

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING
OF THE SHAREHOLDERS OF NEXT HYDROGEN SOLUTIONS INC.**

TO BE HELD ON JUNE 21, 2022

AND

MANAGEMENT INFORMATION CIRCULAR

DATED MAY 10, 2022

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NEXT HYDROGEN SOLUTIONS INC.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual and special meeting (the “**Meeting**”) of holders (the “**Shareholders**”) of common shares (“**Common Shares**”) of Next Hydrogen Solutions Inc. (“**Next Hydrogen**” or the “**Corporation**”) will be held virtually via live video webcast, available online at <https://virtual-meetings.tsxtrust.com/1370> using password “nexthydrogen2022” on June 21, 2022, at 1 p.m. EST, for the following purposes:

1. to receive the audited consolidated financial statements of Next Hydrogen for the financial year ended December 31, 2021, together with the notes thereto and the auditors’ report thereon;
2. to fix the number of directors to be elected for the ensuing year at eight (8);
3. to elect the board of directors of Next Hydrogen (the “**Board**”) for the ensuing year;
4. to appoint KPMG LLP, Chartered Professional Accountants, as auditors of Next Hydrogen for the ensuing year, at a remuneration to be fixed by the Board;
5. to consider, and, if deemed advisable, to approve, with or without variation, an ordinary resolution, the full text of which is set forth in the accompanying information circular prepared for the purposes of the Meeting (“**Information Circular**”), approving Next Hydrogen’s equity incentive plan; and
6. to transact such further and other business as may properly be brought before the Meeting or any adjournment thereof.

The details of all matters proposed to be put before the Shareholders at the Meeting are set forth in the Information Circular accompanying this Notice of Meeting.

A Shareholder may attend the Meeting virtually or may be represented by proxy. Shareholders who are unable to attend the Meeting or any adjournment thereof in person are requested to date, sign and return the accompanying form of proxy for use at the Meeting or any adjournment thereof. To be effective, the enclosed proxy must be received by TSX Trust Company, Attention: Proxy Department, 301 -100 Adelaide Street West, Toronto, Ontario M5H 4H1, not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in Ontario) prior to the Meeting or any adjournment or postponement thereof.

The proxyholder has discretion under the accompanying form of proxy to consider such further and other business as may properly be brought before the Meeting or any adjournment thereof. Shareholders who are planning on returning the accompanying form of proxy are encouraged to review the Information Circular carefully before submitting the proxy form.

If you are an unregistered holder of Common Shares and receive these materials through your broker or through another intermediary, please complete the form of proxy or voting instruction form provided to you by your broker or other intermediary in accordance with the instructions provided therein. Late forms of proxy may be accepted or rejected by the Chair of the Meeting in his sole discretion and the Chair is under no obligation to accept or reject any particular late form of proxy.

The record date for the Meeting has been fixed at the close of business on May 2, 2022 (the “**Record Date**”). Only Shareholders of record as at the Record Date are entitled to receive notice of the Meeting. Shareholders of record will be entitled to vote those Common Shares included in the list of Shareholders prepared as at the Record Date. If a Shareholder transfers Common Shares after the Record Date and the transferee of those Common Shares, having produced properly endorsed certificates evidencing such Common Shares or having otherwise established that the transferee owns such Common Shares, demands, at least 10 days before the Meeting, that the transferee’s name be

included in the list of Shareholders entitled to vote at the Meeting, such transferee shall be entitled to vote such Common Shares at the Meeting.

DATED this 10th day of May, 2022.

**BY ORDER OF THE BOARD OF DIRECTORS OF NEXT
HYDROGEN SOLUTIONS INC.**

“Raveel Afzaal”

Raveel Afzaal

President, Chief Executive Officer and Director

**ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON TUESDAY JUNE 21, 2022**

MANAGEMENT INFORMATION CIRCULAR

GENERAL

This management information circular (the “**Information Circular**”) is furnished to holders (“**Shareholders**”) of common shares (“**Common Shares**”) of Next Hydrogen Solutions Inc. (the “**Corporation**”) in connection with the solicitation of proxies by the management of the Corporation for use at the annual and special meeting (the “**Meeting**”) of Shareholders to be held virtually via live video webcast, available online at <https://virtual-meetings.tsxtrust.com/1370>, using the password “nexthydrogen2022” on Tuesday, June 21, 2022, at 1 p.m. EST, and at any adjournment or postponement thereof, for the purposes set forth in the accompanying notice of annual and special meeting (the “**Notice of Meeting**”).

The information contained herein is given as of May 10, 2022, except where otherwise indicated. Enclosed herewith is an Instrument of Proxy for use at the Meeting. Each Shareholder who is entitled to attend at meetings of Shareholders is encouraged to participate in the Meeting and Shareholders are urged to vote on matters to be considered in person or by proxy.

PERSONS MAKING THE SOLICITATION

This solicitation is made on behalf of the management of the Corporation. The costs incurred in the preparation of both the form of proxy and this Information Circular will be borne by the Corporation. In addition to the use of mail, proxies may be solicited by personal interviews, personal delivery, telephone or any form of electronic communication by directors, officers, employees or agents of the Corporation who will not be directly compensated therefor. Any third party costs thereof will be borne by the Corporation.

Notice-and-Access

The Corporation has adopted the “notice-and-access” mechanism of delivering materials to both registered and non-registered Shareholders in connection with the Meeting. As such, the Corporation has posted electronic copies of this notice of meeting, the Information Circular and the Corporation’s annual financial statements for the financial year ended December 31, 2021, together with the notes thereto and the auditors’ report thereon and the related management’s discussion and analysis (collectively, the “**Meeting Materials**”) on the Corporation’s website at www.nexthydrogen.com and on the Corporation’s SEDAR profile at www.sedar.com, instead of printing and mailing out paper copies, as permitted by Canadian securities regulators. Notice-and-access allows issuers to post electronic versions of proxy-related materials online via SEDAR and one other website, rather than mailing paper copies of such materials to Shareholders. Shareholders with questions about notice-and-access can call the Corporation’s transfer agent, TSX Trust Company at 1-866-600-5869.

How to Obtain Paper Copies of the Meeting Materials

Shareholders may request paper copies of the Meeting Materials, by first class mail, courier or the equivalent at no cost to the Shareholder. Requests may be made by calling 1-866-600-5869. Requests may be made up to one year from the date the Information Circular was filed on SEDAR.

For Shareholders who wish to receive paper copies of the Information Circular in advance of the voting deadline, requests must be received no later than June 1, 2022. The Information Circular will be sent to such Shareholders within three business days of their request if such requests are made before the Meeting. Following the Meeting, the Information Circular will be sent to such Shareholders within ten days of their request. **Requests must be made by calling 1-866-600-5869.**

PROXY RELATED INFORMATION

Appointment and Revocation of Proxies

Those Shareholders desiring to be represented at the Meeting by proxy must deposit their respective forms of proxy with TSX Trust Company (“**TSX Trust**”), Attention: Proxy Department, 301 – 100 Adelaide Street West, Toronto, Ontario M5H 4H1, not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in British Columbia) prior to the Meeting or any adjournment or postponement thereof. A proxy must be executed by the Shareholder or by his attorney authorized in writing, or if the Shareholder is a corporation, under its seal or by an officer or attorney thereof duly authorized. A proxy is valid only at the Meeting in respect of which it is given or any adjournment or postponement of the Meeting.

The persons named in the enclosed form of proxy are officers and directors of the Corporation. Each Shareholder submitting a proxy has the right to appoint a person, who need not be a Shareholder, to represent him or it at the Meeting other than the persons designated in the form of proxy furnished by the Corporation. A Shareholder may exercise this right by inserting the name of the desired representative in the blank space provided in the form of proxy or by completing another form of proxy and, in either case, depositing the proxy with TSX Trust, at the place and within the time specified above for the deposit of proxies.

A Shareholder who has submitted a proxy may revoke it at any time prior to the exercise thereof. If a person who has given a proxy attends personally at the Meeting at which such proxy is to be voted, such person may revoke the proxy and vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Shareholder or by the Shareholder’s attorney authorized in writing (or if the Shareholder is a corporation, under its seal or by an officer or attorney thereof duly authorized), deposited at TSX Trust Company, Attention: Proxy Department, 301 – 100 Adelaide Street West, Toronto, Ontario M5H 4H1, at any time up to and including the last business day preceding the day of the Meeting or any adjournment or postponement thereof or with the Chair of the Meeting on the day of the Meeting or any adjournment or postponement thereof, and upon either of such deposits, the proxy is revoked.

Exercise of Discretion

All Common Shares represented at the Meeting by properly executed proxies will be voted or withheld from voting in accordance with the instructions of the Shareholder where voting is by way of a show of hands or by ballot and, if the Shareholder specifies a choice with respect to any matter to be voted upon, the Common Shares represented by the proxy will be voted in accordance with such instructions. **In the absence of any such instructions, the persons whose names appear on the enclosed form of proxy will vote in favour of the matters set forth in the Notice of Meeting and in this Information Circular.**

The enclosed form of proxy confers discretionary authority on the persons named therein with respect to any amendments or variations of those matters specified in the form of proxy and Notice of Meeting and with respect to any other matters which may be properly brought before the Meeting or any adjournment or postponement thereof. If any such amendment, variation or other matter should come before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote such proxies in accordance with their best judgment, unless the Shareholder has specified to the contrary or that Common Shares are to be withheld from voting. At the time of printing this Information Circular, management of the Corporation knows of no such amendment, variation or other matter.

ADVICE TO BENEFICIAL SHAREHOLDERS

The information set forth in this section is of importance to many Shareholders, as a substantial number of Shareholders do not hold Common Shares in their own name. Shareholders who do not hold their Common Shares in their own name (referred to herein as “**Beneficial Shareholders**”) are advised that only proxies from Shareholders of record can be recognized and voted upon at the Meeting. If Common Shares are listed in an account statement provided to Shareholders by a broker, then in almost all cases those Common Shares will not be registered in the Shareholder’s name on the records of Next Hydrogen. Such Common Shares will more likely be registered under the

name of the Shareholder's broker or an agent of that broker. Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered Shareholder and vote the Common Shares in that capacity.

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of meetings of securityholders. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The forms of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) are substantially similar to the instruments of proxy provided directly to the registered Shareholders by Next Hydrogen (the "**Instruments of Proxy**"). However, its purpose is limited to instructing the registered securityholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. **A Beneficial Shareholder who receives a voting instruction form from a broker or intermediary cannot use that form to vote Common Shares directly at the Meeting. The voting instruction forms must be returned to the broker or intermediary (or instructions respecting the voting of Common Shares must otherwise be communicated to such persons) well in advance of the Meeting in order to have the Common Shares voted. If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his or her broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered Shareholder and vote the Common Shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered Shareholder, should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.**

If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance. All references to Shareholders in this Information Circular and the accompanying Instrument of Proxy and Notice of Meeting are to Shareholders of record, unless specifically stated otherwise.

VOTING AT THE VIRTUAL MEETING

The Meeting will be hosted virtually via live audio webcast at <https://virtual-meetings.tsxtrust.com/1370>, using the password "nexthydrogen2022".

Registered Shareholders entitled to vote at the Meeting may attend and vote at the Meeting virtually by following the steps listed below:

1. Type in <https://virtual-meetings.tsxtrust.com/1370> on your browser at least 15 minutes before the Meeting starts.
2. Click on "**I have a control number**".
3. Enter your 12-digit control number (on your proxy form).
4. Enter the password: **nexthydrogen2022** (case sensitive).
5. When the ballot is opened, click on the "Voting" icon. To vote, simply select your voting direction from the options shown on screen and click Submit. A confirmation message will appear to show your vote has been received.

Beneficial Shareholders entitled to vote at the Meeting may vote at the Meeting virtually by following the steps listed below:

1. Appoint yourself as proxyholder by writing your name in the space provided on the form of proxy or VIF.
2. Sign and send it to your intermediary, following the voting deadline and submission instructions on the VIF.

3. Obtain a control number by contacting TSX Trust Company by emailing tsxtrustproxyvoting@tmx.com the "Request for Control Number" form, which can be found here <https://tsxtrust.com/resource/en/75>.
4. Type in <https://virtual-meetings.tsxtrust.com/1370> on your browser at least 15 minutes before the Meeting starts.
5. Click on **"I have a control number"**.
6. Enter your 12-digit control number (on your proxy form).
7. Enter the password: **nexthydrogen2022** (case sensitive).
8. When the ballot is opened, click on the "Voting" icon. To vote, simply select your voting direction from the options shown on screen and click Submit. A confirmation message will appear to show your vote has been received.

If you are a registered shareholder and you want to appoint someone else (other than the Management nominees) to vote online at the Meeting, you must first submit your proxy indicating who you are appointing. You or your appointee must then register with TSX Trust in advance of the Meeting by emailing tsxtrustproxyvoting@tmx.com the "Request for Control Number" form, which can be found here <https://tsxtrust.com/resource/en/75>.

If you are a non-registered shareholder and want to vote online at the Meeting, you must appoint yourself as proxyholder and register with TSX Trust in advance of the Meeting by emailing tsxtrustproxyvoting@tmx.com the "Request for Control Number" form, which can be found here <https://tsxtrust.com/resource/en/75>.

Registered shareholders and proxyholders attending the meeting with their control number may ask questions during the meeting by typing in the chat box in the messaging screen available on the online platform. Questions sent via the online platform will be moderated prior to being sent to the Chair.

Guests can also listen to the Meeting by following the steps below:

1. Type in <https://virtual-meetings.tsxtrust.com/1370> on your browser at least 15 minutes before the Meeting starts. Please do not do a Google Search. Do not use Internet Explorer.
2. Click on **"I am a Guest"**.

If you have any questions or require further information with regard to voting your Shares, please contact TSX Trust Company toll-free in North America at 1-866-600-5869 or by email at tmxeinvestorservices@tmx.com.

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

No person who has been a director or executive officer of the Corporation at any time since the beginning of the last financial year, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any of the foregoing, has any material interest, directly or indirectly, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon except as disclosed in this Information Circular under the heading "*Matters to be Considered at the Meeting – Election of Directors*".

Certain of the directors and officers of the Corporation hold Options to acquire Common Shares pursuant to the equity incentive plan of the Corporation (the "**Equity Incentive Plan**"). At the Meeting, Shareholders will be asked to approve and adopt an ordinary resolution relating to the approval of the Equity Incentive Plan. See "*Matters to be Considered at the Meeting – Approval of the Stock Equity Incentive Plan*".

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

Voting Rights

The authorized share capital of the Corporation consists of an unlimited number of Common Shares without nominal or par value. As at the date of this Information Circular, 22,888,436 Common Shares are issued and outstanding. Each Common Share carries the right to one vote on any matter properly coming before the Meeting or any adjournment or postponement thereof.

Record Date

The record date for the determination of Shareholders entitled to receive notice of and to vote at the Meeting or any adjournment or postponement thereof is May 2, 2022 (the “**Record Date**”).

The Corporation will prepare or cause to be prepared a list of the Shareholders recorded as holders of Common Shares on its register of Shareholders as of the close of business on the Record Date, each of whom shall be entitled to vote the Common Shares shown opposite their name on the list at the Meeting or any adjournment or postponement thereof, except to the extent that: (i) any such Shareholder has transferred ownership of any of their Common Shares subsequent to the Record Date; and (ii) the transferee produces properly endorsed share certificates evidencing the transfer or otherwise establishes that the transferee owns the transferred Common Shares and demands, not later than ten (10) days before the Meeting, that they be included on the list of Shareholders entitled to vote at the Meeting, in which case the transferee will be entitled to vote the transferred Common Shares at the Meeting or any adjournment or postponement thereof.

In addition, persons who are Beneficial Shareholders as of the Record Date will be entitled to exercise their voting rights in accordance with the procedures established under NI 54-101. See “*Advice to Beneficial Shareholders*”.

Principal Holders of Common Shares

To the knowledge of the directors and executive officers of the Corporation, no person or company beneficially owns, or controls or directs, directly or indirectly, 10% or more of the issued and outstanding Common Shares as at the date of this Information Circular, except as follows:

Shareholder Name	Number of Shares	Percentage of Issued Shares
Octane Fund 5 Ltd.	3,330,666	14.55%

Quorum

Under the articles of the Corporation (the “**Articles**”), the quorum for the transaction of business at a meeting of shareholders is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the meeting.

MATTERS TO BE ACTED UPON AT THE MEETING

To the knowledge of the board of directors of the Corporation (the “**Board**”), the only matters to be brought before the Meeting are those matters set forth in the Notice of Meeting.

1. Financial Statements

At the Meeting, the audited consolidated financial statements of the Corporation for the financial year ended December 31, 2021, together with the notes thereto and the auditors’ report thereon (the “**Financial Statements**”), will be presented. Shareholder approval of the Financial Statements is not required and no formal action will be taken at the Meeting to approve the Financial Statements.

In accordance with applicable laws, the Financial Statements have been delivered to Beneficial Shareholders who have requested copies of the Corporation’s annual financial statements and to registered Shareholders who have not informed the Corporation in writing that they do not wish to receive copies of annual financial statements of the Corporation. The Financial Statements are available on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) at www.sedar.com under the Corporation’s profile.

2. Fixing Number of Directors to be Elected at the Meeting

At the Meeting, it will be proposed that eight (8) directors be elected to hold office for the next ensuing year, subject to the provisions of the Articles of the Corporation relating to subsequent appointments by the Board. Management therefore intends to place before the Meeting, for approval, with or without modification, a resolution fixing the number of directors to be elected until the next annual meeting of Shareholders, subject to the Articles of the Corporation relating to subsequent appointments by the Board, at eight (8) members.

The foregoing ordinary resolution must be approved by a simple majority of the votes cast at the Meeting by the Shareholders voting in person or by proxy. **The Board believes the passing of the above resolution is in the best interests of the Corporation and recommends that the Shareholders vote IN FAVOUR of the resolution. Unless otherwise directed to the contrary, it is the intention of the persons named in the enclosed form of proxy to vote proxies in favour of the ordinary resolution fixing the number of directors to be elected at the Meeting at eight (8).**

3. Election of Directors

The Corporation currently has eight (8) directors, all of whom are being nominated for re-election. At the Meeting, Shareholders will be asked to elect the eight (8) nominees set forth in the table below as directors of the Corporation, to hold office until the next annual general meeting of Shareholders or until their successors are duly elected or appointed. Each of the nominees elected as a director of the Corporation will hold office until the next annual general meeting of Shareholders or until his/her successor is duly elected or appointed or his or her office is vacated earlier in accordance with the Articles and the provisions of the *Business Corporations Act* (British Columbia).

Each director nominee will be elected on an individual basis and not as a member of a slate. Management does not contemplate that any of such nominees will be unable to serve as directors.

The following is a brief description of the nominees, including the name and province or state and country of residence of each of the nominees, the date each first became a director of the Corporation, their principal occupation during the past five (5) years and the number of Common Shares beneficially owned, or controlled or directed, directly or indirectly, by each of the foregoing as of the date of this Information Circular.

The Board believes the election of the below named nominees as directors of the Corporation is in the best interests of the Corporation, and recommends that the Shareholders vote IN FAVOUR of electing the nominees. Unless otherwise directed to the contrary, it is the intention of the persons named in the enclosed form of proxy to vote proxies in favour of the election of the nominees set forth in the table below as directors of the Corporation.

<u>Name and Municipality of Residence</u>	<u>Director Since</u>	<u>Principal Occupation for Past Five Years</u>	<u>Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly⁽¹⁾</u>
Raveel Afzaal ⁽²⁾ <i>Ontario, Canada</i>	March 16, 2021	CEO, Next Hydrogen	81,874
Walter Howard ⁽⁵⁾⁽⁶⁾ <i>Connecticut, USA</i>	October 9, 2018	Former CEO and Current Director, Next Hydrogen	240,845
Matthew Fairlie , <i>Ontario, Canada</i>	May 7, 2018	Former CEO and Current Director, Next Hydrogen	94,036

Name and Municipality of Residence	Director Since	Principal Occupation for Past Five Years	Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly⁽¹⁾
Allan Mackenzie ⁽³⁾⁽⁵⁾ <i>Alberta, Canada</i>	May 7, 2018	Owner, Disruptive Ventures Inc.	3,598,452
Jens Peter Clausen <i>Nevada, USA</i>	March 16, 2021	VP of Engineering- Data Center Advanced Technology Innovation at Google	Nil
Michael Pyle ⁽⁴⁾⁽⁶⁾ <i>Manitoba, Canada</i>	June 24, 2021	CEO and Director of the Exchange Income Corporation	Nil
Susan Uthayakumar ⁽⁴⁾⁽⁵⁾ <i>Florida, USA</i>	June 24, 2021	Chief Sustainability Officer of Prologis	Nil
Anthony Guglielmin ⁽⁴⁾⁽⁶⁾ <i>Vancouver, Canada</i>	June 24, 2021	Senior Vice President and Chief Financial Officer of Ballard Power Systems (retired 2021)	10,000

Notes:

- (1) Information respecting the number of Common Shares beneficially owned, or over which control or direction is exercised, directly or indirectly, as at the date of this Information Circular has been furnished to the Corporation by the above named individuals, on an undiluted basis.
- (2) Raveel Afzaal has acted as Chief Executive Officer of the Corporation since February 1, 2021 and has worked with the Corporation since October 1, 2020.
- (3) Mr. Mackenzie owns 82,000 shares directly (0.36%), 185,786 shares through Octane Fund 4 Ltd. (0.8%) and 3,330,666 shares through Octane Fund 5 Ltd. (14.6%).
- (4) Member of the Audit Committee.
- (5) Member of the Compensation Committee.
- (6) Member of the Governance and Nominating Committee.

Raveel Afzaal, Chief Executive Officer, President and Director, Age 39

Mr. Afzaal brings deep capital markets expertise through a distinguished career in equity research over the past decade with a focus on Sustainability and Industrial Technologies. Prior to joining Next Hydrogen, he was an equity research analyst covering the Canadian Sustainability and Special Situations verticals for Canaccord Genuity. During his equity research career, Mr. Afzaal was ranked in Brendan Wood surveys based on Buy Side nominations as well as by Thomson Reuters for estimates accuracy. Prior to joining equity research, Mr. Afzaal worked in venture capital with XPV Capital. He graduated with a Bachelor of Mathematics and a Bachelor of Arts (Economics) from the University of Waterloo. He is also a CFA charter holder.

Walter Howard, Director, Age 70

Mr. Howard brings extensive experience in operations, business development, finance, and M&A in the utility industry. He has held CEO, EVP and SVP positions with innovators in related syngas, wind energy, and cogeneration firms including Westinghouse Plasma Corp, Zegen, Noble Environmental Power (developer/owner of 486 wind turbines), General Electric Capital, and US Generating, as well as the water industry. Mr. Howard's career spans more than 35 years of successfully executed technology development and implementation, project development and

execution, and project finance. His projects have won multiple industry awards. He holds a Master's degree in Engineering from Cornell University and an MBA from Harvard University.

Matthew Fairlie, Director, Age 67

Mr. Fairlie is the former CTO and Executive VP of Stuart Energy Systems where he pioneered new concepts in water electrolyzer systems. He is also a former Vice Chair of the National Hydrogen Association in Washington, the former Chairman of the Hydrogen Business Council of Canada and is a Director of the California Hydrogen Business Council. Mr. Fairlie holds an MSc in Physics from the University of Toronto and a DBA from Queens Business School in Kingston, Ontario.

Allan MacKenzie, Director, Age 58

Mr. MacKenzie is a private equity investor with more than 25 years experience of leading private equity and venture capital investments in energy, Internet, and Environmental, Social and Governance (“ESG”) companies. Previously a partner in Octane Venture Partners, an energy technology fund, he now exclusively invests on his own account through his personal investment vehicle Disruptive Ventures. Mr. MacKenzie is presently the Chair of MetOx a high temperature superconducting wire manufacturer and Chair of Optessa which is the leading scheduling platform for the automotive industry. Mr. MacKenzie was formerly the CFO of Quack.com which raised \$4.5 million and was purchased 18 months later for \$200 million by AOL. He holds degrees in Economics and Engineering from Stanford University and an MBA from Ivey Business school.

Michael Pyle, Director, Age 57

Mr. Pyle is the Chief Executive Officer of Exchange Income Corporation, a diversified, acquisition-oriented corporation focused on opportunities in aerospace, aviation services and equipment, and manufacturing. Mr. Pyle holds a Bachelor of Arts degree (Economics) and an MBA (Finance) from the University of Manitoba and served in positions of increasing seniority culminating as President of The Arctic Glacier Income Fund (and its predecessor, The Arctic Group Inc.) from 1998 to 2002. Mr. Pyle is currently the Vice Chair of the Board of Directors of CentrePort Canada Inc. and the Business Council of Manitoba and is the Chair of the Board of Directors of the Winnipeg Blue Bombers Football Club. Mr. Pyle has been a member of the ICD since 2017.

Jens Peter Clausen, Director, Age 50

Mr. Clausen has held executive roles in manufacturing, engineering, and technology development at LEGO Group, Tesla, and Zymergen. Currently he is VP of Engineering – Data Center Advanced Technology Innovation at Google where he leads global technology, product, and process innovation for Google Data Centers globally. Over the span of his career, he has led large operations teams in Hungary, Mexico, and the United States. His career highlights include co-creating the manufacturing network strategy at LEGO, building manufacturing capabilities at Tesla's Gigafactory 1 from the ground up, leading powertrain manufacturing for model S, X and 3 at Tesla, and creating advanced materials based on genetically engineered microbiology at Zymergen. Mr. Clausen holds a bachelor's degree in industrial engineering with a diploma in leadership from Aarhus University and a master's degree within management of innovation and technology from Aalborg University.

Susan Uthayakumar, Director, Age 50

Ms. Uthayakumar is a business executive with almost 25 years of experience in finance and executive management, who currently serves as Chief Sustainability and Energy Officer of Prologis. She was previously with Schneider Electric, an energy technology company, for 15 years, serving most recently as President of Schneider Electric Canada, with overall responsibility for Canadian operations. She began her career as a CA with Deloitte, where she held positions of increasing responsibilities before joining McCain, where she executed global growth strategies and acquisitions across North America, Europe and Asia. Ms. Uthayakumar is a CA and CPA and has an Executive MBA from the Kellogg School of Management as well as a Bachelor of Arts and a Master of Accounting from the University of Waterloo.

Anthony Guglielmin, Director, Age 64

Mr. Guglielmin is a seasoned executive and corporate director, having recently retired as SVP and Chief Financial Officer of Ballard Power Systems, a global leader in clean energy fuel cell products and solutions, having originally joined Ballard in June 2010. Mr. Guglielmin holds a BA in Economics and Political Science and an MBA from McGill University. He also holds the Chartered Financial Analyst designation and is a member of the Financial Executives Institute. He serves on the Board of Westport Fuel Systems, Information Services Corporation, as well as a number of private and not-for-profit organizations.

Key Areas of Expertise	Raveel Afzaal	Walter Howard	Matthew Fairlie	Allan Mackenzie	Michael Pyle	Jens Peter Clausen	Susan Uthayakumar	Anthony Guglielmin
Accounting/ Audit / Financial Expertise	✓			✓	✓	✓	✓	✓
Capital Markets	✓	✓			✓			✓
C-Suite Leadership		✓	✓		✓	✓	✓	✓
Digital, Technology and Information Security							✓	
Engineering Experience		✓	✓			✓		
Global Experience		✓	✓			✓	✓	✓
Governance/ Board		✓		✓	✓	✓		✓
Mergers and Acquisitions	✓			✓	✓		✓	✓
Manufacturing Experience			✓			✓	✓	
Marketing/ Sales / Brand Management		✓					✓	
Regulatory and Legal								✓
Relevant Industry Experience	✓	✓	✓					✓
Risk Management					✓	✓		✓
Strategic Planning and Execution	✓	✓	✓	✓	✓	✓	✓	✓
Sustainability/ ESG	✓		✓			✓	✓	
Talent Management and Compensation		✓	✓	✓	✓	✓	✓	

Cease Trade Orders

To the knowledge of the Corporation, no proposed director of the Corporation (nor any personal holding company of any of such persons) is, as at the date of this Information Circular, or has been within ten (10) years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation), that: (i) was subject to a cease trade order (including a management cease trade order), an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than thirty (30) consecutive days (collectively, an “**Order**”), that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive

officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Bankruptcies

To the knowledge of the Corporation, other than Allan Mackenzie, who acted as director of Shaughnessy Health, which made a voluntary assignment for the benefit of its creditors under section 49 of the *Bankruptcy and Insolvency Act* (Canada), no proposed director of the Corporation (nor any personal holding company of any of such persons): (i) is, as at the date of this Information Circular, or has been within ten (10) years before the date of this Information Circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (ii) has, within the ten (10) years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Penalties and Sanctions

To the knowledge of the Corporation, no proposed director of the Corporation (nor any personal holding company of any of such persons) has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in deciding whether to vote for a proposed director.

4. Appointment of Auditors

Management of the Corporation intends to nominate KPMG LLP (“**KPMG**”), Chartered Professional Accountants, of Toronto, Ontario, for appointment as the auditors of the Corporation, to hold office for the ensuing year until the close of the next annual general meeting of Shareholders or until KPMG is removed from office or resigns, at a remuneration to be fixed by the Board.

At the Meeting, shareholders will be asked to pass an ordinary resolution appointing KPMG to serve as auditors of the Corporation to hold office until the close of the next annual meeting of shareholders or until such firm is removed from office or resigns as provided by law, at a remuneration to be fixed by the Board.

The Board believes the appointment of KPMG as auditors of the Corporation is in the best interests of the Corporation, and recommends that the Shareholders vote IN FAVOUR of appointing KPMG as the auditors of the Corporation. Unless otherwise directed to the contrary, it is the intention of the persons named in the enclosed form of proxy to vote proxies in favour of the appointment of KPMG as auditors of the Corporation.

5. Approval of the Equity Incentive Plan

At the Meeting, shareholders will be asked to consider and, if deemed appropriate, to pass an ordinary resolution of shareholders in the form set out below, approve and adopt the Corporation’s Equity Incentive Plan. The text of the Equity Incentive Plan is attached as Schedule “A” to this Information Circular.

For a discussion of the terms of the Equity Incentive Plan, see “*Statement of Executive Compensation – Stock Option Plans and Other Incentive Plans*”.

The text of the ordinary resolution which management intends to place before the Meeting for the approval of the Equity Incentive Plan is as follows:

“BE IT HEREBY RESOLVED as an ordinary resolution of the shareholders of Next Hydrogen Solutions Inc. (the **“Corporation”**) that:

1. the equity incentive plan (the **“Equity Incentive Plan”**) of the Corporation, substantially in the form attached as Schedule “A” to the Information Circular of the Corporation dated May 10, 2022, be and is hereby approved and adopted as the equity incentive plan of the Corporation;
2. the form of Equity Incentive Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the shareholders of the Corporation; and
3. any officer or director of the Corporation be and is hereby authorized and directed for and on behalf of the Corporation (whether under its corporate seal or otherwise) to execute, deliver and file all such documents and to take all such other action(s) as may be deemed necessary or desirable for the implementation of this resolution and any matters contemplated thereby.”

The foregoing resolution must be approved by a simple majority of the votes cast at the Meeting by the Shareholders voting in person or by proxy. **The Board believes the passing of the above resolution is in the best interests of the Corporation and recommends that the Shareholders vote IN FAVOUR of the resolution. Unless otherwise directed to the contrary, it is the intention of the persons named in the enclosed form of proxy to vote proxies in favour of the ordinary resolution approving the Equity Incentive Plan for the ensuing year.**

6. Other Business

Management is not aware of any other matters to come before the Meeting, other than those set out in the Notice of Meeting. **If other matters come before the Meeting, it is the intention of the management designees named in the Instrument of Proxy to vote the same in accordance with their best judgment in such matters.**

EXECUTIVE COMPENSATION

Oversight and Description of Director and Named Executive Officer Compensation

Compensation Objectives and Process

The Board is responsible for setting the overall compensation strategy of the Corporation and administering the Corporation’s executive compensation program with input from the chief executive office (the **“CEO”**) of the Corporation in respect of all executive officers, other than the CEO. The Corporation’s executive compensation program is available to the **“Named Executive Officers”** or **“NEOs”** of the Corporation which is defined by applicable securities legislation to mean each of the following individuals, namely: (a) each individual who, in respect of the company, during any part of the most recently completed financial year, served as CEO, including an individual performing functions similar to a chief executive officer; (b) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer (the **“CFO”**), including an individual performing functions similar to a chief financial officer; (c) in respect of the company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with Form 51-102F6V – *Statement Of Executive Compensation – Venture Issuers* for that financial year; and (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the company, and was not acting in a similar capacity, at the end of that financial year.

Executive officer compensation is determined by the Board, based in part on recommendations from the CEO. The Board recognizes the need to provide a compensation package that will attract and retain qualified and experienced executives, as well as align the compensation level of each executive to that executive’s level of responsibility.

The Board believes that Next Hydrogen’s compensation plan is consistent with the companies it competes with for talent. The objectives of Next Hydrogen’s compensation policies and practices include the following:

- attracting and retaining highly-qualified individuals;
- creating among directors, officers, consultants and employees, a corporate environment which will align their interests with those of the Shareholders; and
- ensuring competitive compensation that is also affordable for Next Hydrogen.

The objectives and reasons for this system of compensation are to allow Next Hydrogen to remain competitive compared to its peers in attracting experienced personnel. The salaries are set on the basis of a review and comparison of salaries paid to executives at similar companies.

Grants of Options are designed to reward directors and officers for success on a similar basis as the Shareholders, although the level of reward provided by a particular Option grant is dependent upon the volatile stock market.

Any bonuses paid are allocated on an individual basis and are based on review by the Board of the work planned during the year and the work achieved during the year, administration, financing, shareholder relations and overall performance. The bonuses are paid to reward work done above the base level of expectations set by the base salary, wages or contractor payments.

Risks of Compensation Policies and Practices

As an alternative energy company, Next Hydrogen remains at risk of losing qualified personnel to companies with greater financial resources and it attempts to mitigate this risk wherever possible through appropriately written contracts.

The Corporation's compensation program is designed to provide directors and executive officers incentives for the achievement of near-term and long-term objectives, without motivating them to take unnecessary risk. As part of its review and discussion of executive compensation, the Board noted the following facts that discourage the Corporation's executives from taking unnecessary or excessive risk: (i) the Corporation's business strategy and related compensation philosophy; and (ii) the effective balance, in each case, between near-term and long-term focus, corporate and individual performance, and financial and non-financial performance.

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

Financial Instruments

The Corporation has not implemented any policies, which restrict its executive officers and directors from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the executive officer or director.

Elements of Compensation

The compensation program is designed to provide competitive levels of compensation. Next Hydrogen recognizes the need to provide a total compensation package that will attract and retain qualified and experienced executives as well as align the compensation level of each executive to that executive's level of responsibility. In general, Next Hydrogen's directors and officers may receive compensation that comprises three components:

- base salary, wages or contractor payments;
- incentive bonuses; and
- Option grants.

Base Salaries

The objectives of the base salary are to provide compensation in accord with market value, and to acknowledge the competencies and skills of individuals. The base salary paid to NEOs is reviewed annually by the board of Next Hydrogen as part of the annual review of executive officers (and such practice will be continued by the Board). The decision whether to grant an increase to the executive's base salary and the amount of any such increase will be in the sole discretion of the Board.

Incentive Bonuses

Incentive bonuses in the form of cash payments are designed to add a variable component of compensation, based on corporate and individual performances for executive officers and employees.

Stock Options and DSUs

With respect to the granting of stock options (“**Options**”) to purchase Common Shares of the Corporation and deferred share units of the Corporation (“**DSUs**”) pursuant to the Corporation's Equity Incentive Plan, the CEO of the Corporation recommends to the Board the individual equity incentive awards for each executive officer and director. The Board considers these recommendations when making final decisions on compensation for those executive officers and directors. The Board relies on advice from external consultants and market reports to determine the appropriateness of awards under the Equity Incentive Plan. Options and DSUs under the Equity Incentive Plan are awarded to executive officers and directors by the Board based upon the level of responsibility and contribution of the individuals towards the Corporation's goals and objectives. Previous grants of Options to a particular individual are taken into account when considering future grants of Options and DSUs to that particular individual.

Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table is a summary of compensation paid during the years ended December 31, 2020 and December 31, 2021 to the Corporation's Named Executive Officers in connection with their employment as officers of the Corporation and to the directors of the Corporation.

Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Value of perquisites (\$)¹	Value of all other compensation (\$)	Total compensation (\$)
Raveel Afzaal, CEO, President and Director	2020	\$94,950	\$NIL	\$114,431	\$NIL	\$209,381
	2021	\$175,000	\$80,383	\$480,631	\$NIL	\$736,014
Kasia Malz, Chief Financial Officer	2020	\$8,000	\$NIL	\$NIL	\$NIL	\$8,000
	2021	\$150,000	\$50,000	\$95,755	\$NIL	\$295,755
Michael Stemp, Chief Technology Officer	2020	\$138,594	\$NIL	\$35,156	\$NIL	\$173,750
	2021	\$200,000	\$20,580	\$94,069	\$NIL	\$314,649
Jim Hinatsu, Chief Operating Officer	2020	\$192,500	\$NIL	\$NIL	\$NIL	\$192,500
	2021	\$200,000	\$25,080	\$94,069	\$NIL	\$319,149

Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Value of perquisites (\$)¹	Value of all other compensation (\$)	Total compensation (\$)
Matthew Fairlie, Director	2020	\$63,000	\$NIL	\$68,472	\$NIL	\$131,472
	2021	\$100,000	\$NIL	\$NIL	\$NIL	\$100,000
Walter Howard, Director	2020	\$40,954	\$NIL	\$31,606	\$NIL	\$72,560
	2021	\$31,242	\$NIL	\$24,039	\$NIL	\$55,281
Allan Mackenzie, Director	2020	\$NIL	\$NIL	\$11,870	\$NIL	\$11,870
	2021	\$NIL	\$NIL	\$24,039	\$NIL	\$24,039
Jens Peter Clausen, Director	2020	\$NIL	\$NIL	\$NIL	\$NIL	\$NIL
	2021	\$NIL	\$NIL	\$1,020,123 ²	\$NIL	\$1,020,123
Michael Pyle, Director	2020	\$NIL	\$NIL	\$NIL	\$NIL	\$NIL
	2021	\$NIL	\$NIL	\$460,486 ²	\$NIL	\$460,486
Susan Uthayakumar, Director	2020	\$NIL	\$NIL	\$NIL	\$NIL	\$NIL
	2021	\$NIL	\$NIL	\$618,600 ²	\$NIL	\$618,600
Anthony Guglielmin, Director	2020	\$NIL	\$NIL	\$NIL	\$NIL	\$NIL
	2021	\$NIL	\$NIL	\$618,600 ²	\$NIL	\$618,600

Notes:

1. Includes DSUs and stock options issued as of December 31, 2020 and 2021, respectively. Stock options were valued using Black-Scholes option pricing.
2. The Black-Scholes option pricing model may not accurately reflect fair value as options granted at higher exercise prices result in a significantly higher valuation than those granted at a lower exercise price.

Stock Options and Other Compensation Securities

The following table provides information regarding all compensation securities granted or issued to each Named Executive Officer and director of the Corporation for the most recently completed financial year-end of December 31, 2021.

<u>Name and position</u>	<u>Type of compensation security</u>	<u>Number of compensation securities, number of underlying securities and percentage of class</u>	<u>Date of issue or grant</u>	<u>Issue, conversion or exercise price (\$)</u>	<u>Closing price of security or underlying security on date of grant (\$)</u>	<u>Closing price of security or underlying security at year end (\$)</u>	<u>Expiry Date</u>
Raveel Afzaal, CEO, President and Director	Options	500,000 ⁽¹⁾ (16.66%)	February 1, 2021	\$2.00	\$2.00	\$3.44	February 1, 2026
Kasia Malz, Chief Financial Officer	Options	100,000 ⁽²⁾ (3.33%)	January 25, 2021	\$2.00	\$2.00	\$3.44	January 25, 2026
Michael Stemp, Chief Technology Officer	Options	100,000 ⁽³⁾ (3.33%)	January 1, 2021	\$2.00	\$2.00	\$3.44	January 1, 2026
Jim Hinatsu, Chief Operating Officer	Options	100,000 ⁽³⁾ (3.33%)	January 1, 2021	\$2.00	\$2.00	\$3.44	January 1, 2026
Matthew Fairlie, Executive Vice Chair and Director	Options	NIL	N/A	N/A	N/A	\$3.44	N/A
Walter Howard, Director	Options	25,000 ⁽²⁾ (0.01%)	February 8, 2021	\$2.00	\$2.00	\$3.44	February 8, 2026
Allan Mackenzie, Director	Options	25,000 ⁽²⁾ (0.01%)	February 8, 2021	\$2.00	\$2.00	\$3.44	February 8, 2026
Jens Peter Clausen, Director	Options	75,000 ⁽²⁾ 96,626 ⁴ (5.72%)	March 16, 2021 July 16, 2021	\$2.00 \$7.41	\$10.00 \$7.41	\$3.44	March 16, 2026 July 16, 2026
Michael Pyle, Director	Options	50,000 ⁽²⁾ 100,000 ⁴ (5.00%)	February 3, 2021 July 16, 2021	\$2.00 \$7.41	\$2.00 \$7.41	\$3.44	February 3, 2026 July 16, 2026

<u>Name and position</u>	<u>Type of compensation security</u>	<u>Number of compensation securities, number of underlying securities and percentage of class</u>	<u>Date of issue or grant</u>	<u>Issue, conversion or exercise price (\$)</u>	<u>Closing price of security or underlying security on date of grant (\$)</u>	<u>Closing price of security or underlying security at year end (\$)</u>	<u>Expiry Date</u>
Susan Uthayakumar, Director	Options	150,000 ⁽⁴⁾ (5.00%)	July 16, 2021	\$7.41	\$7.41	\$3.44	July 16, 2026
Anthony Guglielmin, Director	Options	150,000 ⁽⁴⁾ (5.00%)	July 16, 2021	\$7.41	\$7.41	\$3.44	July 16, 2026

Notes:

1. 150,000 of these options vest on an annual basis, equally, over three years and the balance vest upon completion of specific performance metrics, of which 275,000 were vested during the year ended December 31, 2021.
2. These options vest on an annual basis, equally, over three years.
3. These options vest upon completion of specific performance metrics. No options vested during the year ended December 31, 2021.
4. These options vest on an annual basis, equally, over four years.

Stock Option Plans and Other Incentive Plans

On May 10, 2022, the Board approved the Equity Incentive Plan. At the Meeting, shareholders will be asked to consider, and if thought advisable, to approve by way of ordinary resolution, the Equity Incentive Plan, a copy of which is attached hereto as Schedule “A”.

The Corporation has no other incentive plans other than the Equity Incentive Plan. The Equity Incentive Plan is administered by the Board and all decisions and implementations of the Board respecting the Equity Incentive Plan or securities granted thereunder shall be conclusive and binding on the Corporation and on the grantees. The Board may, at any time and from time to time, grant securities under the Equity Incentive Plan on terms and conditions to be determined by the Board from time to time, subject to the conditions contained in the Equity Incentive Plan.

As of December 31, 2021: (i) the Corporation had 3,001,626 Options outstanding, which represents 13.1% of outstanding Common Shares.

The following is a summary of the Equity Incentive Plan. To view the Equity Incentive Plan in its entirety please refer to Schedule “A” attached to this Equity Incentive Plan.

- Under the Equity Incentive Plan, the Corporation can grant Options and Deferred Share Units (collectively, “Award”) to eligible participants.
- All directors, employees and consultants are eligible to participate in the Equity Incentive Plan. Participation in the Equity Incentive Plan is voluntary and eligibility to participate does not confer upon any director, employee or consultant any right to receive any grant of an Award pursuant to the Equity Incentive Plan.
- The aggregate number of Shares reserved for issuance pursuant to Awards granted under the Equity Incentive Plan cannot exceed twenty percent (20%) of the Corporation’s total issued and outstanding Shares as of the date of approval of the Equity Incentive Plan.

Employment, Consulting and Management Agreements

Next Hydrogen has entered into the following employment or consulting contracts with its NEOs and directors as of the date of this Management Information Circular:

Raveel Afzaal – CEO, President and Director

Mr. Afzaal provides his services to Next Hydrogen in accordance with the terms of an employment agreement dated October 1, 2020. Mr. Afzaal is paid an annual base salary of \$225,000, which is payable in accordance with Next Hydrogen's practices and procedures. In addition to the base salary, Mr. Afzaal is entitled to participate in the performance bonus program of Next Hydrogen and is also entitled to be granted stock options on a discretionary basis. Next Hydrogen may terminate Mr. Afzaal without cause provided that Mr. Afzaal is provided with: (a) the amount of earned but unpaid base salary up to and including the date of termination; (b) any accrued but unused vacation pay; (c) any properly incurred expenses prior to the date of termination; and (d) the necessary termination notice (or termination pay) deliverable pursuant to the *Employment Standards Act* (Ontario).

Kasia Malz – Chief Financial Officer

Ms. Malz provides her services to Next Hydrogen in accordance with the terms of an employment agreement dated December 20, 2021. Pursuant to the terms of Mrs. Malz's employment agreement, she is paid an annual base salary of \$225,000, which is payable in accordance with Next Hydrogen's practices and procedures. In addition to the base salary, Mrs. Malz is entitled to participate in the performance bonus program of Next Hydrogen and is also entitled to be granted stock options on a discretionary basis. Next Hydrogen may terminate Mrs. Malz without cause provided that Mrs. Malz is provided with: (a) six months additional notice or pay in lieu of notice should the termination occur within the first five years of employment; and (b) for every completed year of service thereafter, one month for each additional year of employment for a maximum of 12 months. Mrs. Malz previously provided services to Next Hydrogen in accordance with the terms of a consulting agreement dated December 2, 2020 and amended on January 1, 2021.

Michael Stemp – Chief Technology Officer

Mr. Stemp provides his services to Next Hydrogen in accordance with the terms of an employment agreement dated November 16, 2020. Pursuant to the terms of Mr. Stemp's employment agreement, he is paid an annual base salary of \$200,000, which is payable in accordance with Next Hydrogen's practices and procedures. In addition to the base salary, Mr. Stemp is entitled to participate in the performance bonus program of Next Hydrogen and is also entitled to be granted stock options on a discretionary basis. Next Hydrogen may terminate Mr. Stemp without cause provided that Mr. Stemp is provided with: (a) four weeks additional notice or pay in lieu of notice should the termination occur within the first two years of employment; and (b) for every completed year of service thereafter, four weeks for each additional year of employment for a maximum of 52 weeks. Mr. Stemp has been employed with Next Hydrogen since incorporation.

Jim Hinatsu – Chief Operating Officer

Mr. Hinatsu provides his services to Next Hydrogen in accordance with the terms of an employment agreement dated December 21, 2020. Pursuant to the terms of Mr. Hinatsu's employment agreement, he is paid an annual base salary of \$200,000, which is payable in accordance with Next Hydrogen's practices and procedures. In addition to the base salary, Mr. Hinatsu is entitled to participate in the performance bonus program of Next Hydrogen and is also entitled to be granted stock options on a discretionary basis. Next Hydrogen may terminate Mr. Hinatsu without cause provided that Mr. Hinatsu is provided with: (a) four weeks additional notice or pay in lieu of notice should the termination occur within the first two years of employment; and (b) for every completed year of service thereafter, four weeks for each additional year of employment for a maximum of 52 weeks. Mr. Hinatsu has been employed with Next Hydrogen since incorporation.

Estimated Incremental Payments

The following table sets forth the estimated incremental payments and benefits that would be received by the Named Executive Officers following a "change of control" or termination without cause of the Corporation, had such event occurred on December 31, 2021.

Name and position	Employment Agreements (\$)	Equity Incentive Plan ¹ (\$)	Total (\$)
Raveel Afzaal, CEO and President	\$8,654	\$1,188,000	\$1,196,654
Kasia Malz, CFO	\$112,500	\$48,000	\$160,500
Michael Stemp, Chief Technology Officer	\$15,385	\$NIL	\$15,385
Jim Hinatsu, Chief Operating Officer	\$15,385	\$NIL	\$15,385

Notes:

1. Represents the in-the-money value of vested stock options as of December 31, 2021, including any accelerated vesting provisions that would be triggered as a result of termination.

Oversight and Description of Director and Named Executive Officer Compensation

The compensation committee (the “**Compensation Committee**”) reviews directors’ compensation once a year, taking into consideration the compensation paid to directors of comparable publicly traded Canadian companies. The Compensation Committee also decides the compensation of the Corporation’s officers based on industry standards and the Corporation’s financial situation. In addition, the Compensation Committee assists the Board in its oversight of executive and director compensation, including with respect to: (i) reviewing and approving corporate goals and objectives relevant to CEO compensation, evaluating the CEO’s performance in light of these goals and objectives and, either as a committee or together with other independent directors, determining and approving the CEO’s compensation level based on such evaluation; (ii) recommending to the Board non-CEO compensation, incentive-based plans, equity-based plans and policies relating to the determination and payment of bonuses, if any; (iii) reviewing compensation disclosure in public documents, and producing the Compensation Committee’s annual report on executive compensation, in accordance with applicable rules and regulations; and (iv) performing any other activities consistent with the mandate of the Compensation Committee.

The following are the members of the Compensation Committee: Susan Uthayakumar (Chair), Allan MacKenzie, and Walter Howard.

Pension Disclosure

The Corporation does not have a pension plan or any other plan that provides for payments or benefits at, following or in connection with retirement and is not currently providing a pension to any directors of the Corporation or Named Executive Officers. The Corporation does not have a deferred compensation plan.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth the Corporation’s equity compensation plans under which equity securities are authorized for issuance as at December 31, 2021, the end of the most recently completed financial year.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options and DSUs	Weighted-Average Exercise Price of Outstanding Options and DSUs	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans
Equity compensation plans approved by securityholders	3,001,626	\$3.24	1,570,060

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Other than as set forth below, no director, proposed nominee for election as a director, executive officer, employee or former executive officer, director or employee of Next Hydrogen, or any associate of any such director, officer or employee is, or has been at any time since the beginning of the most recently completed financial year of Next Hydrogen, indebted to Next Hydrogen, nor, at any time since the beginning of the most recently completed financial year of Next Hydrogen has, any indebtedness of any such person been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Next Hydrogen.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS UNDER (1) SECURITIES PURCHASE AND (2) OTHER PROGRAMS						
Name and Principal Position	Involvement of Corporation or Subsidiary	Largest Amount Outstanding During the year ended December 31, 2021	Amount Outstanding as at May 10, 2022	Financially Assisted Securities Purchases During year ended December 31, 2021	Security for Indebtedness	Amount Forgiven During year ended December 31, 2021
Michael Stemp CTO	The Corporation loaned \$62,662 to Mr. Stemp in connection with taxes paid on his behalf.	\$62,662	\$62,662	Nil	Nil	Nil
Walter Howard Director	The Corporation loaned \$36,335 to Mr. Howard in connection with taxes paid on his behalf.	\$36,335	\$36,335	Nil	Nil	Nil
Raveel Afzaal President, CEO and Director	The Corporation loaned \$33,951 to Mr. Afzaal in connection with taxes paid on his behalf.	\$33,951	\$33,951	Nil	Nil	Nil

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth herein, the Corporation is not aware of any material interest, direct or indirect, of any “informed person” of the Corporation, any proposed director of the Corporation or any associate or affiliate, of any of the foregoing in any transaction since the commencement of the Corporation’s most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the company or any of its subsidiaries.

For the purposes of the above, “informed person” means: (i) a director or executive officer of the Corporation; (ii) a director or executive officer of a company that is itself an informed person or subsidiary of the Corporation; (iii) any person or company who beneficially owns, directly or indirectly, voting securities of the Corporation or who exercises control or direction over voting securities of the Corporation or a combination of both carrying more than ten per cent (10%) of the voting rights attached to all outstanding voting securities of the Corporation other than voting securities

held by the person or company as underwriter in the course of a distribution; and (iv) the Corporation, after having purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

There are potential conflicts of interest to which all of the directors and officers of the Corporation may be subject in connection with the operations of the Corporation. All of the directors and officers are engaged in and will continue to be engaged in corporations or businesses, including publicly traded corporations, which may be in competition with the business of the Corporation. Accordingly, situations may arise where all of the directors and officers will be in direct competition with the Corporation. Conflicts, if any, will be subject to the procedures and remedies as provided under the *Business Corporations Act* (British Columbia).

APPOINTMENT OF AUDITOR

Except where authorization to vote with respect to the appointment of auditors is withheld, the persons named in the accompanying form of proxy intend to vote in favour of the appointment of KPMG LLP, Chartered Professional Accountants, as the auditors of the Company until the next annual meeting of shareholders.

MNP LLP, Chartered Professional Accountants, the former auditor of the Corporation, resigned as auditor of the Corporation effective May 10, 2022. MNP LLP, the current auditor of the Corporation, was appointed auditor of the Corporation effective June 24, 2021 as approved by the shareholders of the Corporation.

In accordance with Part 4.11 of National Instrument 51-102 — *Continuous Disclosure Obligations*, the “Reporting Package”, which included the notice of change of auditor, letter from the former auditor, and the letter from the successor auditor, is attached hereto as Schedule A, and is available on SEDAR at www.sedar.com.

MANAGEMENT CONTRACTS

The Corporation has no management contracts or other arrangement in place where management functions are performed by a person or company other than the directors or executive officers of the Corporation.

CORPORATE GOVERNANCE DISCLOSURE

General

National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) requires the Corporation to disclose information about its corporate governance practices that they have adopted. This disclosure must be made in accordance with the corporate governance guidelines contained in National Policy 58-201 *Corporate Governance Guidelines* (“**NI 58-201**”). NI 58-201 provides guidance on corporate governance practices. Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the Shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Corporation. The Board is committed to sound corporate governance practices, which are both in the interest of its Shareholders and contribute to effective and efficient decision making.

The following information is provided in accordance with Form 58-101F2 – *Corporate Governance Disclosure (Venture Issuers)* under NI 58-101.

Board of Directors

The Board, which is responsible for supervising the management of the business and affairs of the Corporation, is currently comprised of eight (8) directors. Following the Meeting, it is anticipated that there will be eight (8) directors; of which five (5) are independent, as such term is defined in NI 58-101 and National Instrument 52-110 *Audit Committees* (“**NI 52-110**”). Raveel Afzaal is not independent by virtue of being a member of the Corporation’s management. Walter Howard and Matthew Fairlie are not be considered to be independent, as they have served as Chief Executive Officer and Executive Vice Chair, respectively, of Next Hydrogen for a period of time during the last three years.

The Board has plenary power to manage and supervise the management of the business and affairs of the Corporation and to act in the best interest of the Corporation. The Board is responsible for the overall stewardship of the Corporation and approves all significant decisions that affect the Corporation before they are implemented. The Board also considers their implementation and reviews the results.

Directorships

Certain of the Corporation’s directors or nominee directors are currently directors or have served as directors of reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction as follows:

Name	Name and Jurisdiction of Reporting Issuer	Name of Trading Market(s)	From	To
Allan MacKenzie	Return on Innovation Fund Inc.	N/A	September 2004	October 2020
Michael Pyle	Exchange Income Corporation	TSX	December 2002	Present
Anthony Guglielmin	Information Services Corp.	TSX	July 2013	Present
Anthony Guglielmin	Westport Fuel Systems Inc.	TSX/NASDAQ	January 2021	Present

Orientation and Continuing Education of Board Members

The Corporation currently does not have any formal orientation or continuing education programs in place for new directors, however the Corporation expects to provide such orientation on an informal basis. The Board will review this process at its discretion. Directors are encouraged to visit the Corporation’s facilities, to interact with management and employees and to stay abreast of industry developments and the evolving business of the Corporation.

Ethical Business Conduct

The Board is of the view that the fiduciary duties placed on individual directors pursuant to corporate legislation and the common law, and the conflict of interest provisions under corporate legislation which restricts an individual director’s participation in decisions of the Board in which the director has an interest, have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation. Further, the Board has adopted a Code of Business Conduct & Ethics which provides a general statement of the Corporation’s expectations regarding the ethical standards that each director, officer, and employee should adhere to while acting on behalf of the Corporation. The Board also encourages and promotes a culture of ethical business conduct by appointing directors who demonstrate integrity and high ethical standards in their business dealings and personal affairs.

Nomination of Directors

The corporate governance and nominating committee (the “**Governance and Nominating Committee**”) is responsible for establishing sound corporate governance practices that are in the interest of shareholders and contribute to effective and efficient decision-making and filling vacancies on the Board and recommending potential nominees for directors. The Governance and Nominating Committee analyzes the needs of the Board when vacancies arise and identify and propose new nominees who have the necessary competencies and characteristics to meet those needs. In order to foster an objective nomination process, the independent members of the Board will be encouraged to recommend nominees for the Board. In addition, the Governance and Nominating Committee is expected to have responsibilities for, amongst other things, monitoring and ensuring board independence, establishing procedures for Board meetings to ensure that board members possess an appropriate balance of skills and areas of expertise needed

to effectively govern the Corporation's affairs, establishing position descriptions for the key members of the Board and senior management and overseeing the Board's diversity, renewal, orientation and continuing education.

The following are the members of the Governance and Nominating Committee: Michael Pyle (Chair), Walter Howard and Anthony Guglielmin.

Compensation

The Compensation Committee reviews directors' compensation once a year, taking into consideration the compensation paid to directors of comparable publicly traded Canadian companies. The Compensation Committee also decides the compensation of the Corporation's officers based on industry standards and the Corporation's financial situation. In addition, the Compensation Committee assists the Board in its oversight of executive and director compensation, including with respect to: (i) reviewing and approving corporate goals and objectives relevant to CEO compensation, evaluating the CEO's performance in light of these goals and objectives and, either as a committee or together with other independent directors, determining and approving the CEO's compensation level based on such evaluation; (ii) recommending to the Board non-CEO compensation, incentive-based plans, equity-based plans and policies relating to the determination and payment of bonuses, if any; (iii) reviewing compensation disclosure in public documents, and producing the Compensation Committee's annual report on executive compensation, in accordance with applicable rules and regulations; and (iv) performing any other activities consistent with the mandate of the Compensation Committee.

The following are the members of the Compensation Committee: Susan Uthayakumar (Chair), Allan MacKenzie, and Walter Howard.

Other Board Committees

The Board has no standing committees other than the Audit Committee (as hereafter defined), Compensation Committee and the Governance and Nominating Committee.

Assessment of Directors, the Board and Board Committees

The Board monitors the adequacy of information given to directors, the communications between the Board and management and the strategic direction and processes of the Board and its committees, to satisfy itself that the Board, its committees and its individual directors are performing effectively.

SOCIAL AND ENVIRONMENTAL POLICIES

ESG Vision

Next Hydrogen believes the significant technological innovations underway to generate, store and use green energy will drive a safer and cleaner future. The Corporation's mission is to drive a step change reduction in clean hydrogen generation costs from renewable energy sources and enable wide-spread adoption of hydrogen solutions to decarbonize the global economy.

The Corporation also believes that integrating sustainable business practices into their operations and culture is both consistent with their core values and critical to their long-term success.

ESG Project Overview

In support of these beliefs, Next Hydrogen is seeking to embed ESG principles and practices into their organizational structure and operations to:

- support their business objectives
- meet the expectations of stakeholders
- effectively communicate ESG and sustainability performance to investors

- operate in a manner that is consistent with their position as a leader in the transition to a low-carbon economy

In 2021, the Corporation launched an ESG project to help us better understand, prioritize and address their most material industry and company specific ESG risks. Next Hydrogen started by conducting a materiality assessment to identify and prioritize their most material industry and company specific ESG risks. The Corporation started by identifying a set of material ESG topics based on desk analysis of disclosures made by peer companies, ESG rating firms' assessment frameworks and ESG disclosure standards. This was followed by an internal consultation to ask for feedback on these topics from company executives, board members and key operations personnel.

These project phases are complete, and Next Hydrogen is now designing and implementing their ESG strategy.

ESG Initiatives and Commitments

Sustainable Products

Hydrogen production from green energy can dramatically reduce carbon footprints while enhancing reliability of supply. Water electrolysis is the only means to produce green hydrogen, and Next Hydrogen's electrolyzers were created to capture the entire output range of intermittent or fluctuating sources of electrical power, allowing for integration with renewable power generation.

Renewable Energy and Carbon Offsets

Next Hydrogen recently signed an agreement for the purchase of Green-e® certified renewable energy certificates (RECs) to cover 100% of 2021 electricity used in their offices and manufacturing facilities.

The Corporation also signed an agreement to offset 2021 CO₂e emissions from their natural gas use and employee travel. The offsets, which are certified by Green-e® Climate, meet the standards of the American Carbon Registry, the Climate Action Reserve, the Gold Standard or the Verified Carbon Standard.

ESG Policies

During 2021, Next Hydrogen developed policies to strengthen their ability to manage their most material ESG risks. These include:

- Code of Business Conduct and Ethics
- Diversity Equity Inclusion and Belonging Policy
- Health Safety and Environment Policy

Executive and Board Diversity

Next Hydrogen's commitment to building and fostering a fair and inclusive workplace is reflected in the composition of their Board of Directors and executive team. Their eight-person Board includes one woman (12.5%) and two racialized people (25%). One of their senior executives is a woman (25%) and two are racialized (50%).

Suppliers

Next Hydrogen seeks out vendors that offer products with a focus on sustainability. For example, the Corporation utilizes a system that allows us to minimize the environmental impacts of their office supply purchases, and their cash balances are held in a "green" deposit account that funds loans for environmentally focused projects.

ESG Governance

Next Hydrogen has enhanced their oversight of ESG issues over the past year:

- The Board of Directors has formal responsibility for oversight of ESG matters
- The Board receives quarterly reports on ESG matters
- Operational responsibility for ESG issues has been assigned to a senior member of the executive team and the Corporation has engaged an ESG advisory firm to assist in the development and execution of their ESG strategy.
- The executive team and Board are exceptionally qualified to deliver on the company’s business and ESG objectives. They bring significant business and operational expertise in, among other areas, strategy, business development, project finance, capital markets, hydrogen technology development, R&D, engineering, operations and manufacturing.

AUDIT COMMITTEE

The Corporation is subject to NI 52-110, which prescribes certain requirements in relation to audit committees. The following information is provided in accordance with Form 52-110F2 – *Disclosure by Venture Issuers* under NI 52-110.

Audit Committee Charter

The audit committee (the “**Audit Committee**”) is a committee of the Board established for the purpose of overseeing the accounting and financial reporting processes of the Corporation and annual external audits of the financial statements. The Audit Committee has formally set out its responsibilities and compensation requirements in fulfilling its oversight in relation to the Corporation’s internal accounting standards and practices, financial information, accounting systems and procedures. The Audit Committee Charter is set forth in Schedule “B” attached hereto.

Composition of the Audit Committee

The following individuals are the members of the Audit Committee: Anthony Guglielmin (Chair), Susan Uthayakumar and Michael Pyle. All Audit Committee members are financially literate and all members of the Audit Committee are independent.

Relevant Education and Experience

Collectively, the Audit Committee has the education and experience to fulfill the responsibilities outlined in the Audit Committee Charter. For more information on the relevant education and experience of Audit Committee members, please see “*Matters to be Acted Upon at the Meeting – Election of Directors*” in this Information Circular.

Audit Committee Oversight

At no time since the commencement of the Corporation’s most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation’s most recently completed financial year has the Corporation relied on an exemption from an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110F2 (securities regulatory authority exemption).

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services under the Audit Committee Charter of the Corporation, which is attached hereto as Schedule “B”.

External Auditor Service Fees

The aggregate fees paid by the Corporation to the external auditors of the Corporation for the last two financial years for audit fees are described below.

Nature of Services	Fees Billed by Auditor for the fiscal year ended	
	December 31, 2020	December 31, 2021
Audit Fees ⁽¹⁾	\$73,500	\$85,600
Audit Related Fees	\$NIL	\$58,350
Tax Fees ⁽³⁾	\$NIL	\$14,713
All Other Fees ⁽⁴⁾	\$NIL	\$NIL
Total	\$73,500	\$158,663

Notes:

- (1) "Audit Fees" include fees necessary to perform the annual audit reviews of Next Hydrogen's consolidated financial statements. Audit Fees include aggregate fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes aggregate fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (3) "All Other Fees" include all other non-audit services, in the aggregate.

ADDITIONAL INFORMATION

Additional financial information is provided in the Corporation's audited consolidated financial statements and management's discussion and analysis for the financial year ended December 31, 2021.

Any request for these documents can be made by contacting the Chief Executive Officer of the Corporation at 6610 Edwards Blvd, Mississauga, Ontario, L5T 2V6. Information relating to the Corporation can also be obtained on SEDAR under the Corporation's profile at www.sedar.com.

SCHEDULE "A"
EQUITY INCENTIVE PLAN

(see attached)

NEXT HYDROGEN SOLUTIONS INC.

EQUITY INCENTIVE PLAN

**APPROVED BY THE BOARD OF DIRECTORS ON MAY 9, 2022
TO BE EFFECTIVE AS OF THE EFFECTIVE DATE (AS DEFINED HEREIN)**

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EQUITY INCENTIVE PLAN

ARTICLE 1 PURPOSE

1.1 Purpose

The purpose of this Plan is to provide the Corporation with a share-related mechanism to attract, retain and motivate qualified Directors, Employees and Consultants of the Corporation and its subsidiaries, if any, to reward such of those Directors, Employees and Consultants as may be granted Awards under this Plan by the Board from time to time for their contributions toward the long-term goals and success of the Corporation and to enable and encourage such Directors, Employees and Consultants to acquire Shares as long-term investments and proprietary interests in the Corporation.

ARTICLE 2 INTERPRETATION

2.1 Definitions

When used herein, unless the context otherwise requires, the following terms have the indicated meanings, respectively:

- (a) “**Affiliate**” means any entity that is an “**affiliate**” for the purposes of National Instrument 45–106 – *Prospectus Exemptions* of the Canadian Securities Administrators, as amended from time to time;
- (b) “**Award**” means any Option or Deferred Share Unit granted under this Plan which may be denominated or settled in Shares, cash or in such other form as provided herein;
- (c) “**Award Agreement**” means a signed, written agreement between a Participant and the Corporation, in the form or any one of the forms approved by the Plan Administrator, evidencing the terms and conditions on which an Award has been granted under this Plan and which need not be identical to any other such agreements;
- (d) “**Board**” means the board of directors of the Corporation as it may be constituted from time to time;
- (e) “**Business Day**” means a day, other than a Saturday or Sunday, on which the principal commercial banks in the City of Toronto are open for commercial business during normal banking hours;
- (f) “**Canadian Taxpayer**” means a Participant that is resident of Canada for purposes of the *Tax Act*;
- (g) “**Cause**” means, with respect to a particular Participant:
 - (i) “cause” (or any similar term) as such term is defined in the employment or other written agreement between the Corporation or a subsidiary of the Corporation and the Employee;
 - (ii) in the event there is no written or other applicable employment or other agreement between the Corporation or a subsidiary of the Corporation or “cause” (or any similar

term) is not defined in such agreement, “cause” as such term is defined in the Award Agreement; or

(iii) in the event neither (i) nor (ii) apply, then “cause” as such term is defined by applicable law or, if not so defined, such term shall refer to circumstances where (A) an employer may terminate an individual’s employment without notice or pay in lieu thereof or other damages, or (B) the Corporation or any subsidiary thereof may terminate the Participant’s employment without notice or without pay in lieu thereof or other termination fee or damages, or (C) the Corporation or any subsidiary thereof may terminate the Participant’s employment without providing the minimum entitlements to notice and, if applicable, severance pay under provincial employment standards legislation;

(h) **“Change in Control”** means the occurrence of any one or more of the following events:

(i) any transaction at any time and by whatever means pursuant to which any Person or any group of two (2) or more Persons acting jointly or in concert hereafter acquires the direct or indirect “beneficial ownership” (as defined in National Instrument 62-104 – *Take-over Bids and Issuer Bids*) of, or acquires the right to exercise Control or direction over, securities of the Corporation representing more than fifty percent (50%) of the then issued and outstanding voting securities of the Corporation, including, without limitation, as a result of a take-over bid, an exchange of securities, an amalgamation of the Corporation with any other entity, an arrangement, a capital reorganization or any other business combination or reorganization;

(ii) the sale, assignment or other transfer of all or substantially all of the consolidated assets of the Corporation to a Person other than a subsidiary of the Corporation;

(iii) the dissolution or liquidation of the Corporation, other than in connection with the distribution of assets of the Corporation to one (1) or more Persons which were Affiliates of the Corporation prior to such event;

(iv) the occurrence of a transaction requiring approval of the Corporation’s shareholders whereby the Corporation is acquired through consolidation, merger, exchange of securities, purchase of assets, amalgamation, statutory arrangement or otherwise by any other Person (other than a short form amalgamation or exchange of securities with a subsidiary of the Corporation);

(v) individuals who comprise the Board as of the date hereof (the **“Incumbent Board”**) for any reason cease to constitute at least a majority of the members of the Board, unless the election, or nomination for election by the Corporation’s shareholders, of any new director was approved by a vote of at least a majority of the Incumbent Board, and in that case such new director shall be considered as a member of the Incumbent Board; or

(vi) any other event which the Board determines to constitute a change in control of the Corporation,

provided that, notwithstanding clause (i), (ii), (iii) and (iv) above, a Change in Control shall be deemed not to have occurred if immediately following the transaction set forth in clause (i), (ii), (iii) or (iv) above: (A) the holders of securities of the Corporation that immediately prior to the consummation of such transaction represented more than fifty percent (50%) of the combined voting power of the then outstanding securities eligible to vote for the election of directors of

the Corporation hold (x) securities of the entity resulting from such transaction (including, for greater certainty, the Person succeeding to assets of the Corporation in a transaction contemplated in clause (ii) above) (the “**Surviving Entity**”) that represent more than fifty percent (50%) of the combined voting power of the then outstanding securities eligible to vote for the election of directors or trustees (“**voting power**”) of the Surviving Entity, or (y) if applicable, securities of the entity that directly or indirectly has beneficial ownership of one-hundred percent (100%) of the securities eligible to elect directors or trustees of the Surviving Entity (the “**Parent Entity**”) that represent more than fifty percent (50%) of the combined voting power of the then outstanding securities eligible to vote for the election of directors or trustees of the Parent Entity, and (B) no Person or group of two or more Persons, acting jointly or in concert, is the beneficial owner, directly or indirectly, of more than fifty percent (50%) of the voting power of the Parent Entity (or, if there is no Parent Entity, the Surviving Entity) (any such transaction which satisfies all of the criteria specified in clauses (A) and (B) above being referred to as a “**Non-Qualifying Transaction**” and, following the Non-Qualifying Transaction, references in this definition of “**Change in Control**” to the “**Corporation**” shall mean and refer to the Parent Entity (or, if there is no Parent Entity, the Surviving Entity) and, if such entity is a company or a trust, references to the “**Board**” shall mean and refer to the board of directors or trustees, as applicable, of such entity). Notwithstanding the foregoing, for purposes of any Award that constitutes “deferred compensation” (within the meaning of Section 409A of the Code), the payment of which is triggered by or would be accelerated upon a Change in Control, a transaction will not be deemed a Change in Control for Awards granted to any Participant who is a U.S. Taxpayer unless the transaction qualifies as “a change in control event” within the meaning of Section 409A of the Code;

- (i) “**Code**” means the United States Internal Revenue Code of 1986, as amended from time to time. Any reference to a section of the Code shall be deemed to include a reference to any regulations promulgated thereunder;
- (j) “**Committee**” has the meaning set forth in Section 3.2;
- (k) “**Consultant**” means any individual, entity or other Person engaged by the Corporation or any subsidiary of the Corporation to render consulting or advisory services (including as a director or officer of any subsidiary of the Corporation), other than as an Employee or Director, and whether or not compensated for such services; provided, however, that at the time any Consultant receives any offer of Award or executes any Award Agreement, such Consultant must be a Person, and must agree to provide bona fide services to that Corporation that are not in connection with the offer or sale of securities in a capital-raising transaction, and do not directly or indirectly promote or maintain a market for the Corporation’s securities;
- (l) “**Control**” means the relationship whereby a Person is considered to be “controlled” by a Person if:
 - (i) when applied to the relationship between a Person and a corporation, the beneficial ownership by that Person, directly or indirectly, of voting securities or other interests in such corporation entitling the holder to exercise control and direction in fact over the activities of such corporation;
 - (ii) when applied to the relationship between a Person and a partnership, limited partnership, trust or joint venture, means the contractual right to direct the affairs of the partnership, limited partnership, trust or joint venture; and
 - (iii) when applied in relation to a trust, the beneficial ownership at the relevant time of more than fifty percent (50%) of the property settled under the trust, and

the words “**Controlled by**”, “**Controlling**” and similar words have corresponding meanings; provided that a Person who controls a corporation, partnership, limited partnership or joint venture will be deemed to Control a corporation, partnership, limited partnership, trust or joint venture which is Controlled by such Person and so on;

- (m) “**Corporation**” means Next Hydrogen Solutions Inc., or any successor entity thereof;
- (n) “**Date of Grant**” means, for any Award, the date specified by the Plan Administrator at the time it grants the Award or if no such date is specified, the date upon which the Award was granted;
- (o) “**Deferred Share Unit**” or “**DSU**” means a unit equivalent in value to a Share, tracked on the books of the Corporation in accordance with Article 5;
- (p) “**Director**” means a director of the Corporation who is not an Employee;
- (q) “**Director Fees**” means the total compensation (including annual retainer and meeting fees, if any) paid by the Corporation to a director of the Corporation in a calendar year for service on the Board;
- (r) “**Disabled**” or “**Disability**” means, with respect to a particular Participant:
 - (i) “disabled” or “disability” (or any similar terms) as such terms are defined in the employment or other written agreement between the Corporation or a subsidiary of the Corporation and the Participant;
 - (ii) in the event there is no written or other applicable employment or other agreement between the Corporation or a subsidiary of the Corporation, or “disabled” or “disability” (or any similar terms) are not defined in such agreement, “disabled” or “disability” as such term are defined in the Award Agreement; or
 - (iii) in the event neither (i) or (ii) apply, then the incapacity or inability of the Participant, by reason of mental or physical incapacity, disability, illness or disease (as determined by a legally qualified medical practitioner or by a court) that prevents the Participant from carrying out his or her normal and essential duties as an Employee, Director or Consultant for a continuous period of six months or for any cumulative period of 180 days in any consecutive twelve month period, the foregoing subject to and as determined in accordance with procedures established by the Plan Administrator for purposes of this Plan;
- (s) “**Discounted Market Price**” has the meaning given to such term in Exchange Policy 1.1, as amended, supplemented or replaced from time to time;
- (t) “**Effective Date**” means the effective date of this Plan, being June 21, 2022;
- (u) “**Elected Amount**” has the meaning set forth in Subsection 5.1(a);
- (v) “**Electing Person**” means a Participant who is, on the applicable Election Date, a Director or an Employee;
- (w) “**Election Date**” means the date on which the Electing Person files an Election Notice in accordance with Subsection 5.1(b);

- (x) “**Election Notice**” has the meaning set forth in Subsection 5.1(b);
- (y) “**Employee**” means an individual who:
 - (i) is considered an employee of the Corporation or a subsidiary of the Corporation for purposes of source deductions under applicable tax or social welfare legislation; or
 - (ii) works full-time or part-time on a regular weekly basis for the Corporation or a subsidiary of the Corporation providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or a subsidiary of the Corporation over the details and methods of work as an employee of the Corporation or such subsidiary.
- (z) “**Exchange**” means the TSX Venture Exchange, or the primary exchange on which the Shares are then listed, as determined by the Plan Administrator, if the TSX Venture Exchange is no longer the Corporation’s primary exchange, or if the Shares are no longer listed on the TSX Venture Exchange;
- (aa) “**Exchange Policy**” means the Exchange Corporate Finance Policies;
- (bb) “**Exercise Notice**” means a notice in writing, signed by a Participant and stating the Participant’s intention to exercise a particular Option;
- (cc) “**Exercise Price**” means the price at which an Option Share may be purchased pursuant to the exercise of an Option;
- (dd) “**Expiry Date**” means the expiry date specified in the Award Agreement (which shall not be later than the tenth anniversary of the Date of Grant) or, if not so specified, means the tenth anniversary of the Date of Grant;
- (ee) “**In-the-Money Amount**” has the meaning given to it in Subsection **Error! Reference source not found.**;
- (ff) “**Insider**” means an “**insider**” as defined in the rules of the Exchange from time to time;
- (gg) “**Investor Relations Activities**” has the meaning given to it in Exchange Policy 1.1 – *Definitions*, as amended, supplemented or replaced from time to time;
- (hh) “**Investor Relations Service Provider**” includes any Consultant that performs Investor Relations Activities and any Director or Employee whose role and duties primarily consist of Investor Relations Activities;
- (ii) “**Market Price**” at any date in respect of the Shares shall be the volume weighted average trading price of Shares on the Exchange for the five trading days immediately preceding the Date of Grant; provided that, for so long as the Shares are listed and posted for trading on the Exchange, the Market Price shall not be less than the market price, as calculated under the policies of the Exchange; and provided, further, that with respect to an Award made to a U.S. Taxpayer such Participant, the class of Shares and the number of Shares subject to such Award shall be identified by the Board or the Committee prior to the start of the applicable five trading day period. In the event that such Shares are not listed and posted for trading on any Exchange, the Market Price shall be the fair market value of such Shares as determined by the Board in its sole discretion and, with respect to an Award made to a U.S. Taxpayer, in accordance with Section 409A of the Code;

- (jj) “**Net Exercise**” has the meaning set forth in Subsection **Error! Reference source not found.**;
- (kk) “**Option**” means a right to purchase Shares under Article 4 of this Plan that is non–assignable and non–transferable, unless otherwise approved by the Plan Administrator;
- (ll) “**Option Shares**” means Shares issuable by the Corporation upon the exercise of outstanding Options;
- (mm) “**Participant**” means a Director, Employee or Consultant to whom an Award has been granted under this Plan;
- (nn) “**Performance Goals**” means performance goals expressed in terms of attaining a specified level of the particular criteria or the attainment of a percentage increase or decrease in the particular criteria, and may be applied to one or more of the Corporation, a subsidiary of the Corporation, a division of the Corporation or a subsidiary of the Corporation, or an individual, or may be applied to the performance of the Corporation or a subsidiary of the Corporation relative to a market index, a group of other companies or a combination thereof, or on any other basis, all as determined by the Plan Administrator in its discretion;
- (oo) “**Person**” means an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, and a natural person in his or her capacity as trustee, executor, administrator or other legal representative;
- (pp) “**Plan**” means this equity incentive plan, as may be amended from time to time;
- (qq) “**Plan Administrator**” means the Board, or if the administration of this Plan has been delegated by the Board to the Committee or sub-delegated to a member of the Committee or officer of the Corporation pursuant to Section 3.2, the Committee or sub-delegate, as the case may be;
- (rr) “**Retirement**” means, unless otherwise defined in the Participant’s written or other applicable employment agreement or in the Award Agreement, the termination of the Participant’s working career at such retirement age to which the Plan Administrator has consented, other than on account of the Participant’s termination of service by the Corporation or its subsidiary for Cause and provided that for U.S. Taxpayers such Retirement also constitutes a Separation from Service within the meaning of Section 409A of the Code;
- (ss) “**Section 409A of the Code**” or “**Section 409A**” means Section 409A of the Code and all regulations, guidance, compliance programs, and other interpretive authority issued thereunder;
- (tt) “**Securities Laws**” means securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that govern or are applicable to the Corporation or to which it is subject;
- (uu) “**Security Based Compensation Arrangement**” means a stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares to Directors, officers, Employees and/or service providers of the Corporation or any subsidiary of the Corporation, including a share purchase from treasury which is financially assisted by the Corporation by way of a loan, guarantee or otherwise;
- (vv) “**Separation from Service**” means a separation from service within the meaning of Section 409A of the Code;

- (ww) **“Share”** means one (1) common share in the capital of the Corporation as constituted on the Effective Date or any share or shares issued in replacement of such common share in compliance with Canadian law or other applicable law, and/or one share of any additional class of common shares in the capital of the Corporation as may exist from time to time, or after an adjustment contemplated by Article 9, such other shares or securities to which the holder of an Award may be entitled as a result of such adjustment;
- (xx) **“subsidiary”** means an issuer that is Controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary, or any other entity in which the Corporation has an equity interest and is designated by the Plan Administrator, from time to time, for purposes of this Plan to be a subsidiary;
- (yy) **“Tax Act”** has the meaning set forth in Section **Error! Reference source not found.**;
- (zz) **“Termination Date”** means, subject to applicable law which cannot be waived:
- (i) in the case of an Employee whose employment with the Corporation or a subsidiary of the Corporation terminates, (i) the date designated by the Employee and the Corporation or a subsidiary of the Corporation as the “Termination Date” (or similar term) in a written employment or other agreement between the Employee and Corporation or a subsidiary of the Corporation, or (ii) if no such written employment or other agreement exists, the date designated by the Corporation or a subsidiary of the Corporation, as the case may be, on which the Employee ceases to be an employee of the Corporation or the subsidiary of the Corporation, as the case may be, provided that, in the case of termination of employment by voluntary resignation by the Participant, such date shall not be earlier than the date notice of resignation was given; and in any event, the “Termination Date” shall be determined without including any period of reasonable notice that the Corporation or the subsidiary of the Corporation (as the case may be) may be required by law to provide to the Participant or any pay in lieu of notice of termination, severance pay or other damages paid or payable to the Participant;
 - (ii) in the case of a Consultant whose agreement or arrangement with the Corporation or a subsidiary of the Corporation terminates, (i) the date designated by the Corporation or the subsidiary of the Corporation, as the “Termination Date” (or similar term) or expiry date in a written agreement between the Consultant and Corporation or a subsidiary of the Corporation, or (ii) if no such written agreement exists, the date designated by the Corporation or a subsidiary of the Corporation, as the case may be, on which the Consultant ceases to be a Consultant or a service provider to the Corporation or the subsidiary of the Corporation, as the case may be, or on which the Participant’s agreement or arrangement is terminated, provided that in the case of voluntary termination by the Participant of the Participant’s consulting agreement or other written arrangement, such date shall not be earlier than the date notice of voluntary termination was given; in any event, the “Termination Date” shall be determined without including any period of notice that the Corporation or the subsidiary of the Corporation (as the case may be) may be required by law to provide to the Participant or any pay in lieu of notice of termination, termination fees or other damages paid or payable to the Participant; and
 - (iii) in the case of a Director, the date such individual ceases to be a Director, in each case, unless the individual continues to be a Participant in another capacity.

Notwithstanding the foregoing, in the case of a U.S. Taxpayer, a Participant's "Termination Date" will be the date the Participant experiences a Separation from Service;

- (aaa) "**TSXV Market Price**" means the closing price of the Shares on the Exchange on the last trading day preceding the date on which the grant of Options is approved by the Board, or if the Shares of the Corporation are not listed on any stock exchange, the value as is determined solely by the Board, acting reasonably and in good faith;
- (bbb) "**U.S.**" or "**United States**" means the United States of America, its territories and possessions, any State of the United States, and the District of Columbia;
- (ccc) "**U.S. Person**" shall mean a "**U.S. person**" as such term is defined in Rule 902(k) of Regulation S under the U.S. Securities Act (the definition of which includes, but is not limited to, (i) any natural person resident in the United States, (ii) any partnership or corporation organized or incorporated under the laws of the United States, (iii) any partnership or corporation organized outside of the United States by a U.S. Person principally for the purpose of investing in securities not registered under the U.S. Securities Act, unless it is organized, or incorporated, and owned, by accredited investors who are not natural persons, estates or trusts, and (iv) any estate or trust of which any executor or administrator or trustee is a U.S. Person);
- (ddd) "**U.S. Securities Act**" means the United States Securities Act of 1933, as amended; and
- (eee) "**U.S. Taxpayer**" shall mean a Participant who, with respect to an Award, is subject to taxation under applicable U.S. tax laws.

2.2 Interpretation

- (a) Whenever the Plan Administrator exercises discretion in the administration of this Plan, the term "discretion" means the sole and absolute discretion of the Plan Administrator.
- (b) As used herein, the terms "Article", "Section", "Subsection" and "clause" mean and refer to the specified Article, Section, Subsection and clause of this Plan, respectively.
- (c) Words importing the singular include the plural and vice versa and words importing any gender include any other gender.
- (d) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period begins, including the day on which the period ends, and abridging the period to the immediately preceding Business Day in the event that the last day of the period is not a Business Day. In the event an action is required to be taken or a payment is required to be made on a day which is not a Business Day such action shall be taken or such payment shall be made by the immediately preceding Business Day.
- (e) Unless otherwise specified, all references to money amounts are to Canadian currency.
- (f) The headings used herein are for convenience only and are not to affect the interpretation of this Plan.

ARTICLE 3
ADMINISTRATION

3.1 Administration

This Plan will be administered by the Plan Administrator and the Plan Administrator has sole and complete authority, in its discretion, to:

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

3.2 Delegation to Committee

- (a) The initial Plan Administrator shall be the Board.
- (b) To the extent permitted by applicable law, the Board may, from time to time, delegate to a committee of the Board (the “**Committee**”) all or any of the powers conferred on the Plan Administrator pursuant to this Plan, including the power to sub–delegate to any member(s) of the Committee or any specified officer(s) of the Corporation or its subsidiaries all or any of the powers delegated by the Board. In such event, the Committee or any sub–delegate will exercise the powers delegated to it in the manner and on the terms authorized by the delegating party. Any decision made or action taken by the Committee or any sub–delegate arising out of or in connection with the administration or interpretation of this Plan in this context is final and conclusive and binding on the Corporation and all subsidiaries of the Corporation, all Participants and all other Persons.

3.3 Determinations Binding

Any decision made or action taken by the Board, the Committee or any sub–delegate to whom authority has been delegated pursuant to Section 3.2 arising out of or in connection with the administration or interpretation of this Plan is final, conclusive and binding on the Corporation, the affected Participant(s), their legal and personal representatives and all other Persons.

3.4 Eligibility

All Directors, Employees and Consultants are eligible to participate in the Plan, subject to Section 7.1(f). Participation in the Plan is voluntary and eligibility to participate does not confer upon any Director, Employee or Consultant any right to receive any grant of an Award pursuant to the Plan. The extent to which any Director, Employee or Consultant is entitled to receive a grant of an Award pursuant to the Plan will be determined in the sole and absolute discretion of the Plan Administrator.

3.5 Plan Administrator Requirements

Any Award granted under this Plan shall be subject to the requirement that, if at any time the Plan Administrator shall determine that the listing, registration or qualification of the Shares issuable pursuant to such Award upon any securities exchange or under any Securities Laws of any jurisdiction, or the consent or approval of the Exchange and any securities commissions or similar securities regulatory bodies having jurisdiction over the Corporation is necessary as a condition of, or in connection with, the grant or exercise of such Award or the issuance or purchase of Shares thereunder, such Award may not be accepted or exercised, as applicable, in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions acceptable to the Plan Administrator. Without limiting the generality of the foregoing, all Awards shall be issued pursuant to the registration requirements of the U.S. Securities Act, or pursuant an exemption or exclusion from such registration requirements. Nothing herein shall be deemed to require the Corporation to apply for or to obtain such listing, registration, qualification, consent or approval. Participants shall, to the extent applicable, cooperate with the Corporation in complying with such legislation, rules, regulations and policies.

3.6 Total Shares Subject to Awards

- (a) Subject to adjustment as provided for in Article 8 and any subsequent amendment to this Plan, the aggregate number of Shares reserved for issuance pursuant to Awards granted under this Plan and under any other Security Based Compensation Arrangement is fixed and shall not exceed twenty percent (20%) of the Corporation’s total issued and outstanding Shares as of the Effective Date, being 4,577,687 Shares, or such other number as may be approved by the Exchange and the shareholders of the Corporation from time to time, provided that the

shareholder approval referred to herein must be obtained on a “disinterested” basis in compliance with the applicable policies of the Exchange. This Plan is not considered an “evergreen” plan, and the Shares covered by Awards which have been exercised shall not be available for subsequent grants under the Plan.

- (b) To the extent any Awards (or portion(s) thereof) under this Plan terminate or are cancelled for any reason prior to exercise in full, or are surrendered or settled by the Participant, any Shares subject to such Awards (or portion(s) thereof) shall be added back to the number of Shares reserved for issuance under this Plan and will again become available for issuance pursuant to the exercise of Awards granted under this Plan.

3.7 Limits on Grants of Awards

Notwithstanding anything in this Plan, the maximum aggregate number of Shares:

- (a) issuable to Insiders (as a group) at any time, under all of the Corporation’s Security–Based Compensation Arrangements, shall not exceed ten percent (10%) of the Corporation’s issued and outstanding Shares at any point in time (unless the Corporation receives shareholder approval on a “disinterested” basis in compliance with the applicable policies of the Exchange), provided that the acquisition of Shares by the Corporation for cancellation shall be disregarded for the purposes of determining non–compliance with this Section 3.7 for any Awards outstanding prior to such purchase of Shares for cancellation;
- (b) issued to Insiders (as a group) within any one (1) year period, under all of the Corporation’s Security Based Compensation Arrangements, shall not exceed ten percent (10%) of the Corporation’s issued and outstanding Shares calculated as at the date any Award is granted or issued to any Insider (unless the Corporation receives shareholder approval on a “disinterested” basis in compliance with the applicable policies of the Exchange), provided that the acquisition of Shares by the Corporation for cancellation shall be disregarded for the purposes of determining non–compliance with this Section 3.7 for any Awards outstanding prior to such purchase of Shares for cancellation;
- (c) which may be reserved for issuance to any one Participant under the Plan together with all of the Corporation’s other previously established or proposed Security Based Compensation Arrangements shall not exceed five percent (5%) of the issued and outstanding Shares on the grant date or within any 12-month period (in each case on a non-diluted basis), unless the Corporation receives shareholder approval on a “disinterested” basis in compliance with the applicable policies of the Exchange;
- (d) issued to any one Consultant within any one (1) year period, under all of the Corporation’s Security Based Compensation Arrangements, shall not exceed two percent (2%) of the Corporation’s issued and outstanding Shares calculated as at the date any Award is granted or issued to the Consultant;
- (e) issued or issuable to Investor Relations Service Providers and all Participants providing investor relations activities within any one (1) year period, pursuant to any Options issued under the Corporation’s Security Based Compensation Arrangements, shall not exceed two percent (2%) of the Corporation’s issued and outstanding Shares calculated as at the date any Award is granted or issued to any such Investor Relations Service Provider (and including any Participant that performs Investor Relations Activities and/or whose sole role or duties primarily consist of Investor Relations Activities), it being understood that Investor Relations Service Providers may not receive any Awards other than Options for the provision of Investor Relations Activities;

- (f) Options granted to any person retained to provide Investor Relations Activities must vest in a period of not less than 12 months from the Date of Grant of the Award and with no more than twenty five percent (25%) of the Options vesting in any three month period, notwithstanding any other provision of this Plan; and
- (g) Awards, other than Options, must vest in a period of not less than 12 months from the Date of Grant of the Award.

3.8 Award Agreements

Other than in the case of DSUs, each Award under this Plan will be evidenced by an Award Agreement. Each Award Agreement will be subject to the applicable provisions of this Plan and will contain such provisions as are required by this Plan and any other provisions that the Plan Administrator may direct. Any one officer of the Corporation is authorized and empowered to execute and deliver, for and on behalf of the Corporation, an Award Agreement to a Participant granted an Award pursuant to this Plan.

3.9 Non-transferability of Awards

Except to the extent that certain rights may pass to a beneficiary or legal representative upon death of a Participant, by will or as required by law, no assignment or transfer of Awards, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such Awards whatsoever in any assignee or transferee and immediately upon any assignment or transfer, or any attempt to make the same, such Awards will terminate and be of no further force or effect. To the extent that certain rights to exercise any portion of an outstanding Award pass to a beneficiary or legal representative upon death of a Participant, the period in which such Award can be exercised by such beneficiary or legal representative shall not exceed one (1) year from the Participant's death.

ARTICLE 4 OPTIONS

4.1 Granting of Options

- (a) The Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant Options to any Participant. The terms and conditions of each Option grant shall be evidenced by an Award Agreement.
- (b) Notwithstanding any other provision of this Plan, at all times where the Shares are listed on the Exchange, the Corporation shall maintain timely disclosure and file appropriate documentation in connection with Option grants made under this Plan in accordance with Exchange Policy 4.4 – *Security Based Compensation*.

4.2 Exercise Price

The Plan Administrator will establish the Exercise Price at the time each Option is granted, which Exercise Price must in all cases be not less than the TSXV Market Price (taking into account the Discounted Market Price), on the Date of Grant.

4.3 Term of Options

Subject to any accelerated termination as set forth in this Plan, each Option expires on its Expiry Date, provided that, unless approval has been obtained pursuant to Section 10.2(a)(vi), no Option shall have an Expiry Date that exceeds ten (10) years from the Date of Grant.

4.4 Vesting and Exercisability

- (a) The Plan Administrator shall have the authority to determine the vesting terms applicable to grants of Options, provided that so long as the Shares are listed on the Exchange, such vesting terms are in compliance with Exchange Policy 4.4 – *Security Based Compensation*.
- (b) Once an Option becomes vested, it shall remain vested and shall be exercisable until expiration or termination of the Option, unless otherwise specified by the Plan Administrator, or as may be otherwise set forth in any written employment agreement, Award Agreement or other written agreement between the Corporation or a subsidiary of the Corporation and the Participant. Each vested Option may be exercised at any time or from time to time, in whole or in part, for up to the total number of Option Shares with respect to which it is then exercisable. The Plan Administrator has the right to accelerate the date upon which any Option becomes exercisable, provided that so long as the Shares are listed on the Exchange, such acceleration of the date upon which any Option becomes exercisable is in compliance with Exchange Policy 4.4 – *Security Based Compensation*. For greater certainty, the Plan Administrator does not have the right to accelerate the dates upon which any Option becomes exercisable as outlined in Section 3.7(f) of this Plan.
- (c) Subject to the provisions of this Plan and any Award Agreement, Options shall be exercised by means of a fully completed Exercise Notice delivered to the Corporation.
- (d) The Plan Administrator may provide at the time of granting an Option that the exercise of that Option is subject to restrictions, in addition to those specified in this Section 4.4, such as vesting conditions relating to the attainment of specified Performance Goals.

4.5 Payment of Exercise Price

- (a) Unless otherwise specified by the Plan Administrator at the time of granting an Option and set forth in the particular Award Agreement, the Exercise Notice must be accompanied by payment of the Exercise Price and payment of any withholding taxes, if applicable, in accordance with Section 6.3. The Exercise Price must be fully paid by certified cheque, wire transfer, bank draft or money order payable to the Corporation or by such other means as might be specified from time to time by the Plan Administrator, which may include (i) through an arrangement with a broker approved by the Corporation (or through an arrangement directly with the Corporation) whereby payment of the Exercise Price is accomplished with the proceeds of the sale of Shares deliverable upon the exercise of the Option, or (ii) such other consideration and method of payment for the issuance of Shares to the extent permitted by Securities Laws, or any combination of the foregoing methods of payment.
- (b) No Shares will be issued or transferred until full payment therefor has been received by the Corporation, or arrangements for such payment have been made to the satisfaction of the Plan Administrator.

ARTICLE 5 DEFERRED SHARE UNITS

5.1 Granting of DSUs

- (a) The Board may fix from time to time a portion of the Director Fees that is to be payable in the form of DSUs. In addition, each Electing Person is given, subject to the conditions stated herein, the right to elect in accordance with Section 5.1(b) to participate in the grant of additional DSUs pursuant to this Article 5. An Electing Person who elects to participate in the

grant of additional DSUs pursuant to this Article 5 shall receive their Elected Amount (as that term is defined below) in the form of DSUs. The “**Elected Amount**” shall be an amount, as elected by the Director, in accordance with applicable tax law, between fifty percent (50%) and one hundred percent (100%) of any Director Fees.

- (b) Each Electing Person who elects to receive their Elected Amount in the form of DSUs will be required to file a notice of election in the form of Schedule A hereto (the “**Election Notice**”) with the Chief Financial Officer of the Corporation: (i) in the case of an existing Electing Person, by June 15th in the year in which such election is to apply; and (ii) in the case of a newly appointed Electing Person who is not a U.S. Taxpayer, within 30 days of such appointment with respect to compensation paid for services to be performed after such date. In the case of the first year in which an Electing Person who is a U.S. Taxpayer first becomes an Electing Person under the Plan (or any plan required to be aggregated with the Plan under Section 409A), an initial Election Notice may be filed within 30 days of such appointment only with respect to compensation paid for services to be performed after the end of the 30-day election period. If no election is made within the foregoing time frames, the Electing Person shall be deemed to have elected to be paid 50% the Director Fees in cash and 50% through the grant of DSUs.
- (c) Subject to Subsection 5.1(d), the election of an Electing Person under Subsection 5.1(b) shall be deemed to apply to all Director Fees paid subsequent to the filing of the Election Notice. In the case of an Electing Person who is a U.S. Taxpayer, his or her election under Section 5.1(b) shall be deemed to apply to all Director Fees that are earned after the Election Date. An Electing Person is not required to file another Election Notice for subsequent calendar years unless such Electing Person would like to elect to change their Elected Amount.
- (d) Each Electing Person who is not a U.S. Taxpayer is entitled once per calendar year to terminate his or her election to receive DSUs by filing with the Chief Financial Officer of the Corporation a termination notice in the form of Schedule B. Such termination shall be effective immediately upon receipt of such notice, provided that the Corporation has not imposed a “black-out” on trading. Thereafter, any portion of such Electing Person’s Director Fees payable or paid in the same calendar year and, subject to complying with Subsection 5.1(b), all subsequent calendar years shall be paid in cash. For greater certainty, to the extent an Electing Person terminates his or her participation in the grant of DSUs pursuant to this Article 5, he or she shall not be entitled to elect to receive the Elected Amount, or any other amount of his or her Director Fees in DSUs again until the calendar year following the year in which the termination notice is delivered. An election by a U.S. Taxpayer to receive the Elected Amount in DSUs for any calendar year (or portion thereof) is irrevocable for that calendar year after the expiration of the election period for that year and any termination of the election will not take effect until the first day of the calendar year following the calendar year in which the termination notice in the form of Schedule A is delivered.
- (e) Any DSUs granted pursuant to this Article 5 prior to the delivery of a termination notice pursuant to Section 5.1(d) shall remain in the Plan following such termination and will be redeemable only in accordance with the terms of the Plan.
- (f) The number of DSUs granted at any particular time pursuant to this Article 5 will be calculated by dividing (i) the amount of Director Fees that are to be paid as DSUs, as determined by the Plan Administrator or Director Fees that are to be paid in DSUs (including any Elected Amount), by (ii) the Market Price of a Share on the Date of Grant.
- (g) In addition to the foregoing, the Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant DSUs to any Participant.

- (h) Notwithstanding any other provision of this Plan, no person retained to provide Investor Relations Activities shall receive any grant of DSUs in compliance with Exchange Policy 4.4 – *Security Based Compensation*.

5.2 DSU Account

All DSUs received by a Participant (which, for greater certainty includes Electing Persons) shall be credited to an account maintained for the Participant on the books of the Corporation, as of the Date of Grant.

5.3 Vesting of DSUs

The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of DSUs, provided that: (i) the terms comply with Section 409A, with respect to a U.S. Taxpayer; and (ii) the DSUs do not vest before the date that is one (1) year following the date such DSU is granted or issued.

5.4 Settlement of DSUs

Provided that all withholding taxes are paid by the Participant in accordance with Section 6.3, where applicable, DSUs shall be settled, for a Participant who is not a U.S. Taxpayer, on the date determined by the Participant (which date shall not be earlier than the Termination Date or later than the end of the first calendar year commencing after the Termination Date), and for a Participant who is a U.S. Taxpayer, the settlement date shall be the date determined by the Participant in accordance with the Election Notice (which date shall not be earlier than the “**separation from service**” (within the meaning of Section 409A)). On the settlement date for any DSU, the Participant shall redeem each vested DSU for one fully paid and non-assessable Share issued from treasury to the Participant or as the Participant may direct.

5.5 No Additional Amount or Benefit

For greater certainty, neither a Participant to whom DSUs are granted nor any person with whom such Participant does not deal at arm’s length (for purposes of the Tax Act) shall be entitled, either immediately or in the future, either absolutely or contingently, to receive or obtain any amount or benefit granted or to be granted for the purpose of reducing the impact, in whole or in part, of any reduction in the Market Price of the Shares to which the DSUs relate.

ARTICLE 6 ADDITIONAL AWARD TERMS

6.1 Dividend Equivalents

- (a) Unless otherwise determined by the Plan Administrator or as set forth in the particular Award Agreement, an Award of DSUs shall include the right for such DSUs be credited with dividend equivalents in the form of additional DSUs, respectively, as of each dividend payment date in respect of which normal cash dividends are paid on Shares. Such dividend equivalents shall be computed by dividing: (a) the amount obtained by multiplying the amount of the dividend declared and paid per Share by the number of DSUs held by the Participant on the record date for the payment of such dividend, by (b) the Market Price at the close of the first Business Day immediately following the dividend record date, with fractions computed to three decimal places. Dividend equivalents credited to a Participant’s account shall vest in proportion to the DSUs to which they relate, and shall be settled in accordance with Subsection 5.4.
- (b) Dividend equivalents in the form of DSUs shall be subject to the limits of the Plan as set out in Subsection 3.7, and should such limits be reached, the Corporation may pay such dividends in cash in order to satisfy such obligations.

- (c) The foregoing does not obligate the Corporation to declare or pay dividends on Shares and nothing in this Plan shall be interpreted as creating such an obligation.

6.2 Black-out Period

In the event that an Award expires, has a redemption date or has a settlement date, at a time when a scheduled blackout is in place in accordance with the policies of the Corporation or an *bona fide* undisclosed material change or material fact in the affairs of the Corporation exists, the expiry, redemption date or settlement date of such Award will be the date that is 10 Business Days after which such scheduled blackout terminates or there is no longer such undisclosed material change or material fact. Notwithstanding the foregoing, the extension of the redemption time or settlement date for an Award as provided in this Section 6.2 is subject to a cease trade order (or similar order under Securities Laws) in respect of the securities of the Corporation.

6.3 Withholding Taxes

Notwithstanding any other terms of this Plan, the granting, vesting or settlement of each Award under this Plan is subject to the condition that if at any time the Plan Administrator determines, in its discretion, that the satisfaction of withholding tax or other withholding liabilities is necessary or desirable in respect of such grant, vesting or settlement, such action is not effective unless such withholding has been effected to the satisfaction of the Plan Administrator. In such circumstances, the Plan Administrator may require that a Participant pay to the Corporation such amount as the Corporation or a subsidiary of the Corporation is obliged to withhold or remit to the relevant taxing authority in respect of the granting, vesting or settlement of the Award. Any such additional payment is due no later than the date on which such amount with respect to the Award is required to be remitted to the relevant tax authority by the Corporation or a subsidiary of the Corporation, as the case may be. Alternatively, and subject to any requirements or limitations under applicable law, the Corporation or any Affiliate may (a) withhold such amount from any remuneration or other amount payable by the Corporation or any Affiliate to the Participant, (b) require the sale, on behalf of the applicable Participant, of a number of Shares issued upon exercise, vesting, or settlement of such Award and the remittance to the Corporation of the net proceeds from such sale sufficient to satisfy such amount, or (c) enter into any other suitable arrangements for the receipt of such amount.

6.4 Recoupment

Notwithstanding any other terms of this Plan, Awards may be subject to potential cancellation, recoupment, rescission, payback or other action in accordance with the terms of any clawback, recoupment or similar policy adopted by the Corporation or the relevant subsidiary of the Corporation, or as set out in the Participant's employment agreement, Award Agreement or other written agreement, or as otherwise required by law or the rules of the Exchange. The Plan Administrator may at any time waive the application of this Section 6.4 to any Participant or category of Participants.

6.5 Hold Period

The granting of an Award (i) to Insiders, or (ii) where the Exercise Price is at a discount to the TSXV Market Price, shall be subject to a four-month hold period in compliance with the policies of the Exchange.

ARTICLE 7 TERMINATION OF EMPLOYMENT OR SERVICES

7.1 Termination of Employee, Consultant or Director

Subject to Section 7.2, unless otherwise determined by the Plan Administrator or as set forth in an employment agreement, Award Agreement or other written agreement:

- (a) where a Participant's employment, consulting agreement or arrangement is terminated or the Participant ceases to hold office or his or her position, as applicable, by reason of voluntary resignation by the Participant or termination by the Corporation or a subsidiary of the Corporation for Cause, then any Option or other Award held by the Participant that has not been exercised, surrendered or settled as of the Termination Date shall be immediately forfeited and cancelled as of the Termination Date;
- (b) where a Participant's employment, consulting agreement or arrangement is terminated by the Corporation or a subsidiary of the Corporation without Cause (whether such termination occurs with or without any or adequate reasonable notice, or with or without any or adequate compensation in lieu of such reasonable notice), then any unvested Options or other Awards which would otherwise vest or become exercisable in accordance with its terms based solely on the Participant remaining in the service of the Corporation or a subsidiary on or prior to the date that is 90 days after the Termination Date shall immediately vest. Any vested Options may be exercised by the Participant at any time during the period that terminates on the earlier of: (A) the Expiry Date of such Option; and (B) the date that is 90 days after the Termination Date. If an Option remains unexercised upon the earlier of (A) or (B), the Option shall be immediately forfeited and cancelled for no consideration upon the termination of such period. In the case of a vested Award other than an Option, that is held by a Participant who is not a U.S. Taxpayer, such Award will be settled within 90 days after the Termination Date. In the case of vested DSUs, such DSUs will be settled in accordance with the Participant's Election Notice (Schedule A hereto);
- (c) where a Participant's employment, consulting agreement or arrangement terminates on account of his or her becoming Disabled, then any Award held by the Participant that has not vested as of the date of the Participant's Termination Date shall vest on such date. Any vested Option may be exercised by the Participant at any time until the Expiry Date of such Option. Any vested Award other than an Option, that is held by a Participant that is not a U.S. Taxpayer, will be settled within 90 days after the Termination Date. In the case of vested DSUs, such DSUs will be settled in accordance with the Participant's Election Notice (Schedule A hereto);
- (d) where a Participant's employment, consulting agreement or arrangement is terminated by reason of the death of the Participant, then any Award that is held by the Participant that has not vested as of the date of the death of such Participant shall vest on such date. Any vested Option may be exercised by the Participant's beneficiary or legal representative (as applicable) at any time during the period that terminates on the earlier of: (A) the Expiry Date of such Option; and (B) the first anniversary of the date of the death of such Participant. If an Option remains unexercised upon the earlier of (A) or (B), the Option shall be immediately forfeited and cancelled for no consideration upon the termination of such period. In the case of a vested Award other than an Option, that is held by a Participant that is not a U.S. Taxpayer, such Award will be settled with the Participant's beneficiary or legal representative (as applicable) within 90 days after the date of the Participant's death. In the case of vested DSUs, such DSUs will be settled in accordance with the Participant's Election Notice (Schedule A hereto);
- (e) where a Participant's employment, consulting agreement or arrangement is terminated due to the Participant's Retirement, then (i) any outstanding Award that vests or becomes exercisable in accordance with its terms based solely on the Participant remaining in the service of the Corporation or a subsidiary will become one hundred percent (100%) vested, and (ii) any outstanding Award that vests based on the achievement of Performance Goals and that has not previously become vested shall continue to be eligible to vest based upon the actual achievement of such Performance Goals. Any vested Option may be exercised by the Participant at any time during the period that terminates on the earlier of: (A) the Expiry Date of such Option; and (B) the first anniversary of the Participant's date of Retirement. If an

Option remains unexercised upon the earlier of (A) or (B), the Option shall be immediately forfeited and cancelled for no consideration upon the termination of such period. In the case of a vested Award other than an Option that is described in (i), such Award will be settled within 90 days after the Participant's Retirement. In the case of a vested Award other than an Option that is described in (ii), such Award will be settled at the same time the Award would otherwise have been settled had the Participant remained in active service with the Corporation or a subsidiary. Notwithstanding the foregoing, if, following his or her Retirement, the Participant commences (the "**Commencement Date**") employment, consulting or acting as a director of the Corporation or any of its subsidiaries (or in an analogous capacity) or otherwise as a service provider to any Person that carries on or proposes to carry on a business competitive with the Corporation or any of its subsidiaries, any Option or other Award held by the Participant that has not been exercised or settled as of the Commencement Date shall be immediately forfeited and cancelled as of the Commencement Date;

- (f) a Participant's eligibility to receive further grants of Options or other Awards under this Plan ceases as of:
 - (i) the date that the Corporation or a subsidiary of the Corporation, as the case may be, provides the Participant with written notification that the Participant's employment, consulting agreement or arrangement is terminated, notwithstanding that such date may be prior to the Termination Date; or
 - (ii) the date of the death, Disability or Retirement of the Participant; and
- (g) notwithstanding Subsection 7.1(b), unless the Plan Administrator, in its discretion, otherwise determines, at any time and from time to time, but with due regard for Section 409A, Options or other Awards are not affected by a change of employment or consulting agreement or arrangement, or directorship within or among the Corporation or a subsidiary of the Corporation for so long as the Participant continues to be a Director, Employee or Consultant, as applicable, of the Corporation or a subsidiary of the Corporation.

7.2 Discretion to Permit Acceleration

Notwithstanding the provisions of Section 3.7(g) and Section 7.1, the Plan Administrator may, in its discretion, at any time prior to, or following the events contemplated in Section 7.1, or in an employment agreement, Award Agreement or other written agreement between the Corporation or a subsidiary of the Corporation and the Participant, permit the acceleration of vesting of any or all Awards or waive termination of any or all Awards (subject to compliance with Exchange Policy 4.4 – *Security Based Compensation*), all in the manner and on the terms as may be authorized by the Plan Administrator, taking into consideration the requirements of Section 409A of the Code, to the extent applicable, with respect to Awards of U.S. Taxpayers.

ARTICLE 8 EVENTS AFFECTING THE CORPORATION

8.1 General

The existence of any Awards does not affect in any way the right or power of the Corporation or its shareholders to make, authorize or determine any adjustment, recapitalization, reorganization or any other change in the Corporation's capital structure or its business, or any amalgamation, combination, arrangement, merger or consolidation involving the Corporation, to create or issue any bonds, debentures, Shares or other securities of the Corporation or to determine the rights and conditions attaching thereto, to effect the dissolution or liquidation of the Corporation or any sale or transfer of all or any part of its assets or business, or to effect any other corporate

act or proceeding, whether of a similar character or otherwise, whether or not any such action referred to in this Article 8 would have an adverse effect on this Plan or on any Award granted hereunder.

8.2 Change in Control

Except as may be set forth in an employment agreement, Award Agreement or other written agreement between the Corporation or a subsidiary of the Corporation and the Participant:

- (a) Subject to this Section 8.2, but notwithstanding anything else in this Plan or any Award Agreement, the Plan Administrator may, without the consent of any Participant, take such steps as it deems necessary or desirable, including to cause (i) the conversion or exchange of any outstanding Awards into or for, rights or other securities of substantially equivalent value, as determined by the Plan Administrator in its discretion, in any entity participating in or resulting from a Change in Control; (ii) outstanding Awards to vest and become exercisable, realizable, or payable, or restrictions applicable to an Award to lapse, in whole or in part prior to or upon consummation of such merger or Change in Control, and, to the extent the Plan Administrator determines, terminate upon or immediately prior to the effectiveness of such merger or Change in Control; (iii) the termination of an Award in exchange for an amount of cash and/or property, if any, equal to the amount that would have been attained upon the exercise or settlement of such Award or realization of the Participant's rights as of the date of the occurrence of the transaction (and, for the avoidance of doubt, if as of the date of the occurrence of the transaction the Plan Administrator determines in good faith that no amount would have been attained upon the exercise or settlement of such Award or realization of the Participant's rights, then such Award may be terminated by the Corporation without payment); (iv) the replacement of such Award with other rights or property selected by the Board of Directors in its sole discretion where such replacement would not adversely affect the holder; or (v) any combination of the foregoing. In taking any of the actions permitted under this Section 8.2(a), the Plan Administrator will not be required to treat all Awards similarly in the transaction. Notwithstanding the foregoing, in the case of Options held by a Canadian Taxpayer, the Plan Administrator may not cause the Canadian Taxpayer to receive (pursuant to this Subsection 8.2(a)) any property in connection with a Change in Control other than rights to acquire shares or units of a "mutual fund trust" (as defined in the Tax Act), of the Corporation or a "qualifying person" (as defined in the Tax Act) that does not deal at arm's length (for purposes of the Tax Act) with the Corporation, as applicable, at the time such rights are issued or granted.
- (b) Notwithstanding Section 7.1, and except as otherwise provided in a written employment or other agreement between the Corporation or a subsidiary of the Corporation and a Participant, if within 12 months following the completion of a transaction resulting in a Change in Control, a Participant's employment, consultancy or directorship is terminated by the Corporation or a subsidiary of the Corporation without Cause:
 - (i) any unvested Awards held by the Participant at the Termination Date shall immediately vest; and
 - (ii) any vested Awards of Participants may be exercised, surrendered or settled by such Participant at any time during the period that terminates on the earlier of: (A) the Expiry Date of such Award; and (B) the date that is 90 days after the Termination Date, provided that any vested Awards (other than Options) granted to U.S. Taxpayers will be settled within 90 days of the Participant's "separation from service". Any Award that has not been exercised, surrendered or settled at the end of such period will be immediately forfeited and cancelled.

- (c) Notwithstanding Subsection 8.2(a) and unless otherwise determined by the Plan Administrator, if, as a result of a Change in Control, the Shares will cease trading on an Exchange, then the Corporation may terminate all of the Awards, other than an Option held by a Canadian Taxpayer for the purposes of the Tax Act, granted under this Plan at the time of and subject to the completion of the Change in Control transaction by paying to each holder at or within a reasonable period of time following completion of such Change in Control transaction an amount for each Award (whether vested or otherwise) equal to the fair market value of the Award held by such Participant as determined by the Plan Administrator, acting reasonably, provided that any vested Awards granted to U.S. Taxpayers will be settled within 90 days of the Change in Control.
- (d) It is intended that any actions taken under this Section 8.2 will comply with the requirements of Section 409A of the Code with respect to Awards granted to U.S. Taxpayers.

8.3 Reorganization of Corporation's Capital

Should the Corporation effect a subdivision or consolidation of Shares or any similar capital reorganization or a payment of a stock dividend (other than a stock dividend that is in lieu of a cash dividend), or should any other change be made in the capitalization of the Corporation that does not constitute a Change in Control and that would warrant the amendment or replacement of any existing Awards in order to adjust the number of Shares that may be acquired on the vesting of outstanding Awards and/or the terms of any Award in order to preserve proportionately the rights and obligations of the Participants holding such Awards, the Plan Administrator will, subject to the prior approval of the Exchange, authorize such steps to be taken as it may consider to be equitable and appropriate to that end.

8.4 Other Events Affecting the Corporation

In the event of an amalgamation, combination, arrangement, merger or other transaction or reorganization involving the Corporation and occurring by exchange of Shares, by sale or lease of assets or otherwise, that does not constitute a Change in Control and that warrants the amendment or replacement of any existing Awards in order to adjust the number and/or type of Shares that may be acquired, or by reference to which such Awards may be settled, on the vesting of outstanding Awards and/or the terms of any Award in order to preserve proportionately the rights and obligations of the Participants holding such Awards, the Plan Administrator will, subject to the prior approval of the Exchange, authorize such steps to be taken as it may consider to be equitable and appropriate to that end.

8.5 Immediate Acceleration of Awards

In taking any of the steps provided in Sections 8.3 and 8.4, the Plan Administrator will not be required to treat all Awards similarly and where the Plan Administrator determines that the steps provided in Sections 8.3 and 8.4 would not preserve proportionately the rights, value and obligations of the Participants holding such Awards in the circumstances or otherwise determines that it is appropriate, the Plan Administrator may, but is not required to, permit the immediate vesting of any unvested Awards, provided that any such adjustments or acceleration of vesting undertaken pursuant to Sections 8.3, 8.4 or 8.5 shall be undertaken only to the extent they will not result in adverse tax consequences under Section 409A of the Code, and provided that so long as the Shares are listed on the Exchange, such acceleration of vesting is in compliance with Exchange Policy 4.4 – *Security Based Compensation*. For greater certainty, the Plan Administrator does not have the right to accelerate the dates of vesting as outlined in Section 3.7(g) of this Plan.

8.6 Issue by Corporation of Additional Shares

Except as expressly provided in this Article 8, neither the issue by the Corporation of shares of any class or securities convertible into or exchangeable for shares of any class, nor the conversion or exchange of such shares

or securities, affects, and no adjustment by reason thereof is to be made with respect to the number of Shares that may be acquired as a result of a grant of Awards.

8.7 Fractions

No fractional Shares will be issued pursuant to an Award. Accordingly, if, as a result of any adjustment under this Article 8 or a dividend equivalent, a Participant would become entitled to a fractional Share, the Participant has the right to acquire only the adjusted number of full Shares and no payment or other adjustment will be made with respect to the fractional Shares, which shall be disregarded.

ARTICLE 9 U.S. TAXPAYERS

9.1 Provisions for U.S. Taxpayers

Options granted under this Plan to U.S. Taxpayers may be non-qualified stock options or incentive stock options qualifying under Section 422 of the Code (“**ISOs**”). Each Option shall be designated in the Award Agreement as either an ISO or a non-qualified stock option. If an Award Agreement fails to designate an Option as either an ISO or non-qualified stock option, the Option will be a non-qualified stock option. The Corporation shall not be liable to any Participant or to any other Person if it is determined that an Option intended to be an ISO does not qualify as an ISO. Non-qualified stock options will be granted to a U.S. Taxpayer only if (i) such U.S. Taxpayer performs services for the Corporation or any corporation or other entity in which the Corporation has a direct or indirect controlling interest or otherwise has a significant ownership interest, as determined under Section 409A, such that the Option will constitute an option to acquire “**service recipient stock**” within the meaning of Section 409A, or (ii) such option otherwise is exempt from Section 409A.

9.2 ISOs

Subject to any limitations in this Plan and specifically in Section 3.6, the aggregate number of Shares reserved for issuance in respect of granted ISOs shall not exceed 10,000,000 Shares, and the terms and conditions of any ISOs granted to a U.S. Taxpayer on the Date of Grant hereunder, including the eligible recipients of ISOs, shall be subject to the provisions of Section 422 of the Code, and the terms, conditions, limitations and administrative procedures established by the Plan Administrator from time to time in accordance with this Plan. At the discretion of the Plan Administrator, ISOs may only be granted to an individual who is an employee of the Corporation, or of a “parent corporation” or “subsidiary corporation” of the Corporation, as such terms are defined in Sections 424(e) and (f) of the Code.

9.3 ISO Grants to 10% Shareholders

Notwithstanding anything to the contrary in this Plan, if an ISO is granted to a person who owns shares representing more than ten percent (10%) of the voting power of all classes of shares of the Corporation or of a “parent corporation” or “subsidiary corporation”, as such terms are defined in Section 424(e) and (f) of the Code, on the Date of Grant, the term of the Option shall not exceed five years from the time of grant of such Option and the Exercise Price shall be at least one hundred and ten percent (110%) of the Market Price of the Shares subject to the Option.

9.4 \$100,000 Per Year Limitation for ISOs

To the extent the aggregate Market Price as at the Date of Grant of the Shares for which ISOs are exercisable for the first time by any person during any calendar year (under all plans of the Corporation and any “parent corporation” or “subsidiary corporation”, as such terms are defined in Section 424(e) and (f) of the Code) exceeds US\$100,000, such excess ISOs shall be treated as non-qualified stock options.

9.5 Disqualifying Dispositions

Each person awarded an ISO under this Plan shall notify the Corporation in writing immediately after the date he or she makes a disposition or transfer of any Shares acquired pursuant to the exercise of such ISO if such disposition or transfer is made (a) within two years from the Date of Grant or (b) within one year after the date such person acquired the Shares. Such notice shall specify the date of such disposition or other transfer and the amount realized, in cash, other property, assumption of indebtedness or other consideration, by the person in such disposition or other transfer. The Corporation may, if determined by the Plan Administrator and in accordance with procedures established by it, retain possession of any Shares acquired pursuant to the exercise of an ISO as agent for the applicable person until the end of the later of the periods described in (a) or (b) above, subject to complying with any instructions from such person as to the sale of such Shares.

9.6 Section 409A of the Code

- (a) This Plan will be construed and interpreted to be exempt from, or where not so exempt, to comply with Section 409A of the Code to the extent required to preserve the intended tax consequences of this Plan. Any reference in this Plan to Section 409A of the Code shall also include any regulation promulgated thereunder or any other formal guidance issued by the Internal Revenue Service with respect to Section 409A of the Code. Each Award shall be construed and administered such that the Award either (A) qualifies for an exemption from the requirements of Section 409A of the Code or (B) satisfies the requirements of Section 409A of the Code. If an Award is subject to Section 409A of the Code, (I) distributions shall only be made in a manner and upon an event permitted under Section 409A of the Code, (II) payments to be made upon a termination of employment or service shall only be made upon a “separation from service” under Section 409A of the Code, (III) unless the Award specifies otherwise, each installment payment shall be treated as a separate payment for purposes of Section 409A of the Code, and (IV) in no event shall a Participant, directly or indirectly, designate the calendar year in which a distribution is made except in accordance with Section 409A of the Code. To the extent that an Award or payment, or the settlement or deferral thereof, is subject to Section 409A of the Code, the Award will be granted, paid, settled or deferred in a manner that will meet the requirements of Section 409A of the Code, such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Section 409A of the Code. Payment of any Award that is intended to be exempt from Section 409A of the Code as a short-term deferral shall in all events be paid by no later than March 15 of the year following the year of the applicable vesting event. The Corporation reserves the right to amend this Plan to the extent it reasonably determines is necessary in order to preserve the intended tax consequences of this Plan in light of Section 409A of the Code. In no event will the Corporation or any of its subsidiaries or Affiliates be liable for any tax, interest or penalties that may be imposed on a Participant under Section 409A of the Code or any damages for failing to comply with Section 409A of the Code.
- (b) All terms of the Plan that are undefined or ambiguous must be interpreted in a manner that complies with Section 409A of the Code if necessary to comply with Section 409A of the Code.
- (c) The Plan Administrator, in its sole discretion, may permit the acceleration of the time or schedule of payment of a U.S. Taxpayer’s vested Awards in the Plan under circumstances that constitute permissible acceleration events under Section 409A of the Code.
- (d) Notwithstanding any provisions of the Plan to the contrary, in the case of any “specified employee” within the meaning of Section 409A of the Code who is a U.S. Taxpayer, distributions of non-qualified deferred compensation under Section 409A of the Code made in connection with a “separation from service” within the meaning set forth in Section 409A of the Code may not be made prior to the date which is six months after the date of Separation

from Service (or, if earlier, the date of death of the U.S. Taxpayer). Any amounts subject to a delay in payment pursuant to the preceding sentence shall be paid as soon practicable following such six-month anniversary of such Separation from Service.

9.7 Section 83(b) Election

If a Participant makes an election pursuant to Section 83(b) of the Code with respect to an Award of Shares subject to vesting or other forfeiture conditions, the Participant shall be required to promptly file a copy of such election with the Corporation.

9.8 Application of Article 9 to U.S. Taxpayers

For greater certainty, the provisions of this Article 9 shall only apply to U.S. Taxpayers.

ARTICLE 10 AMENDMENT, SUSPENSION OR TERMINATION OF THE PLAN

10.1 Amendment, Suspension, or Termination of the Plan

The Plan Administrator may from time to time, without notice and without approval of the holders of voting shares of the Corporation, amend, modify, change, suspend or terminate the Plan or any Awards granted pursuant to the Plan as it, in its discretion determines appropriate, provided, however, that:

- (a) no such amendment, modification, change, suspension or termination of the Plan or any Awards granted hereunder may materially impair any rights of a Participant or materially increase any obligations of a Participant under the Plan without the consent of the Participant, unless the Plan Administrator determines such adjustment is required or desirable in order to comply with any applicable Securities Laws or Exchange requirements; and
- (b) any amendment that would cause an Award held by a U.S. Taxpayer to be subject to income inclusion under Section 409A of the Code shall be null and void *ab initio* with respect to the U.S. Taxpayer unless the consent of the U.S. Taxpayer is obtained.

10.2 Shareholder Approval

- (a) Notwithstanding Section 10.1 and subject to any rules of the Exchange, approval of the holders of Shares shall be required for any amendment, modification or change that:
 - (i) increases the percentage of Shares reserved for issuance under the Plan, except pursuant to the provisions under Article 8 which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Corporation or its capital;
 - (ii) amends an amending provision within the Plan;
 - (iii) reduces the Exercise Price of an Option (for this purpose, a cancellation or termination of an Option of a Participant prior to its Expiry Date for the purpose of reissuing an Option to the same Participant with a lower Exercise Price shall be treated as an amendment to reduce the Exercise Price of an Option) except pursuant to the provisions in the Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Corporation or its capital;

- (iv) extends the term of an Option beyond the original Expiry Date (except where an Expiry Date would have fallen within a blackout period applicable to the Participant or within 10 Business Days following the expiry of such a blackout period);
 - (v) amends Participants eligible to be granted or issued Awards under the Plan;
 - (vi) permits an Option to be exercisable beyond 10 years from its Date of Grant (except where an Expiry Date would have fallen within a blackout period of the Corporation);
 - (vii) changes the eligible Participants of the Plan;
 - (viii) proposes to amend any material term of this Plan, such proposed amendment having first received the approval of a majority of the Board of the Corporation; or
 - (ix) deletes or reduces the range of amendments which require approval of shareholders under this Section 10.2.
- (b) The Corporation is required to obtain shareholder approval on a “disinterested” basis in compliance with the applicable policies of the Exchange in the following circumstances:
- (i) reduces the Exercise Price or purchase price of an Award benefiting an Insider;
 - (ii) extends the term of an Award benefiting an Insider;
 - (iii) increases or removes the ten percent (10%) limits on Shares issuable or issued to Insiders as set forth in Section 3.7(a) and (b); and
 - (iv) the issuance to any Participant, within a 12-month period, of a number of Shares exceeding five percent (5%) of the issued and outstanding Shares.
- (c) The Corporation shall be required to obtain Exchange acceptance of any amendment to this Plan.

10.3 Permitted Amendments

Without limiting the generality of Section 10.1, but subject to Section 10.2, the Plan Administrator may, without shareholder approval, at any time or from time to time, amend the Plan for the purposes of:

- (a) making any amendments to the general vesting provisions of each Award, provided that so long as the Shares are listed on the Exchange, such amendments to the general vesting provisions of each Award are in compliance with Exchange Policy 4.4 – *Security Based Compensation* and such amendments are not contrary to Sections 3.7(f) and 3.7(g) of this Plan;
- (b) making any amendments to the provisions set out in Article 7;
- (c) making any amendments to add covenants of the Corporation for the protection of Participants, as the case may be, provided that the Plan Administrator shall be of the good faith opinion that such additions will not be prejudicial to the rights or interests of the Participants, as the case may be;
- (d) making any amendments not inconsistent with the Plan as may be necessary or desirable with respect to matters or questions which, in the good faith opinion of the Plan Administrator, having in mind the best interests of the Participants, it may be expedient to make, including

amendments that are desirable as a result of changes in law in any jurisdiction where a Participant resides, provided that the Plan Administrator shall be of the opinion that such amendments and modifications will not be prejudicial to the interests of the Participants and Directors; or

- (e) making such changes or corrections which, on the advice of counsel to the Corporation, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error, provided that the Plan Administrator shall be of the opinion that such changes or corrections will not be prejudicial to the rights and interests of the Participants.

ARTICLE 11 MISCELLANEOUS

11.1 Legal Requirement

The Corporation is not obligated to grant any Awards, issue any Shares or other securities, make any payments or take any other action if, in the opinion of the Plan Administrator, in its sole discretion, such action would constitute a violation by a Participant or the Corporation of any provision of any applicable statutory or regulatory enactment of any government or government agency or the requirements of any Exchange upon which the Shares may then be listed.

11.2 No Other Benefit

No amount will be paid to, or in respect of, a Participant under the Plan to compensate for a downward fluctuation in the price of a Share, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose.

11.3 Rights of Participant

No Participant has any claim or right to be granted an Award and the granting of any Award is not to be construed as giving a Participant a right to remain as an Employee, Consultant or Director. No Participant has any rights as a shareholder of the Corporation in respect of Shares issuable pursuant to any Award until the allotment and issuance to such Participant, or as such Participant may direct, of certificates representing such Shares.

11.4 Corporate Action

Nothing contained in this Plan or in an Award shall be construed so as to prevent the Corporation from taking corporate action which is deemed by the Corporation to be appropriate or in its best interest, whether or not such action would have an adverse effect on this Plan or any Award.

11.5 Conflict

In the event of any conflict between the provisions of this Plan and an Award Agreement, the provisions of the Award Agreement shall govern. In the event of any conflict between or among the provisions of this Plan or any Award Agreement, on the one hand, and a Participant's employment agreement with the Corporation or a subsidiary of the Corporation, as the case may be, on the other hand, the provisions of the employment agreement or other written agreement shall prevail.

11.6 Anti-Hedging Policy

By accepting an Award each Participant acknowledges that he or she is restricted from purchasing financial instruments such as prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of Awards.

11.7 Participant Information

Each Participant shall provide the Corporation with all information (including personal information) required by the Corporation in order to administer the Plan. Each Participant acknowledges that information required by the Corporation in order to administer the Plan may be disclosed to any custodian appointed in respect of the Plan and other third parties, and may be disclosed to such persons (including persons located in jurisdictions other than the Participant's jurisdiction of residence), in connection with the administration of the Plan. Each Participant consents to such disclosure and authorizes the Corporation to make such disclosure on the Participant's behalf.

11.8 Participation in the Plan

The participation of any Participant in the Plan is entirely voluntary and not obligatory and shall not be interpreted as conferring upon such Participant any rights or privileges other than those rights and privileges expressly provided in the Plan. In particular, participation in the Plan does not constitute a condition of employment or engagement nor a commitment on the part of the Corporation to ensure the continued employment or engagement of such Participant. The Plan does not provide any guarantee against any loss which may result from fluctuations in the market value of the Shares. The Corporation does not assume responsibility for the income or other tax consequences for the Participants and Directors and they are advised to consult with their own tax advisors.

11.9 International Participants

With respect to Participants who reside or work outside Canada and the United States, the Plan Administrator may, in its sole discretion, amend, or otherwise modify, without shareholder approval, the terms of the Plan or Awards with respect to such Participants in order to conform such terms with the provisions of local law, and the Plan Administrator may, where appropriate, establish one or more sub-plans to reflect such amended or otherwise modified provisions.

11.10 Successors and Assigns

The Plan shall be binding on all successors and assigns of the Corporation and its subsidiaries.

11.11 General Restrictions or Assignment

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

11.12 Severability

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

11.13 Notices

All written notices to be given by a Participant to the Corporation shall be delivered personally, e-mail or mail, postage prepaid, addressed as follows:

Next Hydrogen Solutions Inc.

6610 Edwards Blvd
Mississauga, ON
L5T 2V6

Attention: Kasia Malz - Chief Financial Officer
Email: kmalz@nexthydrogen.com

All notices to a Participant will be addressed to the principal address of the Participant on file with the Corporation. Either the Corporation or the Participant may designate a different address by written notice to the other. Such notices are deemed to be received, if delivered personally or by e-mail, on the date of delivery, and if sent by mail, on the fifth Business Day following the date of mailing. Any notice given by either the Participant or the Corporation is not binding on the recipient thereof until received.

11.14 Governing Law

This Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein, without any reference to conflicts of law rules.

11.15 Submission to Jurisdiction

The Corporation and each Participant irrevocably submits to the exclusive jurisdiction of the courts of competent jurisdiction in the Province of British Columbia in respect of any action or proceeding relating in any way to the Plan, including, without limitation, with respect to the grant of Awards and any issuance of Shares made in accordance with the Plan.

SCHEDULE A
ELECTION NOTICE

EQUITY INCENTIVE PLAN
(THE "PLAN")

NEXT HYDROGEN SOLUTIONS INC.

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

Pursuant to the Plan, I hereby elect to participate in the grant of DSUs pursuant to Article 5 of the Plan and to receive ____% of my Director Fees in the form of DSUs.

If I am a U.S. Taxpayer, I hereby further elect for any DSUs subject to this Election Notice to be settled on the later of (i) my "separation from service" (within the meaning of Section 409A) or (ii) **[insert date]**.

I confirm that:

- (a) I have received and reviewed a copy of the terms of the Plan and agreed to be bound by them.
- (b) I recognize that when DSUs credited pursuant to this election are redeemed in accordance with the terms of the Plan, income tax and other withholdings as required will arise at that time. Upon redemption of the DSUs, the Corporation will make all appropriate withholdings as required by law at that time.
- (c) The value of DSUs is based on the value of the Shares of the Corporation and therefore is not guaranteed.
- (d) To the extent I am a U.S. Taxpayer, I understand that this election is irrevocable for the calendar year to which it applies and that any revocation or termination of this election after the expiration of the election period will not take effect until the first day of the calendar year following the year in which I file the revocation or termination notice with the Corporation.

The foregoing is only a brief outline of certain key provisions of the Plan. For more complete information, reference should be made to the Plan's text.

Date: _____

(Name of Participant)

(Signature of Participant)

SCHEDULE B
ELECTION TO TERMINATE RECEIPT OF ADDITIONAL DSUS

EQUITY INCENTIVE PLAN
(THE "PLAN")

NEXT HYDROGEN SOLUTIONS INC.

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

Notwithstanding my previous election in the form of Schedule A to the Plan, I hereby elect that no portion of the Cash Fees accrued after the date hereof shall be paid in DSUs in accordance with Article 5 of the Plan.

I understand that the DSUs already granted under the Plan cannot be redeemed except in accordance with the Plan.

I confirm that I have received and reviewed a copy of the terms of the Plan and agree to be bound by them.

Date:

(Name of Participant)

(Signature of Participant)

Note: An election to terminate receipt of additional DSUs can only be made by a Participant once in a calendar year.

SCHEDULE C
ELECTION TO TERMINATED RECEIPT OF ADDITIONAL DSUS (U.S. TAXPAYERS)

EQUITY INCENTIVE PLAN
(THE "PLAN")

NEXT HYDROGEN SOLUTIONS INC.

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

Notwithstanding my previous election in the form of Schedule A to the Plan, I hereby elect that no portion of the Cash Fees accrued after the effective date of this termination notice shall be paid in DSUs in accordance with **Error! Reference source not found.** of the Plan.

I understand that this election to terminate receipt of additional DSUs will not take effect until the first day of the calendar year following the year in which I file this termination notice with the Corporation.

I understand that the DSUs already granted under the Plan cannot be redeemed except in accordance with the Plan.

I confirm that I have received and reviewed a copy of the terms of the Plan and agree to be bound by them.

Date:

(Name of Participant)

(Signature of Participant)

Note: An election to terminate receipt of additional DSUs can only be made by a Participant once in a calendar year.

SCHEDULE "B"
AUDIT COMMITTEE CHARTER

(see attached)

NEXT HYDROGEN SOLUTIONS INC.

AUDIT COMMITTEE CHARTER

This charter governs the operations of the audit committee (the “**Committee**”) of Next Hydrogen Solutions Inc. (the “**Corporation**”). The Committee shall report to the Board of Directors (the “**Board**”) of the Corporation.

I. PURPOSE

- (a) The primary function of the Committee is to assist the Board in fulfilling its responsibilities regarding the integrity of the Corporation’s financial statements including the financial reporting process and systems of internal controls, the compliance by the Corporation with legal and regulatory requirements and the qualifications, performance and independence of the Corporation’s external auditor by reviewing:
 - (i) the financial information that will be provided to the shareholders, regulatory authorities and others;
 - (ii) the systems of internal controls management has established;
 - (iii) all audit processes;
 - (iv) all reporting from the external auditors.
- (b) Primary responsibility for the financial reporting, information systems, risk management and internal controls of the Corporation is vested in management and is overseen by the Board. While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Corporation’s financial statements are complete and accurate and are in accordance with generally accepted accounting principles. These are the responsibilities of management and the external auditor. Nor is it the duty of the Committee to conduct investigations, to resolve disagreements, if any, between management and the external auditor or to assure compliance with laws and regulations.

II. COMPOSITION AND OPERATIONS

- (a) The Committee shall be composed of not fewer than three directors, all of whom shall not be officers, employees, consultants or control persons of the Corporation or any of its related legal entities.
- (b) The Committee shall review and reassess this Charter periodically.
- (c) All Committee members shall be financially literate, or shall become financially literate within a reasonable period of time after appointment to the Committee.
- (d) The Corporation’s auditors shall be advised of the names of the Committee members and when appropriate will receive notice of and be invited to attend meetings of the Committee and to be heard at those meetings on matters relating to the auditor’s duties.

- (e) The Committee shall meet with the external auditors as it deems appropriate to consider any matter that the Committee or auditors determine should be brought to the attention of the Board or shareholders.
- (f) The Committee shall meet at least four times each year.
- (g) The Committee shall have access to the Corporation's senior management and documents as required to fulfill its responsibilities and is provided with the resources necessary to carry out its responsibilities.
- (h) The Committee shall provide open avenues of communication among management, employees, external auditors and the Board.
- (i) Notice of the time and place of every meeting shall be given to each Committee member at least 48 hours prior to the meeting.
- (j) A majority of the voting membership of the Committee present in person or by telephone or other electronic telecommunication device shall constitute a quorum.
- (k) The President, Chief Executive Officer and Chief Financial Officer and external auditor would be expected to be available to attend meetings or portions thereof. The external auditors would meet at least annually with the Committee. Others may or may not attend the meetings at the sole discretion of the Committee.
- (l) Minutes of Committee meetings shall be approved by the Committee and sent to all directors of the Board.

III. DUTIES AND RESPONSIBILITIES

(a) Financial Statements and Other Financial Information

The Committee will review and recommend for approval to the Board financial information that will be made publicly available. This includes:

- (i) the Corporation's annual and quarterly financial statements;
- (ii) the Corporation's press releases and reports as they relate to the finances of the Corporation;
- (iii) the Management Discussion and Analysis;
- (iv) the financial content of the Annual Report;
- (v) any annual information form, prospectus or private placement memorandums; and
- (vi) any reports required by regulatory or government authorities as they relate to the finances of the Corporation.

The Committee will review and discuss:

- (vii) the appropriateness of accounting policies and financial reporting practices to be adopted by the Corporation;
- (viii) any significant proposed changes in financial reporting and accounting policies and practices to be adopted by the Corporation;
- (ix) any new or pending developments in accounting and reporting standards that may affect the Corporation;
- (x) ascertain compliance with the covenants under applicable loan agreements;
- (xi) management's key estimates and judgments that may be material to financial reporting; and
- (xii) any other matters required to be reviewed under applicable legal, regulatory or stock exchange requirements.

(b) Risk Management, Internal Control and Information Systems

The Committee will review and obtain reasonable assurance that the risk management, internal control and information systems are operating effectively to produce accurate, appropriate and timely management and financial information. This includes:

- (i) review the Corporation's risk management controls and policies;
- (ii) obtain reasonable assurance that the information systems are reliable and the systems of internal controls are properly designed and effectively implemented through discussions with and reports from management and the external auditor;
- (iii) review management steps to implement and maintain appropriate internal control procedures including a review of policies;
- (iv) review adequacy of security of information, information systems and recovery plans;
- (v) monitor compliance with statutory and regulatory obligations;
- (vi) review the appointment of the Chief Financial Officer; and
- (vii) review the adequacy of accounting and finance resources.

(c) External Audit

The Committee will review the planning and results of external audit activities and the ongoing relationship with the external auditor. This includes:

- (i) review and recommend to the Board, for shareholder approval, engagement of the external auditor including, as part of such review and recommendation, an evaluation of the external auditors qualifications, independence and performance;

- (ii) review and approve the annual external audit plan, including but not limited to the following:
 - 1. engagement letter;
 - 2. objectives and scope of the external audit work;
 - 3. procedures for quarterly review of financial statements;
 - 4. materiality limit;
 - 5. areas of audit risk;
 - 6. staffing;
 - 7. timetable; and
 - 8. proposed fees.
- (iii) meet with the external auditor to discuss the Corporation's quarterly and annual financial statements and the auditor's report including the appropriateness of accounting policies and underlying estimates;
- (iv) review and advise the Board with respect to the planning, conduct and reporting of the annual audit, including but not limited to:
 - 1. any difficulties encountered, or restrictions imposed by management during the annual audit;
 - 2. any significant accounting or financial reporting issue including the resolution of any disagreement between management and the external auditors;
 - 3. the auditor's evaluation of the Corporation's system of internal controls, procedures and documentation;
 - 4. the post audit or management letter containing any findings or recommendation of the external auditor, including management's response thereto and the subsequent follow-up to any identified internal control weakness; and
 - 5. assess the performance and consider the annual appointment of external auditors for recommendation to the Board;
- (v) review and receive assurances on the independence of the external auditor;
- (vi) review the non-audit services to be provided by the external auditor's firm and consider the impact on the independence of the external audit; and
- (vii) meet quarterly with the external auditor without management present.
- (d) Other
 - (i) review material litigation and its impact on financial reporting; and
 - (ii) establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal controls or auditing matters and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
- (e) The Committee shall also review and assess the adequacy of the reporting systems and related internal controls developed and implemented by management in connection with

disclosures relating to environmental, social and governance ("ESG") matters and other non-financial data included in the Corporation's sustainability disclosure.

IV. ACCOUNTABILITY

The committee shall report its discussions to the Board by distributing the minutes of its meetings and where appropriate, by oral report at the next Board meeting.

V. STANDARDS OF LIABILITY

Nothing contained in this Charter is intended to expand applicable standards of liability under statutory, regulatory or other legal requirements for the Board or members of the Committee. The purposes and responsibilities outlined in these terms of reference are meant to serve as guidelines rather than inflexible rules and the Committee may adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities.

Adopted approved by the Board: August _____, 2021.