), whereby Ramin Heydarpour agreed to act as Chief Executive Officer of the Company in return for a monthly fee of \$12,000 and eligibility to participate in security-based compensation as well as be eligible to receive cash bonuses. The granting of security-based compensation would be at the discretion of the Board and the awarding of bonuses would be at the discretion of the Compensation Committee of the Company. Either party may terminate the Heydarpour Agreement at any time, subject to 60 day's written notice to the other party. Certain clauses, namely restrictions concerning confidentiality, competition and solicitation, and obligations shall survive termination of the Heydarpour Agreement. In exchange for adherence to the post-termination clauses, the Company shall compensate Mr. Heydarpour specified percentages of his pre-termination monthly compensation on a monthly basis for periods of six or 12 months, as applicable.

#### Employment Agreement with Jani-Mikael Kuusisto

YD Ynvisible, S.A., a subsidiary of the Company, entered into an employment agreement with Jani-Mikael Kuusisto dated August 12, 2016, whereby Jani-Mikael Kuusisto agreed to act as General Manager and, effective January 19, 2018, as CEO of the Company in return for a gross annual salary of 106,846€

(equivalent to \$158,731 using average exchange rate over FY2019 period of 1.4856 Canadian dollar per 1 Euro), with a provision calling for six months severance pay in the event of termination of his employment by the Company. From January 19, 2018, to January 20, 2021, Mr. Kuusisto remained in the position of CEO of the Company although, during this time, on February 1, 2020, his employment agreement was transferred to Ynvisible Production AB, a subsidiary of the Company, at a gross annual (base) salary of 114,000€ (equivalent to \$174,397 using average exchange rate over FY2020 period of 1.5298 Canadian dollar per 1 Euro), retaining the provision calling for six months severance pay in the event of termination of his employment by the Company. On January 20, 2021, Mr. Kuusisto was appointed Senior Vice President - Ventures, working on a half-time basis, at a gross annual salary of 59,280€ (equivalent to \$87,900 using average exchange rate over FY2021 period of 1.4828 Canadian dollar per 1 Euro and equivalent to \$81,190 using average exchange rate over FY2022 period of 1.3696 Canadian dollar per 1 Euro), under the same employment contract with Ynvisible Production AB that he had as CEO and retaining the provision calling for six months' severance pay in the event of termination of his employment by the Company.

#### Employment Agreement with Inês Henriques

YD Ynvisible, S.A., a subsidiary of the Company, entered into an employment agreement with Inês Henriques dated October 1, 2010 (first signed by YDreams on March 6, 2007, and then transferred to YD Ynvisible, S.A. on October 1, 2010) whereby Inês Henriques agreed to act as CEO and, as of January 19, 2018, COO of the Company in return for a gross annual salary of 65,896€ (equivalent to \$97,896 using average exchange rate over FY2019 period of 1.4856 Canadian dollar per 1 Euro), with the termination clauses established by Portuguese Labour Law. Ms. Henriques continued to serve as COO until September 10, 2020, just prior to resuming her position on the Board. She was again appointed COO of the Company on April 13, 2022, and held that position until September 15, 2023, when she was appointed EVP – People, Culture, and Corporate Affairs. On January 1, 2022, her gross annual salary was updated to 93,686€ (equivalent to \$138,918 using average exchange rate over FY2021 period of 1.4828 Canadian dollar per 1 Euro and equivalent to \$128,312 using average exchange rate over FY2022 period of 1.3696 Canadian dollar per 1 Euro) and, on March 1, 2022, increased to a gross annual salary of 99,846€ (equivalent to \$136,749 using average exchange rate over FY2022 period of 1.3696 Canadian dollar per 1 Euro).

#### *Termination and Change of Control Benefits*

Except as disclosed above, during the financial year ended December 31, 2022, the Company did not have any contract, agreement, plan or arrangement that provides for payment to any NEOs, executive officers or directors at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Company or a change in an NEO's, executive officer's or director's responsibilities.

#### *Oversight and Description of Director and NEO Compensation*

Executive compensation is set to attract and retain the best available talent while efficiently utilizing available resources. The Company compensates executive management with a package typically including a base salary (“**Base Salary**”), an incentive compensation plan (“**Incentive Compensation**”) and equity compensation (the “**Equity Compensation**”) designed to be competitive with comparable employers. In considering executive management's compensation, the Board takes into consideration the financial condition of the Company. The Base Salary is set in comparison to the comparable positions in the market and in the industry, the Incentive Compensation is used as a short-term incentive to achieve Company objectives, and the Equity Compensation is designed to allow the participants to enjoy the benefits of any increase in Company valuation and share price, should such an increase occur. Executive compensation is designed to reward activities and achievements that are aligned with the long-term interests of Shareholders.

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The Base Salary, Incentive Compensation and Equity Compensation for the Company's NEOs, including the CEO and the CFO is determined by the Company's Compensation Committee. The Company's Compensation Committee determines compensation and incentive awards for the directors and senior officers of the Company. The Compensation Committee also assumes responsibility for reviewing and monitoring the long-range compensation strategy for the Company's senior management. The Board reviews the compensation of senior management on a semi-annual basis taking into account compensation paid by other issuers of similar size and activity.

### Philosophy and Objectives

The compensation program for the senior management of the Company is designed with a view that the level and form of compensation achieves certain objectives, including:

- (a) attracting and retaining qualified executives;
- (b) motivating the short and long-term performance of these executives; and
- (c) better aligning their interests with those of the Company's shareholders.

In compensating its senior management, the Company has employed a combination of base salary, bonus compensation and equity participation through security-based compensation. Recommendations for senior management compensation are presented to the Board for review.

The Company currently does not have in place any formal policies to prevent a director or NEO from purchasing financial instruments that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held directly or indirectly by such director or NEO.

### Elements of Compensation

In compensating its senior management, the Company has employed a combination of base salary and equity participation through security-based compensation. Recommendations for senior management compensation are presented to the Board for review.

### Base Salary or Consulting Fees

In the Board's view, paying base salaries which are reasonable in relation to the level of service expected while remaining competitive in the markets in which the Company operates is a first step to attracting and retaining qualified and effective executives.

### Equity Participation

Security-based compensation is granted to executives and employees taking into account a number of factors, including the amount and term of security-based compensation previously granted, base salary and bonuses and competitive factors. The amounts and terms of options granted are determined by the Compensation Committee.

### Bonus Incentive Compensation

The Company's objective is to achieve certain strategic objectives and milestones. The Board will consider executive bonus compensation dependent upon the Company meeting those strategic objectives and milestones and sufficient cash resources being available for the granting of bonuses. The Board approves executive bonus compensation dependent upon compensation levels based on recommendations

of the CEO. Such recommendations are generally based on information provided by issuers that are similar in size and scope to the Company's operations.

#### Benefits and Perquisites

The Company does not, as of the date of this Statement of Executive Compensation, offer any benefits or perquisites to its NEOs other than potential grants of security-based compensation as otherwise disclosed and discussed herein.

#### *Pension Disclosure*

The Company does not have any pension, retirement, defined benefit, defined contribution or deferred compensation plans that provides for payments or benefits to its directors and NEOs at, following, or in connection with retirement and none are proposed at this time.

### **SECTION 6 – AUDIT COMMITTEE**

National Instrument 52-110 - *Audit Committees* (“**NI 52-110**”) requires the Company, as a venture issuer, to disclose annually in its Circular certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor. Such disclosure is set forth below.

#### **AUDIT COMMITTEE CHARTER**

The primary function of the Audit Committee is to assist the Board in fulfilling its financial oversight responsibilities. The audit committee will review and consider in consultation with the auditor the financial reporting process, the system of internal control and the audit process.

The text of the Company's Audit Committee Charter is attached as Schedule “B” to this Circular.

#### **COMPOSITION OF AUDIT COMMITTEE**

As at the date hereof, the Audit Committee of the Company is comprised of three directors, namely Alexander Helm, Benjamin Leboe and Inês Henriques.

NI 52-110 provides that a member of an audit committee is “independent” if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board, reasonably interfere with the exercise of the member's independent judgment. As the Company is a venture issuer, the Company is exempt from the Audit Committee composition requirements in NI 52-110 which require all Audit Committee members to be independent. Inês Henriques is not considered to be independent as she also serves in the capacity as an executive officer of the Company. Messrs. Helm and Leboe are considered to be independent.

NI 52-110 provides that an individual is “financially literate” if he or she has 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. All of the members of the Company's audit committee are financially literate as that term is defined.

#### **RELEVANT EDUCATION AND EXPERIENCE**

Each member of the Company's Audit Committee has adequate education and experience that is relevant to his performance as an Audit Committee member and, in particular the requisite education and experience that have provided the member with:

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- (a) an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements or experience actively supervising individuals engaged in such activities; and
- (c) an understanding of internal controls and procedures for financial reporting.

**Alexander Helm** – Alexander Helm has been a director of the Company since March 1, 2006, and served as President of the Company from March 1, 2006, to January 19, 2018, and as Chief Executive Officer of the Company from August 27, 2007, to January 19, 2018. Mr. Helm has over 17 years' experience working with private as well as publicly traded companies. He has served as a director and/or officer of numerous companies listed on the Canadian Securities Exchange and TSX Venture Exchange. He holds a Bachelor of Science degree from the University of British Columbia.

**Benjamin Leboe, B.Com., CMC, CA/CPA (Ret.)** – Benjamin Leboe also serves as Director of Nevada Exploration Inc. (TSXV: NGE), a TSX Venture Exchange listed issuer, and Austin Gold Corp. (NYSE: AUST), listed on the NYSE American. Previously he served as CFO of Uranerz Energy Corporation, listed on NYSE American and the TSX, before that company merged with Energy Fuels Inc. (EFR.TO). During his nine years at Uranerz Mr. Leboe also held such positions as Ethics Officer, Corporate Secretary, Principal Accounting Officer and Senior Vice President of Finance. Prior to joining Uranerz, Mr. Leboe was a Senior Consultant, (Management Consulting) of the Business Development Bank of Canada. He has served as Director, CFO, Principal Accounting Officer and Treasurer of numerous public companies in Canada and the United States. Since 1990, Mr. Leboe has been Principal, Independent Management Consultants of British Columbia. Prior to that time, he was a Partner of KPMG Consulting and its predecessor firms. He holds a business degree from the University of British Columbia, is a Certified Management Consultant and retired Business Valuator/Chartered Accountant (CPA, CA).

**Inês Henriques** – Inês Henriques is the current EVP - People, Culture, and Corporate Affairs of the Company. She has also previously served as the Company's COO. She was the leader of the research initiative, which resulted in the founding of YD Ynvisible S.A. in 2010, after which she acted as CEO. She developed a competent team, with high levels of expertise in all strategic areas, and initiated senior management recruitment. Ms. Henriques has also been actively involved in the development of the Company's core IP portfolio and was responsible for initiating the Company's first manufacturing partnership and establishing R&D partner networks to develop future interactive surfaces technologies. She has a degree in Environmental Engineering from the New University of Lisbon, Portugal and a PhD from Virginia Tech, USA.

### AUDIT COMMITTEE OVERSIGHT

At no time since the commencement of the Company's most recently completed financial year ended December 31, 2022, was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

### RELIANCE ON CERTAIN EXEMPTIONS

At no time since the commencement of the Company's most recently completed financial year ended December 31, 2022, has the Company relied on the exemption in section 2.4 of NI 52-110 - *Audit Committees (De Minimis Non-audit Services)*, the exemption in section 6.1.1(4) (*Circumstance Affecting*

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*the Business or Operations of the Venture Issuer*), the exemption in subsection 6.1.1(5) (*Events Outside Control of Member*), the exemption in subsection 6.1.1(6) (*Death, Incapacity or Resignation*), or an exemption, in whole or in part, granted under Part 8 of NI 52-110.

### PRE-APPROVAL POLICIES AND PROCEDURES

All non-audit services (being services other than services rendered for the audit and review of the financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements) which are proposed to be provided by the external auditor to the Company or any subsidiary of the Company are subject to the prior approval of the Audit Committee of the Company.

### EXTERNAL AUDITOR SERVICE FEES (BY CATEGORY)

The aggregate fees billed by the Company's external auditor in each of the last two financial years with respect to the Company, by category, are as follows:

Financial Year Ended December 31	Audit Fees <sup>(1)</sup> (\$)	Audit-Related Fees <sup>(2)</sup> (\$)	Tax Fees <sup>(3)</sup> (\$)	All Other Fees <sup>(4)</sup> (\$)
2022	95,000	Nil	4,700	Nil
2021	70,348	7,500	3,000	3,000

#### NOTES:

- (1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All Other Fees" include all other non-audit services.

## SECTION 7 – CORPORATE GOVERNANCE

### GENERAL

Pursuant to National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("NI 58-101"), the Company is required to disclose its corporate governance practices. Corporate governance relates to the policies, structure and activities of a board of directors of a corporation, the members of which are elected by and are accountable to the shareholders of the corporation and takes into account the role of the individual members of management who are appointed by the board of directors and who are charged with the day-to-day management of the corporation.

National Policy 58-201 - *Corporate Governance Guidelines* ("NP 58-201") establishes corporate governance guidelines which apply to all public companies. These guidelines are not intended to be prescriptive but to be used by issuers in developing their own corporate governance practices. The Board is committed to sound corporate governance practices and believes the Company's corporate governance practices are appropriate and effective for the Company given its current size.

Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure the board of directors recognizes the principles of good management. The Board is committed to sound corporate governance practices, as such practices are both in the interests of Shareholders and help to contribute to effective and

## MANAGEMENT INFORMATION CIRCULAR

efficient decision-making and believes the Company's corporate governance practices are appropriate and effective for the Company given its current size.

### BOARD OF DIRECTORS

The mandate of the board of directors of the Company, as prescribed by the *Business Corporations Act* (British Columbia), is to manage or supervise the management of the business and affairs of the Company and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of the Company's affairs directly and through its committee(s). The Board facilitates its exercise of independent supervision over management through frequent meetings of the Board. The Board is currently composed of six directors, three of whom are not, or were not, in the past three years, executive officers of the Company and are, therefore, considered to be independent, as that term is defined in applicable securities legislation. Mr. Helmel, Mr. Leboe, and Mr. Langer are considered to be independent. Messrs. Heydarpour and Kuusisto and Ms. Henriques are not considered independent as they hold executive officer positions in the Company. In determining whether a director is independent, the Board chiefly considers whether the director has a relationship which could or could be perceived to interfere with the director's ability to objectively assess the performance of management.

The Board is responsible for approving long-term strategic plans and annual operating plans and budgets recommended by management. Board consideration and approval is also required for material contracts and business transactions, and all debt and equity financing transactions.

The Board delegates to management responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Company's business in the ordinary course, managing the Company's cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board also looks to management to furnish recommendations respecting corporate objectives, long-term strategic plans and annual operating plans.

### DIRECTORSHIPS IN OTHER REPORTING ISSUERS

Certain of the Company's directors are also directors of other reporting issuers (or the equivalent) in a jurisdiction or a foreign jurisdiction as follows:

<b>Name of Director</b>	<b>Other Reporting Issuer (or the equivalent) <sup>(1)</sup></b>
Alexander Helmel	Atomic Minerals Corporation Global Compliance Applications Corp. Prudent Minerals Corp. Silver Sands Resources Corp. Treviso Capital Corp.
Benjamin Leboe	Austin Gold Corp. Nevada Exploration Inc.
Alexander Langer	Intertidal Capital Corp. Li-FT Power Ltd. Reyna Gold Corp. Reyna Silver Corp. Sierra Madre Gold and Silver Ltd.

NOTE:

(1) The information in the table above as to other directorships is not within the knowledge of management of the Company and has been furnished by the respective directors.

## **ORIENTATION AND CONTINUING EDUCATION**

New directors are briefed on strategic plans, short-, medium- and long-term corporate objectives, business risks and mitigation strategies, corporate governance guidelines and existing Company policies. However, there is no formal orientation for new members of the Board and this is considered appropriate given the Company's size and current level of operations. A formal orientation process will be implemented when growth of the Company's operations warrants such implementation.

The skills and knowledge of the Board as a whole is such that no formal continuing education process is currently deemed required. The Board is comprised of individuals with varying backgrounds, who have, both collectively and individually, extensive experience in running and managing public companies. Board members are encouraged to communicate with management, auditors and technical consultants to keep themselves current with industry trends and developments and changes in legislation, with management's assistance. Board members have full access to the Company's records.

## **ETHICAL BUSINESS CONDUCT**

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law, and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest are sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Under the corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Company and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and to disclose to the Board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction. The director must then abstain from voting on the contract or transaction unless the contract or transaction (i) relates primarily to their remuneration as a director, officer, employee or agent of the Company or an affiliate of the Company, (ii) is for indemnity or insurance for the benefit of the director in connection with the Company, or (iii) is with an affiliate of the Company. If the director abstains from voting after disclosure of their interest, the directors approve the contract or transaction and the contract or transaction was reasonable and fair to the Company at the time it was entered into, the contract or transaction is not invalid, and the director is not accountable to the Company for any profit realized from the contract or transaction. Otherwise, the director must have acted honestly and in good faith, the contract or transaction must have been reasonable and fair to the Company and the contract or transaction be approved by the shareholders by a special resolution after receiving full disclosure of its terms in order for the director to avoid such liability or the contract or transaction being invalid.

## **NOMINATION OF DIRECTORS**

The Board considers its size each year when it considers the number of directors to recommend to Shareholders for election at the annual meeting of Shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

The Nominating and Corporate Governance Committee is responsible for identifying individuals qualified to become new Board members and considering new director nominees. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, shown support for the Company's mission and strategic objectives, and a willingness to serve.

## COMPENSATION OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

The Compensation Committee reviews and provides recommendations regarding executive compensation, succession plans for executive officers, and the Company's overall compensation and benefits policies, plans and programs. The current members of the Company's Compensation Committee are Benjamin Leboe (Chair), Inês Henriques and Alex Helmél.

## DISCLOSURE AND INVESTOR RELATIONS COMMITTEE

The Disclosure and Investor Relations Committee is tasked with assisting management in preparing disclosures, helping to ensure that the Company's disclosure controls and procedures are properly implemented, and overseeing the Company's investor relations activities. The current members of the Company's Disclosure and Investor Relations Committee are Alexander Langer (Chair), Jani-Mikael Kuusisto and Inês Henriques.

## COMMITTEES OF THE BOARD OF DIRECTORS

The Board has an Audit Committee (See "*Section 6 – Audit Committee*"), a Compensation Committee, a Corporate Governance Committee, a Disclosure and Investor Relations Committee, and an Investment Committee.

## ASSESSMENTS

The Board, as a whole, assesses its performance, the performance of its committee(s) and the contribution of individual directors on an ongoing basis. It also monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and committee(s).

The Board believes its corporate governance practices are appropriate and effective for the Company, given its size and operations. The Company's corporate governance practice allows the Company to operate efficiently, with checks and balances that control and monitor management and corporate functions without excessive administrative burden.

## SECTION 8 – OTHER INFORMATION

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Company has a "rolling up to 10% and fixed up to 10%" Omnibus Equity Incentive Plan, adopted by the Board on October 27, 2022 and approved by the Shareholders on December 15, 2022. See "*Section 4 – Particulars of Matters to be Acted Upon – 5. Approval of Omnibus Equity Incentive Compensation Plan*".

The following table sets forth information with respect to all compensation plans, being the 10% "rolling" stock option plan and "fixed" restricted share unit plan, under which equity securities were authorized for issuance as at December 31, 2022:

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Plan Category	Type of Plan	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	Omnibus Equity Incentive Plan	9,472,500	\$0.39	2,994,691 Options 12,466,691 other Awards (RSUs/DSUs/PSUs)
Equity compensation plans not approved by securityholders	N/A	N/A	N/A	N/A
<b>Totals:</b>		<b>9,472,500</b>	<b>\$0.39</b>	<b>15,461,882</b>

**INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

Other than "routine indebtedness" as defined in applicable securities legislation, since the beginning of the financial year ended December 31, 2022, none of:

- (a) the executive officers, directors, employees and former executive officers, directors and employees of the Company or any of its subsidiaries;
- (b) the proposed nominees for election as a director of the Company; or
- (c) any associates of the foregoing persons;

is or has been indebted to the Company or any of its subsidiaries or has been indebted to any other entity where that indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries, and which was not entirely repaid on or before the date of this Circular.

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

Except as disclosed herein, no director or executive officer of the Company, nor any person who has held such a position since the beginning of the last completed financial year of the Company, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors and approval of the Omnibus Plan.

**INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Other than as set forth in this Circular or as disclosed in the Company's financial statements, no informed person of the Company, or proposed director of the Company, or any associate or affiliate of any informed person or proposed director, had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year, or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

An "informed person" means: (a) a director or executive officer of the Company; (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company; (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Company

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or who exercises control or direction over voting securities of the Company or a combination of both carrying more than 10% of the voting rights other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Company itself, if and for so long as it has purchased, redeemed or otherwise acquired any of its Shares.

### MANAGEMENT CONTRACTS

Since the beginning of the Company's most recently completed financial year ended December 31, 2022, management functions of the Company are not, and have not been, to any substantial degree performed by any person other than the executive officers and directors of the Company. See "*Section 5 – Statement of Executive Compensation – Employment, Consulting and Management Agreements.*"

### ADDITIONAL INFORMATION

Financial information about the Company is included in the Company's comparative annual financial statements, as well as management's discussion and analysis, for the financial year ended December 31, 2022, which have been electronically filed with regulators and are available under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Copies may be obtained without charge upon request to the Company at P.O. Box 43, Suite 830, 1100 Melville Street, Vancouver, British Columbia, Canada, V6E 4A6 - telephone 778-683-4324.

You may also access the Company's other public disclosure documents on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) under the Company's profile. Additional information about the Company can be found on the Company's website at [www.ynvisible.com](http://www.ynvisible.com).

### REQUEST FOR FINANCIAL STATEMENTS

National Instrument 51-102 – *Continuous Disclosure Obligations* sets out the procedures for a shareholder to receive financial statements. If you wish to receive financial statements, you may use the enclosed form or provide instructions in any other written format.

### APPROVAL OF THE BOARD OF DIRECTORS

The contents of this Circular have been approved and the delivery of it to each Shareholder entitled thereto and to the appropriate regulatory agencies has been authorized by the Board.

DATED at Vancouver, British Columbia, this 26<sup>th</sup> day of October 2023.

ON BEHALF OF THE BOARD

**YNVISIBLE INTERACTIVE INC.**

/s/ Ramin Heydarpour  
Ramin Heydarpour  
Chief Executive Officer and Director

## SCHEDULE "A"

## OMNIBUS PLAN

## YNVISIBLE INTERACTIVE INC.

OMNIBUS  
EQUITY INCENTIVE COMPENSATION PLANARTICLE 1  
ESTABLISHMENT, PURPOSE AND DURATION

- 1.1 **Establishment of the Plan.** The following is the omnibus equity incentive compensation plan of Ynvisible Interactive Inc. (the "**Company**") pursuant to which share based compensation Awards (as defined below) may be granted to eligible Participants (as defined below). The name of the plan is the Ynvisible Interactive Inc. Omnibus Equity Incentive Compensation Plan (the "**Plan**").

The Plan permits the grant of Options, Restricted Share Units, Deferred Share Units and Performance Share Units (as such terms are defined below). The Plan was adopted by the Board (as defined below) on October 27, 2022, and first approved by the shareholders of the Company on December 15, 2022. The Plan will be effective upon receipt of shareholder and Exchange approvals (the "**Effective Date**") until the date it is terminated by the Board in accordance with the Plan.

- 1.2 **Purposes of the Plan.** The purposes of the Plan are to: (i) provide the Company with a mechanism to attract, retain and motivate highly qualified directors, officers, employees and consultants; (ii) align the interests of Participants with that of other shareholders of the Company generally; and (iii) enable and encourage Participants to participate in the long-term growth of the Company through the acquisition of Shares (as defined below) as long-term investments.
- 1.3 **Successor Plans.** The Plan shall in respect of Options (as defined below) serves as the successor to the Company's (a) stock option plan dated for reference September 21, 2021 (the "**Predecessor Option Plan**"); and (b) restricted share unit plan, adopted by the Board on August 26, 2021, and approved by shareholders on October 20, 2021 (the "**Predecessor RSU Plan**"). No further Awards shall be granted under the Predecessor Option Plan and/or Predecessor RSU Plan from and after the Effective Date of the Plan.

ARTICLE 2  
DEFINITIONS

- 2.1 Whenever used in the Plan, the following terms shall have the respective meanings set forth below, unless the context clearly requires otherwise, and when such meaning is intended, such term shall be capitalized. Capitalized terms not herein defined shall have the meaning ascribed to them in the policies of the Exchange.
- (a) "**Affiliate**" means any corporation, partnership or other entity (i) in which the Company, directly or indirectly, has majority ownership interest or (ii) which the Company controls. For the purposes of this definition, the Company is deemed to "control" such corporation, partnership or other entity if the Company possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such corporation, partnership or other entity, whether through the ownership of voting securities, by contract or otherwise, and includes a corporation which is considered to be a subsidiary for purposes of consolidation under International Financial Reporting Standards.

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- (b) **“Award”** means, individually or collectively, a grant under the Plan of Options, Deferred Share Units, Restricted Share Units or Performance Share Units, in each case subject to the terms of the Plan.
- (c) **“Award Agreement”** means either (i) a written agreement entered into by the Company or an Affiliate of the Company and a Participant setting forth the terms and provisions applicable to Awards granted under the Plan; or (ii) a written statement issued by the Company or an Affiliate of the Company to a Participant describing the terms and provisions of such Award. All Award Agreements shall be deemed to incorporate the provisions of the Plan, subject to such modifications or additions as the Committee may, in its sole discretion, determine appropriate. An Award Agreement need not be identical to other Award Agreements either in form or substance.
- (d) **“Blackout Period”** means a period of time during which the Participant cannot sell Shares, due to applicable law or policies of the Company in respect of insider trading, provided:
- (e) **“Board”** or **“Board of Directors”** means the Board of Directors of the Company as may be constituted from time to time.
- (f) **“Cause”** means (i) if the Participant has a written agreement pursuant to which he or she offers his or her services to the Company and the term “cause” is defined in such agreement, “cause” as defined in such agreement; or otherwise (ii) (a) the inability of the Participant to perform his or her duties due to a legal impediment such as an injunction, restraining order or other type of judicial judgment, decree or order entered against the Participant; (b) the failure of the Participant to follow the Company’s reasonable instructions with respect to the performance of his or her duties; (c) any material breach by the Participant of his or her obligations under any code of ethics, any other code of business conduct or any lawful policies or procedures of the Company; (d) excessive absenteeism, flagrant neglect of duties, serious misconduct, or conviction of crime or fraud; and (e) any other act or omission of the Participant which would in law permit an employer to, without notice or payment in lieu of notice, terminate the employment of an employee.
- (g) **“Change of Control”** means the occurrence of any one or more of the following events:
  - (a) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Company as a result of which the holders of Shares prior to the completion of the transaction hold or beneficially own, directly or indirectly, less than 50% of the outstanding Voting Securities of the successor corporation after completion of the transaction;
  - (ii) the sale, lease, exchange or other disposition, in a single transaction or a series of related transactions, of all or substantially all of the assets of the Company and/or any of its subsidiaries to any other person or entity, other than a disposition to a wholly-owned subsidiary in the course of a reorganization of the assets of the Company and its subsidiaries;
  - (iii) a resolution is adopted to wind-up, dissolve or liquidate the Company;
  - (iv) an acquisition by any person, entity or group of persons or entities acting jointly or in concert of beneficial ownership of more than 50% of the Voting Securities, or securities convertible into, exercisable for or carrying the right to purchase more than 50% of the Voting Securities on a post-conversion basis, assuming only the conversion or exercise of securities beneficially owned by the acquiror; or

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- (v) the Board adopts a resolution to the effect that a Change of Control as defined herein has occurred or is imminent.
  
- (h) “**Committee**” means the Board of Directors or if so delegated in whole or in part by the Board, any duly authorized committee of the Board appointed by the Board to administer the Plan.
  
- (i) “**Company**” means Ynvisible Interactive Inc.
  
- (j) “**Consultant**” has the meaning set out in Policy 4.4 of the Exchange or such replacement definition for so long as the Shares are listed on the Exchange, and if the Shares are not so listed, shall have the meaning, if any, that applies to a listing of the Shares on such other exchange as the Shares are then listed on.
  
- (k) “**Date of Grant**” means, for any Award, the date specified by the Committee at the time it grants the Award or, if no such date is specified, the date upon which the Award was granted.
  
- (l) “**Deferred Share Unit**” means an Award denominated in units that provides the holder thereof with a right to receive Shares upon settlement of the Award, granted under and subject to the terms of the Plan.
  
- (m) “**Director**” means any individual who is a member of the Board of Directors of the Company.
  
- (n) “**Disability**” means the disability of the Participant which would entitle the Participant to receive disability benefits pursuant to the long-term disability plan of the Company (if one exists) then covering the Participant, provided that the Board may, in its sole discretion, determine that, notwithstanding the provisions of any such long-term disability plan, the Participant is permanently disabled for the purposes of the Plan.
  
- (o) “**Dividend Equivalent**” means a right with respect to an Award to receive cash, Shares or other property equal in value and form to dividends declared by the Board and paid with respect to outstanding Shares. Dividend Equivalents shall not apply to an Award unless specifically provided for in the Award Agreement, and if specifically provided for in the Award Agreement shall be subject to such terms and conditions set forth in the Award Agreement as the Committee shall determine.
  
- (p) “**Employee**” means any employee or officer of the Company or an Affiliate of the Company. Directors who are not otherwise employed by the Company or an Affiliate of the Company shall not be considered Employees under the Plan.
  
- (q) “**Exchange**” means the TSX Venture Exchange, or any other stock exchange on which the Shares of the Company are listed.
  
- (r) “**Exchange Policies**” means the policies of the Exchange, including those set forth in the Corporate Finance Manual of the Exchange.
  
- (s) “**FMV**” means, unless otherwise required by any applicable provision of any regulations thereunder or by any applicable accounting standard for the Company’s desired accounting for Awards or by the rules of the Exchange, a price that is determined by the Committee, provided that such price cannot be less than the last closing price of the Shares on the Exchange less any discount permitted by the rules or policies of the Exchange.

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- (t) “**Insider**” shall have the meaning ascribed thereto in Exchange Policies.
- (u) “**ITA**” means the Income Tax Act (Canada).
- (v) “**Non-Employee Director**” means a Director who is not an Employee.
- (w) “**Notice Period**” means any period of contractual notice or reasonable notice that the Company or an Affiliate of the Company may be required at law, by contract or otherwise agrees to provide to a Participant upon termination of employment, whether or not the Company or Affiliate elects to pay severance in lieu of providing notice to the Participant, provided that where a Participant’s employment contract provides for an increased severance or termination payment in the event of termination following a Change of Control, the Notice Period for the purposes of the Plan shall be the Notice Period under such contract applicable to a termination which does not follow a Change of Control.
- (x) “**Option**” means the conditional right to purchase Shares at a stated Option Price for a specified period of time subject to the terms of the Plan.
- (y) “**Option Price**” means the price at which a Share may be purchased by a Participant pursuant to an Option, as determined by the Committee.
- (z) “**Outstanding Issue**” means the number of Shares that are issued and outstanding, on a non-diluted basis.
- (aa) “**Participant**” means an Employee, Non-Employee Director or Consultant who has been selected to receive an Award, or who has an outstanding Award granted under the Plan or the Predecessor Option Plan or Predecessor RSU Plan.
- (bb) “**Performance Period**” means the period of time during which the assigned performance criteria must be met in order to determine the degree of payout and/or vesting with respect to an Award.
- (cc) “**Performance Share Unit**” means an Award granted under Article 9 herein and subject to the terms of the Plan, denominated in units, the value of which at the time it is payable is determined as a function of the extent to which corresponding performance criteria have been achieved.
- (dd) “**Period of Restriction**” means the period when an Award of Restricted Share Units is subject to forfeiture based on the passage of time, the achievement of performance criteria, and/or upon the occurrence of other events as determined by the Committee, in its discretion.
- (ee) “**Person**” shall have the meaning ascribed to such term in Exchange Policies.
- (ff) “**Reserve**” shall have the meaning ascribed to such term under Article 4.1 herein.
- (gg) “**Restricted Share Unit**” means an Award denominated in units subject to a Period of Restriction, with a right to receive Shares upon settlement of the Award, granted under Article 7 herein and subject to the terms of the Plan.
- (hh) “**Retirement**” or “**Retire**” means a Participant’s permanent withdrawal from employment or office with the Company or an Affiliate of the Company on terms and conditions accepted and determined by the Board.

- (ii) “**Shares**” means common shares of the Company.
- (jj) “**Share Units**” means Deferred Share Units, Performance Share Units and Restricted Share Units, including any Dividend Equivalent granted with respect to a Deferred Share Unit, Performance Share Unit and/or Restricted Share Unit.
- (kk) “**Termination Date**” means the date on which a Participant ceases to be eligible to participate under the Plan as a result of a termination of employment, officer position, board service or consulting arrangement with the Company or any Affiliate of the Company for any reason, including death, Retirement, resignation or termination with or without Cause. For the purposes of the Plan, a Participant’s employment, officer position, board service or consulting arrangement with the Company or an Affiliate of the Company shall be considered to have terminated effective on the last day of the Participant’s actual and active employment, officer position or board or consulting service with the Company or the Affiliate whether such day is selected by agreement with the individual, unilaterally by the Company or the Affiliate and whether with or without advance notice to the Participant. For the avoidance of doubt, no period of notice or pay in lieu of notice that is given or that ought to have been given under applicable law in respect of such termination of employment that follows or is in respect of a period after the Participant’s last day of actual and active employment shall be considered as extending the Participant’s period of employment for the purposes of determining his or her entitlement under the Plan.
- (ll) “**VWAP**” means the volume weighted average trading price of the Shares listed on the Exchange calculated by dividing the total value by the total volume of such securities traded for the five trading days immediately preceding the exercise of the subject Stock Option. Where appropriate, the Exchange may exclude internal crosses and certain other special terms trades from the calculation.
- (mm) “**Voting Securities**” shall mean any securities of the Company ordinarily carrying the right to vote at elections of directors and any securities immediately convertible into or exchangeable for such securities.

### ARTICLE 3 ADMINISTRATION

- 3.1 **General.** The Committee shall be responsible for administering the Plan. The Committee may employ legal counsel, consultants, accountants, agents and other individuals, any of whom may be an Employee, and the Committee, the Company, and its officers and Directors shall be entitled to rely upon the advice, opinions or valuations of any such persons. All actions taken and all interpretations and determinations made by the Committee shall be final, conclusive and binding upon the Participants, the Company, and all other interested parties. No member of the Committee will be liable for any action or determination taken or made in good faith with respect to the Plan or Awards granted hereunder. Each member of the Committee shall be entitled to indemnification by the Company with respect to any such determination or action in the manner provided for by the Company and its subsidiaries.
- 3.2 **Authority of the Committee.** The Committee shall have full and exclusive discretionary power to determine the terms and provisions of Award Agreements, to interpret the terms and the intent of the Plan and any Award Agreement or other agreement ancillary to or in connection with the Plan, to determine eligibility for Awards, and to adopt such rules, regulations and guidelines for administering the Plan as the Committee may deem necessary or proper. Such authority shall include, but not be limited to, selecting Award recipients, establishing all Award terms and conditions, including grant, exercise price, issue price and vesting terms, determining any

performance goals applicable to Awards and whether such performance goals have been achieved, and, subject to Article 13, adopting modifications and amendments to the Plan or any Award Agreement, including, without limitation, any that are necessary or appropriate to comply with the laws or compensation practices of the jurisdictions in which the Company and its Affiliates operate.

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

#### ARTICLE 4 SHARES SUBJECT TO THE PLAN AND MAXIMUM AWARDS

- 4.1 **Maximum Number of Shares Subject to the Plan.** The Plan is a “rolling up to 10% and fixed up to 10%” security-based compensation plan as set out in Policy 4.4 of the Exchange, whereby the Plan is a:

- (a) “rolling” plan pursuant to which the number of Shares that are issuable pursuant to the exercise of Options granted hereunder, and under the Predecessor Option Plan, shall not exceed 10% of the Outstanding Issue as measured as at the date of any Option grant; and
- (b) “fixed” plan under which the number of Shares that are issuable pursuant to all Awards (other than Options) granted hereunder, and under the Predecessor RSU Plan, in aggregate is a maximum of 10% of the Outstanding Issue as at the Effective Date;

and, in each case, subject to adjustment pursuant to provisions of Section 4.5 hereof.

No Award that can be settled in Shares issued from treasury may be granted if such grant would have the effect of causing the total number of Shares subject to such Award to exceed the above noted total numbers of Shares reserved for issuance pursuant to the settlement of Awards.

- 4.2 **Award Grants to Individuals.** The aggregate number of Shares for which Awards may be issued to any one Participant in any 12-month period shall not exceed 5% of the Outstanding Issue, calculated on the date an Award is granted to the Participant, unless the Company obtains disinterested shareholder approval as required by the policies of the Exchange. The aggregate number of Shares for which Awards may be issued to any one Consultant (as defined by the Exchange) within any 12-month period shall not exceed 2% of the Outstanding Issue, calculated on the date an Award is granted to the Consultant. The aggregate number of Shares for which Options may be issued to all Persons retained to provide Investor Relations Activities (as defined by the Exchange) within any 12-month period shall not exceed 2% of the Outstanding Issue, calculated on the date an Option is granted to such Persons.
- 4.4 **Award Grants to Insiders.** Unless disinterested shareholder approval as required by the policies of the Exchange is obtained: (i) the maximum number of Shares for which Awards may be issued to Insiders (as a group) at any point in time shall not exceed 10% of the Outstanding Issue; and (ii) the aggregate number of Awards granted to Insiders (as a group), within any 12-month period, shall not exceed 10% of the Outstanding Issue, calculated at the date an Award is granted to any Insider.
- 4.5 **Adjustments in Authorized Shares.** In the event of any corporate event or transaction (collectively, a “Corporate Reorganization”) (including, but not limited to, a change in the Shares of the Company or the capitalization of the Company) such as a merger, arrangement, amalgamation, consolidation, reorganization, recapitalization, separation, stock dividend,

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extraordinary dividend, stock split, reverse stock split, split up, spin-off or other distribution of stock or property of the Company, combination of securities, exchange of securities, dividend in kind, or other like change in capital structure or distribution (other than normal cash dividends) to shareholders of the Company, or any similar corporate event or transaction, the Committee shall make or provide for such adjustments or substitutions, as applicable, in the number and kind of Shares that may be issued under the Plan, the number and kind of Shares subject to outstanding Awards, the Option Price, grant price or exercise price applicable to outstanding Awards, the limit on issuing Awards other than Options granted with an Option Price equal to at least the FMV of a Share on the date of grant and any other value determinations applicable to outstanding Awards or to the Plan, as are equitably necessary to prevent dilution or enlargement of Participants' rights under the Plan that otherwise would result from such corporate event or transaction. In connection with a Corporate Reorganization, the Committee shall have the discretion to permit a holder of Options to purchase (at the times, for the consideration, and subject to the terms and conditions set out in the Plan and the applicable Award Agreement) and the holder will then accept on the exercise of such Option, in lieu of the Shares that such holder would otherwise have been entitled to purchase, the kind and amount of shares or other securities or property that such holder would have been entitled to receive as a result of the Corporate Reorganization if, on the effective date thereof, that holder had owned all Shares that were subject to the Option. Such adjustments shall be made automatically, without the necessity of Committee action, on the customary arithmetical basis in the case of any stock split, including a stock split effected by means of a stock dividend, and in the case of any other dividend paid in Shares. Any adjustment, other than in connection with a security consolidation or security split, to an Award granted or issued under the Plan is subject to the prior acceptance of the Exchange, including adjustments related to an amalgamation, merger, arrangement, reorganization, spin-off, dividend or recapitalization.

Options issued in lieu of dividends will be factored into the limits on grants to Participants as set out in this Article 4. In the event, that the issuance of Options in lieu of stock dividends results in a breach on the limit on grants contained in the Plan, the Company may settle the issuance of Options in cash where it does not have sufficient Shares available to satisfy the obligation in Shares, or where the issuance of Shares would result in a breach on the limit on grants contained in the Plan.

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

Subject to the provisions of Article 11 and any applicable law or regulatory requirement, without affecting the number of Shares reserved or available hereunder, the Committee may authorize the issuance, assumption, substitution or conversion of Awards under the Plan in connection with any Corporate Reorganization, upon such terms and conditions as it may deem appropriate. Additionally, subject to Exchange approval and shareholder approval where necessary, the Committee may amend the Plan, or adopt supplements to the Plan, in such manner as it deems appropriate to provide for such issuance, assumption, substitution or conversion as provided in the previous sentence.

**ARTICLE 5  
ELIGIBILITY AND PARTICIPATION**

- 5.1 **Eligibility.** Awards under the Plan shall be granted only to bona fide Employees, Non-Employee Directors and Consultants, as per the policies of the Exchange. The Company and the Participant are responsible for ensuring and confirming that the Participant is a bona fide Employee, Consultant or Management Company Employee, as the case may be.
- 5.2 **Actual Participation.** Subject to the provisions of the Plan, the Committee may, from time to time, in its sole discretion select from among eligible Employees, Non-Employee Directors and Consultants, those to whom Awards shall be granted under the Plan, and shall determine in its discretion the nature, terms, conditions and amount of each Award.

**ARTICLE 6  
STOCK OPTIONS**

- 6.1 **Grant of Options.** Subject to the terms and provisions of the Plan, Options may be granted to Participants and Persons retained to provide Investor Relations Activities in such number, and upon such terms, and at any time and from time to time as shall be determined by the Committee in its discretion provided that only Options and not Share Units may be granted to Persons retained to Provide Investor Relations Activities.
- 6.2 **Award Agreement.** Each Option grant shall be evidenced by an Award Agreement that shall specify the Option Price, the duration of the Option, the number of Shares to which the Option pertains, the conditions, if any, upon which an Option shall become vested and exercisable, and any such other provisions as the Committee shall determine. The Award Agreement for the grant of Options shall be in such form or forms as the Committee may from time to time approve.
- 6.3 **Option Price.** The Option Price for each grant of an Option under the Plan shall be determined by the Committee and shall be specified in the Award Agreement. The Option Price for an Option shall be not less than the FMV of the Shares on the date of grant.
- 6.4 **Vesting of Options.** Unless otherwise specified in an Award Agreement, and subject to any provisions of the Plan or the applicable Award Agreement relating to acceleration of vesting of Options, Options shall vest subject to Exchange Policies, and the Committee may, in its sole discretion, determine the time during which an Option shall vest and the method of vesting, or that no vesting restriction shall exist, provided that Options issued to any Persons retained to provide Investor Relations Activities shall vest solely subject to Exchange Policies as follows:
- (a) no more than 1/4 of the Options vest no sooner than three months after the Options were granted;
  - (b) no more than another 1/4 of the Options vest no sooner than six months after the Options were granted;
  - (c) no more than another 1/4 of the Options vest no sooner than nine months after the Options were granted; and
  - (d) the remainder of the Options vest no sooner than 12 months after the Options were granted.
- 6.5 **Duration of Options.** Each Option granted to a Participant shall expire at such time as the Committee shall determine at the time of grant, provided however that, subject to Section 6.6, no Option shall be exercisable later than the tenth (10) anniversary date of its grant.

- 6.6 **Blackout Periods.** If the date on which an Option is scheduled to expire occurs during a Blackout Period applicable to such Participant, or within 10 business days after the last day thereof, then the expiry date for such Option shall be extended to the last day of such 10 business day period, provided:
- (a) the blackout period is formally imposed by the Company pursuant to its internal trading policies as a result of the bona fide existence of undisclosed Material Information;
  - (b) the blackout period expires following the general disclosure of the undisclosed Material Information;
  - (c) the automatic 10 business day period extension of the expiration date will not be permitted where the Participant or the Company is subject to a cease trade order (or similar order under Securities Laws) in respect of the Company’s securities; and
  - (d) subject to 6.6(c), the automatic 10 business day period extension of the expiration date is available to all eligible Participants under this Plan under the same terms and conditions.

(together, the “**Blackout Requirements**”)

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

- 6.8 **Payment.** Options granted under this Article 6 shall be exercised by the delivery of a notice of exercise to the Company or an agent designated by the Company in a form specified or accepted by the Committee, or by complying with any alternative procedures which may be authorized by the Committee, setting forth the number of Shares with respect to which the Option is to be exercised, accompanied by full payment of the Option Price.

The Option Price and any Applicable Withholding Taxes upon exercise of any Option or part thereof shall be payable to the Company, to the extent permitted by Applicable Laws and subject to the Committee’s discretion, as follows:

- (a) in cash or by certified cheque, wire transfer, bank draft or money order or by such other means as may be specified from time to time by the Committee;
- (b) pursuant to a broker-assisted cashless exercise, whereby the Participant shall elect, on a notice of exercise, to receive a loan from a brokerage firm, which the Company has an arrangement with, to purchase the underlying Shares. Upon the sale by the brokerage firm of an equivalent number of Shares received from the exercise of the Options to repay the loan made to the Participant, the Participant shall elect to receive either the balance of the Shares following the sale or the cash proceeds from the balance of the Shares; or
- (c) pursuant to a net exercise, whereby the Participant shall elect on a notice of exercise to receive an amount equal to the number of underlying Shares listed on the Exchange that is the equal to the quotient obtained by dividing:
  - (i) the product of the number of Options being exercised multiplied by the difference between the VWAP of the underlying Shares so listed and the exercise price of the subject Options; by

- (ii) the VWAP of the underlying Shares so listed;

provided, however, that Persons retained to provide Investor Relations Activities shall not be permitted to exercise an Option using the net exercise method described in this Section (b).

As soon as practicable after receipt of a notification of exercise and full payment of the Option Price, the Shares in respect of which the Option has been exercised shall be issued as fully-paid and non-assessable common shares of the Company. As of the business day the Company receives such notice and such payment, the Participant (or the person claiming through a Participant, as the case may be) shall be entitled to be entered on the share register of the Company as the holder of the number of Shares in respect of which the Option was exercised and to receive as promptly as possible thereafter, but in any event, on or before the 15th day of the third month of the year following the year in which the Option was exercised, a certificate or evidence of book entry representing the said number of Shares. The Company shall cause to be delivered to or to the direction of the Participant Share certificates or evidence of book entry Shares in an appropriate amount based upon the number of Shares purchased under the Option(s).

Shares shall not be issued pursuant to the exercise of an Option unless the exercise of such Option and the issuance and delivery of such Shares pursuant thereto shall comply with all relevant provisions of applicable Canadian and U.S. securities law, including, without limitation, the 1933 Act, the United States Securities and Exchange Act of 1934, as amended, applicable U.S. state laws, the rules and regulations promulgated thereunder, and the requirements of any stock exchange or consolidated stock price reporting system on which prices for the Shares are quoted at any given time. As a condition to the exercise of an Option, the Company may require the person exercising such Option to represent and warrant at the time of any such exercise that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required by law.

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

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

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- (c) **Retirement:** If a Participant Retires then the Board shall have the discretion, with respect to such Participant's Options, to determine: (i) whether to accelerate vesting of any or all of such Options, whether any of such Options shall be cancelled, with or without payment, and (iii) how long, if at all, such Options may remain outstanding following the Termination Date; provided, however, that in no event shall such Options be exercisable for more than 12 months after the Termination Date.
  - (d) **Termination for Cause:** If a Participant ceases to be eligible to be a Participant under the Plan as a result of their termination for Cause, then all Options, whether vested or not, as at the Termination Date shall automatically and immediately expire and be forfeited.
  - (e) **Termination without Cause or Voluntary Resignation:** If a Participant ceases to be eligible to be a Participant under the Plan for any reason, other than as set out in 6.9(a)-(d), then, unless otherwise determined by the Board in its sole discretion, as of the Termination Date:
    - (i) all unvested Options shall automatically and immediately expire and be forfeited, and
    - (ii) all vested Options shall continue to be subject to the Plan and exercisable for a period of 90 days after the Termination Date, provided that any Options that have not been exercised within 90 days after the Termination Date shall automatically and immediately expire and be forfeited on such date.
- 6.10 **Non-transferability of Options.** An Option granted under this Article 6 may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by bequeath or by the laws of descent and distribution, subject to the requirements of the Exchange or as otherwise allowed by the Exchange.

## ARTICLE 7 RESTRICTED SHARE UNITS

- 7.1 **Grant of Restricted Share Units.** Subject to the terms and conditions of the Plan, the Committee, at any time and from time to time, may grant Restricted Share Units to Participants in such amounts and upon such terms as the Committee shall determine. For clarity, any Restricted Share Units granted pursuant to the Plan shall be included in calculating the limits set forth in Section 4 herein.
- 7.2 **Restricted Share Unit Agreement.** Each Restricted Share Unit grant shall be evidenced by an Award Agreement that shall specify the Period(s) of Restriction, the number of Restricted Share Units granted, and the settlement date for Restricted Share Units, and any such other provisions as the Committee shall determine, provided that unless otherwise determined by the Committee or as set out in any Award Agreement, no Restricted Share Unit shall vest later than allowed by the policies of the Exchange. The Committee shall impose, in the Award Agreement at the time of grant, such other conditions and/or restrictions on any Restricted Share Units granted pursuant to the Plan as it may deem advisable, including, without limitation, restrictions based upon the time-based restrictions on vesting and, restrictions under applicable laws or under the requirements of the Exchange.
- 7.3 **Vesting of Restricted Share Units.** Unless otherwise specified in an Award Agreement, and subject to any provisions of the Plan or the applicable Award Agreement relating to acceleration of vesting of Restricted Share Units, Restricted Share Units shall vest at the discretion of the Committee, and subject to the policies of the Exchange. If required by the policies of the

Exchange and subject to early vesting in connection with the death of a Participant or a Change of Control, no Restricted Share Units may vest before the date that is one year following the date of grant or issue.

- 7.4 **Blackout Periods.** If the date on which a Restricted Share Unit is scheduled to expire occurs during, or within 10 business days after the last day of a Blackout Period applicable to such Participant, then the expiry date for such Award shall be extended to the last day of such 10 business day period, provided the Blackout Requirements have been satisfied.
- 7.5 **Non-transferability of Restricted Share Units.** The Restricted Share Units granted herein may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated until the date of settlement through delivery or other payment, or upon earlier satisfaction of any other conditions, as specified by the Committee in its sole discretion and set forth in the Award Agreement at the time of grant or thereafter by the Committee. All rights with respect to the Restricted Share Units granted to a Participant under the Plan shall be available during such Participant's lifetime only to such Participant.
- 7.6 **Dividends and Other Distributions.** During the Period of Restriction, Participants holding Restricted Share Units granted hereunder may, if the Committee so determines, be credited with dividends paid with respect to the underlying Shares or Dividend Equivalents while they are so held in a manner determined by the Committee in its sole discretion. Dividend Equivalents shall not apply to an Award unless specifically provided for in the Award Agreement. The Committee may apply any restrictions to the dividends or Dividend Equivalents that the Committee deems appropriate. The Committee, in its sole discretion, may determine the form of payment of dividends or Dividend Equivalents, including cash, Shares or Restricted Share Units.
- 7.7 **Death, Disability, Retirement and Termination or Resignation of Employment.** If the Award Agreement does not specify the effect of a termination or resignation of employment then the following default rules will apply:
- (a) **Death:** If a Participant dies while an Employee, Director of, or Consultant to, the Company or an Affiliate:
    - (i) all unvested Restricted Share Units as at the Termination Date shall automatically and immediately vest; and
    - (ii) all vested Restricted Share Units (including those that vested pursuant to (i) above) shall be paid to the Participant's estate in accordance with the terms of the Plan and the Award Agreement.
  - (b) **Disability:** If a Participant ceases to be eligible to be a Participant under the Plan as a result of their Disability, then all Restricted Share Units remain and continue to vest in accordance with the terms of the Plan for a period of 12 months after the Termination Date, provided that any Restricted Share Units that have not vested within 12 months after the Termination Date shall automatically and immediately expire and be forfeited on such date.
  - (c) **Retirement:** If a Participant Retires then the Board shall have the discretion, with respect to such Participant's Restricted Share Units, to determine: (i) whether to accelerate vesting of any or all of such Restricted Share Units, (ii) whether any of such Restricted Share Units shall be cancelled, with or without payment, and (iii) how long, if at all, such Restricted Share Units may remain outstanding following the Termination Date; provided, however, that in no event shall such Restricted Share Units remain outstanding for more than 12 months after the Termination Date. Notwithstanding the above, for U.S. Participants, the

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treatment of Restricted Share Units upon retirement shall be provided for in the Award Agreement.

- (d) **Termination for Cause:** If a Participant ceases to be eligible to be a Participant under the Plan as a result of their termination for Cause, then all Restricted Share Units, whether vested or not, as at the Termination Date shall automatically and immediately be forfeited.
- (e) **Termination without Cause or Voluntary Resignation:** If a Participant ceases to be eligible to be a Participant under the Plan for any reason, other than as set out in Sections 7.7 (a)-(d), then, unless otherwise determined by the Board in its sole discretion, as of the Termination Date:
  - (i) all unvested Restricted Share Units shall automatically and immediately be forfeited, and
  - (ii) all vested Restricted Share Units shall be paid to the Participants in accordance with the terms of the Plan and the Award Agreement.

- 7.8 **Payment in Settlement of Restricted Share Units.** When and if Restricted Share Units become payable, the Participant issued such Restricted Share Units shall be entitled to receive payment from the Company in settlement of such Restricted Share Units: (i) in a number of Shares (issued from treasury) equal to the number of Restricted Share Units being settled, or (ii) in any other form, all as determined by the Committee at its sole discretion. The Committee's determination regarding the form of payout shall be set forth or reserved for later determination in the Award Agreement for the grant of the Restricted Share Units. In the event that the Company does not have a sufficient number of Shares available to settle Restricted Share Units in Shares or where the issuance of Shares would result in breaching a limit on grants or issuances set out in the Plan, such Restricted Share Units may be settled in cash.

## ARTICLE 8 DEFERRED SHARES UNITS

- 8.1 **Grant of Deferred Share Units.** Subject to the terms and conditions of the Plan, the Committee, at any time and from time to time, may grant Deferred Share Units to Participants in such amounts and upon such terms as the Committee shall determine. For clarity, any Deferred Share Units granted pursuant to the Plan shall be included in calculating the limits set forth in Section 4 herein.
- 8.2 **Deferred Share Unit Agreement.** Each Deferred Share Unit grant shall be evidenced by an Award Agreement that shall specify the number of Deferred Share Units granted, the settlement date for Deferred Share Units, and any other provisions as the Committee shall determine, including, but not limited to, a requirement that Participants pay a stipulated purchase price for each Deferred Share Unit, restrictions based upon the achievement of specific performance criteria, time-based restrictions, restrictions under applicable laws or under the requirements of the Exchange, or holding requirements or sale restrictions placed on the Shares by the Company upon vesting of such Deferred Share Units. If required by the policies of the Exchange and subject to early vesting in connection with the death of a Participant or a Change of Control, no Deferred Share Units may vest before the date that is one year following the date of grant or issue.
- 8.3 **Non-transferability of Deferred Share Units.** The Deferred Share Units granted herein may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated. All rights with

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respect to the Deferred Share Units granted to a Participant under the Plan shall be available during such Participant's lifetime only to such Participant.

- 8.4 **Blackout Periods.** If the date on which a Deferred Share Unit is scheduled to expire occurs during, or within 10 business days after the last day of a Blackout Period applicable to such Participant, then the expiry date for such Award shall be extended to the last day of such 10 business day period, provided the Blackout Requirements have been satisfied.
- 8.5 **Dividends and Other Distributions.** Participants holding Deferred Share Units granted hereunder may, if the Committee so determines, be credited with dividends paid with respect to the underlying Shares or Dividend Equivalents while they are so held in a manner determined by the Committee in its sole discretion. Dividend Equivalents shall not apply to an Award unless specifically provided for in the Award Agreement. The Committee may apply any restrictions to the dividends or Dividend Equivalents that the Committee deems appropriate. The Committee, in its sole discretion, may determine the form of payment of dividends or Dividend Equivalents, including cash, Shares or Deferred Share Units.
- 8.6 **Termination of Employment, Consultancy or Directorship.** Each Award Agreement shall set forth the extent to which the Participant shall have the right to retain Deferred Share Units following termination of the Participant's employment or other relationship with the Company or its Affiliates. Such provisions shall be determined in the sole discretion of the Committee, need not be uniform among all Deferred Share Units issued pursuant to the Plan, and may reflect distinctions based on the reasons for termination, provided that provisions shall comply with applicable rules of the Exchange. However, in the event that a Participant ceases to be an eligible Participant under the Plan, no Deferred Share Units issued to such Participant may be retained for a period of more than 12 months after the Termination Date, provided that any Deferred Share Units that have not been settled within 12 months after the Termination Date shall automatically and immediately expire and be forfeited on such date.
- 8.7 **Payment in Settlement of Deferred Share Units.** When and if Deferred Share Units become payable, the Participant issued such Deferred Share Units shall be entitled to receive payment from the Company in settlement of such Deferred Share Units: (i) in a number of Shares (issued from treasury) equal to the number of Deferred Share Units being settled, or (ii) in any other form, all as determined by the Committee at its sole discretion. The Committee's determination regarding the form of payout shall be set forth or reserved for later determination in the Award Agreement for the grant of the Deferred Share Units. In the event that the Company does not have a sufficient number of Shares available to settle Deferred Share Units in Shares or where the issuance of Shares would result in breaching a limit on grants or issuances set out in the Plan, such Deferred Share Units may be settled in cash.

## ARTICLE 9 PERFORMANCE SHARE UNITS

- 9.1 **Grant of Performance Share Units.** Subject to the terms and conditions of the Plan, the Committee, at any time and from time to time, may grant Performance Share Units to Participants in such amounts and upon such terms as the Committee shall determine. For clarity, any Performance Share Units granted pursuant to the Plan shall be included in calculating the limits set forth in Section 4 herein.
- 9.2 **Value of Performance Share Units.** Each Performance Share Unit shall have an initial value equal to the FMV of a Share on the date of grant. The Committee shall set performance criteria for a Performance Period in its discretion, which, depending on the extent to which they are met, will determine, in the manner determined by the Committee and set forth in the Award

Agreement, the value and/or number of each Performance Share Unit that will be paid to the Participant.

- 9.3 **Earning of Performance Share Units.** Subject to the terms of the Plan and the applicable Award Agreement, after the applicable Performance Period has ended, the holder of Performance Share Units shall be entitled to receive payout on the value and number of Performance Share Units, determined as a function of the extent to which the corresponding performance criteria have been achieved. Notwithstanding the foregoing, the Company shall have the ability to require the Participant to hold any Shares received pursuant to such Award for a specified period of time. If required by the policies of the Exchange and subject to early vesting in connection with the death of a Participant or a Change of Control, no Performance Share Units may vest before the date that is one year following the date of grant or issue.
- 9.4 **Form and Timing of Payment of Performance Share Units.** Payment of earned Performance Share Units shall be as determined by the Committee and as set forth in the Award Agreement. Subject to the terms of the Plan, the Committee, in its sole discretion, may pay earned Performance Share Units in the form of a number of Shares issued from treasury equal to the number of earned Performance Share Units at the end of the applicable Performance Period. Any Shares may be granted subject to any restrictions deemed appropriate by the Committee. The determination of the Committee with respect to the form of payout of such Awards shall be set forth in the Award Agreement for the grant of the Award or reserved for later determination. In no event will delivery of such Shares be made later than the earlier of: (i) 3 months after the close of the year in which such conditions or restrictions were satisfied or lapsed, and (ii) December 31 of the third year following the year of the grant date. In the event that the Company does not have a sufficient number of Shares available to settle Performance Share Units in Shares or where the issuance of Shares would result in breaching a limit on grants or issuances set out in the Plan, such Performance Share Units may be settled in cash.
- 9.5 **Dividends and Other Distributions.** Participants holding Performance Share Units granted hereunder may, if the Committee so determines, be credited with dividends paid with respect to the underlying Shares or Dividend Equivalents while they are so held in a manner determined by the Committee in its sole discretion. Dividend Equivalents shall not apply to an Award unless specifically provided for in the Award Agreement. The Committee may apply any restrictions to the dividends or Dividend Equivalents that the Committee deems appropriate. The Committee, in its sole discretion, may determine the form of payment of dividends or Dividend Equivalents, including cash, Shares or Performance Share Units.
- 9.6 **Termination of Employment, Consultancy or Directorship.** Each Award Agreement shall set forth the extent to which the Participant shall have the right to retain Performance Share Units following termination of the Participant's employment or other relationship with the Company or its Affiliates. Such provisions shall be determined in the sole discretion of the Committee, need not be uniform among all Performance Share Units issued pursuant to the Plan, and may reflect distinctions based on the reasons for termination, provided that the provisions shall comply with applicable rules of the Exchange. However, in the event that a Participant ceases to be an eligible Participant under the Plan, no Performance Share Units issued to such Participant may be retained for a period of more than 12 months after the Termination Date, provided that any Performance Share Units that have not been settled within 12 months after the Termination Date shall automatically and immediately expire and be forfeited on such date.
- 9.7 **Non-transferability of Performance Share Units.** Performance Share Units may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution. Further, a Participant's rights under the Plan shall inure during such Participant's lifetime only to such Participant.

**ARTICLE 10  
BENEFICIARY DESIGNATION**

- 10.1 **Beneficiary.** A Participant's "beneficiary" is the person or persons entitled to receive payments or other benefits or exercise rights that are available under the Plan in the event of the Participant's death. A Participant may designate a beneficiary or change a previous beneficiary designation at such times as prescribed by the Committee and by using such forms and following such procedures approved or accepted by the Committee for that purpose. If no beneficiary designated by the Participant is eligible to receive payments or other benefits or exercise rights that are available under the Plan at the Participant's death, the beneficiary shall be the Participant's estate.
- 10.2 **Discretion of the Committee.** Notwithstanding the provisions above, the Committee may, in its discretion, after notifying the affected Participants, modify the foregoing requirements, institute additional requirements for beneficiary designations, or suspend the existing beneficiary designations of living Participants or the process of determining beneficiaries under this Article 10, or both, in favor of another method of determining beneficiaries.

**ARTICLE 11  
RIGHTS OF PERSONS ELIGIBLE TO PARTICIPATE**

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

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

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

- 11.2 **Participation.** No Employee or other Person eligible to participate in the Plan shall have the right to be selected to receive an Award. No person selected to receive an Award shall have the right to be selected to receive a future Award, or, if selected to receive a future Award, the right to receive such future Award on terms and conditions identical or in proportion in any way to any prior Award.
- 11.3 **Rights as a Shareholder.** A Participant shall have none of the rights of a shareholder with respect to Shares covered by any Award until the Participant becomes the holder of such Shares.

**ARTICLE 12  
CHANGE OF CONTROL**

- 12.1 **Change of Control and Termination of Employment.** Subject to section 12.2 and the terms and provisions of any Award Agreement, if there is a Change of Control, any Awards held by a Participant shall automatically vest following such Change of Control, on the Termination Date, if the Participant is an Employee, officer or a Director and their employment, or officer or Director position is terminated within 12 months following the Change of Control, provided that no acceleration of Awards shall occur in the case of a Participant that was retained to provide Investor Relations Activities unless the approval of the Exchange is either obtained or not required.
- 12.2 **Discretion to Board.** Notwithstanding any other provision of the Plan, in the event of an actual or potential Change of Control, the Board may, in its sole discretion, without the necessity or requirement for the agreement of any Participant: (i) accelerate, conditionally or otherwise, on such terms as it sees fit (including, but not limited to those set out in (iii) and (iv) below), the vesting date of any Awards; (ii) permit the conditional redemption or exercise of any Awards, on such terms as it sees fit; (iii) otherwise amend or modify the terms of any Awards, including for greater certainty by (1) permitting Participants to exercise or redeem any Awards to assist the Participants to participate in the actual or potential Change of Control, or (2) providing that any Awards exercised or exercisable shall be exercised or redeemed for, in lieu of Shares, such property (including shares of another entity or cash) that shareholders of the Company will receive in the Change of Control; and (iv) terminate, following the successful completion of a Change of Control, on such terms as it sees fit, the Awards not exercised or redeemed prior to the successful completion of such Change of Control.
- 12.3 **Non-Occurrence of Change of Control.** In the event that any Awards are conditionally exercised pursuant to section 12.2 above and the Change of Control does not occur, the Board may, in its sole discretion, determine that any (i) Awards so exercised shall be reinstated as the type of Award prior to such exercise, and (ii) Shares issued be cancelled and any exercise or similar price received by the Company shall be returned to the Participant.
- 12.4 **Agreement with Purchaser in a Change of Control.** In connection with a Change of Control, the Board may be permitted to condition any acceleration of vesting on the Participant entering into an employment, confidentiality or other agreement with the purchaser as the Board deems appropriate.

**ARTICLE 13  
AMENDMENT AND TERMINATION**

- 13.1 **Amendment and Termination.** Subject to prior Exchange acceptance and shareholder approval, where applicable, the Board may, at any time, suspend or terminate the Plan. Subject to prior Exchange acceptance and shareholder approval, where applicable, as well as compliance with any applicable law, including the rules of the Exchange, the Board may also, at any time, amend or revise the terms of the Plan and any Award Agreement. No such amendment of the Plan or Award Agreement may be made if such amendment would materially and adversely impair any rights arising from any Awards previously granted to a Participant under the Plan without the consent of the Participant or the representatives of his or her estate, as applicable.
- 13.2 **Reduction of Option Price or Grant Price and Extension of Options.** Disinterested shareholder approval as required by the policies of the Exchange shall be obtained for: (i) any reduction in the Option Price; and (ii) the extension of the term of an Option; in either case if the Participant is an Insider of the Company at the time of the proposed amendment.

**ARTICLE 14  
WITHHOLDING**

- 14.1 **Withholding.** Subject to compliance with any applicable law, including the rules of the Exchange, the Company or any of its Affiliates shall have the power and the right to deduct or withhold, or require a Participant to remit to the Company or the Affiliate, an amount sufficient to satisfy federal, provincial and local taxes or domestic or foreign taxes required by law or regulation to be withheld with respect to any taxable event arising from or as a result of the Plan or any Award hereunder. The Committee may provide for Participants to satisfy withholding requirements by having the Company withhold and sell Shares or the Participant making such other arrangements, including the sale of Shares, in either case on such conditions as the Committee specifies.
- 14.2 **Acknowledgement.** Participant acknowledges and agrees that the ultimate liability for all taxes legally payable by Participant is and remains Participant's responsibility and may exceed the amount actually withheld by the Company. Participant further acknowledges that the Company: (a) makes no representations or undertakings regarding the treatment of any taxes in connection with any aspect of the Plan; and (b) does not commit to and is under no obligation to structure the terms of the Plan to reduce or eliminate Participant's liability for taxes or achieve any particular tax result. Further, if Participant has become subject to tax in more than one jurisdiction, Participant acknowledges that the Company may be required to withhold or account for taxes in more than one jurisdiction.

**ARTICLE 15  
SUCCESSORS**

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

**ARTICLE 16  
GENERAL PROVISIONS**

- 16.1 **Delivery of Title.** The Company shall have no obligation to issue or deliver evidence of title for Shares issued under the Plan prior to:
- (a) Obtaining any approvals from governmental agencies that the Company determines are necessary or advisable; and
  - (b) Completion of any registration or other qualification of the Shares under any applicable law or ruling of any governmental body that the Company determines to be necessary or advisable.
- 16.2 **Investment Representations.** The Committee may require each Participant receiving Shares pursuant to an Award under the Plan to represent and warrant in writing that the Participant is acquiring the Shares for investment and without any present intention to sell or distribute such Shares.
- 16.3 **Uncertificated Shares.** To the extent that the Plan provides for issuance of certificates to reflect the transfer of Shares, the transfer of such Shares may be effected on a non-certificated basis to the extent not prohibited by applicable law or the rules of the Exchange.

- 16.4 **No Fractional Shares.** No fractional Shares shall be issued or delivered pursuant to the Plan or any Award Agreement. In such an instance, unless the Committee determines otherwise, fractional Shares and any rights thereto shall be forfeited or otherwise eliminated.
- 16.5 **Other Compensation and Benefit Plans.** Nothing in the Plan shall be construed to limit the right of the Company or an Affiliate of the Company to establish other compensation or benefit plans, programs, policies or arrangements. Except as may be otherwise specifically stated in any other benefit plan, policy, program or arrangement, no Award shall be treated as compensation for purposes of calculating a Participant's rights under any such other plan, policy, program or arrangement.
- 16.6 **No Constraint on Corporate Action.** Nothing in the Plan shall be construed (i) to limit, impair or otherwise affect the Company's or its Affiliates' right or power to make adjustments, reclassifications, reorganizations or changes in its capital or business structure, or to merge or consolidate, or dissolve, liquidate, sell or transfer all or any part of its business or assets, or (ii) to limit the right or power of the Company or its Affiliates to take any action which such entity deems to be necessary or appropriate.
- 16.7 **Compliance with Canadian Securities Laws.** All Awards and the issuance of Shares underlying such Awards issued pursuant to the Plan will be issued pursuant to an exemption from the prospectus requirements of Canadian securities laws where applicable.
- 16.8 **Compliance with U.S. Securities Laws.** All Awards and the issuance of Shares underlying such Awards issued pursuant to the Plan will be issued pursuant to the registration requirements of the U.S. Securities Act of 1933, as amended or an exemption from such registration requirements. If the Awards or Shares are not so registered and no such registration exemption is available, the Company shall not be required to issue any Shares otherwise issuable hereunder.

**ARTICLE 17**  
**LEGAL CONSTRUCTION**

- 17.1 **Gender and Number.** Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine, the plural shall include the singular, and the singular shall include the plural.
- 17.2 **Severability.** In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.
- 17.3 **Requirements of Law.** The granting of Awards and the issuance of Shares under the Plan shall be subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or securities exchanges as may be required. The Company or an Affiliate of the Company shall receive the consideration required by law for the issuance of Awards under the Plan.

The inability of the Company or an Affiliate of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company or the Affiliate to be necessary for the lawful issuance and sale of any Shares hereunder, shall relieve the Company or the Affiliate of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

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

**SCHEDULE “B”****CHARTER OF THE AUDIT COMMITTEE****YNVISIBLE INTERACTIVE INC.  
(the “Company”)****1. Mandate**

The audit committee will assist the board of directors (the “**Board**”) in fulfilling its financial oversight responsibilities. The audit committee will review and consider in consultation with the auditors the financial reporting process, the system of internal control and the audit process. In performing its duties, the committee will maintain effective working relationships with the Board, management, and the external auditors. To effectively perform his or her role, each committee member must obtain an understanding of the principal responsibilities of committee membership as well and the Corporation’s business, operations and risks.

**2. Composition**

The Board will appoint from among their membership an audit committee after each annual meeting of the shareholders of the Company. The audit committee will consist of a minimum of three directors.

*2.1 Independence*

A majority of the members of the audit committee must be “independent” (as defined in Sec. 1.4 of National Instrument 52-110 (Audit Committees)) (“**NI 52-110**”).

*2.2 Expertise of Committee Members*

A majority of the members of the audit committee must be “financially literate” (as defined in Sec. 1.6 of NI 52-110) or must become financially literate within a reasonable period of time after his or her appointment to the committee. At least one member of the committee must have accounting or related financial management expertise.

**3. Meetings**

The audit committee shall meet in accordance with a schedule established each year by the Board, and at other times that the audit committee may determine. The audit committee shall meet at least annually with the Company’s Chief Financial Officer and external auditors in separate executive sessions.

**4. Roles and Responsibilities**

The audit committee shall fulfil the following roles and discharge the following responsibilities:

*4.1 External Audit*

The audit committee shall be directly responsible for overseeing the work of the external auditors in preparing or issuing the auditor’s report, or performing other audit, review or attest services, including the resolution of disagreements between management and the external auditors regarding financial reporting. In carrying out this duty, the audit committee shall:

- (a) recommend to the Board the external auditor to be nominated for the purpose of

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preparing or issuing an auditor's report or performing other audit, review or attest services for the Company;

- (b) review (by discussion and enquiry) the external auditors' proposed audit scope and approach;
- (c) review the performance of the external auditors and recommend to the Board the appointment or discharge of the external auditors;
- (d) review and recommend to the Board the compensation to be paid to the external auditors;
- (d) review and confirm the independence of the external auditors by reviewing the non-audit services provided and the external auditors' assertion of their independence in accordance with professional standards; and
- (e) an audit committee must review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company.

### 4.2 *Internal Control*

The audit committee shall consider whether adequate controls are in place over annual and interim financial reporting as well as controls over assets, transactions and the creation of obligations, commitments and liabilities of the Company. In carrying out this duty, the audit committee shall:

- (a) evaluate the adequacy and effectiveness of management's system of internal controls over the accounting and financial reporting system within the Company; and
- (b) ensure that the external auditors discuss with the audit committee any event or matter which suggests the possibility of fraud, illegal acts or deficiencies in internal controls.

### 4.3 *Financial Reporting*

The audit committee shall review the financial statements and financial information prior to its release to the public. In carrying out this duty, the audit committee shall:

#### *General*

- (a) review significant accounting and financial reporting issues, especially complex, unusual and related party transactions; and
- (b) review and ensure that the accounting principles selected by management in preparing financial statements are appropriate.

#### *Annual Financial Statements*

- (a) review the draft annual financial statements and provide a recommendation to the Board with respect to the approval of the financial statements;
- (b) meet with management and the external auditors to review the financial statements and the results of the audit, including any difficulties encountered; and
- (c) review management's discussion & analysis respecting the annual reporting period prior to its release to the public.

*Interim Financial Statements*

- (a) review and approve the interim financial statements prior to their release to the public; and
- (b) review management's discussion & analysis respecting the interim reporting period prior to its release to the public.

*Release of Financial Information*

- (a) where reasonably possible, review and approve all public disclosure, including news releases, containing financial information, prior to its release to the public. An audit committee must be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, and must periodically assess the adequacy of those procedures

4.4 *Non-Audit Services*

All non-audit services (being services other than services rendered for the audit and review of the financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements) which are proposed to be provided by the external auditors to the Company or any subsidiary of the Company shall be subject to the prior approval of the audit committee.

*Delegation of Authority*

- (a) The audit committee may delegate to one or more independent members of the audit committee the authority to approve non-audit services, provided any non-audit services approved in this manner must be presented to the audit committee at its next scheduled meeting.

*De-Minimis Non-Audit Services*

- (a) The audit committee may satisfy the requirement for the pre-approval of non-audit services if:
  - (i) the aggregate amount of all non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Company and its subsidiaries to the external auditor during the fiscal year in which the services are provided; or
  - (ii) the services are brought to the attention of the audit committee and approved, prior to the completion of the audit, by the audit committee or by one or more of its members to whom authority to grant such approvals has been delegated.

*Pre-Approval Policies and Procedures*

- (a) The audit committee may also satisfy the requirement for the pre-approval of non-audit services by adopting specific policies and procedures for the engagement of non-audit services, if:
  - (i) the pre-approval policies and procedures are detailed as to the particular service;

- (ii) the audit committee is informed of each non-audit service; and
- (iii) the procedures do not include delegation of the audit committee's responsibilities to management.

#### 4.5 *Other Responsibilities*

The audit committee shall:

- (a) establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters;
- (b) establish procedures for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;
- (c) ensure that significant findings and recommendations made by management and external auditor are received and discussed on a timely basis;
- (d) review the policies and procedures in effect for considering officers' expenses and perquisites;
- (e) perform other oversight functions as requested by the Board; and
- (f) review and update this Charter and receive approval of changes to this Charter from the Board.

#### 4.6 *Reporting Responsibilities*

The audit committee shall regularly update the Board about committee activities and make appropriate recommendations.

### **5. Resources and Authority of the Audit Committee**

The audit committee shall have the resources and the authority appropriate to discharge its responsibilities, including the authority to:

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

### **6. Guidance – Roles & Responsibilities**

The following guidance is intended to provide the Audit Committee members with additional guidance on fulfilment of their roles and responsibilities on the committee:

#### 6.1 *Internal Control*

- (a) evaluate whether management is setting the goal of high standards by communicating the importance of internal control and ensuring that all individuals possess an understanding of

their roles and responsibilities;

- (b) focus on the extent to which external auditors review computer systems and applications, the security of such systems and applications, and the contingency plan for processing financial information in the event of an IT systems breakdown; and
- (c) gain an understanding of whether internal control recommendations made by external auditors have been implemented by management.

## 6.2 *Financial Reporting*

### *General*

- (a) review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements; and
- (b) ask management and the external auditors about significant risks and exposures and the plans to minimize such risks; and
- (c) understand industry best practices and the Company's adoption of them.

### *Annual Financial Statements*

- (a) review the annual financial statements and determine whether they are complete and consistent with the information known to committee members, and assess whether the financial statements reflect appropriate accounting principles in light of the jurisdictions in which the Company reports or trades its shares;
- (b) pay attention to complex and/or unusual transactions such as restructuring charges and derivative disclosures;
- (c) focus on judgmental areas such as those involving valuation of assets and liabilities, including, for example, the accounting for and disclosure of loan losses; warranty, professional liability; litigation reserves; and other commitments and contingencies;
- (d) consider management's handling of proposed audit adjustments identified by the external auditors; and
- (e) ensure that the external auditors communicate all required matters to the committee.

### *Interim Financial Statements*

- (a) be briefed on how management develops and summarizes interim financial information, the extent to which the external auditors review interim financial information;
- (b) meet with management and the auditors, either telephonically or in person, to review the interim financial statements; and
- (c) to gain insight into the fairness of the interim statements and disclosures, obtain explanations from management on whether:
  - (i) actual financial results for the quarter or interim period varied significantly from budgeted or projected results;
  - (ii) changes in financial ratios and relationships of various balance sheet and operating

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statement figures in the interim financials statements are consistent with changes in the Company's operations and financing practices;

- (iii) generally accepted accounting principles have been consistently applied;
- (iv) there are any actual or proposed changes in accounting or financial reporting practices;
- (v) there are any significant or unusual events or transactions;
- (vi) the Company's financial and operating controls are functioning effectively;
- (vii) the Company has complied with the terms of loan agreements, security indentures or other financial position or results dependent agreement; and
- (viii) the interim financial statements contain adequate and appropriate disclosures.

### 6.3 *Compliance with Laws and Regulations*

- (a) periodically obtain updates from management regarding compliance with this policy and industry "best practices";
- (b) be satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements; and
- (c) review the findings of any examinations by securities regulatory authorities and stock exchanges.

### 6.4 *Other Responsibilities*

- (a) review, with the Company's counsel, any legal matters that could have a significant impact on the Company's financial statements.