

# ORLETTO CAPITAL II INC.

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## NOTICE AND MANAGEMENT INFORMATION CIRCULAR FOR THE ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

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To be held on

Tuesday, June 22, 2021, at 10:00 a.m. (Standard Eastern Time)

via live webcast at

<https://bit.ly/3v2LjzC>

Dated May 25, 2021

Record Date: Tuesday, May 18, 2021

Pour recevoir l'avis de convocation à l'assemblée, la circulaire de sollicitation de procurations par la direction et le formulaire de procuration pour l'assemblée en français, prière de contacter M. Benoit Chotard, président et chef de la direction, par lettre adressée à Capital Orletto II Inc., 300-70, rue Dalhousie, Québec (Québec) G1K 4B2 ou par courriel à l'adresse suivante : [benoitshotard@shaw.ca](mailto:benoitshotard@shaw.ca) ou encore consulter lesdits documents sous le profil de la société sur le site Web de SEDAR à [www.sedar.com](http://www.sedar.com).

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## ORLETTO CAPITAL II INC.

### NOTICE OF THE ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

#### To the shareholders of Orletto Capital II Inc.:

NOTICE IS HEREBY GIVEN that the annual general and special meeting (the “**Meeting**”) of holders (the “**Shareholders**”) of common shares (the “**Common Shares**”) of Orletto Capital II Inc. (the “**Corporation**”) will be held by way of live webcast at <https://bit.ly/3v2LjzC>, on Tuesday, June 22, 2021, at 10:00 a.m. (Standard Eastern Time) for the following purposes:

1. to receive the annual consolidated financial statements of the Corporation for the fiscal year ended December 31, 2020, and the external auditors’ report thereon;
2. to elect the directors of the Corporation;
3. to appoint the external auditor of the Corporation and to authorize the directors to set its compensation;
4. to consider and, if deemed advisable, to approve, with or without variation, an ordinary resolution of the Shareholders, the full text of which is set forth in Schedule “A” of the enclosed management proxy circular (the “**Circular**”), pertaining to the approval and confirmation of the Corporation’s proposed stock option plan, conditional to the completion of a qualifying transaction (the “**Proposed Qualifying Transaction**”), as per Policy 2.4 – *Capital Pool Companies* of the TSX Venture Exchange (the “**Exchange**”) Corporate Finance Manual (“**Policy 2.4**”), as set out in Schedule “A” hereto and the whole as described in the Circular;
5. to consider and, if deemed advisable, to approve, with or without variation, an ordinary resolution of the disinterested Shareholders, the full text of which is set forth in Schedule “D” of the Circular, approving the elimination of the consequences associated with the Corporation not completing a Proposed Qualifying Transaction within 24 months of its listing date in accordance with certain amendments made by the Exchange to Policy 2.4, which became effective as of January 1, 2021 (the “**New CPC Policy**”), the whole as described in the Circular;
6. to consider and, if deemed advisable, to approve, with or without variation, an ordinary resolution of the disinterested Shareholders, the full text of which is set forth in Schedule “E” of the Circular, authorizing the Corporation to make certain amendments to the Corporation’s escrow agreement in accordance with the terms the New CPC Policy, the whole as described in the Circular;
7. to consider and, if deemed advisable, to approve, with or without variation, an ordinary resolution of the disinterested Shareholders, the full text of which is set forth in Schedule “F” of the Circular, authorizing and permitting the Corporation to pay any finders’ fee or commission to a Non-Arm’s Length Party (as such term is defined in the New CPC Policy) to the Corporation upon completion of the Proposed Qualifying Transaction, in accordance with the terms of the New CPC Policy, the whole as described in the Circular;
8. to consider and, if deemed advisable, adopt, with or without variation, a special resolution the full text of which is set forth in Schedule “G” of the Circular, authorizing the board of directors of the Corporation (the “**Board**”) to amend the articles of the Corporation to effect the change of its name to “CHARBONE Corporation”, or such other name as the Board may determine, conditional to the completion of the Proposed Qualifying Transaction, the whole as described in the Circular;
9. to consider and, if deemed advisable, adopt, with or without variation, a special resolution, the full text of which is set forth in Schedule “H” of the Circular, authorizing the Board to amend the articles of the Corporation to effect a consolidation of all of the issued and outstanding Common Shares, on the basis of a maximum consolidation ratio to be selected by the Board of five (5) pre-

consolidation Common Shares for one (1) post-consolidation Common Share, effective as at the discretion of the Board and conditional to the completion of the Proposed Qualifying Transaction, the whole as described in the Circular;

10. to consider and, if deemed advisable, adopt, with or without variation, a special resolution, the full text of which is set forth in Schedule "I" of the Circular, authorizing the Board to amend the articles of the Corporation in order to allow the directors of the Corporation to appoint one (1) or more additional directors, who shall hold office for a term expiring not later than the close of the next annual general meeting of Shareholders, but the total number of directors so appointed may not exceed one third (1/3) of the number of directors elected at the previous annual general meeting of Shareholders, the whole as described in the Circular; and
11. to transact such other business as may properly be brought before the Meeting or any adjournment thereof.

The Circular and proxy form for the Meeting are attached to this notice.

Québec, Québec, May 25, 2021

**By order of the Board,**

(s) Benoit Chotard

Benoit Chotard  
President and Chief Executive Officer of the Corporation

In order to mitigate risks to the health and safety of our communities, shareholders, employees and other stakeholders arising from the ongoing public health concerns related to the coronavirus pandemic ("COVID-19"), and to comply with health and safety measures imposed by the federal and provincial governments, we are inviting shareholders to attend the meeting via live webcast. Participants are asked to register in advance of the Meeting and in any event prior to 10 a.m. (Standard Eastern Time) on June 22, 2021. Participants with and without a Teams account can attend the Meeting using the following URL: <https://bit.ly/3v2LjzC>. Participants will then be asked to enter their name to attend the Meeting. Shareholders will have an equal opportunity to participate at the meeting through this method regardless of their geographic location. As always, we encourage shareholders to vote their Common Shares prior to the Meeting.

**Shareholders may exercise their rights by proxy, or by attending the Meeting. Kindly complete, date and sign the enclosed proxy form and return it in the envelope provided for this purpose. To be used at the Meeting, the proxies must be received by mail by the transfer agent and registrar of the Corporation (AST Trust Company (Canada), P.O. Box 721, Agincourt, Ontario, M1S 0A1) no later than 10:00 a.m. (Standard Eastern Time) on Friday, June 18, 2021 or no later than 48 hours (excluding Saturdays, Sundays and holidays) before the date and time to which the Meeting has been rescheduled if it has been adjourned or postponed. The Shareholders may also exercise their voting rights (i) by facsimile machine to 416-368-2502 or toll free for North America to 1-866-781-3111; (ii) by calling the toll-free number for Canada and the United States 1-888-489-7352; (iii) by scanning and sending it by email to [proxyvote@astfinancial.com](mailto:proxyvote@astfinancial.com) or (iv) by casting your vote online to the following website: [www.astvotemyproxy.com](http://www.astvotemyproxy.com).**

**If you are not a registered Shareholder but you are a beneficial owner, please follow the instructions contained in the Circular.**

## MANAGEMENT PROXY CIRCULAR

### A. VOTING INFORMATION

#### PROXY SOLICITATION

This management proxy circular (the “Circular”) is provided in the context of a solicitation of proxies by the management of Orletto Capital II Inc. (the “Corporation”) for the annual general and special meeting (the “Meeting”) of holders (the “Shareholders”) of common shares of the Corporation (the “Common Shares”) to be held virtually via live webcast at <https://bit.ly/3v2LjzC>, on Tuesday, June 22, 2021, at 10:00 a.m. (Standard Eastern Time), and for the purposes set forth in the foregoing notice of Meeting (the “Notice”) and at any adjournment thereof. In the Circular, unless otherwise indicated, the financial information set out is dated as of December 31, 2020 while all other information set out is dated as of May 18, 2021. All dollar amounts indicated herein are stated in Canadian dollars. Shareholders will not be able to physically attend the Meeting.

While proxies will be mainly solicited by mail, certain directors, officers and employees of the Corporation may solicit them directly in person, by telephone, or by other means of electronic communication, but without additional compensation. The Corporation may also mandate an external proxy solicitation agency to help therewith. The cost of solicitation will be assumed by the Corporation, and it is not expected to be significant. Arrangements will also be taken with brokerage firms and other receivers, trustees and agents for the forwarding of proxy solicitation documents to the beneficial owners of Common Shares (in accordance with the provisions of *Regulation 54-101 respecting Communication with Beneficial Owners of Securities of a Reporting Issuer* (the “Regulation 54-101”).

Shareholders may exercise their rights by proxy, or by attending the Meeting. Kindly complete, date and sign the enclosed proxy form and return it in the envelope provided for this purpose. To be used at the Meeting, the proxies must be received by mail by the transfer agent and registrar of the Corporation (AST Trust Company (Canada), P.O. Box 721, Agincourt, Ontario, M1S 0A1) no later than 10:00 a.m. (Standard Eastern Time) on Friday, June 18, 2021 or no later than 48 hours (excluding Saturdays, Sundays and holidays) before the date and time to which the Meeting has been rescheduled if it has been adjourned or postponed. The Shareholders may also exercise their voting rights (i) by facsimile machine to 416-368-2502 or toll free for North America to 1-866-781-3111; (ii) by calling the toll-free number for Canada and the United States 1-888-489-7352; (iii) by scanning and sending it by email to [proxyvote@astfinancial.com](mailto:proxyvote@astfinancial.com) or (iv) by casting your vote online to the following website: [www.astvotemyproxy.com](http://www.astvotemyproxy.com).

If you are not a registered Shareholder but you are a beneficial owner, please follow the instructions contained in the Circular.

#### NOMINATION OF PROXYHOLDERS

The persons named as proxyholders in the enclosed proxy form are officers of the Corporation and have been chosen by the board of directors of the Corporation (the “Board”). A shareholder entitled to vote at the Meeting has the right to appoint another person than the persons named in the enclosed proxy form to virtually attend the Meeting and act on his or her behalf. To exercise this right, the shareholder must insert the name of that person in the space provided for that purpose in the proxy form. A person named as proxyholder need not be a shareholder of the Corporation.

To be used at the Meeting, proxies must be received by the transfer agent and registrar of the Corporation no later than 10:00 a.m. (Standard Eastern Time) on Friday, June 18, 2021, or 48 hours (excluding Saturdays, Sundays and holidays), preceding the resumption of the Meeting after an adjournment (i) by mail at AST Trust Company (Canada), P.O. Box 721, Agincourt, Ontario, M1S 0A1; (ii) by facsimile machine at 416-368-2502 or by toll-free number in Canada and the United States 1-866-781-3111; (iii) by calling the toll-free number in Canada and the United States 1-888-489-7352; (iv) by casting your vote online to the following website: [www.astvotemyproxy.com](http://www.astvotemyproxy.com); (v) by scanning and sending it by email to [proxyvote@astfinancial.com](mailto:proxyvote@astfinancial.com); or (vi) by scanning the QR code indicated on the proxy form with their smartphones.

If you are not a registered Shareholder but you are a beneficial owner, please follow the instructions contained in the Circular.

The shareholder who is an individual must sign his or her name as it appears in the share ledger. If the shareholder is a corporate body, the proxy form must be signed by a duly authorized officer or representative of this corporate body. Also, for the shareholder who is a corporate body, any individual accredited by a certified resolution of the directors or management of this corporate body may represent the latter at the Meeting and may apply all the shareholder's powers.

If the Common Shares are registered in the name of a liquidator, director or trustee, these persons must sign the exact name appearing in the ledger. If the Common Shares are registered in the name of a deceased shareholder, the name of the shareholder must be printed in block letters in the space provided for that purpose. The proxy form must be signed by the legal representative, who must print his or her name in block letters under his or her signature, and proof of his or her authority to sign on behalf of the shareholder must be appended to the proxy form.

A person acting for a shareholder as administrator of the property of others may participate in and vote at the Meeting.

If two (2) or more persons hold Common Shares jointly, one of those shareholders present or represented by proxy at the Meeting may, in the absence of the others, exercise the voting right attached to those Common Shares. If two (2) or more of such shareholders are present or represented by proxy at the Meeting, they must vote as one the number of Common Shares indicated on the proxy.

In many cases, the Common Shares belonging to a beneficial owner are registered in the name of a securities broker, another intermediary or a clearing agency. Beneficial owners should carefully read the section of the Circular entitled "Special Voting Instructions for the Benefit of Beneficial Owners" and carefully follow the directions given by their intermediaries.

## **EXERCISE OF VOTING RIGHTS BY PROXYHOLDERS**

For any item listed in the Notice, the persons named as proxyholders in the enclosed proxy form will exercise the voting rights attached to the Common Shares for which they have been nominated in accordance with the instructions received from the shareholders and including by means of a vote by show of hands or a ballot. If no specific instruction has been given by the shareholder, the voting rights attached to his or her Common Shares will be exercised in favour of adopting the items listed in the Notice. The persons named as proxyholders will have discretionary authority with respect to amendments or variations to matters identified in the Notice and other matters which may properly come before the Meeting provided that (i) the management of the Corporation is not aware that any of those amendments, variations or other matters to be presented for action at the Meeting within a reasonable time before the beginning of the solicitation of proxies and (ii) a specific statement is made in the Circular or in the form of proxy that the proxy is conferring such discretionary authority. However, the persons named as proxyholders do not have such discretionary authority to vote at any meeting other than the Meeting, or any adjournment thereof, neither to vote for the election of any person as a

director of the Corporation unless a bona fide proposed nominee for that election is named in the Circular. As of the date of the Circular, the directors of the Corporation have no knowledge of any amendment to the items listed in the Notice nor of any other item that may be brought before the Meeting in due form.

## **RIGHT TO REVOKE PROXIES**

The shareholder who is an individual is at liberty to revoke such proxy by filing a written notice of revocation, including another proxy form indicating a later date, signed by the shareholder or his or her proxyholder duly authorized in writing. If the shareholder is a corporate body, this written notice of revocation and proxy form must be signed by a duly authorized officer or representative. The document appointing a proxyholder operates the revocation of any prior document appointing another proxyholder.

The written notice of revocation as well as the proxy form must be sent by no later than the last clear business day preceding the Meeting or of any adjournment thereof, (i) at the head office of the Corporation or (ii) AST Trust Company (Canada), P.O. Box 721, Agincourt, Ontario, M1S 0A1; or (iii) by submitting them to the chair of the Meeting on the same day that the Meeting is being held or on its adjournment. The act appointing a proxyholder results in the revocation of any previous act appointing another proxyholder.

If you are a non-registered shareholder, you may revoke voting instructions that you have given to your intermediary at any time by written notice to the intermediary. However, your intermediary may be unable to take any action on the revocation if you do not provide your revocation sufficiently in advance of the Meeting.

## **SPECIAL VOTING INSTRUCTIONS FOR THE BENEFIT OF BENEFICIAL OWNERS**

The information provided in this section is of considerable importance for many shareholders, because a large number of them holds Common Shares through securities brokers or their nominees and not in their own names. These shareholders (hereinafter “**Beneficial Owners**”) must be aware of the fact that only proxies filed by shareholders whose names appear in the Corporation’s ledger as registered holders of Common Shares may be recognized and may benefit from the right to vote at the Meeting. If the Common Shares are registered in a statement that is remitted to the shareholder by the broker, in almost all cases, these Common Shares will not be registered in the shareholder’s name in the Corporation’s ledger. These Common Shares will likely be registered in the name of the broker or its nominee. In Canada, the majority of these Common Shares are registered in the name of CDS & Co. (the nominee of CDS Clearing and Depository Services Inc.) which acts as a depository for a good number of Canadian brokerage firms. **The voting rights attached to the Common Shares held by brokers or their nominees may be exercised only according to the Beneficial Owner’s specific instructions. Brokers and their nominees are prohibited from exercising the voting rights attached to the Common Shares of their clients without specific voting instructions. In order for their Common Shares to be voted at the Meeting, Beneficial Owners must make sure that their specific instructions concerning the exercise of the voting rights attached to their Common Shares are conveyed to the appropriate person well before the Meeting.**

Pursuant to Regulation 54-101, intermediaries and brokers must obtain voting instructions from Beneficial Owners before a meeting of shareholders. Each intermediary and broker has its own rules concerning the mailing and forwarding of voting instruction forms (“**VIFs**”), meeting notices, proxy circulars as well as all other documents sent to shareholders for a meeting. These rules must be carefully followed by Beneficial Owners to ensure that the rights attached to their Common Shares can be exercised at the Meeting. The VIF remitted to Beneficial Owners by the intermediary or the broker is often the same form as the one remitted to registered shareholders; however, its sole purpose is to obtain instructions for the intermediary or the broker on how to exercise the voting rights on behalf of

the Beneficial Owner. The majority of intermediaries or brokers now delegate the responsibility of obtaining voting instructions from their clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge provides VIFs and mails them to the Beneficial Owners, and asks them to return the VIFs to Broadridge, or to call its toll-free number to exercise the voting rights attached to their Common Shares, or to go to its website at [www.proxyvote.com](http://www.proxyvote.com) to provide voting instructions. Broadridge then computes the results of all the voting instructions received and gives the appropriate instructions regarding the exercise of the voting rights attached to the Common Shares that will be represented at the Meeting. **The Beneficial Owner who receives a VIF from Broadridge may not use such VIF to exercise the voting rights attached to his or her Common Shares directly at the Meeting. The VIF must be returned to Broadridge 48 hours before the Meeting so that the voting rights attached to the Common Shares can be exercised at the Meeting.**

While a Beneficial Owner cannot be recognized directly at the Meeting for the purpose of exercising the voting rights attached to the Common Shares registered in the name of his or her broker or his or her broker's nominee, the Beneficial Owner may virtually attend the Meeting as proxyholder for the registered shareholder and may, in this capacity, exercise the voting rights attached to the Common Shares. The Beneficial Owner wishing to virtually attend the Meeting and indirectly exercise the voting rights attached to his or her Common Shares as proxyholders for the registered shareholder must enter his or her own name in the space provided in the VIF and return it to his or her broker (or his or her broker's nominee) in accordance with the instructions provided by the broker (or broker's nominee) before the Meeting. The Beneficial Owner can also write the name in the space provided in the VIF of someone else whom he or she wishes to virtually attend the Meeting and vote on his or her behalf. Unless prohibited by law, the person whose name is written in the space provided in the VIF will have full authority to present matters to the Meeting and vote on all matters that are presented at the Meeting, even if those matters are not set out in the VIF or the Circular. The Beneficial Owner may consult a legal advisor if he or she wishes to modify the authority granted to that person in any way.

According to Regulation 54-101, the Corporation distributed copies of the Notice, the Circular, and the VIF (collectively, the "**Meeting Materials**") to clearing agencies and intermediaries for onward distribution to non-objecting Beneficial Owners. The Corporation will pay for the distribution of Meeting Materials to objecting Beneficial Owners.

As permitted under Regulation 54-101, the Corporation has used a non-objecting Beneficial Owners list to send the Meeting Materials to the owners whose names appear on that list.

The Meeting Materials were sent to both registered and non-registered owners of the Common Shares. If you are a non-registered owner, and the Corporation or its agent has sent the Meeting Materials directly to you, your name and address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

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

## **SPECIAL INSTRUCTIONS FOR THE VIRTUAL MEETING**

In order to mitigate risks to the health and safety of our communities, shareholders, employees and other stakeholders arising from the ongoing public health concerns related to the coronavirus pandemic ("**COVID-19**"), and to comply with health and safety measures imposed by the federal and provincial governments, we are inviting shareholders to attend the meeting via live webcast. Participants are asked to register in advance of the Meeting and in any event prior to 10 a.m. (Standard Eastern Time) on June 22, 2021. Participants with and without a Teams account can attend the Meeting using the

following URL: <https://bit.ly/3v2LjzC>. Participants will then be asked to enter their name to attend the Meeting. Shareholders will have an equal opportunity to participate at the meeting through this method regardless of their geographic location. As always, we encourage shareholders to vote their Common Shares prior to the Meeting.

## **QUORUM**

Under the Corporation's general by-laws and subject to the provisions of the *Canada Business Corporations Act* ("CBCA") and any regulation or order adopted thereunder, a quorum is required for a shareholder meeting when one or more persons holding or representing 15% of the voting rights that may be exercised at a meeting of shareholders are in attendance or are represented by proxy.

The quorum must be present at the opening of the shareholder meeting so that the shareholders may deliberate.

If a quorum is not present at the opening of a meeting of shareholders, the shareholders present may adjourn the meeting to a specific time and place but may not transact any other business.

## **PERSONS CONCERNED WITH CERTAIN ITEMS ON THE AGENDA**

No director or executive officer of the Corporation at any time since the beginning of the Corporation's last fiscal year, no proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any such persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any items on the Meeting agenda, except for the election of directors, the approval and confirmation of the Proposed Plan (as defined below), the 24 Months Resolution (as defined below), the Amended Escrow Agreement Resolution (as defined below) and the Non-Arm's Length Party Resolution (as defined below).

## **VOTING SECURITIES AND PRINCIPAL HOLDERS**

The Corporation's authorized capital is made up of an unlimited number of Common Shares, without par value, with voting rights of one vote per share.

As of May 18, 2021, there were 6,800,000 Common Shares issued and outstanding.

The Common Shares are listed on the TSX Venture Exchange (the "**Exchange**") since August 15, 2018.

The Common Shares represent 100% of all voting rights attached to the outstanding voting securities of the Corporation.

The holders of Common Shares have the right to vote at any shareholder meeting. Only shareholders registered in the Corporation's ledger at the close of business on May 18, 2021, have the right to receive the Notice. They also have the right to vote at the Meeting and any adjournment thereof, if they are present or represented by proxyholder.

To the knowledge of the Corporation's directors or executive officers, as of the date of the Circular, no person, directly or indirectly, beneficially owns or controls or directs voting securities carrying 10% or more of the voting rights attached to any class of outstanding securities of the Corporation.

## B. ITEMS ON MEETING AGENDA

### PRESENTATION OF FINANCIAL STATEMENTS

The Corporation's annual consolidated financial statements for the fiscal year ended December 31, 2020, and the auditors' report thereon will be presented at the Meeting but will not be subject to a vote.

### ELECTION OF DIRECTORS

The Corporation's articles of incorporation specify that the Board may be composed of a minimum of one and a maximum of ten directors. The Corporation's general by-laws specify that the directors are elected by the shareholders at the annual general meeting of the Corporation and remain in office, notwithstanding the expiry of their term of office, until their resignation, removal or replacement, or until they become disqualified. A director whose term of office ends may be re-elected.

The Corporation's management deems that all nominees will be capable of acting as directors. The Corporation's management has not been notified of any nominee who no longer wishes to serve in this capacity. **The proxy form or the VIF does not grant a discretionary power to elect a director of the Corporation unless a proposed nominee is designated in the Circular.**

The Board proposes the following four (4) individuals as nominees for the directorship. Each of the nominees proposed by the Board is presently a director of the Corporation.

Benoit Chotard  
Octavio Soares  
Claude Pouliot  
Cynthia Mailloux

For the biographical note of each nominee, see the section of the Circular entitled "Board of Directors" below.

**Unless the Shareholders provide instruction to the contrary or in the absence of specific instruction in this respect, the persons named as proxyholders in the enclosed proxy form intend to vote FOR the election of the nominees for the directorship listed above.**

### APPOINTMENT OF THE AUDITOR AND AUTHORIZATION GIVEN TO DIRECTORS TO SET ITS COMPENSATION

The audit committee of the Corporation (the "**Audit Committee**") and the Board recommend that the mandate of Mallette LLP ("**Mallette**") be renewed until the Corporation's next annual meeting of shareholders or until a successor is nominated. To be validly adopted, the resolution concerning the renewal of Mallette's mandate must be adopted by a simple majority of the votes cast by the shareholders present or represented by proxyholder at the Meeting. **The proxy form or the VIF does not grant a discretionary power to appoint the auditor of the Corporation.**

The Shareholders' approval will also authorize the Board to set the auditors' compensation.

Since March 26, 2018, Mallette acts as auditor of the Corporation.

**Unless the Shareholders provide instruction to the contrary or in the absence of specific instruction in this respect, the persons named as proxyholders in the enclosed proxy form intend to vote FOR the appointment of Mallette as auditor of the Corporation until the**

**adjournment of the next annual meeting of Shareholders and authorize the directors to set its compensation.**

#### **APPROVAL AND CONFIRMATION OF THE CORPORATION'S PROPOSED STOCK OPTION PLAN**

On April 8, 2021, the Corporation concluded an agreement in principle with CHARBONE Corporation for the realization of a qualifying transaction (the "**Proposed Qualifying Transaction**"), as per *Policy 2.4 - Capital Pool Companies* ("**Policy 2.4**") of the TSX Venture Exchange (the "**Exchange**") Corporate Finance Manual.

For this purpose, the Board has previously approved the adoption of the "*Orletto Capital II Inc. 2020 Stock Option Plan*" (the "**Proposed Plan**"), conditional to the completion of the Proposed Qualifying Transaction. The Exchange requires all listed companies proposing to grant stock options to its directors, employees and consultants to adopt a stock option plan in accordance with the policies of the Exchange.

Upon completion of the Proposed Qualifying Transaction, if any, it is anticipated that the Proposed Plan will replace the Corporation's stock option plan called the "*Orletto Capital II Inc. 2018 Stock Option Plan*" currently in force (the "**Plan**"), the text of which is set out in Schedule "C" of this Circular. For more information on the attributes of the Proposed Plan, see the section of the Circular entitled "Proposed Plan Description" below.

During the Meeting, the Shareholders will be invited to consider and, if deemed advisable, to adopt, with or without amendment, a resolution, the text of which is set out in Schedule "A", in order to approve and confirm the Proposed Plan. The text of the Proposed Plan is set out in Schedule "B" of the Circular.

**Unless the Shareholders provide instruction to the contrary or in the absence of specific instruction in this respect, the persons named as proxyholders in the enclosed proxy form intend to vote FOR the adoption of the resolution, the text of which is set out in Schedule "A" of the Circular.**

#### **ELIMINATION OF THE REQUIREMENT TO COMPLETE A QUALIFYING TRANSACTION WITHIN 24 MONTHS OF LISTING DATE AND ASSOCIATED CONSEQUENCES**

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to adopt, with or without variation, an ordinary resolution of disinterested Shareholders (the "**24 Months Resolution**") removing the applicability of section 14.13 of Policy 2.4 to reflect the amendments made by the Exchange (the "**Exchange**") to Policy 2.4, which became effective as of January 1, 2021 (the "**New CPC Policy**"), thereby removing the requirement of the Corporation to complete a Proposed Qualifying Transaction within 24 months of its date of listing on the Exchange (the "**Listing Date**"), and removing the associated consequences of not completing such requirement.

Under Policy 2.4, if the Corporation failed to complete a Proposed Qualifying Transaction within 24 months of its Listing Date, the Corporation faced the consequences of either (i) having its Common Shares delisted or suspended from the Exchange, or (ii) subject to the approval of the majority of Shareholders, transferring the Common Shares to list on the NEX and cancelling certain Common Shares issued to the Corporation's founders.

The New CPC Policy eliminates the requirement for a capital pool company, such as the Corporation, to complete a qualifying transaction within 24 months of the listing date and eliminates the associated consequences of not completing such requirement. The Corporation believes that the removal of the requirement to complete a Proposed Qualifying Transaction within 24 months of the Listing Date, and the associated consequences of not completing such requirement, as exists under Policy 2.4, will put the Corporation in a better position to complete a Proposed Qualifying Transaction that will be beneficial

to the Shareholders, by allowing increased flexibility to complete such a transaction. Further, this change will allow the Corporation to better withstand any potential volatility in the capital markets which was evident in 2020 with the COVID-19 pandemic.

The 24 Months Resolution requires the affirmative vote of not less than a majority of the votes cast by disinterested Shareholders who vote in respect thereof, in person or by proxy, at the Meeting (“**Disinterested Approval**”). The following directors and officers, who in aggregate, hold or control, directly or indirectly, 1,600,000 Common Shares, will be excluded from the vote: Benoit Chotard, Octavio Soares, Claude Pouliot and Cynthia Mailloux.

The Board recommends the adoption of the 24 Months Resolution and has approved the 24 Month Resolution, subject to Disinterested Approval and Exchange approval. The Exchange has conditionally approved the 24 Months Resolution, subject to Disinterested Approval.

**Unless the Shareholders provide instruction to the contrary or in the absence of specific instruction in this respect, the persons named as proxyholders in the enclosed proxy form intend to vote FOR the adoption of the 24 Months Resolution, the text of which is set out in Schedule “D” of the Circular.**

#### **AMENDMENTS TO THE ESCROW AGREEMENT**

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to adopt, with or without variation, an ordinary resolution of disinterested Shareholders (the “**Amended Escrow Agreement Resolution**”) allowing the Corporation to make certain amendments to the Corporation’s escrow agreement dated May 30, 2014, as amended on September 9, 2014 (the “**Escrow Agreement**”) to reflect the New CPC Policy.

The Escrow Agreement was initially entered into under Policy 2.4 and in the form of escrow agreement published by the Exchange as at June 14, 2010. The Escrow Agreement imposes restrictive escrow conditions on the securities held by directors, officers and the holders of seed shares acquired prior to the completion of the Corporation’s initial public offering. For the Corporation, such securities are subject to restrictions on transfer until the completion of a Proposed Qualifying Transaction, after which such securities begin to be released over a 36-month period. Under the New CPC Policy and the new CPC Escrow Agreement (as such term is defined in the New CPC Policy) effective as at January 1, 2021, the Corporation’s escrowed securities will be subject to only an 18-month escrow release schedule, whereby 25% of the escrowed securities will be released from escrow on the date the Exchange issues its Final QT Exchange Bulletin (as such term is defined in the New CPC Policy), and 25% of the escrowed securities will be released from escrow on each of the 6, 12 and 18 months following such date.

In addition, the Corporation wishes to amend the Escrow Agreement as follows to also reflect that all options granted prior to the date the Exchange issues its Final QT Exchange Bulletin and all Common Shares that were issued upon exercise of such options prior to the date of the Final QT Exchange Bulletin will be released from escrow on such date, other than options that were granted prior to the Corporation’s initial public offering with an exercise price less than the issue price of the Common Shares issued in the Corporation’s initial public offering and any Common Shares that were issued pursuant to the exercise of such options, which shall be released from escrow in accordance with the schedule set out above.

The Amended Escrow Agreement Resolution requires Disinterested Approval. All parties to the Escrow Agreement, who in aggregate, hold or control, directly or indirectly, 2,100,000 Common Shares, including the following directors and officers the Corporation, will be excluded from the vote: Benoit Chotard, Octavio Soares, Claude Pouliot and Cynthia Mailloux.

If the Amended Escrow Agreement Resolution receives Disinterested Approval, the Corporation will work with the escrow agent to finalize the amendments and a new Escrow Agreement will replace the current Escrow Agreement, and this new Escrow Agreement will be filed on SEDAR. If not approved, the current Escrow Agreement will continue in full force and effect.

The Board recommends the adoption of the Amended Escrow Agreement Resolution and has approved the Amended Escrow Agreement Resolution, subject to Disinterested Approval and Exchange approval. The Exchange has conditionally approved the Amended Escrow Agreement Resolution, subject to Disinterested Approval.

**Unless the Shareholders provide instruction to the contrary or in the absence of specific instruction in this respect, the persons named as proxyholders in the enclosed proxy form intend to vote FOR the adoption of the Amended Escrow Agreement Resolution, the text of which is set out in Schedule “E” of the Circular.**

#### **PERMISSION TO PAY FINDER’S FEE OR COMMISSION TO A NON-ARM’S LENGTH PARTY**

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to adopt, with or without variation, an ordinary resolution of disinterested Shareholders (the “**Non-Arm’s Length Party Resolution**”) permitting the Corporation to pay a finder’s fee or a commission to a Non-Arm’s Length Party (as such term is defined in the New CPC Policy) to the Corporation upon completion of the Proposed Qualifying Transaction.

The Non-Arm’s Length Party Resolution requires Disinterested Approval. The following directors and officers, who in aggregate, hold or control, directly or indirectly, 1,600,000 Common Shares, will be excluded from the vote: Benoit Chotard, Octavio Soares, Claude Pouliot and Cynthia Mailloux.

The Board recommends the adoption of the Non-Arm’s Length Party Resolution and has approved the Non-Arm’s Length Party Resolution, subject to Disinterested Approval and Exchange approval. The Exchange has conditionally approved the Non-Arm’s Length Party Resolution, subject to Disinterested Approval.

**Unless the Shareholders provide instruction to the contrary or in the absence of specific instruction in this respect, the persons named as proxyholders in the enclosed proxy form intend to vote FOR the adoption of the Non-Arm’s Length Party Resolution, the text of which is set out in Schedule “F” of the Circular.**

#### **NAME CHANGE OF THE CORPORATION**

Conditional to the completion of the Proposed Qualifying Transaction, the Corporation may change its name pursuant to the policies of the Exchange. As a result, the Shareholders will be asked to consider and, if thought advisable, approve the change of the name of the Corporation to “CHARBONE Corporation” or such other name as the Board determines appropriate and which all applicable regulatory authorities may accept (the “**Name Change**”), the whole conditional to the completion of the Proposed Qualifying Transaction.

The Name Change is also subject to acceptance by the Exchange and the Board may, in its sole discretion, decide not to implement it. In addition, the Shareholders will be asked to consider and, if thought advisable, to approve a special resolution, which is set out in Schedule “G” of the enclosed management proxy circular, to amend the articles of the Corporation, with respect to the Name Change. The Shareholders must approve the Name Change by special resolution in order for the Name Change to become effective. A special resolution requires the affirmative vote of not less than two thirds (2/3) of the votes cast by Shareholders present at the Meeting in person or by proxy.

**Unless the Shareholders provide instruction to the contrary or in the absence of specific instruction in this respect, the persons named as proxyholders in the enclosed proxy form intend to vote FOR the adoption of the special resolution, the text of which is set out in Schedule "G" of the Circular.**

## **SHARE CONSOLIDATION**

Conditional to the completion of the Proposed Qualifying Transaction, the Board is of the opinion that, in the future, it may be in the best interest of the Corporation to consolidate its issued and outstanding Common Shares. As a result, the Shareholders will be asked to consider a special resolution (the "**Consolidation Resolution**"), which is set out in Schedule "H" of the enclosed management proxy circular, authorizing the Board to amend the articles of the Corporation to effect a consolidation of all of the issued and outstanding Common Shares on the basis of a maximum consolidation ratio to be selected by the Board of five (5) pre-consolidation Common Shares for one (1) post-consolidation Common Share (the "**Share Consolidation**"), effective as at the discretion of the Board and conditional to the completion of the Proposed Qualifying Transaction.

Although Shareholders' approval for the Share Consolidation is being sought at the Meeting, the Share Consolidation would become effective at a date in the future to be determined by the Corporation if and when it is considered to be in the best interest of the Corporation to implement the Share Consolidation, the whole conditional to the completion of the Proposed Qualifying Transaction. The Board may determine not to implement the Share Consolidation at any time after the Meeting without further action on the part of or notice to the Shareholders. The Share Consolidation is subject to Shareholders' approval and to Exchange acceptance.

There can be no assurance whatsoever that any increase in the market price per Common Share will result from the proposed Share Consolidation.

No fractional Common Shares will be issued, and no cash consideration will be paid, if, as a result of the Share Consolidation, a registered Shareholder would otherwise become entitled to a fractional Common Share. After the Share Consolidation, then current Shareholders will have no further interest in the Corporation with respect to their fractional Common Shares.

Conditional to the completion of the Proposed Qualifying Transaction, if the proposed Share Consolidation is approved by the Shareholders and all regulatory requirements are complied with, including the approval of the Exchange, and implemented by the Board, following the announcement by the Corporation of the effective date of the Share Consolidation, registered Shareholders will be sent a letter of transmittal by the Corporation's transfer agent, AST Trust Company (Canada), containing instructions on how to exchange their share certificates representing pre-consolidation Common Shares for new share certificates representing post-consolidation Common Shares. Non-registered Shareholders holding their Common Shares through a bank, broker or other nominee should note that such banks, brokers or other nominees may have different procedures for processing the Share Consolidation than those that will be put in place by the Corporation for the registered Shareholders.

The Shareholders will be asked to consider and, if thought advisable, to approve the Consolidation Resolution with respect to the Share Consolidation. The Shareholders must approve the Share Consolidation of the Corporation by special resolution in order for the Share Consolidation to become effective. A special resolution requires the affirmative vote of not less than two thirds (2/3) of the votes cast by Shareholders present at the Meeting in person or by proxy. In addition to the approval of the Shareholders, the Share Consolidation requires the approval of the Exchange. The Corporation will apply to the Exchange for conditional approval of the proposed Share Consolidation, which approval is subject to the Corporation fulfilling standard listing conditions.

This description of the reasons and the procedure for a Share Consolidation shall not constitute an offer of securities or a definitive statement regarding the potential offering of securities.

**Unless the Shareholders provide instruction to the contrary or in the absence of specific instruction in this respect, the persons named as proxyholders in the enclosed proxy form intend to vote FOR the adoption of the special resolution, the text of which is set out in Schedule “H” of the Circular.**

## **APPOINTMENT OF ADDITIONAL DIRECTORS**

During the Meeting, the Shareholders will be invited to consider and, if deemed advisable, adopt, with or without amendment, a special resolution, the text of which is set out in Schedule “I” of the Circular, authorizing the Board to file articles of amendment of the articles of the Corporation. Indeed, subsection (8) of Section 106 of the CBCA provides that the directors in office may, if the articles of the corporation so provide, appoint one or more additional directors, who shall hold office for a term expiring not later than the close of the next annual meeting of Shareholders, but the total number of directors so appointed may not exceed one third of the number of directors elected at the previous annual meeting of Shareholders.

The Board of the Corporation considers that it is in the best interest of the Corporation to amend its articles to benefit from this provision of the CBCA.

To be validly adopted, the special resolution, the text of which is set out in Schedule “I” of the Circular, must be adopted by at least two thirds (2/3) of the votes cast by the Shareholders present or represented by proxyholders at the Meeting.

The Shareholders will be asked to consider and, if thought advisable, to approve the special resolution with respect to the appointment of additional directors. The Shareholders must approve the appointment of additional directors by special resolution in order for the said appointments to become effective. A special resolution requires the affirmative vote of not less than two thirds (2/3) of the votes cast by Shareholders present at the Meeting in person or by proxy. Furthermore, in accordance with the requirements of the Exchange, the proposed amendment of the articles of the Corporation must be approved by the latter.

The special resolution also provides that the directors of the Corporation will be authorized, if deemed advisable and in the interest of the Corporation, to revoke this resolution before it is acted on without further approval of the Shareholders.

**Unless the Shareholders provide instruction to the contrary or in the absence of specific instruction in this respect, the persons named as proxyholders in the enclosed proxy form intend to vote FOR the adoption of the special resolution, the text of which is set out in Schedule “I” of the Circular.**

## **C. BOARD OF DIRECTORS**

### **BIOGRAPHICAL NOTES**

The following table provides certain information concerning each nominee for the directorship: name, province, country of residence, position held, as the case may be, with the Corporation. It also provides the position held with the Audit Committee of the Corporation, the month and year in which the nominee became a director of the Corporation, his current principal occupation, business or employment and

the number of Common Shares that he beneficially owns, controls or directs, directly or indirectly, as at the date of the Circular.

<b>Name, Province and Country of Residence</b>	<b>Position Held with the Corporation and Period Served as Director</b>	<b>Principal Occupation During Last Five (5) Years</b>	<b>Number of Common Shares Beneficially Owned, Controlled or Directed</b>
<b>Benoit Chotard</b> <b>British Colombia, Canada</b>  <b>Not independent</b>	Director of the Corporation since March 26, 2018  President and Chief Executive Officer of the Corporation  Chairman of the Audit Committee	President and Chief Executive Officer of the Corporation  Financial advisor for public and private companies	400,000 Common Shares
<b>Octavio Soares</b> <b>Québec, Canada</b>  <b>Not independent</b>	Director of the Corporation since March 26, 2018  Chief Financial Officer of the Corporation  Member of the Audit Committee	Chief Financial Officer of the Corporation  Vice-President Finance of Noba Animal Co. Inc.	400,000 Common Shares
<b>Claude Pouliot</b> <b>Québec, Canada</b>  <b>Not independent</b>	Director of the Corporation since March 26, 2018  Vice-President of the Corporation  Member of the Audit Committee	Vice-President of the Corporation  President of Les Immeubles J. Dorval Inc.	400,000 Common Shares <sup>(1)</sup>
<b>Cynthia Mailloux</b> <b>Québec, Canada</b>  <b>Independent</b>	Director of the Corporation since March 26, 2018	Radiologist at Centre hospitalier universitaire de Québec (CHUQ) in the Hôpital Saint-François d'Assise	400,000 Common Shares

Note:

- (1) Mr. Claude Pouliot owns 400,000 Common Shares through Les Immeubles J. Dorval Inc., a corporation that is controlled by Mr. Claude Pouliot and Fiducie Familiale Claude Pouliot, a trust whose trustee is Mr. Claude Pouliot.

Members of the Board do not have direct information on the number of securities of each class of voting securities of the Corporation that each proposed nominee for the directorship beneficially owns, controls or directs, directly or indirectly. This information was provided by the proposed nominees for the directorship on an individual basis.

#### **CEASE TRADE ORDER, BANKRUPTCIES, PENALTIES AND SANCTIONS**

To the knowledge of the members of the Board and based on the information provided by the nominees for the directorship, none of these nominees:

- (a) is, as at the date of the Circular, or has been, within ten years before this date, a director, chief executive officer or chief financial officer of any corporation, including the Corporation, which has been subject to one of the following orders:

- (i) a cease trade order, an order similar to a cease trade order or an order that denied the relevant corporation access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, while the nominee was acting in the capacity as director, chief executive officer or chief financial officer; or
  - (ii) a cease trade order, an order similar to a cease trade order or an order that denied the relevant corporation access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, after the nominee ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while the nominee exercised these duties;
- (b) is, as at the date of the Circular, or has been within ten years before this date, a director or executive officer of any corporation, including the Corporation, that, while that person was acting in that capacity, or within a year of that nominee ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the ten years before the date of the 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 nominee; or
- (d) has been imposed any penalties or sanctions 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 nor has been imposed any penalties or sanctions by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a nominee for the directorship.

## D. NAMED EXECUTIVE OFFICER AND DIRECTOR COMPENSATION

### OVERSIGHT AND DESCRIPTION OF NAMED EXECUTIVE OFFICER AND DIRECTOR COMPENSATION

For the purposes of this section, the only named executive officers of the Corporation are Mr. Benoit Chotard, President, Chief Executive Officer and director of the Corporation, and Mr. Octavio Soares, Chief Financial Officer and director of the Corporation (collectively, the “**Named Executive Officers**”).

The Corporation is a capital pool company (CPC), as defined in the Policy 2.4, and as such, it has not commenced commercial operations and has no assets other than cash. Except as specifically contemplated in the Policy 2.4, until the completion of the Proposed Qualifying Transaction, the Corporation will not carry on business other than the identification and evaluation of companies, businesses or assets with a view to completing the Proposed Qualifying Transaction.

Pursuant to the Policy 2.4, prior to the completion of the Proposed Qualifying Transaction, no payment of any kind has been made, or will be made, directly or indirectly, by the Corporation to a Non-Arm's Length Party (as defined in the policies of the Exchange) of the Corporation or a Non-Arm's Length Party to the Proposed Qualifying Transaction, or to any person engaged in investor relations activities in respect of the securities of the Corporation or any resulting issuer by any means, including remuneration such as salaries, consulting fees and directors' fees.

#### *Option-Based Awards*

The directors of the Board are all eligible to receive stock options pursuant to the Plan. However, during the fiscal year ended December 31, 2020, no stock options were granted to directors. The Corporation's granting of stock options to Named Executive Officers under the Plan is a method of compensation which is used to attract and retain personnel and to provide an incentive to participate in the long-term development of the Corporation and to increase Shareholder value.

For a summary of the main terms and conditions of the Proposed Plan, see “Proposed Plan Description” under the section “Stock Option Plans and Other Incentive Plans”.

**NAMED EXECUTIVE OFFICER AND DIRECTOR COMPENSATION, EXCLUDING COMPENSATION SECURITIES**

The following table details all compensation paid to the Corporation's Named Executive Officers and directors for the fiscal years ended December 31, 2019, and December 31, 2020. It should be noted that the Corporation became a reporting issuer on August 15, 2018, after completing an initial public offering.

Table of Compensation Excluding Compensation Securities							
Name and Position	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of all Other Compensation (\$)	Total Compensation (\$)
Benoit Chotard, President and Chief Executive Officer and Director of the Corporation <sup>(1)</sup>	2019	-	-	-	-	-	-
	2020	-	-	-	-	-	-
Octavio Soares, Chief Financial Officer and Director of the Corporation <sup>(1)</sup>	2019	-	-	-	-	-	-
	2020	-	-	-	-	-	-
Claude Pouliot, Vice-President and Director of the Corporation <sup>(1)</sup>	2019	-	-	-	-	-	-
	2020	-	-	-	-	-	-
Cynthia Mailloux, Director of the Corporation <sup>(1)</sup>	2019	-	-	-	-	-	-
	2020	-	-	-	-	-	-

Notes:

(1) Messrs. Chotard, Soares, Pouliot and Mrs. Mailloux have served as a Director of the Corporation since March 26, 2018.

## STOCK OPTIONS AND OTHER COMPENSATION SECURITIES

The following table lays out all compensation securities granted or issued to Named Executive Officers and directors by the Corporation during the fiscal year ended December 31, 2020, for services provided or to be provided, directly or indirectly, to the Corporation.

Compensation Securities							
Name and Position	Type of Compensation Security	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 (\$)	Expiry Date
Benoit Chotard, President and Chief Executive Officer and Director of the Corporation <sup>(1)</sup>	Stock Options	-	-	-	-	-	-
Octavio Soares, Chief Financial Officer and Director of the Corporation <sup>(2)</sup>	Stock Options	-	-	-	-	-	-
Claude Pouliot, Vice-President and Director of the Corporation <sup>(3)</sup>	Stock Options	-	-	-	-	-	-
Cynthia Mailloux, Director of the Corporation <sup>(4)</sup>	Stock Options	-	-	-	-	-	-

Notes:

- (1) As of the date of the Circular, Mr. Benoit Chotard holds an aggregate of 136,000 stock options entitling him to acquire 136,000 Common Shares.
- (2) As of the date of the Circular, Mr. Octavio Soares holds an aggregate of 136,000 stock options entitling him to acquire 136,000 Common Shares.
- (3) As of the date of the Circular, Mr. Claude Pouliot holds an aggregate of 136,000 stock options entitling him to acquire 136,000 Common Shares.
- (4) As of the date of the Circular, Mrs. Cynthia Mailloux holds an aggregate of 136,000 stock options entitling him to acquire 136,000 Common Shares.

No compensation securities were exercised by the Corporation's Named Executive Officers and directors during the fiscal year ended December 31, 2020.

## **STOCK OPTION PLANS AND OTHER INCENTIVE PLANS**

### **Plan Description**

The Corporation has adopted the Plan, which provides that the Board may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers and employees of the Corporation and its affiliates and to consultants and management company employees, non-transferable options to purchase Common Shares for a period of up to ten years from the date of the grant, provided that the number of Common Shares reserved for issuance may not exceed 10% of the total issued and outstanding Common Shares after the completion of the Corporation's initial public offering, being 680,000 Common Shares.

The purpose of the Plan is to promote the profitability and growth of the Corporation by facilitating the efforts of the Corporation to obtain and retain key individuals. The Plan provides an incentive for and encourages ownership of the Common Shares by its key individuals so that they may increase their stake in the Corporation and benefit from increases in the value of the Common Shares.

Pursuant to the Plan, the maximum number of Common Shares reserved for issuance in any 12-month period to any one optionee other than a consultant may not exceed 5% of the issued and outstanding Common Shares at the date of the grant. The maximum number of Common Shares reserved for issuance in any 12-month period to any consultant may not exceed 2% of the issued and outstanding Common Shares at the date of the grant.

Incentive stock options may be exercised within the later of i) twelve months after the completion of the Proposed Qualifying Transaction, and ii) 90 days after the optionee ceases to be a director, officer, technical consultant or employee of the resulting issuer.

Notwithstanding the terms of the Plan described above, the Policy 2.4 imposes certain restrictions on incentive stock options during the period that the Corporation remains a Capital Pool Company. Such restrictions shall remain in place until the Exchange issues the Final Exchange Bulletin (such bulletin indicating that the resulting issuer will not be considered a Capital Pool Company.) Under the Policy 2.4, the Corporation, while it remains a Capital Pool Company, is limited to granting incentive stock options to only directors, officers and technical consultants of the Corporation. In addition, the total number of Common Shares reserved under option for issuance pursuant to the Plan may not exceed 10% of the Common Shares to be outstanding at the closing of the Corporation's initial public offering. The maximum number of Common Shares reserved under option for issuance to any individual officer or director may not exceed 5% of the issued and outstanding Common Shares to be outstanding at the closing of the Corporation's initial public offering. The maximum number of Common Shares reserved under option for issuance to all technical consultants may not exceed 2% of the issued and outstanding Common Shares to be outstanding after the closing of the Corporation's initial public offering. In addition, while the Corporation is a Capital Pool Company, it is prohibited from granting incentive stock options to any person providing investor relations activities, promotional or market making services. The exercise price per Common Share under any incentive stock options granted by the Corporation while it is a Capital Pool Company may not be less than the greater of \$0.10 and the discounted market price, as defined in *Policy 1.1 – Interpretation of the Exchange*. Any Common Shares acquired pursuant to the exercise of incentive stock options prior to completion of the Qualifying Transaction, must be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued.

### **Proposed Plan Description**

In the event that the Proposed Qualifying Transaction is completed, it is anticipated that the Plan currently in force will be replaced by the Proposed Plan. Pursuant to the Proposed Plan, the Board may grant stock options to (a) an employee, officer, director or consultant of the Corporation or any

subsidiary thereof and to (b) a person employed to perform investor relations activities (the “**Eligible Participants**”). The Proposed Plan has been prepared so as to meet the requirements of the Exchange.

The purpose of the Proposed Plan, considered as a rolling stock option plan pursuant to the policies of the Exchange is to provide the Corporation with a share-based mechanism to attract, motivate and retain Eligible Participants whose skills, performance and loyalty to the Corporation or any of its subsidiaries, as the case may be, are necessary to its success, image, reputation or activities.

For the purposes of the Proposed Plan description, capitalized terms used herein that are not otherwise defined shall have the meanings ascribed thereto in Schedule “A” of the Proposed Plan, which is attached to the Circular as Schedule “B”.

The material terms of the Proposed Plan are as follows:

1. A maximum of 10% of the issued Shares in the capital of the Corporation being outstanding from time to time is reserved for the grant of Stock Options pursuant to the Plan.
2. The Board may, in its sole discretion, determine to which Eligible Participants Stock Options will be granted and the number of Shares reserved for issuance pursuant to the Stock Options.
3. Subject to provisions of the Plan, the Expiry Date of a Stock Option shall be the 10<sup>th</sup> anniversary of the Date of Grant unless a shorter period of time is otherwise set by the Board and set forth in the Notice of Grant at the time the particular Stock Option is granted.
4. Subject to provisions of the Plan, the Vesting Dates of the Stock Options shall correspond to the vesting periods determined by the Board at the time of grant of such Stock Options, as set out in the Notice of Grant.
5. The Board, in its sole discretion, determines the Exercise Price of the Shares underlying the Stock Options which Exercise Price shall not be lower than \$0.05 per Share in accordance with the policies of the Exchange. Subject to provisions of the Exchange *Corporate Finance Manual* respecting options granted within 90 days of a distribution by a prospectus, the Exercise Price is established based on the market price of the Shares at the closing of the Exchange on the exchange day immediately preceding the Date of Grant, provided that if the Stock Options were granted to an officer, a director or a person employed to provide investor relations activities, a news release was issued to fix the price or if no Shares were negotiated on this day, the arithmetic average of the last bid and ask prices of the Shares on the Exchange.
6. Stock Options (and any rights thereunder) shall be non-assignable and non-transferable unless by legacy or inheritance. Stock Options may be exercised only by the Optionholder’s legal representative within the first year following the Optionholder’s death.
7. Subject to provisions of the Plan, no Stock Option may be granted to an Eligible Participant (and to any company that is wholly owned by that person) if the Shares reserved for issuance with respect to such grant and the Stock Options already granted exceed in a 12 month period 5% of all the issued and outstanding Shares, calculated on the Date of Grant of such Stock Options unless the Corporation has obtained the requisite disinterested shareholder approval in accordance with the policies of the Exchange.
8. The number of Stock Options to be granted to any Consultant in a 12-month period must not exceed 2% of all the issued and outstanding Shares of the Corporation, calculated on the Date of Grant of such Stock Options to such Consultant.

9. The number of Stock Options to be granted to all persons employed to provide investor relations activities in a 12-month period must not exceed 2% of all the issued and outstanding Shares of the Corporation, calculated on the Date of Grant of such Stock Options. Stock Options granted to Consultants performing investor relations activities must vest in stages over 12 months with no more than ¼ of the Stock Options vesting in any three-month period.
10. The Expiry Date of a Stock Option held by an Optionholder that became vested prior to his or her death shall be the earlier of:
  - (i) the Expiry Date shown on the relevant Notice of Grant; or
  - (ii) one year following the Optionholder's death.
11. Should a person employed to perform investor relations activities cease to be an Eligible Participant for any reason other than death (such as by reason of disability, resignation, dismissal or termination of contract), then the Expiry Date of its Stock Option vested at the latest on the date such person ceases to be an Eligible Participant (the "**Date of Termination of Investor Relations Activities**"), shall be the earlier of:
  - (i) the Expiry Date shown on the relevant Notice of Grant; or
  - (ii) 30 days from the Date of Termination of Investor Relations Activities.
12. Should a person cease to be an Eligible Participant for any reason other than death or the termination of investor relations activities (such as by reason of disability, resignation, dismissal or termination of contract), then the Expiry Date of its Stock Option vested at the latest on the date such person ceases to be an Eligible Participant (the "**Termination Date**"), shall be the earlier of:
  - (i) the Expiry Date shown on the relevant Notice of Grant; or
  - (ii) one year from the Termination Date.
13. Pursuant to the policies of the Exchange, the Plan must be approved each year by the Corporation's shareholders at the annual general meeting of shareholders of the Corporation.

According to the policies of the Exchange, the Proposed Plan, qualified as a rolling plan, must be approved by the Shareholders every year during its annual general meeting and is also subject to the Exchange's approval.

## **EMPLOYMENT, CONSULTING AND MANAGEMENT AGREEMENTS**

There is no agreement or arrangement under which compensation was provided during the fiscal year ended December 31, 2020, or is payable in respect of services provided to the Corporation that were (i) performed by its directors or Named Executive Officers, or (ii) performed by any other party but are services typically provided by its directors or Named Executive Officers.

## **PENSION DISCLOSURE**

The Corporation does not provide any pension to its Named Executive Officers and directors.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

### Equity Compensation Plan Information

The only compensation plan of the Corporation under which securities are currently authorized for issuance is the Plan. The following table summarizes information relating to the Common Shares reserved for issuance under the Plan as of the date of the Circular.

Equity Compensation Plan Information			
Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	680,000	\$0.10	0 <sup>(1)</sup>
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
<b>Total</b>	<b>680,000</b>	<b>\$0.10</b>	<b>0<sup>(1)</sup></b>

Note:

- (1) Number as of December 31, 2020. The Plan provides that a maximum of 10% of the issued shares in the capital of the Corporation being outstanding at the closing date of its initial public offering is reserved for the grant of stock options pursuant to the Plan.

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As of the date of the Circular, no one who is or has ever been executive officer, director, proposed nominee for election as a director, and each associate of any such persons, or employee, former or present, of the Corporation or any of its subsidiaries was indebted to the Corporation or any of its subsidiaries or to another entity where the indebtedness was subject to a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

## E. CORPORATE GOVERNANCE

### GENERAL COMMENT

*Regulation 58-101 respecting Disclosure of Corporate Governance Practices (“Regulation 58-101”) and Policy 3.1 – Directors, Officers, Other Insiders & Personnel and Corporate Governance* of the TSX Venture Exchange Corporate Finance Manual set out a series of guidelines for effective corporate governance. The guidelines address matters such as the composition and independence of corporate boards, the functions to be performed by boards and their committees, and the effectiveness and education of board members. Each reporting issuer, such as the Corporation, must disclose on an annual basis and in the prescribed form, the corporate governance practices that it has adopted. The following is the Corporation’s required annual disclosure of its corporate governance practices provided as of the date of the Circular.

## THE BOARD

Regulation 58-101 defines an independent director as a director who has no direct or indirect material relationship with the issuer. A “material relationship” is defined as a relationship which could, in the view of the issuer’s board of directors, be reasonably expected to interfere with such member’s independent judgment.

The Board is currently comprised of four (4) directors, being Messrs. Benoit Chotard, Octavio Soares and Claude Pouliot and Mrs. Cynthia Mailloux, one (1) of which is independent.

Mr. Benoit Chotard, President and Chief Executive Officer of the Corporation, is not an independent director within the meaning of Section 1.4 of *Regulation 52-110 respecting Audit Committees* (the “**Regulation 52-110**”) because he is an executive officer of the Corporation.

Mr. Octavio Soares, Chief Financial Officer of the Corporation, is not an independent director within the meaning of Section 1.4 of Regulation 52-110 because he is an executive officer of the Corporation.

Mr. Claude Pouliot, Vice-President of the Corporation, is not an independent director within the meaning of Section 1.4 of Regulation 52-110 because he is an executive officer of the Corporation.

## DIRECTORSHIPS

The directors of the Corporation that are currently directors of other issuers that are also reporting issuers (or the equivalent) in a jurisdiction or a foreign jurisdiction are set out below:

Name	Issuer
Octavio Soares	Bold Capital Enterprises Ltd.

## ORIENTATION AND CONTINUING EDUCATION

The Board encourages the directors to take relevant training programs offered by different regulatory bodies and gives them the opportunity to expand their knowledge about the nature and operations of the Corporation.

## ETHICAL BUSINESS CONDUCT

A director, in the exercise of his functions and responsibilities, must act with complete honesty and good faith in the best interest of the Corporation. He must also act in accordance with the applicable laws, regulations and policies.

In the event of a conflict of interest, a director is required to declare the nature and extent of any material interest, directly or indirectly, he has in any important contract or proposed contract of the Corporation, as soon as he has knowledge of the agreement or of the Corporation’s intention to consider or enter into the proposed contract and in such a case, the director shall abstain from voting on the subject.

## NOMINATION OF DIRECTORS

The Board is responsible of the designation of new candidates for the position of director. The Board carefully reviews and assesses the professional skills and abilities, the personality and other qualifications of each candidate, including the time and energy that the candidate is able to devote to this task as well as the contribution that he can make to the Board.

## COMPENSATION

Pursuant to the Policy 2.4, prior to the completion of the Proposed Qualifying Transaction, no payment of any kind has been made, or will be made, directly or indirectly, by the Corporation to the directors and chief executive officer of the Corporation by any means, including remuneration such as salaries, consulting fees and directors' fees. The directors and officers of the Corporation may be granted stock options pursuant to the Plan. See "Named Executive Officer and Director Compensation – Stock Option Plans and Other Incentive Plans – Plan Description".

## OTHER BOARD COMMITTEES

Besides the Audit Committee, the Board does not have other standing committees.

## ASSESSMENTS

Different methods are used to assess the Board, namely, surveys, interviews, group discussions and other similar methods. Also see section "Corporate Governance – Compensation".

## DIVERSITY

On January 1, 2020, amendments to *the Canada Business Corporations Act* entered into force requiring new disclosure of the number of (i) women, (ii) Aboriginal peoples, (iii) people with disabilities, and (iv) members of visible minorities (collectively, the "**Designated Groups**") on the Board and in senior management positions with the Corporation.

The Corporation recognizes the benefits of diversity within its Board, at the senior management level and all levels of the organization. However, the Corporation has not adopted a formal written policy on the search for and selection of members of Designated Groups as directors or members of senior management and has not adopted formal targets regarding members of Designated Groups being represented on the Board or holding senior management positions. The Corporation does not believe that a formal policy or formal targets at the current time would enhance the representation of Designated Groups on the Board beyond the current recruitment and selection process.

The Corporation evaluates the necessary competencies, skills, experience and other qualifications of each candidate as a whole and considers the representation of Designated Groups as one of many factors in the recruitment and selection of candidates for Board and senior management positions.

As of the date of this Circular, one (1) of the members of the Board are members of the Designated Groups (25%) and no member of the senior management team of the Corporation is a member of the Designated Groups (0%).

The Board has not adopted a formal policy relating to term limits for directors. The Board strives to be constituted to achieve a balance between experience and the need for renewal and fresh perspective. The Board is of the opinion that term limits may disadvantage the Corporation through the loss of beneficial contributions of its directors.

## F. AUDIT COMMITTEE

Regulation 52-110 requires the Corporation, as a venture issuer, to disclose annually in its Circular certain information regarding the constitution of the Audit Committee and its relationship with its independent auditor.

## THE AUDIT COMMITTEE'S CHARTER

On May 1<sup>st</sup>, 2020, the Board approved the Audit Committee's charter (the "**Audit Committee Charter**"), which describes the duties, responsibilities and skills required from its members as well as the terms of their nomination and dismissal and their relationship with the Board. The Audit Committee Charter is attached to the Circular as Schedule "J".

## COMPOSITION OF THE AUDIT COMMITTEE

As of the date of the Circular, the Audit Committee is made up of the following individuals:

Name	Independent	Financially Literate
Benoit Chotard, Chairman	No	Yes
Octavio Soares	No	Yes
Claude Pouliot	No	Yes

## RELEVANT EDUCATION AND EXPERIENCE

Mr. Chotard, PEng, MBA, has several years of international corporate finance, management, and public market expertise in British Columbia and Québec. Mr. Chotard is a member of the *Ordre des Ingénieurs du Québec* since 1989. He obtained a bachelor's degree in Chemical Engineering in 1989 and an MBA in 1993, both from the Sherbrooke University. Since January 2011, Mr. Chotard is a financial advisor for public and private companies. Between October 2009 and December 2010, he was Vice-President Corporate Development for Pakit Inc., a corporation specialized in cellulose fiber moulding equipment in the packaging industry. Between July 2008 and January 2009, he acted as Senior Vice-President Finance Corporate Development and acting Chief Financial Officer for Cantronic Systems Inc., a corporation specialized in infrared thermal imaging, and thermal imaging and night vision systems. During his career, Mr. Chotard spent seven years as VP, Senior Equity Financial Analyst at National Bank Financial Inc. Throughout his career, Mr. Chotard has been a significant contributor in the form of time, knowledge, and capital to many philanthropic organizations including the United Way of Canada.

Mr. Soares, FCPA, FCA, has several years of experience in business management, finance, international trading and business strategy. Mr. Soares is a member of the Order of Chartered Professional Accountant of Québec. He obtained a bachelor's degree in administration, and he received the title of Fellow in 2006. Since June 2013, he is Vice-President Finance of Noba Animal Co. Inc., a company specialized in innovative and premium hygiene-related pet products. Between September 2009 and June 2013, he was the Chief Financial Officer of Threegold Resources Inc., a mining exploration company. Between January 1990 and September 2009, Mr. Soares assumed the role of Director and Assistant Chief Electoral Officer of Québec-Financing of political parties. In the past 20 years, Mr. Soares co-founded societies in the hospitality, healthcare, industrial and pet product industries.

In 1985, Mr. Pouliot obtained a Master's degree from Laval University, after which, in 1990, he completed his PhD. Mr. Pouliot is president of Les Immeubles J. Dorval Inc., a corporation exploiting residential buildings and housing since 1997. In addition to this work, Mr. Pouliot has held seats on the boards of many private companies in different economic sectors, such as consultation, forest and building corporations.

As such, all the members of the Audit Committee have the financial skills necessary to understand the accounting principles used by the Corporation in preparing its financial statements as well as the ability to assess the general application of such accounting principles. The members of the Audit Committee

also have relevant experience in analyzing and evaluating financial statements that presents a level of complexity of accounting issues that can reasonably be expected to be raised by the Corporation's financial statements, or experience actively supervising one or more individuals engaged in such activities. The members of the Audit Committee also understand the internal controls and procedures respecting the disclosure of financial information.

#### **AUDIT COMMITTEE OVERSIGHT**

Since the beginning of the Corporation's fiscal year ended December 31, 2020, the Board has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

#### **RELIANCE ON CERTAIN EXEMPTIONS**

Since the beginning of the Corporation's fiscal year ended December 31, 2020, the Corporation has not relied on the provisions of Section 2.4 and Subsections 6.1.1(4), (5) and (6) of Regulation 52-110 or on an exemption under Part 8 of Regulation 52-110.

#### **PRE-APPROVAL POLICIES AND PROCEDURES**

The Audit Committee Charter provides that the Audit Committee is responsible for determining the mandate and oversee the work of the independent auditor, which includes the prior approval of non-audit services provided by auditors who are external to the Corporation or its subsidiaries.

#### **EXTERNAL AUDITOR SERVICE FEES**

The following table sets out the service fees invoiced by Mallette for the fiscal years ended December 31, 2019 and December 31, 2020:

	<b>2019</b>	<b>2020</b>
Audit Fees	\$7,129.50	\$7,410.00
Audit-Related Fees	\$11,072.50	\$11,202.00
Tax Fees	\$750.00	\$890.00
All Other Fees	\$0.00	\$0.00
<b>Total</b>	<b>\$18,952.00</b>	<b>\$19,502.00</b>

#### **EXEMPTION**

The Corporation is a "venture issuer" within the meaning of Regulation 52-110 and, as such, benefits from the exemption provided for in Section 6.1 of Regulation 52-110 from the requirements of Part 5 of Regulation 52-110.

### **G. OTHER INFORMATION**

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

To the knowledge of the Corporation, with the exception of what is disclosed herein and in the Corporation's annual financial statements for the fiscal year ended December 31, 2020, no informed person of the Corporation, no proposed director of the Corporation, and no associate of affiliate of any informed person or proposed director of the Corporation has any direct or indirect interest in any transaction since the commencement of the Corporation's most recently completed fiscal year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

## **OTHER ISSUES TO BE CONSIDERED AT THE MEETING**

Management of the Corporation knows of no other matters to come before the Meeting other than as set forth in this Circular. However, if other matters which are not known to the management should properly come before the Meeting, the enclosed form of proxy confers discretionary authority upon the persons named as proxyholders to vote on such matters in accordance with their best judgment.

## **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is available under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information is provided in the Corporation's audited consolidated financial statements and management's discussion and analysis for the fiscal year ended December 31, 2020. Copies of the Corporation's financial statements and management's discussion and analysis may be obtained under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com), or as follows:

By email: [benoitchoard@shaw.ca](mailto:benoitchoard@shaw.ca)

By mail: Orletto Capital II Inc.  
300-70, rue Dalhousie  
Québec, Québec G1K 4B2  
Att : Benoit Chotard, President and Chief Executive Officer

## **SHAREHOLDER PROPOSALS FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD FOR FISCAL YEAR ENDED DECEMBER 30, 2021**

A registered holder or Beneficial Owner of Common Shares that are entitled to be voted at the annual meeting of Shareholders to be held for the fiscal year ended December 31, 2021 and who wish, subject, among others, to the conditions outlined hereinafter, to submit proposals regarding any matter to be dealt with at such meeting must do so at the latest on February 24, 2022.

To be eligible to submit a proposal for the purposes of such meeting, a person must be, for at least a six-month period immediately before the day on which the Shareholder submits the proposal, the registered holder or the Beneficial Owner of at least a number of voting shares:

- (A) that is equal to 1% of the total number of the outstanding voting shares of the Corporation, as of the day on which the Shareholder submits a proposal; or
- (B) whose fair market value, as determined at the close of business on the day before the Shareholder submits the proposal to the Corporation, is at least \$2,000.

## **APPROVAL OF DIRECTORS**

The content of this Circular and delivery of it to each director of the Corporation and to the Shareholders entitled to notice of the Meeting, have been approved by the Board.

**May 25, 2021**

(s) Benoit Chotard

Benoit Chotard  
President and Chief Executive Officer

## SCHEDULE "A"

### RESOLUTION PERTAINING TO THE APPROVAL AND CONFIRMATION OF THE CORPORATION'S PROPOSED STOCK OPTION PLAN

**WHEREAS** the board of directors of Orletto Capital II Inc. (the "**Corporation**") approved on May 25, 2021, a resolution pertaining to the adoption of the Corporation's stock option plan (the "**Proposed Plan**"), conditional to the completion of a proposed qualifying transaction between the Corporation and CHARBONE Corporation, as per *Policy 2.4 - Capital Pool Companies* of the TSX Venture Exchange (the "**Exchange**"), considered as a rolling stock option plan pursuant to the policies of the Exchange; and

**WHEREAS** pursuant to the Exchange policies, a rolling stock option plan must receive shareholder approval at the time the plan is to be implemented and yearly, at the Corporation's annual general meeting.

#### BE IT RESOLVED:

1. **TO APPROVE AND TO CONFIRM** the Proposed Plan, substantially in the form set out as Schedule "B" of the management proxy circular dated May 25, 2021; and
2. **THAT** any director or officer of the Corporation shall be, and is hereby, authorized to sign and deliver any document, written or in form, and to take any other measure that he may deem necessary or desirable to give effect to the present resolution.

**SCHEDULE "B"**

**CORPORATION'S PROPOSED STOCK OPTION PLAN**

**[SEE ATTACHED PROPOSED PLAN]**

**ORLETTO CAPITAL II INC. 2020  
STOCK OPTION PLAN**

**Ratified and confirmed by the Shareholders:                    [\*], 2020**

**Approved by the TSX Venture Exchange:                            [\*], 2020**

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### SCHEDULES

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SCHEDULE C	EXERCISE NOTICE

**ORLETTO CAPITAL II INC. 2020  
STOCK OPTION PLAN**

The purpose of the Plan, considered as a rolling stock option plan pursuant to the policies of the Exchange, is to provide Orletto Capital II Inc. (the "Corporation") with a share-based mechanism to attract, motivate and retain Eligible Participants whose skills, performance and loyalty to the Corporation or any of its subsidiaries, as the case may be, are necessary to its success, image, reputation or activities.

**SECTION 1 DEFINITIONS**

For the purposes of this Plan, capitalized terms used herein that are not otherwise defined shall have the meanings ascribed thereto in Schedule A attached hereto.

**SECTION 2 SHARES RESERVED FOR ISSUANCE**

- 1) A maximum of 10% of the issued Shares in the capital of the Corporation being outstanding from time to time is reserved for the grant of Stock Options pursuant to the Plan.
- 2) Subject to subsections 2(3) and 2(4) hereof, no Stock Option may be granted to an Eligible Participant (and to any companies that are wholly owned by that person) if the Shares reserved for issuance with respect to such grant and the Stock Options already granted exceed in a 12 month period 5% of all the issued and outstanding Shares, calculated at the Date of Grant of such Stock Options unless the Corporation becomes a Tier 1 issuer and has obtained the requisite disinterested shareholder approval in accordance with the policies of the Exchange.
- 3) The number of Stock Options to be granted to any Consultant in a 12 month period must not exceed 2% of all the issued and outstanding Shares of the Corporation, calculated at the Date of Grant of such Stock Options to such Consultant.
- 4) The number of Stock Options to be granted to all persons employed to provide investor relations activities in a 12 month period must not exceed 2% of all the issued and outstanding Shares of the Corporation, calculated at the Date of Grant of such Stock Options. Stock Options granted to Consultants performing investor relations activities must vest in stages over 12 months with no more than  $\frac{1}{4}$  of the Stock Options vesting in any three month period.

**SECTION 3 GRANT OF STOCK OPTIONS**

- 1) The Board of Directors may, in its sole discretion, determine to which Eligible Participants Stock Options will be granted and the number of Shares reserved for issuance pursuant to the Stock Options. The Board of Directors shall grant Stock Options in accordance with such determination. The grant of Stock Options to an Eligible Participant at any time shall not entitle such Eligible Participant to receive subsequent Stock Options.
- 2) The Plan does not provide any guarantee against any loss or with respect to any profit which may result from fluctuations in the price of the Shares.
- 3) Subject to its withholding obligations under the various taxation Laws, the Corporation does not assume responsibility for the income tax or other tax consequences for the

Optionholders in connection with the Plan and Optionholders are advised to consult with their own tax advisers with respect to such matters.

- 4) Following the approval by the Board of Directors of the grant of Stock Options to an Eligible Participant, the Secretary of the Corporation, or any other person designated by the Board of Directors, shall forward to the Eligible Participant a Notice of Grant setting out the Date of Grant, the number of Stock Options, the Exercise Price, the Vesting Dates, as the case may be, the Expiry Date and any additional terms of the grant, substantially in the form attached hereto as Schedule B, a copy of the Plan and any other relevant documentation required by law.
- 5) In the event of an inconsistency between the terms of the Plan and the Notice of Grant, the Notice of Grant shall prevail provided that the terms of the Notice of Grant do not conflict with the rules of any Exchange upon which the Shares of the Corporation are listed. In the event of such discrepancy, the approval of the Exchange shall be obtained prior to the implementation of any of the conflicting provisions.
- 6) No Optionholder, nor his legal representatives, nor his legatees will be, or will be deemed to be, a shareholder of the Corporation with respect to the Shares underlying his Stock Options, unless and until certificates for such Shares are issued to him, as the case may be, upon the due exercise of its Stock Options in accordance with the terms of the Plan.
- 7) When the Corporation grants Stock Options to an Employee or a Consultant it must represent that the Optionholder is a bona fide Employee or Consultant, as the case may be.

#### **SECTION 4 TERMS AND CONDITIONS OF STOCK OPTIONS**

##### 1) Number of Shares – Expiration or Termination of Stock Options

Stock Options shall not be granted under the Plan for a number of Shares in excess of the maximum number of Shares reserved for issuance under the Plan, provided that if any Stock Option expires or terminates without having been exercised in full, the number of Shares reserved for issuance pursuant to Stock Options expired or terminated shall again be available for issuance under the Plan.

##### 2) Expiry and Vesting

- a) Subject to paragraph 4(2)(b) and subsection 4(3) hereof, the Expiry Date of a Stock Option shall be the 10<sup>th</sup> anniversary of the Date of Grant unless a shorter period of time is otherwise set by the Board of Directors and set forth in the Notice of Grant at the time the particular Stock Option is granted.
- b) The Expiry Date of any Stock Options that expires during a blackout period or within 10 days following the end of such period, as set forth under the Corporation's internal policies as amended from time to time, will be extended for a period of ten Business Days following the end of such blackout period.
- c) The Vesting Dates of the Stock Options shall correspond to the vesting periods determined by the Board of Directors at the time of grant of such Stock Options, as set out in the Notice of Grant relating thereto, subject to the accelerated vesting provisions as well as the provisions relating to amendments set forth in subsection 8(4) hereof.

- d) An Optionholder may only exercise its Stock Options that are fully vested.

3) Expiry Date

Any Stock Option or part thereof not exercised prior to the Expiry Date shall terminate and become null, void and of no effect. Notwithstanding the foregoing and subsection 4(2) hereof, the Expiry Date of a Stock Option shall be determined as follows:

- a) **Death** - The Expiry Date of a Stock Option held by an Optionholder that became vested prior to his or her death shall be the earlier of:
  - (i) the Expiry Date shown on the relevant Notice of Grant; or
  - (ii) one year following the Optionholder's death.
- b) **Termination of investor relations activities** - Should a person employed to perform investor relations activities cease to be an Eligible Participant for any reason other than death (such as by reason of disability, resignation, dismissal or termination of contract), then the Expiry Date of its Stock Option vested at the latest on the date such person ceases to be an Eligible Participant (the "**Date of Termination of Investor Relations Activities**"), shall be the earlier of:
  - (i) the Expiry Date shown on the relevant Notice of Grant; or
  - (ii) 30 days from the Date of Termination of Investor Relations Activities.
- c) **Termination** – Should a person cease to be an Eligible Participant for any reason other than death or the termination of investor relations activities (such as by reason of disability, resignation, dismissal or termination of contract), then the Expiry Date of its Stock Option vested at the latest on the date such person ceases to be an Eligible Participant (the "**Termination Date**"), shall be the earlier of:
  - (i) the Expiry Date shown on the relevant Notice of Grant; or
  - (ii) one year from the Termination Date.
- d) **Termination Date or Date of Termination of Investor Relation Activities** – For the Purpose of the Plan, unless otherwise determined by the Board of Directors, an Eligible Participant's employment or engagement with the Corporation or a subsidiary thereof shall be considered to have ceased, effective the last day of the Eligible Participant's actual and active employment or services with the Corporation or subsidiary, whether such day is selected by agreement with the Eligible Participant, unilaterally by the Corporation or subsidiary and whether with or without prior notice to the Eligible Participant. No period of notice nor payment in lieu of such notice that ought to have been given under applicable Laws in respect of termination of employment or other engagement will be considered in determining entitlement under the Plan.
- e) **Discretion of the Board of Directors** - Notwithstanding paragraphs 4(3)(a), (b), (c) and (d) above, but subject to subsection 4(2) hereof, and subject to all Laws and to the approval of the Exchange, the Board of Directors may, by notifying an Optionholder or its legal representative, in its sole discretion, extend the Expiry Date of any Stock Options in whole or in part.

4) Expiry of Non - Vested Stock Options

Subject to the discretionary power of the Board of Directors, outstanding Stock Options that are not vested as of the date the Optionholder ceases to be an Eligible Person for any reason such as disability, resignation, dismissal or termination of contract, shall terminate on such date, cannot be vested and become null, void and of no effect.

5) Termination for Cause

Notwithstanding anything to the contrary in this Section 4, if an Eligible Participant who is an Employee or Consultant of the Corporation, or any of its subsidiaries, is terminated for cause (serious reason, as referenced in Article 2094 of the *Civil Code of Québec*), all Stock Options held by such Eligible Participant shall immediately terminate and become null, void and of no effect on the date on which the Corporation, or any of its subsidiaries, gives a notice of termination for cause to such Eligible Participant.

6) Exercise Price

The Board of Directors, in its sole discretion, determines the Exercise Price of the Shares underlying the Stock Options, which Exercise Price shall not be lower than \$0.05 per Share in accordance with the policies of the Exchange. Subject to subparagraph 3.6(d) of Policy 4.4 of the Exchange Corporate Finance Manual respecting options granted within 90 days of a distribution by a prospectus, the Exercise Price is established based on the market price of the Shares at the closing of the Exchange on the exchange day immediately preceding the Date of Grant, provided that if the Stock Options were granted to an officer, a Director or a person employed to provide investor relations activities, a news release was issued to fix the price, or if no Shares were negotiated on this day, the arithmetic average of the last bid and ask prices of the Shares on the Exchange (the "**Exercise Price**").

7) Assignment and Transfer of Stock Options

Stock Options (and any rights thereunder) shall be non-assignable and non-transferable unless by legacy or inheritance. Stock Options may be exercised only by the Optionholder's legal representative within the first year following the Optionholder's death.

8) Adjustments

If prior to the complete exercise of any Stock Option, a stock dividend is paid on the Shares or if the Shares are consolidated, subdivided, converted, exchanged or reclassified or in any way substituted for by securities or assets of the Corporation or of any other corporation (collectively, the "**Event**"), a Stock Option, to the extent that it has not been completely exercised, shall entitle the Optionholder, upon the exercise of the Stock Option in accordance with the terms thereof, to such number and kind of shares or other securities or property to which such Optionholder would have been entitled as a result of the Event had such Optionholder actually exercised the unexercised portion of the Stock Options immediately prior to the occurrence of the Event and the Exercise Price shall be adjusted accordingly as if the originally optioned Shares of the Corporation were being purchased hereunder. No fractional Shares or other security shall be issued upon the exercise of any Stock Option and accordingly, if as a result of the Event, an Optionholder would become entitled to a fractional Share or other security, such Optionholder shall have the right to purchase only the next lowest whole number of Shares or other security and no payment or other adjustment will be made with respect to the fractional interest so disregarded. Upon the occurrence of the Event, the maximum number of Shares reserved for issuance under the Plan shall be appropriately adjusted.

## **SECTION 5 CHANGE OF CONTROL**

### 1) Accelerated of Vesting or Expiration – Change of Control

Upon the announcement of any event considered as a Change of Control, the Corporation shall have the discretion, without the need to obtain the consent of the Optionholders, to accelerate the Vesting Dates and/or the Expiry Dates of all outstanding Stock Options. The Corporation may accelerate one or more Optionholder's Vesting Dates and/or Expiry Dates without accelerating Vesting Date and/or Expiry Dates of all outstanding Stock Options and may accelerate the Vesting Dates and/or Expiry Dates of only a portion of an Optionholder's Stock Options. The Corporation shall promptly notify each Optionholder of any acceleration of the Vesting Dates and/or Expiry Dates.

### 2) Mergers and Consolidations

In the event the Corporation is a consenting party to a Change of Control, outstanding Stock Options shall be subject to the agreement affecting such Change of Control and Optionholders shall be bound by such agreement. Such agreement, without the Optionholders' consent, may provide for:

- (i) the continuation of such outstanding Stock Options by the Corporation (if the Corporation is the surviving or acquiring corporation);
- (ii) the assumption of the Plan and such outstanding Stock Options by the surviving or acquiring corporation or its parent; or
- (iii) the substitution or replacement by the acquiring or surviving corporation or its parent of options with substantially the same terms for such outstanding Stock Options.

## **SECTION 6 EXERCISE OF STOCK OPTIONS**

### 1) Exercise of Stock Options

Stock Options may be exercised only by the Optionholder or by his legal representative. Stock Options may be exercised in whole or in part in respect of a whole number of Shares at any time or from time to time prior to the Expiry Date by delivering to the Corporation an Exercise Notice substantially in the form attached hereto as Schedule C and a certified cheque or a bank draft payable to the Corporation in an amount equal to the aggregate Exercise Price of the Shares to be purchased pursuant to the exercise of the Stock Options.

### 2) Issue of Shares

As soon as practicable following the receipt of the Exercise Notice, the Corporation shall deliver to the Optionholder a certificate representing the Shares so purchased.

3) Conditions on Issue

The issue of Shares by the Corporation pursuant to the exercise of any Stock Option is subject to compliance with all Laws applicable to the issuance, distribution and listing on the Exchange of such Shares. The Optionholder shall: (i) comply with all Laws, (ii) provide the Corporation with any information, report and/or undertaking required to comply with all Laws and (iii) fully co-operate with the Corporation in complying with all Laws.

**SECTION 7 ADMINISTRATION**

The Plan shall be administered by the Board of Directors. The Board of Directors may at its discretion from time to time make, amend and repeal such regulations not inconsistent with the Plan as it may deem necessary or advisable for the proper administration and operation of the Plan, and such regulations shall form part of the Plan. The Board of Directors may appoint any committee, Director, officer or Employee of the Corporation as administrator of the Plan and delegate to such person such administrative duties and powers as it may see fit.

Without limiting the foregoing paragraph, the Board of Directors will have the authority to:

- 1) construe and interpret the Plan, and any agreement or document executed pursuant thereto;
- 2) prescribe, amend and rescind rules and regulations relating to the Plan, including determining the forms and agreements used in connection therewith; provided that the Board of Directors may delegate to the President, the Chief Financial Officer or the officer in charge of Human Resources the authority to approve amendments to the forms and agreements used in connection with the Plan that are designed to facilitate the Plan administration, and that are not inconsistent with the Plan or with any resolutions of the Board of Directors relating thereto;
- 3) determine whether Stock Options will be granted singly, in combination, or in tandem with, in replacement of, or as alternatives to, other Stock Options under the Plan or any other incentive or compensation plan of the Corporation or any subsidiary;
- 4) subject to the prior approval of the Exchange, grant waivers of Plan or Stock Option conditions;
- 5) determine the Stock Option's Vesting Date(s);
- 6) correct any defect, supply any omission, or reconcile any inconsistency in the Plan or in any Stock Option;
- 7) amend the Plan (subject to all Laws and the prior approval of the Stock Exchange), except for amendments that increase the number of Shares available for issuance under the Plan or change the eligibility criteria for participation in the Plan or that reduce the exercise price when the Optionholder covered by this amendment is an Insider of the Corporation when the amendment is proposed (in the latter case, disinterested shareholder approval of the Corporation is to be obtained); and
- 8) make all other determinations necessary or advisable for the administration of the Plan.

## SECTION 8 – MISCELLANEOUS

### 1) Notice

- a) Any notice, request, payment or other communication required or permitted to be given hereunder by the Corporation to an Optionholder shall be in writing and shall be given by personally delivering it or by delivering it by mail to the address of the Optionholder set out in the Notice of Grant or such other address of which the Optionholder has notified the Corporation. The Optionholder shall notify the Corporation in writing of any address change.
- b) Any notice, request, payment or other communication required or permitted to be given hereunder by an Optionholder to the Corporation shall be in writing and shall be given by personally delivering it or by delivering it by mail to the primary business address of the Corporation or any other address designated by the Corporation.
- c) The date of delivery of notice, request, payment or any other communication shall be the date of personal delivery or, if delivered by mail, the fifth Business Day after mailing provided that in the event of a postal strike, the date of delivery shall be the date of actual delivery.

### 2) Disinterested Shareholder Approval

In addition to the cases already provided elsewhere in the Plan, the Corporation shall obtain, in accordance with the policies of the Exchange, the disinterested shareholder approval when the Plan, together with all of the Corporation's previously established and outstanding stock option plans or grants, as the case may be, could permit at any time the grant to Insiders of the Corporation (as a group), within a 12 month period, of an aggregate number of Stock Options exceeding 10% of all the issued and outstanding Shares of the Corporation, calculated at the Date of Grant of such Stock Option to any Insider.

### 3) Approval of the Plan

Pursuant to the policies of the Exchange, the Plan must be approved each year by the Corporation's shareholders at the annual general meeting of shareholders of the Corporation.

### 4) Amendments

The Corporation may, subject to all Laws and prior Exchange approval, at its discretion from time to time, amend the Plan and the terms and conditions of any Stock Option to be granted thereunder and, without limiting the generality of the foregoing, may make such amendments for the purpose of complying with any changes in any Laws, or for any other purpose which may be permitted by Law, provided always that, any such amendment shall not alter the terms or conditions of, or impair any right of any Optionholder pursuant to any Stock Option granted prior to such amendment without the consent of the affected Optionholder(s). Any amendment that reduces the Exercise Price requires disinterested shareholder approval of the Corporation if the Optionholder covered by this amendment is an Insider of the Corporation when the amendment is proposed. A copy of any amendment to the Plan shall be sent to each Optionholder as soon as reasonably practicable.

5) Termination

The Corporation may terminate the Plan at any time provided that such termination shall not alter the terms or conditions of any Stock Option or impair any right of any Optionholder pursuant to any Stock Option granted prior to the date of such termination and notwithstanding such termination by the Corporation, such Stock Options and such Optionholders shall continue to be governed by the provisions of the Plan.

6) Interpretation

The interpretation by the Board of Directors of any of the provisions of the Plan and any determination by it pursuant thereto shall be final and conclusive and shall not be subject to any dispute by an Optionholder. No member of the Board or the Committee or any person acting pursuant to authority thereby delegated hereunder shall be liable for any action or determination in connection with the Plan made or taken in good faith, and each member of the Board of Directors and each such person acting on the authority delegated hereunder, shall be entitled to indemnification with respect to any such action or determination in the manner provided for by the Corporation.

7) Hold Period

According to the policies of the Exchange, the Stock Options granted to an Insider of the Corporation and the Shares that may be issued upon the exercise thereof will be subject to a four month resale restriction imposed by the Exchange commencing on the date the Stock Options are granted to such Insider.

8) No Representation or Warranty

The Corporation makes no representation or warranty as to the future market value of any Shares issued following the exercise of any Stock Option in accordance with the provisions of the Plan.

9) Governing Laws

The Plan will be governed by and construed in accordance with the Laws of the Province of Québec and the Laws of Canada applicable therein.

10) Compliance with Applicable Law

If any provision of the Plan or any Stock Option conflicts with any Law, then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

11) Agreement

The Corporation and every Optionholder shall be bound by the terms and conditions of the Plan by the simple delivery thereof to an Optionholder and the signature of the Notice of Grant.

12) Transitional

Each Optionholder having received a grant of Stock Options or a right to acquire Stock Options pursuant to the Plan prior to the date this Stock Option Plan is adopted by the Corporation will receive a Notice of Grant setting out the terms of the previous Stock Option commitment. Upon delivery of the Notice of Grant to the Optionholder, any prior documentation relating to the previous Stock Option commitment will be null and void and not binding on the Corporation.

13) Name

This Plan shall be called the “*Orletto Capital II Inc. 2020 Stock Option Plan*”.

**SCHEDULE A**  
**DEFINED TERMS**

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

**“Business Day”** means any day of the year, other than a Saturday or Sunday or any day recognized by Québec Law as a statutory holiday.

**“Change of Control”** means:

- a) a reorganization, acquisition, amalgamation or merger (or a plan of arrangement in connection with any of the foregoing), with respect to which all or substantially all of the persons who were the beneficial owners of the Shares immediately prior to such reorganization, amalgamation, merger or plan of arrangement do not, following such reorganization, amalgamation, merger or plan of arrangement, beneficially own, directly or indirectly, more than 50% of the resulting voting shares on a fully-diluted basis (for greater certainty, this shall not include a public offering or private placement out of treasury); or
- b) the sale to a person other than an affiliate of the Corporation of all or substantially all of the Corporation’s assets.

**“Consultant”** means, with respect to the Corporation, an individual or Consultant Company other than an Employee or a Director of the Corporation, that:

- a) is engaged to provide on an ongoing bona fide basis consulting, technical, management or other services to the Corporation or to an affiliate of the Corporation, other than services provided in relation to a distribution of securities;
- b) provides the services under a written contract between the Corporation or the affiliate and the individual or the Consultant Company;
- c) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or an affiliate of the Corporation; and
- d) has a relationship with the Corporation or an affiliate of the Corporation that enables the individual to be knowledgeable about the business and affairs of the Corporation.

**“Consultant Company”** means for an individual Consultant, a corporation or partnership of which the individual is an employee, shareholder or partner.

**“Corporation”** means Orletto Capital II Inc. or any successor thereto.

**“Date of Grant”** means the date on which a particular Stock Option is granted by the Board of Directors.

**“Date of Termination of Investor Relations Activities”** means has the meaning ascribed thereto in paragraph 4(3)(b) hereof.

**“Director”** means a member of the Board of Directors.

**“Eligible Participant”** means (a) an Employee, officer, Director or Consultant of the Corporation or any subsidiary thereof, and (b) a person employed to perform investor relations activities.

**“Employee”** means, as the case may be:

- a) an individual who is considered an employee of the Corporation or its subsidiary under the Income Tax Act (Canada) (and for whom income tax, employment insurance and CPP deductions must be made at source);
- b) an individual who works full-time for a Corporation or its subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source;
- c) an individual who works for a Corporation or its subsidiary on a continuing and regular basis for a minimum amount of time per week (the number of hours should be disclosed in the submission) providing services normally provided by an employee and who is subject to the same control and direction by the Issuer over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source.

**“Event”** has the meaning ascribed thereto in subsection 4(8) hereof.

**“Exchange”** means the TSX Venture Exchange or such other stock exchange or over-the-counter quotation upon which the Shares are listed.

**“Exercise Notice”** means the notice respecting the exercise of any Stock Option, substantially in the form attached as Schedule “C” hereto, duly executed by the Optionholder or his legal representative.

**“Exercise Price”** has the meaning ascribed thereto in subsection 4(6) hereof.

**“Expiry Date”** means the date determined in accordance with subsection 4(2)(a) hereof after which a particular Stock Option can no longer be exercised, subject to amendment in accordance with the terms hereof.

**“Insider”** has the meaning ascribed to such term under policy 1.1 of the *Corporate Finance Manual* of the Exchange.

**“Laws”** means the laws, rules and regulations of any government, public agency or authority, regulatory body, Exchange or other organization that has jurisdiction over the Shares, the Corporation, any Optionholder or any of the Corporation shareholders.

**“Notice of Grant”** means the notice respecting the grant of Stock Options, substantially in the form attached as Schedule “B” hereto, duly executed by the Secretary or of the Corporation or any other person designated by the Board of Directors.

**“Optionholder”** means an Eligible Participant or former Eligible Participant who holds Stock Options which have not been fully exercised and have not expired or, where applicable, the legal representative of such Eligible Participant.

**“Plan”** means this stock option plan named *“Orletto Capital II Inc. 2020 Stock Option Plan”* bearing the effective date of [ \* ], as amended from time to time.

**“Shares”** means exclusively the common shares in the capital of the Corporation or such other securities specified in subsection 4(8) hereof in the case of the occurrence of an Event.

**“Stock Option”** and **“Option”** means an option to purchase Shares granted to an Eligible Participant under this Plan.

**“Termination Date”** has the meaning ascribed thereto in paragraph 4(3)(c) hereof.

**“Vesting Date”** means the date set pursuant to paragraph 4(2)(c) starting on which the Stock Options may be exercised in whole or in part.

**SCHEDULE B**

**NOTICE OF GRANT**

**BETWEEN:** Orletto Capital II Inc., a legal person governed by the *Canada Business Corporations Act*, having its head office at 300-70 Dalhousie Street, Quebec City, Québec, G1K 4B2;

(hereinafter referred to as “**Orletto**”)

**AND:** \_\_\_\_\_ an individual residing and domiciled at \_\_\_\_\_;

(hereinafter referred to as the “**Optionholder**”)

**WHEREAS** the Optionholder is \_\_\_\_\_ of Orletto;

**WHEREAS** the Board of Directors of Orletto has adopted a stock option plan named “*Orletto Capital II Inc. 2020 Stock Option Plan*”, for the purpose of providing its employees, officers, directors, consultants and persons employed to provide investor relations activities with an incentive to promote its interests (hereinafter referred to as the “**Plan**”);

**WHEREAS** the stock options granted after the adoption of said Plan will be governed by the Plan;

**WHEREAS** Orletto wishes to grant to the Optionholder stock options to subscribe common shares (hereinafter referred to as the “**Shares**”) in the capital of Orletto pursuant to the terms of the Plan;

**NOW THEREFORE, THE PARTIES AGREE AS FOLLOWS:**

**STOCK OPTIONS GRANTED**

Orletto hereby grants to the Optionholder the right to subscribe to \_\_\_\_\_ Shares at a price of \$\_\_\_\_\_ per Share, upon the terms and conditions herein contained (hereinafter referred to as the “**Stock Options**”).

**TERMS OF THE STOCK OPTIONS**

After the \_\_\_\_ anniversary of the grant of the Stock Options, being \_\_\_\_\_, (referred to as the “**Expiry Date**”), any unexercised Stock Options shall become null and void.

***[Paragraph and table below to be included if the Board of Directors has set vesting periods at the time of the grant of stock options.]***

The Stock Options hereby granted to the Optionholder shall vest in \* tranches of \* Shares, only at the vesting dates and exercise prices set forth below:

<b>Number of Shares</b>	<b>Vesting Dates</b>	<b>Exercise Price</b>	<b>Expiry Dates</b>
*	starting *	\$*	*
*	starting *	\$*	*
*	starting *	\$*	*
*	starting *	\$*	*

All the terms and conditions set forth in the Plan are hereby incorporated by reference and are included herein as if fully recited. It is acknowledged that Plan contains terms and conditions that may change the Expiry Date.

**EXERCISE OF STOCK OPTIONS**

The Optionholder may exercise the Stock Options, in full or in part, at any time before the Expiry Date by sending to the head office of Orletto, an exercise notice (hereinafter referred to as the "Exercise Notice"), accompanied by a certified cheque or bank draft made payable to Orletto in the amount of the full price of the Shares subscribed for upon the terms of the Stock Options.

Orletto shall cause a certificate representing the number of Shares specified in the Exercise Notice to be issued and registered in the name of the Optionholder and delivered to him within reasonable time following receipt of such notice.

**GOVERNING LAW**

This Notice of Grant and the Stock Options shall be governed by and construed in accordance with the laws of the Province of Québec and the laws of Canada applicable therein.

**ACKNOWLEDGEMENT OF TERMS**

The undersigned Optionholder, does accept the grant of the stock options upon the terms and conditions that are set out in this Notice of Grant and the Plan.

The Optionholder acknowledges that he has received and reviewed a copy of the Plan and that he is familiar with the terms and conditions of the Stock Options.

He acknowledges that the Stock Options and any Shares he receives upon exercise thereof will be governed by the *Securities Act* (Québec) and possibly the securities laws of other jurisdictions and the rules of the TSX Venture Exchange. Such laws and rules may limit the Optionholder's ability to sell any Shares he receives on exercise of his Stock Options. Certain Optionholders might also be subject to trading restrictions stated in Orletto' internal company policies.

He acknowledges that the Plan entitles him to written notice of certain events and that he must advise Orletto of any address changes in order to protect his rights.

He agrees that this Notice of Grant is comprehensive and contains a complete listing of all of his rights to acquire Shares of Orletto. Any rights that he may have to acquire Shares of Orletto, that are not set out herein are hereby cancelled.

**DATED** and signed at \_\_\_\_\_ on \_\_\_\_\_ .

**ORLETTO CAPITAL II INC.**

Per: \_\_\_\_\_

\_\_\_\_\_  
Witness Signature

\_\_\_\_\_  
Signature of Optionholder

\_\_\_\_\_  
Print Witness's Name

\_\_\_\_\_  
Print Optionholder's Name

\_\_\_\_\_  
Witness Address

**SCHEDULE C**

**EXERCISE NOTICE**

**ORLETTO CAPITAL II INC. 2020 STOCK OPTION PLAN**

**ORLETTO CAPITAL II INC.**

300-70 Dalhousie Street  
Quebec City, Québec, G1K 4B2

Dear Sirs / Mesdames:

Please be advised that in connection with stock options to purchase common shares of **ORLETTO CAPITAL II INC.** ("**Orletto**") granted to me pursuant to that certain notice of grant dated \_\_\_\_\_, the undersigned hereby wishes to exercise his or her option to purchase \_\_\_\_\_ common shares of Orletto.

Please find enclosed cash, a certified cheque or a bank draft in the amount of \$ \_\_\_\_\_ payable to Orletto in full payment for the common shares to be purchased hereby. I hereby agree to assist Orletto in the filing of, and will timely file, all reports that I may be required to file under the applicable securities laws or listing exchange.

The common shares issued on the exercise of the stock options specified above are to be issued in the following registration as fully paid and non-assessable common shares of Orletto:

Dated at \_\_\_\_\_, this \_\_\_\_ day of \_\_\_\_\_.

\_\_\_\_\_  
(Print Optionee's or Nominee's Name)

\_\_\_\_\_  
(Optionee's or Nominee's Signature)

\_\_\_\_\_  
(Address of Optionee or Nominee)

\_\_\_\_\_  
(Telephone Number)

\_\_\_\_\_  
(Facsimile Number)

\_\_\_\_\_  
(E-Mail Address)

**SCHEDULE "C"**  
**CORPORATION'S STOCK OPTION PLAN**  
**[SEE ATTACHED PLAN]**

**ORLETTO CAPITAL II INC.  
2018 STOCK OPTION PLAN**

**(the “Corporation”)**

**Adopted by the Board of Directors of the Corporation  
on May 1, 2018  
and amended on May 11, 2018**

**Exempted by the *Autorité des marchés financiers*  
in compliance with section 2.24 of *Regulation 45-106*  
respecting prospectus and registration exemptions**

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### SCHEDULES

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SCHEDULE B	Notice of Grant
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**ORLETTO CAPITAL II INC.  
2018 STOCK OPTION PLAN (the “Corporation”)**

The purpose of this Stock Options plan is to provide the Corporation with a Share-based mechanism to attract, motivate and retain Eligible Participants (as defined hereinafter) whose skills, performance and loyalty to the Corporation or any of its subsidiaries, as the case may be, are necessary to its success, image, reputation or activities.

**Section 1      Definitions**

For the purposes of this Plan, capitalised terms used herein that are not otherwise defined shall have the meanings ascribed thereto in Schedule “A” attached hereto.

**Section 2      Shares Reserved for Issuance**

- 1) A maximum of 10% of the issued Shares in the capital of the Corporation being outstanding at the closing date of its initial public offering is reserved for the grant of Stock Options pursuant to the Plan.
- 2) No Stock Option may be granted to an Eligible Participant if the Shares reserved for issuance with respect to such grant and the Stock Options already granted exceed 5% of all the issued and outstanding Shares in a 12 month period calculated at the Date of Grant of such Stock Options, unless the Corporation has obtained the requisite disinterested shareholders’ approval in accordance with the policies of the Exchange and subject to sections 7.2 of policy 2.4 of the TSX Venture Exchange Corporate Finance Manual while the Corporation remains a Capital Pool Company.
- 3) The number of Stock Options to be granted to any Consultant in a 12 month period must not exceed 2% of all the issued and outstanding Shares of the Corporation, subject to sections 7.2 of policy 2.4 of the TSX Venture Exchange Corporate Finance Manual while the Corporation remains a Capital Pool Company.
- 4) The number of Shares to be issued pursuant to this Plan may be increased from time to time as it is lawfully authorized, subject to the Exchange approval and sections 7.1 and 7.2 of policy 2.4 of the TSX Venture Exchange Corporate Finance Manual while the Corporation remains a Capital Pool Company.

**Section 3      Grant of Stock Options**

- 1) The Board of Directors may, in its sole discretion, and subject to part 7 of the policy 2.4 of the TSX Venture Exchange Corporate Finance Manual while the Corporation remains a Capital Pool Company, determine to which Eligible Participants Stock Options will be granted and the number of Shares reserved for issuance pursuant to the Stock Options. The Board of Directors shall grant Stock Options in accordance with such determination. The grant of Stock Options to an Eligible Participant shall not entitle such Eligible Participant at any time to receive subsequent Stock Options.
- 2) This Plan does not provide any guarantee against any loss or with respect to any profit which may result from fluctuations in the price of the Shares.
- 3) Subject to its withholding obligations under the various taxation Laws, the Corporation does not assume responsibility for the income tax or other tax consequences for the Optionholders in connection with the Plan and Optionholders are advised to consult with their own tax advisers with respect to such matters.

- 4) Following the approval by the Board of Directors of the grant of Stock Options to an Eligible Participant, the secretary of the Corporation, or any other person designated by the Board of Directors, shall forward to the Eligible Participant a Notice of Grant setting out the Date of Grant, the number of Stock Options, the Exercise Price, the Expiry Date and any additional terms regarding the grant, substantially in the form attached hereto as Schedule "B", a copy of the Plan and any other relevant documentation required by law.
- 5) In the event of an inconsistency between the terms and conditions of the Plan and the Notice of Grant, the Notice of Grant shall prevail provided that the terms of the Notice of Grant do not conflict with the rules of any Exchange upon which the Shares of the Corporation are listed. In the event of such discrepancy, the approval of the Exchange shall be obtained prior to the implementation of any of the conflicting provisions.
- 6) No Optionholder, nor his legal representatives, nor his legatees is, or is deemed to be, a shareholder of the Corporation with respect to the Shares underlying his Stock Options, unless and until certificates for such Shares are issued to him, as the case may be, upon the due exercise of its Stock Options in accordance with the terms and conditions of the Plan.
- 7) When the Corporation grants Stock Options to an employee, a Consultant or an employee from a management company, it must represent that these persons are an employee, a Consultant or employee from a legit management company, as the case may be.

#### **Section 4      Terms and Conditions of Stock Options**

1) Number of Shares – Expiration or Termination of Stock Options

Stock Options shall not be granted under the Plan for a number of Shares exceeding the maximum number of Shares reserved for issuance under the Plan, provided that if any Stock Option expires or terminates without having been exercised in full, the number of Shares reserved for issuance pursuant to Stock Options expired or terminated shall again be available for issuance under the Plan.

2) Expiry and Vesting

- a) Subject to subsection 4(3), the Expiry Date of a Stock Option shall be the 10<sup>th</sup> anniversary of the Date of Grant unless a shorter period of time is otherwise set by the Board of Directors and set forth in the Notice of Grant at the time the particular Stock Option is granted.
- b) The Vesting Date of the Stock Options shall correspond to the vesting periods determined by the Board of Directors at the time of grant of such Stock Options, as set out in the Notice of Grant relating thereto, subject to the accelerated vesting provision as well as the provisions relating to amendments set forth in subsection 8(2) hereof.
- c) An Optionholder may only exercise its Stock Options that are fully vested.

3) Expiry Date

Any Stock Option or part thereof, vested or not, not exercised prior to the Expiry Date shall terminate and become null, void and of no effect. Notwithstanding the foregoing, subsection 4(2) hereof and section 7.6 of policy 2.4 of the TSX Venture Exchange Corporate Finance Manual while the Corporation remains a Capital Pool Company, the Expiry Date of a Stock Option shall be determined as follows:

- a) **Death** - The Expiry Date of a Stock Option held by an Optionholder that became vested prior to his or her death shall be the earlier of:

- (i) the Expiry Date shown on the relevant Notice of Grant; or
  - (ii) one year following the Optionholder's death.
- c) **Termination of Eligible Participant status**– Subject to subsection 4(5), should a person cease to be an Eligible Participant for any reason other than death (such as by reason of disability, resignation, dismissal or termination of contract), then the Expiry Date of its Stock Option vested at the latest on the date such person ceases to be an Eligible Participant (the “**Termination Date of Eligible Participant Status**”), shall be the earlier of:
- (i) the Expiry Date shown on the relevant Notice of Grant; or
  - (ii) the date corresponding to the one year pursuant to the Termination Date of Eligible Participant Status.
- d) **Termination Date** – For the purpose of the Plan, unless otherwise determined by the Board of Directors, an Eligible Participant's employment, mandate or services with the Corporation or any of its subsidiaries thereof shall be considered to have ceased on the last day of the Eligible Participant's actual and active employment, mandate or services with the Corporation or any of its subsidiaries, whether such day is selected by agreement with the Eligible Participant, unilaterally by the Corporation or any of its subsidiaries and whether with or without prior notice to the Eligible Participant. No period of notice nor payment in lieu of such notice that ought to have been given under applicable Laws in respect of termination of employment, another mandate or other services will be considered in determining entitlement under the Plan.
- e) **Discretion of the Board of Directors** - Notwithstanding subsections 4(3) (a), (b), (c) and (d) above, but subject to subsection 4(2) hereof, and subject to all Laws and the approval of the Exchange, the Board of Directors may, after notifying an Optionholder or its legal representative, in its sole discretion, extend the Expiry Date of any Stock Options in whole or in part.

4) Expiry of Non - Vested Stock Options

Subject to the discretionary power of the Board of Directors, outstanding Stock Options that are not vested as of the date the Optionholder ceases to be an Eligible Participant for any reason such as disability, resignation, dismissal or termination of contract, shall terminate on such date, cannot be vested and become null, void and of no effect.

5) Termination for Cause

If an Eligible Participant who is an employee or Consultant of the Corporation, or any of its subsidiaries, is terminated for cause (serious reason, as referenced in section 2094 of the Civil Code of Québec), all Stock Options held by such Eligible Participant shall immediately terminate and become null, void and of no effect on the date on which the Corporation, or any of its subsidiaries, gives a notice of termination for cause to such Eligible Participant.

6) Exercise Price

The Board of Directors, in its sole discretion, determines the Exercise Price of the Shares underlying the Stock Options. Subject to subparagraph 2.6(d) of policy 4.4 of the Exchange Corporate Finance Manual respecting options granted within 90 days of an offering by a prospectus, and subject to section 7.4 of policy 2.4 of the TSX Venture Exchange Corporate Finance Manual while the Corporation remains a Capital Pool Company, the Exercise Price is established based on: i) the discounted market price (as defined in policy 1.1 of the TSX Venture Exchange Corporate Finance Manual ); or ii) the market price of the

Shares at the closing date of the Exchange on the exchange day immediately preceding the Date of Grant (the “ Exercise Price “). The Corporation must issue a news release to fix the Exercise Price of the Shares underlying the Stock Options granted to the directors and the officers.

7) Assignment and Transfer of Stock Options

Stock Options (and any rights thereunder) shall be non-assignable and non-transferable unless by legacy or inheritance. Stock Options may be exercised only by the Optionholder’s legal representatives within the first year following the Optionholder’s death.

8) Adjustments

If prior to the complete exercise of any Stock Option, a stock dividend is paid on the Shares or if the Shares are consolidated, subdivided, converted, exchanged or reclassified or in any way substituted for by securities or assets of the Corporation or of any other corporation (collectively, the “Event”), a Stock Option, to the extent that it has not been completely exercised, shall entitle the Optionholder, upon the exercise of the Stock Option in accordance with the terms thereof, to such number and kind of Shares or other securities or property to which such Optionholder would have been entitled as a result of the Event had such Optionholder actually exercised the unexercised portion of the Stock Options immediately prior to the occurrence of the Event and the Exercise Price shall be adjusted accordingly. No fractional Shares or other security shall be issued upon the exercise of any Stock Option and accordingly, if as a result of the Event, an Optionholder would become entitled to a fractional Share or other security, such Optionholder shall have the right to purchase only the next lowest whole number of Shares or other security and no payment or other adjustment will be made with respect to the fractional interest so disregarded. Upon the occurrence of the Event, the maximum number of Shares reserved for issuance under the Plan shall be appropriately adjusted.

**Section 5      Change of Control**

1) Accelerated Vesting or Expiration – Change of Control

Upon the announcement of any event considered as a Change of Control, the Corporation shall have the discretion, without the need to obtain the consent of the Optionholders, to accelerate the Vesting Dates and/or the Expiry Dates of all outstanding Stock Options. The Corporation may accelerate one or more Optionholder’s Vesting Dates and/or Expiry Dates without accelerating Vesting Dates and/or Expiry Dates of all outstanding Stock Options and may accelerate the Vesting Dates and/or Expiry Dates of only a portion of an Optionholder’s Stock Options. The Corporation shall promptly notify each Optionholder of any acceleration of the Vesting Dates and/or Expiry Dates.

2) Mergers and Consolidations

In the event the Corporation is a consenting party to a Change of Control, outstanding Stock Options shall be subject to the agreement affecting such Change of Control and Optionholders shall be bound by such agreement. Such agreement, which does not depend on the shareholders’ approval, may provide for:

- (i) the continuation of such outstanding Stock Options by the Corporation (if the Corporation is the resulting or acquiring corporation);
- (ii) the assumption of the Plan and such outstanding Stock Options by the resulting or acquiring corporation or its parent; or

- (iii) the substitution or replacement by the acquiring or resulting corporation or its parent of options with substantially the same terms for such outstanding Stock Options.

## **Section 6 Exercise of Stock Options**

### 1) Exercise of Stock Options

Stock Options may be exercised only by the Optionholder or by his legal representative. Vesting Stock Options may be exercised in whole or in part in respect of a whole number of Shares at any time or from time to time prior to the Expiry Date by delivering to the Corporation an Exercise Notice substantially in the form attached hereto as Schedule "C" and a certified cheque or a bank draft payable to the Corporation in an amount equal to the aggregate Exercise Price of the Shares to be purchased pursuant to the exercise of the Stock Options (the "**Exercise Funds**"). The exercised options prior to the "Date of the Completion of the Qualifying Transaction" (as defined in policy 2.4 of the TSX Venture Exchange Corporate Finance Manual) must be exercised in compliance with section 7.5 of policy 2.4.

### 2) Issue of Shares

As soon as practicable following the receipt of the Exercise Notice, the Corporation shall deliver to the Optionholder a certificate representing the Shares so purchased.

### 3) Conditions on Issue

The issue of Shares by the Corporation pursuant to the exercise of any Stock Option is subject to compliance with all Laws applicable to the issuance, distribution and listing on the Exchange of such Shares. The Optionholder shall: (i) comply with all Laws, (ii) provide the Corporation with any information, report and/or undertaking required to comply with all Laws and (iii) fully co-operate with the Corporation in complying with all Laws.

## **Section 7 Administration**

The Plan shall be administered by the Board of Directors. The Board of Directors may at its discretion from time to time make, amend and repeal such regulations not inconsistent with the Plan as it may deem necessary or advisable for the proper administration and operation of the Plan, and such regulations shall form part of the Plan. The Board of Directors may appoint any committee, director, officer or employee of the Corporation as administrator of the Plan and delegate to such person such administrative duties and powers as it may see fit.

Without limiting the foregoing paragraph, the Board of Directors will have the authority to:

- i) interpret the Plan, and any agreement or document executed pursuant thereto;
- ii) prescribe, amend and rescind rules and regulations relating to the Plan, including determining the forms and agreements used in connection therewith. However, after meeting with its legal counsel, the Board of Directors may delegate to the president, the chief financial officer or the officer in charge of human resources the authority to approve amendments to the forms and agreements used in connection with the Plan, which amendments must be designed to facilitate the Plan administration and consistent with the Plan or with any resolutions of the Board of Directors relating thereto;
- iii) determine whether Stock Options will be granted singly, in combination, in tandem with, in replacement of, or as alternatives to, other Stock Options under the Plan or any other performance incentive or compensation plan of the Corporation or any of its subsidiaries;

- iv) subject to the prior approval of the Exchange, grant waivers of Plan or Stock Option conditions;
- v) determine the Stock Option's Vesting Date(s);
- vi) correct any defect, supply any omission, or reconcile any inconsistency in the Plan or in any Stock Option;
- vii) amend the Plan (subject to all Laws and the prior approval of the Exchange), except for amendments that increase the number of Shares available for issuance under the Plan or change the eligibility criteria for participation in the Plan or that reduce the Exercise Price when the Optionholder covered by this amendment is an insider of the Corporation when the amendment is proposed (in the latter case, disinterested Shareholders approval of the Corporation is to be obtained); and
- viii) make all other determinations necessary or advisable for the administration of the Plan.

## **Section 8 – Miscellaneous**

### 1) Notice

- a) Any notice, request, payment or other communication required or permitted to be given hereunder by the Corporation to an Optionholder shall be in writing and shall be given by personally delivering it or by delivering it by mail to the address of the Optionholder set out in the Notice of Grant or such other address of which the Optionholder has notified the Corporation. The Optionholder shall notify the Corporation in writing of any address change.
- b) Any notice, request, payment or other communication required or permitted to be given hereunder by an Optionholder to the Corporation shall be in writing and shall be given by personally delivering it or by delivering it by mail to the primary business address of the Corporation or any other address designated by the Corporation.
- c) The date of delivery of notice, request, payment or any other communication shall be the date of personal delivery or, if delivered by mail, the fifth Business Day after mailing provided that in the event of a postal strike, the date of delivery shall be the date of actual delivery.

### 2) Amendments

The Corporation may, subject to all Laws and prior Exchange approval, at its discretion from time to time, amend the Plan and the terms and conditions of any Stock Option to be granted thereunder and, without limiting the generality of the foregoing, may make such amendments for the purpose of complying with any changes in any Laws, or for any other purpose which may be permitted by Law, provided always that any such amendment shall not alter the terms or conditions of, or impair any right of any Optionholder pursuant to any Stock Option granted prior to such amendment without the consent of the affected Optionholder(s). Any amendment that reduces the Exercise Price requires disinterested shareholders' approval of the Corporation if the Optionholder covered by this amendment is an insider of the Corporation (as defined in policy 1.1 of the TSX Venture Exchange Corporate Finance Manual) when the amendment is proposed. A copy of any amendment to the Plan shall be sent to each Optionholder as soon as reasonably practicable.

3) Termination

The Corporation may terminate the Plan at any time provided that such termination shall not alter the terms or conditions of any Stock Option or impair any right of any Optionholder pursuant to any Stock Option granted prior to the date of such termination. Notwithstanding such termination by the Corporation, such Stock Options and such Optionholders shall continue to be governed by the provisions of the Plan.

4) Interpretation

The interpretation by the Board of Directors of any of the provisions of the Plan and any determination by it pursuant thereto shall be final and conclusive and shall not be subject to any dispute by an Optionholder. No member of the Board or any person acting pursuant to authority thereby delegated hereunder shall be liable for any action or determination in connection with the Plan made or taken in good faith, and each member of the Board of Directors and each such person acting on the authority delegated hereunder, shall be entitled to indemnification with respect to any such action or determination in the manner provided for by the Corporation.

5) Hold Period

The Corporation notifies the Optionholders that, whereas the Exercise Price of the Shares underlying the Stock Options is fixed based on the discounted market price (as defined in policy 1.1 of the TSX Venture Exchange Corporate Finance Manual), all Stock Options and Shares issued pursuant to the terms of the exercised Stock Options prior to the end of the hold period imposed by the Exchange must, in addition with being subject to the resale restrictions provided in applicable securities Laws, mention (the text is drafted in policy 3.2 of the TSX Venture Exchange Corporate Finance Manual) that the hold period of four months plus one day imposed by the Exchange begins after the Date of Grant of the Stock Options. Some Optionholders may as well be subject to restrictions related to the bargaining of the Shares pointed out in the Corporation's internal policies.

6) No Representation or Warranty

The Corporation makes no representation or warranty as to the future market value of any Shares issued following the exercise of any Stock Options in accordance with the provisions of the Plan.

7) Interpretation

The Plan will be governed by and construed in accordance with the Laws of the Province of Québec and the Laws of Canada applicable therein. Therefore, the Plan must be interpreted in accordance with these Laws.

8) Compliance with Applicable Law

If any provision of the Plan or any Stock Option conflicts with any Law, then such provision shall be deemed amended to the extent required to bring such provision in compliance therewith.

9) Agreement

The Corporation and every Optionholder shall be bound by the terms and conditions of the Plan by the simple delivery thereof to an Optionholder and the signature of the Notice of Grant.

10) Transitional

Each Optionholder having received a grant of Stock Options or a right to acquire Stock Options pursuant to the Plan prior to the date this Stock Option Plan is adopted by the Corporation will receive a Notice of Grant setting out the terms and conditions of the previous Stock Options commitment. Upon delivery of the Notice of Grant to the Optionholder, any prior documentation relating to the previous Stock Option commitment will be null and void and not binding on the Corporation.

12) Name

This Plan shall be called the "Orletto Capital II Inc. 2018 Stock Options Plan".

## SCHEDULE A

### DEFINED TERMS

“**Associate**” has the meaning ascribed in the *Securities Act* (Québec).

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

“**Business Day**” means any day of the year, other than a Saturday or Sunday or any day recognized by Québec Law as a statutory holiday.

“**Capital Pool Company**” means a corporation:

- a) that has filed and obtained a receipt for a preliminary “CPC prospectus” (as defined in policy 1.1 of the TSX Venture Exchange Corporate Finance Manual) by one or more of the commissions in compliance with policy 2.4 of the TSX Venture Exchange Corporate Finance Manual;
- b) in regard to which the Final Exchange Bulletin has not yet been issued.

“**Change of Control**” means:

- a) a reorganization, acquisition, amalgamation or merger (or a plan of arrangement in connection with any of the foregoing), with respect to which all or substantially all of the persons who were the beneficial owners of the Shares immediately prior to such reorganization, amalgamation, merger or plan of arrangement do not, following such reorganization, amalgamation, merger or plan of arrangement, beneficially own, directly or indirectly, more than 50% of the resulting voting Shares on a fully-diluted basis (for greater certainty, this shall not include a public offering or private placement out of treasury); or
- b) the sale to a person other than an affiliate of the Corporation of all or substantially all of the Corporation’s assets.

“**Consultant**” means, with respect to the Corporation, an individual or Consultant Company other than an Employee or a Director of the Corporation, that:

- a) is engaged to provide on an ongoing bona fide basis consulting, technical, management or other services to the Corporation or to an affiliate of the Corporation, other than services provided in relation to a distribution of securities;
- b) provides the services under a written contract between the Corporation or the affiliate and the individual or the Consultant Company;
- c) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or an affiliate of the Corporation; and
- d) has a relationship with the Corporation or an affiliate of the Corporation that enables the individual to be knowledgeable about the business and affairs of the Corporation.

**“Consultant Company”** means for an individual Consultant, a corporation or partnership of which the individual is an Employee, Shareholder or partner.

**“Corporation”** means Orletto Capital II Inc., or any successor thereto.

**“Date of Grant”** means the date on which a particular Stock Option is granted by the Board of Directors.

**“Eligible Participant”** means (a) an Employee, officer or Director of the Corporation or any of its subsidiaries thereof, and (b) a Consultant.

**“Event”** has the meaning ascribed thereto in subsection 4(8) hereof.

**“Exchange”** means the TSX Venture Exchange or such other stock exchange or over-the-counter quotation upon which the Shares are listed.

**“Exercise Notice”** means the notice respecting the exercise of any Stock Option, substantially in the form attached as Schedule “C” hereto, duly executed by the Optionholder or his legal representative.

**“Exercise Price”** has the meaning ascribed in subsection 4(6) hereof.

**“Exercise Funds”** has the meaning ascribed in subsection 6(1) hereof.

**“Expiry Date”** means the date settled according to subsection 4(2) and after which a particular stock option may not be exercised anymore, subject to an amendment in compliance with the present terms.

**“Law” or “Laws”** means the Laws, rules and regulations of any government, public agency or authority, regulatory body, Exchange or other organization that has jurisdiction over the Shares, the Corporation, any Optionholder or any of the Corporation Shareholders.

**“Notice of Grant”** means the notice respecting the grant of Stock Options, substantially in the form attached as Schedule “B” hereto, duly executed by the Secretary or of the Corporation or any other person designated by the Board of Directors.

**“Optionholder”** means an Eligible Participant or former Eligible Participant who holds Stock Options which have not been fully exercised and have not expired or, where applicable, the legal representative of such Eligible Participant.

**“Plan”** means this Stock Option plan adopted by the Corporation named “Orletto Capital II Inc. 2018 Stock Options Plan” or any other similar name.

**“Securities Act”** means the *Securities Act* (Québec), in its amended, completed and replaced version.

**“Shares”** means the common Shares in the capital of the Corporation or such other securities specified in subsection 4(8) hereof in the case of the occurrence of an Event.

**“Stock Option”** and **“Option”** means an option to purchase Shares granted to an Eligible Participant under this Plan.

**“Termination Date of Eligible Participant Status”** has the meaning ascribed thereto in paragraph 4(3)(c) hereof.

**“Vesting Date”** means the date set pursuant to paragraph 4(2)b) starting on which the Stock Options may be exercised in whole or in part.

**“Vesting Stock Options”** means a non expired stock options which has been hold by an optionholder until the required Date of Acquisition or which has been the object of an accelerated vesting.

**SCHEDULE B**

**NOTICE OF GRANT**

**BETWEEN:** ORLETTO CAPITAL II INC., a legal person duly incorporated under the *Canada Business Corporations Act*, having its head office at 70, Dalhousie Street, Suite 300, Québec (Québec), G1K 3B2;  
(hereinafter referred to as “**ORLETTO**”)

**AND:** \_\_\_\_\_ an individual residing and domiciled at \_\_\_\_\_;  
(hereinafter referred to as the “**Optionholder**”)

**WHEREAS** the Optionholder is \_\_\_\_\_ of ORLETTO;

**WHEREAS** the Board of Directors of ORLETTO has adopted a Stock Option plan on \_\_\_\_\_, for the purpose of providing its employees, officers, directors and Consultants with an incentive to promote its interests (hereinafter referred to as the “**Plan**”);

**WHEREAS** the Stock Options granted after the adoption of said Plan will be governed by the Plan;

**WHEREAS** ORLETTO wishes to grant to the Optionholder Stock Options to subscribe common Shares (hereinafter referred to as the “**Shares**”) in the capital of ORLETTO pursuant to the terms of the Plan;

**NOW THEREFORE, THE PARTIES AGREE AS FOLLOWS:**

**STOCK OPTIONS GRANTED**

ORLETTO hereby grants to the Optionholder the right to subscribe to \_\_\_\_\_ Shares at a price of \$\_\_\_\_\_ per Share, upon the terms and conditions herein contained (hereinafter referred to as the “**Stock Options**”).

**TERMS OF THE STOCK OPTIONS**

After the 10<sup>th</sup> anniversary of the grant of the Stock Options, being \_\_\_\_\_, (referred to as the “**Expiry Date**”), any unexercised Stock Options shall become null and void.

All the terms and conditions set forth in the Plan are hereby incorporated by reference and are included herein as if fully recited. It is acknowledged that Plan contains terms and conditions that may change the Expiry Date.

**EXERCISE OF STOCK OPTIONS**

The Optionholder may exercise the Stock Options, in full or in part, at any time before the Expiry Date by sending to the secretary of ORLETTO, at the head office of ORLETTO, an Exercise Notice (hereinafter referred to as the “**Exercise Notice**”), accompanied by a certified cheque or bank draft made payable to ORLETTO (or in cash or by bank draft) in the amount of the full price of the Shares subscribed for upon the terms of the Stock Options.

ORLETTO shall cause a certificate representing the number of Shares specified in the Exercise Notice to be issued and registered in the name of the Optionholder and delivered to him within reasonable time following receipt of such notice.

**GOVERNING LAW**

This Notice of Grant and the Stock Options shall be governed by and construed in accordance with the Laws of the Province of Québec and the Laws of Canada applicable therein.

**ACKNOWLEDGEMENT OF TERMS**

The undersigned Optionholder does accept the grant of the Stock Options upon the terms and conditions that are set out in this Notice of Grant and the Plan.

The Optionholder acknowledges that he has received and reviewed a copy of the Plan and that he is familiar with the terms and conditions of the Stock Options.

He acknowledges that the Stock Options and any Shares he receives upon exercise thereof will be governed by the *Securities Act* (Québec) and, as the case may be, the securities Laws of other jurisdictions and the rules of the TSX Venture Exchange. Such Laws and rules may limit the Optionholder's ability to sell any Shares he receives on exercise of his Stock Options. Certain Optionholders might also be subject to trading restrictions stated in ORLETTO's internal company policies.

He acknowledges that the Plan entitles him to written notice of certain events and that he must advise ORLETTO of any address changes in order to protect his rights.

He agrees that this Notice of Grant is comprehensive and contains a complete listing of all of his rights to acquire Shares of ORLETTO or any of its subsidiaries. Any rights that he may have to acquire Shares of ORLETTO or any its subsidiaries that are not set out herein are hereby cancelled.

**DATED** and signed at \_\_\_\_\_ on \_\_\_\_\_ .

**ORLETTO CAPITAL II INC.**

Per: \_\_\_\_\_

\_\_\_\_\_  
Witness Signature

\_\_\_\_\_  
Signature of Optionholder

\_\_\_\_\_  
Print Witness's Name

\_\_\_\_\_  
Print Optionholder's Name

\_\_\_\_\_  
Witness Address

**SCHEDULE C**  
**EXERCISE NOTICE**  
**ORLETTO CAPITAL II INC.**  
**2018 STOCK OPTION PLAN**

**ORLETTO CAPITAL II INC.**  
70, Dalhousie Street, Suite 300,  
Québec (Québec) G1K 4B2

Dear Sirs / Mesdames:

Please be advised that in connection with Stock Options to purchase common Shares of **ORLETTO CAPITAL II INC.** ("**ORLETTO**") granted to me pursuant to that certain notice of grant dated \_\_\_\_\_, the undersigned hereby wishes to exercise his or her option to purchase \_\_\_\_\_ common Shares of **ORLETTO**.

Please find enclosed cash, a certified cheque or a bank draft in the amount of \$ \_\_\_\_\_ payable to **ORLETTO** in full payment for the common Shares to be purchased hereby. I hereby agree to assist **ORLETTO** in the filing of, and will timely file, all reports that I may be required to file under the applicable securities Laws or listing exchange on which the Shares are listed.

The common Shares issued on the exercise of the Stock Options specified above are to be issued in the following registration as fully paid and non-assessable common Shares of **ORLETTO**:

\_\_\_\_\_  
(Print Optionholder's or Nominee's Name)

\_\_\_\_\_  
(Optionholder's or Nominee's Signature)

\_\_\_\_\_  
(Address of Optionholder or Nominee)

\_\_\_\_\_  
(Telephone Number)

\_\_\_\_\_  
(Facsimile Number)

\_\_\_\_\_  
(E-Mail Address)

Dated at \_\_\_\_\_, this \_\_\_\_ day of \_\_\_\_\_.

## SCHEDULE "D"

### RESOLUTION PERTAINING TO THE APPROVAL AND CONFIRMATION OF THE CORPORATION'S ELIMINATION OF REQUIREMENT ASSOCIATED WITH THE CORPORATION NOT COMPLETING A PROPOSED QUALIFYING TRANSACTION WITHIN 24 MONTHS OF ITS LISTING DATE

**WHEREAS** the board of directors of Orletto Capital II Inc. (the "**Corporation**") approved on May 25, 2021, a resolution pertaining to the approval and confirmation of the Corporation's elimination of the applicability of section 14.13 of *Policy 2.4 – Capital Pool Companies* (the "**New CPC Policy**") of the TSX Venture Exchange (the "**Exchange**") Corporate Finance Manual which became effective January 1, 2021, thereby removing the requirement of the Corporation to complete a proposed qualifying transaction (the "**Proposed Qualifying Transaction**") within 24 months of its date of listing on the Exchange and removing the associated consequences of not completing such requirement; and

**WHEREAS** pursuant to the Exchange policies, the elimination of the applicability of the Corporation's requirement to complete a Proposed Qualifying Transaction is subject to the vote the of shareholders at the Corporation's annual general meeting.

#### BE IT RESOLVED:

1. **TO APPROVE AND TO CONFIRM** the elimination of the requirement to complete a Proposed Qualifying Transaction within 24 months of listing date pursuant to the New CPC Policy and the associated consequences; and
2. **THAT** any director or officer of the Corporation shall be, and is hereby, authorized to sign and deliver any document, written or in form, and to take any other measure that he may deem necessary or desirable to give effect to the present resolution.

## SCHEDULE "E"

### RESOLUTION AUTHORIZING THE AMENDMENTS TO THE CORPORATION'S ESCROW AGREEMENT

**WHEREAS** the board of directors of Orletto Capital II Inc. (the "**Corporation**") approved on May 25, 2021, a resolution authorizing the Corporation to make certain amendments to the Corporation's escrow agreement (the "**Corporation Escrow Agreement**") to reflect the *Policy 2.4 – Capital Pool Companies* (the "**New CPC Policy**") of the TSX Venture Exchange (the "**Exchange**") Corporate Finance Manual which became effective January 1, 2021, thereby the Corporation's escrowed securities will be subject to only an 18-month escrow release schedule, whereby 25% of the escrowed securities will be released from escrow on the date the Exchange issues its Final QT Exchange Bulletin (as such term is defined in the New CPC Policy) and 25% of the escrowed securities will be released from escrow on each of the 6, 12 and 18 months following such date; and

**WHEREAS** pursuant to the Exchange policies, the amendments to the Corporation Escrow Agreement are subject to the vote of the shareholders at the Corporation's annual general meeting.

#### BE IT RESOLVED:

1. **TO AUTHORIZE** certain amendments to the Corporation Escrow Agreement pursuant to the New CPC Policy; and
2. **THAT** any director or officer of the Corporation shall be, and is hereby, authorized to sign and deliver any document, written or in form, and to take any other measure that he may deem necessary or desirable to give effect to the present resolution.

## SCHEDULE "F"

### RESOLUTION AUTHORIZING AND PERMITTING THE CORPORATION TO PAY ANY FINDERS' FEE OR COMMISSION TO A NON-ARM'S LENGTH PARTY

**WHEREAS** the board of directors of Orletto Capital II Inc. (the "**Corporation**") approved on May 25, 2021, a resolution authorizing and permitting the Corporation to pay any finders' fee or commission to a non-arm's length party (the "**Non-Arm's Length Party**") to reflect the *Policy 2.4 – Capital Pool Companies* (the "**New CPC Policy**") of the TSX Venture Exchange (the "**Exchange**") Corporate Finance Manual which became effective January 1, 2021, upon completion of the Proposed Qualifying Transaction (as such term is defined in the New CPC Policy); and

**WHEREAS** pursuant to the Exchange policies, the payment of any finders' fee or commission to a Non-Arm's Length Party is subject to the vote of the shareholders at the Corporation's annual general meeting.

#### BE IT RESOLVED:

1. **TO AUTHORIZE AND PERMIT** to pay any finders' fee or commission to a Non-Arm's Length Party pursuant to the New CPC Policy; and
2. **THAT** any director or officer of the Corporation shall be, and is hereby, authorized to sign and deliver any document, written or in form, and to take any other measure that he may deem necessary or desirable to give effect to the present resolution.

## SCHEDULE "G"

### SPECIAL RESOLUTION AUTHORIZING THE NAME CHANGE OF THE CORPORATION

#### BE IT RESOLVED:

1. **THAT**, conditional to the completion of a proposed qualifying transaction between Orletto Capital II Inc. (the "**Corporation**") and CHARBONE Corporation, as per *Policy 2.4 - Capital Pool Companies* of the TSX Venture Exchange, any director or officer of the Corporation be, and he is hereby authorized, for and on behalf of the Corporation, to execute articles of amendment of the articles of the Corporation in order to change the name of the Corporation for "CHARBONE Corporation" or any other name that may be determined by the directors of the Corporation;
2. **THAT** any director or officer of the Corporation be, and he is hereby authorized, for and on behalf of the Corporation, to execute any other document, instrument or writing, as well as take any action necessary or advisable to give effect to this resolution;
3. **TO AUTHORIZE** the counsels of the Corporation, Stein Monast LLP, to file with the governmental authorities, the articles of amendment and take any action necessary or advisable to give effect to this resolution; and
4. **THAT** the directors of the Corporation be, and they are hereby, authorized if they deem advisable and in the interest of the Corporation, to revoke this resolution before it is acted on without further approval of the shareholders.

## SCHEDULE "H"

### SPECIAL RESOLUTION AUTHORIZING THE SHARE CONSOLIDATION

#### BE IT RESOLVED:

1. **THAT**, pursuant to the provisions of the *Canada Business Corporations Act*, the articles of Orletto Capital II Inc. (the "**Corporation**") be amended to consolidate all of the issued and outstanding common shares, on the basis of a maximum consolidation ratio to be selected by the board of directors of the Corporation (the "**Board**") of five (5) pre-consolidation common shares for one (1) post-consolidation common share (the "**Share Consolidation**"), effective as at the discretion of the Board and conditional to the completion of a proposed qualifying transaction between the Corporation and CHARBONE Corporation, as per *Policy 2.4 - Capital Pool Companies* of the TSX Venture Exchange;
2. **THAT**, in the event that the Share Consolidation would otherwise result in a holder of common shares holding a fraction of a common share, such holder shall not receive any whole new common shares or any cash consideration for each such fraction;
3. **THAT** any director or officer of the Corporation be, and he is hereby authorized, for and on behalf of the Corporation, to execute any other document, instrument or writing, as well as take any action necessary or advisable to give effect to this resolution;
4. **TO AUTHORIZE** the counsels of the Corporation, Stein Monast LLP, to file with the governmental authorities, the articles of amendment and take any action necessary or advisable to give effect to this resolution; and
5. **THAT** the directors of the Corporation be, and they are hereby, authorized if they deem advisable and in the interest of the Corporation, to revoke this resolution before it is acted on without further approval of the shareholders.

## SCHEDULE "I"

### RESOLUTION AUTHORIZING THE AMENDMENT OF THE ARTICLES OF THE CORPORATION FOR THE APPOINTMENT OF ADDITIONAL DIRECTORS

**WHEREAS** subsection (8) of Section 106 of the *Canada Business Corporations Act* ("**CBCA**") provides that the directors in office may, if the articles of the corporation so provide, appoint one or more additional directors, who shall hold office for a term expiring not later than the close of the next annual meeting of shareholders, but the total number of directors so appointed may not exceed one third of the number of directors elected at the previous annual meeting of shareholders;

**WHEREAS** it is in the best interest of Orletto Capital II Inc. (the "**Corporation**") to amend its articles to benefit from this provision of Section 106 of the CBCA;

**WHEREAS**, in accordance with the CBCA, amendments to the articles of the Corporation must be approved by a special resolution of the shareholders of the Corporation; and

**WHEREAS** the amendment will be effective as of the date shown on the certificate of amendment.

#### BE IT RESOLVED:

1. **THAT** the section "*Autres dispositions*" of the Corporation's articles be amended to include the following provision:

"The directors may appoint one or more additional directors who shall hold office for a term expiring not later than the close of the next annual meeting of shareholders, but the total number of directors so appointed may not exceed one third of the number of directors elected at the previous annual meeting of shareholders."

2. **THAT** any director or officer of the Corporation be, and he is hereby authorized, for and on behalf of the Corporation, to execute the articles of amendment and any other document, instrument or writing, as well as take any action necessary or advisable to give effect to this resolution;
3. **TO AUTHORIZE** the counsels of the Corporation, Stein Monast LLP, to file with the governmental authorities, the articles of amendment and take any action necessary or advisable to give effect to this resolution; and
4. **THAT** the directors of the Corporation be, and they are hereby, authorized if they deem advisable and in the interest of the Corporation, to revoke this resolution before it is acted on without further approval of the shareholders.

**SCHEDULE "J"**

**AUDIT COMMITTEE CHARTER**

**[SEE ATTACHED THE AUDIT COMMITTEE CHARTER]**

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**AUDIT COMMITTEE CHARTER**

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APPROVED BY THE BOARD OF DIRECTORS ON MAY 1, 2018

The following charter is adopted in compliance with *Regulation 52-110 respecting Audit Committees* (“**Regulation 52-110**”).

## **1. PURPOSE**

The purpose of the Audit Committee (the “**Committee**”) is to assist the board of directors (the “**Board**”) of Orletto Capital II Inc. (the “**Corporation**”) in fulfilling its responsibilities regarding the quality and integrity of financial reporting, the adequateness of its internal controls and the appropriateness of its accounting policies.

## **2. COMPOSITION AND MANDATE**

The Committee consists of at least three (3) directors. The members of the Committee shall be in majority independent within the meaning of Regulation 52-110 and be financially literate.

The Committee is appointed by the Board at the meeting of the Board following the annual meeting of shareholders, and each member of the Committee sits on this Committee until the next annual meeting. If the appointment of members of the Committee is not so made, the directors who are then serving as members of the Committee shall continue to serve as members until their successors are validly appointed.

The Board may appoint a member to fill a vacancy that occurs on the Committee until the next annual meeting of shareholders.

The Board appoints the chairman and the secretary of the Committee.

## **3. MEETINGS AND PROCEDURES**

The Committee has at least four (4) ordinary meetings during the year. The Committee’s ordinary meetings are called by the Committee’s secretary to allow the Committee to review the Corporation’s annual and interim consolidated financial statements before they are approved by the Board, and before the annual or interim reports are distributed to the shareholders.

The chairman and two (2) members of the Committee can call an extraordinary meeting of the Committee. The secretary sends a written notice of this extraordinary meeting, which must be delivered to the Committee members at least seven (7) days before the date of the extraordinary meeting, and must include the reason for the meeting. The chair and the secretary of the Committee call an extraordinary meeting of the Committee at the request of the independent auditor.

A quorum consists of at least two members of the Committee.

The powers of the Committee may be exercised at a meeting where a quorum of the Committee is present in person or by telephone or any other electronic means or by a resolution signed by all members entitled to vote on that resolution at a meeting of the Committee.

Each member, including the chair of the Committee, is entitled to one vote in Committee proceedings.

The Corporation's Board chair and Chief Financial Officer as well as the independent auditor, receive notices for all ordinary and extraordinary meetings of the Committee and are entitled to participate in these meetings. The Chief Financial Officer must attend all meetings unless he/she is excused. The independent auditor must attend all meetings to approve the quarterly financial documents, unless he/she is excused. At every ordinary meeting of the Committee, the Committee meets with the independent auditor in camera, without management.

#### **4. DUTIES AND RESPONSIBILITIES**

The following are the general duties and responsibilities of the Committee:

##### **4.1 Financial Statements and Disclosure Matters**

- 4.1.1 Review all the financial statements, management reports and press releases that deal with the Corporation's results that must be approved by the Board. The financial statements and management reports that must be reviewed by the Committee include:
- The year-end consolidated financial statements and the non-audited interim financial statements as well as the management reports; and
  - Any financial statements to be distributed to the shareholders, other security holders or regulatory bodies and/or that, directly or by reference, are incorporated in any prospectus, preliminary prospectus, proxy statement, annual notice or other document that must be filed under the law.
- 4.1.2 Ensure that appropriate procedures regarding the review of financial information extracted or derived from the Corporation's financial statements (other than financial statements, management reports and press releases on the results of the Corporation) are implemented and periodically evaluate the appropriateness of these procedures.
- 4.1.3 Review, if applicable, the scope of the internal audit work undertaken within the Corporation. The review must ensure that the internal audit program is designed such that any major weak area, fraud or other illegal act in the internal controls is found.
- 4.1.4 Review and ensure the nature of the internal controls in the main accounting systems and in the reporting of financial information. The review:
- Shall focus on the key internal control weaknesses found by the independent auditor and/or external consultants on the effectiveness of the measures taken by management to correct such problems;
  - Shall ensure that no question that might have an impact on the financial statements remain outstanding between the management and the independent auditor. To ensure this, the Committee shall meet with management or the independent auditor, each separately, on a regular basis;

- Shall include a specific assessment of the controls to verify compliance with the financial commitments contained in trust agreements, prospectuses, security instruments or other significant financing agreements.
- 4.1.5 Ensure the appropriateness and examine the application of accounting conventions and practices.
- 4.1.6 Monitor and ensure compliance with the Corporation's code of professional conduct and business practice regarding the integrity of the financial information presented by performing a general review of the controls and ensuring they comply with the code.

## **4.2 Independent Auditor**

- 4.2.1 Determine the mandate and oversee the work of the independent auditor, which generally include:
- The determination of the scope of the audit, the audit plan and the audit's degree of reliability in finding internal control weaknesses, fraud and other illegal acts;
  - The review of the audit fees required for these services and other special audit services;
  - The prior approval of non-audit services provided by auditors who are external to the Corporation or its subsidiaries;
  - A general confirmation that the services provided are of good quality and that management has no reservations as to the quality or cost of such services;
  - The making of recommendations to the Board regarding the appointment or dismissal of the independent auditor, as well as the compensation for the independent auditor;
- 4.2.2 Review and approve the Corporation's hiring policies with respect to the associates and employees, both former and present, of the Corporation's independent auditor, whether they are present or former auditors.

## **4.3 Risk Management**

- 4.3.1 Oversee the identification, prioritization and management of the risks faced by the Corporation.
- 4.3.2 Direct the facilitation of risk assessments and measurement to determine the material risks to which the Corporation may be exposed and to evaluate the strategy for managing those risks.
- 4.3.3 Monitor the changes in the internal and external environment and the emergence of new risks.
- 4.3.4 Review the adequacy of insurance coverage.

4.3.5 Monitor the procedures to deal with and review disclosure of information to third parties insofar as these disclosures represent a risk for the Corporation.

#### **4.4 Other Responsibilities**

4.4.1 Approve the expenses of the President and Chief Executive Officer.

4.4.2 Ensure that all corporate governance issues that are before the Committee are submitted to the Board.

#### **4.5 Report to the Board**

4.5.1 The Committee reports the results of its activities, as well as its conclusions and recommendations, to the Board at the first meeting of the Board following each meeting of the Committee.

#### **4.6 Annual Evaluation**

4.6.1 Annually, the Committee shall, in a manner it determines to be appropriate:

- conduct a review and evaluation of the performance of the Committee and its members, including the compliance of the Committee with its charter; and
- review and assess the adequacy of this charter and recommend to the Board any improvements to this charter that the Committee determines to be appropriate, except for minor technical amendments to this charter, authority for which is delegated to the corporate secretary, who will report any such amendments to the Board at its next regular meeting.

### **5. AUTHORITY**

#### **5.1 External Consultants**

5.1.1 The Committee may hire, when it deems appropriate, legal counsel or other independent external consultants to assist it in carrying out its duties and responsibilities. It sets the remuneration and compensates the external consultants it hires. The Corporation provides the funds reasonably necessary to pay for the services of these external consultants.