



**KNEAT.COM, INC.**

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

**and**

**MANAGEMENT INFORMATION CIRCULAR**

**Office of Fogler, Rubinoff LLP  
77 King Street West, Suite 3000  
Toronto, Ontario, Canada, M5K 1G8**

**May 23, 2023  
10:00 a.m. EST**

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**Circular dated April 18, 2023**

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**KNEAT.COM, INC.**  
**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

**NOTICE** is hereby given that the Annual and Special Meeting (the "**Meeting**") of the shareholders (the "**Shareholders**") of kneat.com, inc. (the "**Company**") will be held at the office of Fogler, Rubinoff LLP, 77 King Street West, Suite 3000, in the city of Toronto, in the Province of Ontario, on Tuesday May 23, 2023, at 10:00 a.m. (Eastern Time) for the following purposes:

- (i) to receive and consider the audited consolidated financial statements of the Company for the fiscal year-ended December 31, 2022, together with the report of the auditor thereon;
- (ii) to elect directors of the Company for the forthcoming year;
- (iii) to re-appoint KPMG LLP as auditors for the forthcoming year, at a remuneration to be fixed by the directors;
- (iv) to consider and, if deemed advisable, to pass an ordinary resolution, confirming and approving amendments to the Company's omnibus equity incentive plan, a copy of which is set out in Appendix "B" to the accompanying management information circular (the "**Circular**"), and as more fully described in the section of the Circular entitled "*Particulars of Matters to be Acted Upon – Approval of Amendments to the Omnibus Equity Incentive Plan*"; and
- (v) to transact other business as may be brought before the Meeting or adjournment thereof.

The Company's board of directors has fixed the close of business on April 18, 2023, as the record date for determining Shareholders entitled to receive notice of, and to vote at, the Meeting and any postponement or adjournment of the Meeting. A form of proxy solicited by management of the Company in respect of the Meeting is enclosed herewith.

Shareholders who are unable to be present at the Meeting are requested to sign the enclosed form of proxy and return it in the envelope provided for that purpose. To be effective, the form of proxy must be received at the offices of Computershare, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, by not later than 10:00 a.m. (Eastern Time) on May 18, 2023 or, if the Meeting is adjourned, not later than 48 hours, excluding Saturdays, Sundays or holidays, preceding the time of such adjourned Meeting, or in either case by such later date and time as the board of directors of the Company may determine in its sole discretion. The accompanying Circular provides additional information relating to the matters to be dealt with at the Meeting.

DATED at the City of Halifax, in the Province of Nova Scotia, this 18th day of April, 2023.

BY ORDER OF THE BOARD OF DIRECTORS,

Signed: "*Ian Ainsworth*"

Ian Ainsworth, Chairman of the Board of Directors

**KNEAT.COM, INC.**

**Office of Fogler, Rubinoff LLP  
77 King Street West, Suite 3000  
Toronto, Ontario, Canada, M5K 1G8**

**MANAGEMENT INFORMATION CIRCULAR  
as at April 18, 2023 unless otherwise noted**

**GENERAL VOTING AND PROXY INFORMATION**

**Solicitation of Proxies**

This management information circular (the "Circular") is furnished in connection with the solicitation by the management of kneat.com, inc. ("kneat.com", "Kneat" or the "Company") of proxies to be used at the annual and special meeting (the "Meeting") of shareholders of the Company (the "Shareholders"), and any adjournment thereof, to be held at the time and place and for the purposes set forth in the accompanying notice of meeting (the "Notice of Meeting"). The solicitation of proxies is intended to be primarily by mail but may also be made by telephone, fax, email, or other electronic means of communication or in person by the directors and officers of the Company. The Company does not reimburse Shareholders, nominees or agents for their costs of obtaining authorization from their principals to sign forms of proxy. All costs of solicitation by management will be borne by the Company.

**Appointment and Revocation of Proxies**

***General***

Shareholders may be "**Registered Shareholders**" or "**Non-Registered Shareholders**". If common shares of the Company (the "**Common Shares**") are registered in the name of an intermediary and not registered in the Shareholder's name, they are said to be owned by a "Non-Registered Shareholder". An intermediary is usually a bank, trust company, securities dealer or broker, or a clearing agency in which an intermediary participates. The instructions provided below set forth the different procedures for voting Common Shares at the Meeting to be followed by Registered Shareholders and Non-Registered Shareholders.

The persons named in the enclosed form of proxy are officers and/or directors of the Company. **Each Shareholder has the right to appoint a person or company (who need not be a Shareholder) to attend and act for him/her at the Meeting other than the persons designated in the enclosed form of proxy. Shareholders who have given a proxy also have the right to revoke it insofar as it has not been exercised.** The right to appoint an alternate proxyholder and the right to revoke a proxy may be exercised by following the procedures set out below under "*Registered Shareholders*" or "*Non-Registered Shareholders*", as applicable.

If any Shareholder receives more than one proxy or voting instruction form, it is because that Shareholder's Common Shares are registered in more than one form. In such cases, Shareholders should sign and submit all proxies or voting instruction forms received by them in accordance with the instructions provided.

## **Registered Shareholders**

Registered Shareholders have two methods by which they can vote their Common Shares at the Meeting, namely in person or by proxy. To assure representation at the Meeting, Registered Shareholders are encouraged to return the proxy included with this Circular. Voting by proxy will not prevent a Registered Shareholder from voting in person if they attend the Meeting and duly revoke their previously granted proxy but will ensure that their vote is counted if they are unable to attend the Meeting. Registered Shareholders who do not plan to attend the Meeting or do not wish to vote in person can vote by proxy.

Completed forms of proxy must be deposited at the office of the Company's registrar and transfer agent, Computershare Investor Services Inc. ("**Computershare**"), 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1 not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

Any Registered Shareholder who has returned a proxy may revoke it at any time before it has been exercised. In addition to revocation in any other manner permitted by law, a Registered Shareholder, his attorney authorized in writing or, if the Registered Shareholder is a corporation, a corporation under its corporate seal or by an officer or attorney thereof duly authorized, may revoke a proxy by instrument in writing, including a proxy bearing a later date. The instrument revoking the proxy must be deposited at the registered office of the Company, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or with the chairman of the Meeting on the day of the Meeting or an adjournment thereof.

## ***Non-Registered Shareholders***

Non-Registered Shareholders who have not objected to their intermediary disclosing certain ownership information about themselves to the Company are referred to as "**NOBOs**". Non-Registered Shareholders who have objected to their intermediary disclosing the ownership information about themselves to the Company are referred to as "**OBOs**".

Pursuant to National Instrument 54-101 of the Canadian Securities Administrators ("**NI 54-101**"), the Company has distributed copies of proxy-related materials in connection with this Meeting (including this Circular) directly to NOBOs and indirectly to OBOs.

The Company is not relying on the notice and access delivery procedures outlined in NI 54-101 to distribute copies of proxy-related materials in connection with the Meeting.

The Company will not be paying for intermediaries to deliver to OBOs (who have not otherwise waived their right to receive proxy-related materials) copies of the proxy-related materials and related documents. Accordingly, an OBO will not receive copies of the proxy-related materials and related documents unless the OBO's intermediary assumes the costs of delivery.

## ***Meeting Materials Received by OBOs from Intermediaries***

OBOs who receive meeting materials will typically be given the ability to provide voting instructions in one of two ways:

- (i) Usually, an OBO will be given a Voting Instruction Form ("**VIF**"), which must be completed and signed by the OBO in accordance with the instructions provided by the intermediary. In this case, the mechanisms described above for Registered Shareholders cannot be used and the instructions provided by the intermediary must be followed.
- (ii) Occasionally, an OBO may be given a proxy that has already been signed by the intermediary. This form of proxy is restricted to the number of Common Shares owned by the OBO but is otherwise not completed. This form of proxy does not need to be signed by the OBO but must be completed by the OBO and returned to Computershare in the manner described above for Registered Shareholders.

The purpose of these procedures is to allow OBOs to direct the proxy voting of the Common Shares that they own but that are not registered in their name. **Should an OBO who receives either a form of proxy or a VIF wish to attend and vote at the Meeting in person (or have another person attend and vote on their behalf), the OBO should strike out the names of the persons designated on the enclosed form of proxy and insert the OBO's name (or the name of his or her alternate appointee) in the blank space provided for that purpose or, in the case of a VIF, follow the corresponding instructions provided by the intermediary.** In either case, OBOs who received meeting materials from their intermediary should carefully follow the instructions provided by the intermediary. To exercise the right to revoke a proxy, an OBO who has completed a proxy (or a VIF, as applicable) should carefully follow the instructions provided by the intermediary.

Proxies returned by intermediaries as "non-votes" because the intermediary has not received instructions from the OBO with respect to the voting of certain Common Shares or, under applicable stock exchange or other rules, the intermediary does not have the discretion to vote those Common Shares on one or more of the matters that come before the Meeting, will be treated as not entitled to vote on any such matter and will not be counted as having been voted in respect of any such matter. Common Shares represented by such "non-votes" will, however, be counted in determining whether there is a quorum.

#### Meeting Materials Received by NOBOs from the Company

As permitted under NI 54-101, the Company has used a NOBO list to send the meeting materials directly to the NOBOs whose names appear on that list. If you are a NOBO and the Company's transfer agent, Computershare, has sent these materials directly to you, your name and address and information about your holdings of Common Shares have been obtained from the intermediary holding such Common Shares on your behalf in accordance with applicable securities regulatory requirements.

As a result, any NOBO of the Company can expect to receive a scannable VIF from Computershare. Please complete and return the VIF to Computershare in the envelope provided. In addition, telephone voting and internet voting are available as further described in the VIF. Instructions in respect of the procedure for telephone and internet voting can be found in the VIF. Computershare will tabulate the results of the VIFs received from the Company's NOBOs and will provide appropriate instructions at the Meeting with respect to the Common Shares represented by the VIFs received by Computershare.

By choosing to send these materials to you directly, the Company (and not the intermediary holding Common Shares on your behalf) has assumed responsibility for (i) delivering these materials to you; and (ii) executing your proper voting instructions. The intermediary holding Common Shares on your behalf has appointed you as the proxyholder of such Common Shares and therefore you can provide your voting instructions by completing the proxy included with this Circular in the same way as a **Registered**

Shareholder. Please refer to the information under the heading "Registered Shareholders" for a description of the procedure to return a proxy, your right to appoint another person or company to attend the meeting and your right to revoke the proxy.

Although a Non-Registered 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 Non-Registered Shareholder may attend the Meeting as proxyholder for the Registered Shareholder and vote the Common Shares in that capacity. Non-Registered 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 in accordance with the instructions provided.

### **Exercise of Proxies**

Where a choice is specified, the Common Shares represented by proxy will be voted for, withheld from voting or voted against, as directed by the Shareholders, on any poll or ballot that may be called. **Where no choice is specified, the proxy will confer discretionary authority and will be voted in favour of all matters referred to on the form of proxy. The proxy also confers discretionary authority on the persons designated in the proxy to vote for, withhold from voting, or vote against amendments or variations to the matters identified in the Notice of Meeting and with respect to other matters not specifically mentioned in the Notice of Meeting but which may properly come before the Meeting.**

Management has no present knowledge of any amendments or variations to matters identified in the Notice of Meeting or any business that will be presented at the Meeting other than that referred to in the Notice of Meeting. However, if any other matters properly come before the Meeting, it is the intention of the person named in the enclosed instrument appointing proxy to vote in accordance with the recommendations of the management of the Company.

### **Voting Shares and Principal Holders Thereof**

The Company is authorized to issue an unlimited number of Common Shares without nominal or par value. As at the date of this Circular, there are 77,692,911 Common Shares issued and outstanding, each of which carries the right to one vote at meetings of the Shareholders. Persons who are Registered Shareholders at the close of business on April 18, 2023 (the "**Record Date**") are entitled to receive notice of and vote at the Meeting and will be entitled to one vote for each Common Share held.

As at the Record Date, to the knowledge of directors and officers of the Company, the following persons beneficially owned, directly or indirectly, or exercised control or direction over, more than 10% of the voting Common Shares of the Company.

<b>Name and place of business</b>	<b>Number of Common Shares held</b>	<b>Percentage</b>
<b>Beek Investments Limited <sup>(1)</sup></b>	<b>13,536,023</b>	<b>17.4%</b>

1) Beek Investments Ltd. is controlled by certain officers of the Company.

## **Quorum**

The by-laws of the Company provide that two persons present in person or represented by proxy holding or representing in the aggregate not less than 10% of the Common Shares and entitled to vote at the meeting constitute a quorum for the meeting.

## **Interest of Certain Persons or Companies in Matters to Be Acted Upon**

No director or executive officer of the Company, nor any person who has held such a position since incorporation, nor any nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors and the approval of amendments to the Company's omnibus equity incentive plan (the "**Omnibus Plan**" or the "**Plan**") (insofar as such directors and/or officers hold stock options and/or deferred share units and restricted share units. See: "*Particulars of Matters to be Acted Upon*" and "*Executive Compensation*" below for particulars on the options and deferred share units, held by directors and officers).

## **PARTICULARS OF MATTERS TO BE ACTED UPON**

### **Audited Financial Statements**

The audited financial statements of the Company for the fiscal year-ended December 31, 2022, and the report of the auditor thereon will be submitted to the Meeting. Receipt at such Meeting of the auditor's report and the Company's financial statements for the above noted fiscal period will not constitute approval or disapproval of any matters referred to therein.

### **Election of Directors**

Directors of the Company are elected annually by the Shareholders and will hold office until the next annual meeting of Shareholders, or until his/her successor is duly elected or appointed, unless: (i) his/her office is earlier vacated in accordance with the articles and by-laws of kneat.com; or (ii) he/she becomes disqualified to act as a director. The constating documents of the Company provide that the number of directors to be elected shall be a minimum of one (1) and a maximum of ten (10). A board of **six** (6) directors is to be elected at the Meeting.

The term of office of all present directors of the Company expires at the Meeting. Management has been informed by each nominee that he/she is willing to stand for election or re-election, as applicable, and serve as a director. Each of the directors will be elected on an individual basis.

The Company's board of directors (the "**Board of Directors**" or the "**Board**") has unanimously adopted a majority voting policy in director elections that will apply at any meeting of Shareholders where an uncontested election of directors is held. Pursuant to this policy, if the number of proxy votes withheld for a particular director nominee is greater than the votes for such director, the director nominee will be required to submit his or her resignation to the Chairman of the Board promptly following the applicable Shareholders' meeting.

Following receipt of the resignation, the Board will consider whether or not to accept the offer of resignation. In considering whether or not to accept the resignation, the Board will consider all factors deemed relevant by its members.

The Board will be expected to accept the resignation except in situations where the considerations would warrant the applicable director to continue to serve on the Board. The Board will publicly disclose its final decision within 90 days following the Meeting. A director who tenders his or her resignation pursuant to this policy will not participate in any meeting of the Board at which the resignation is considered.

**In the absence of instructions to the contrary, the Common Shares represented by a properly executed form of proxy in favour of the persons designated by management of the Company will be voted FOR the election as directors of the nominees whose names are set forth below.**

Name and Municipality of Residence and Date First Became a Director	Present Principal Occupation	Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly <sup>(1)</sup> at the date of this Circular	Percentage of Total Outstanding Common Shares at the date of this Circular
Ian Ainsworth <sup>(2)(3)</sup> Toronto, Ontario, Canada June 27, 2016	Chairman of the Company and General Partner of Extreme Venture Partners Inc.	1,843,428 <sup>(6)</sup>	2.37%
Nutan Behki <sup>(2)(5)</sup> Ottawa, Ontario, Canada May 24, 2021	Assistant Deputy Minister, Shared Services Canada, Government of Canada	Nil	Nil
Wade Dawe <sup>(3)</sup> Halifax, Nova Scotia, Canada January 14, 2014	Chairman and Chief Executive Officer of Numus Financial Inc. and President and Chief Executive Officer of Brigus Capital Inc.	5,645,115 <sup>(7)</sup>	7.27%
Kevin Fitzgerald Clare, Republic of Ireland June 27, 2016	Co-founder and Chief Product Officer of the Company	4,021,475 <sup>(8)</sup>	5.18%
Edmund Ryan Cork, Republic of Ireland June 27, 2016	Co-founder and Chief Executive Officer of the Company	4,021,475 <sup>(8)</sup>	5.18%
Carol Leaman <sup>(4)</sup> Kitchener, Ontario, Canada January 31, 2022	Chief Executive Officer of Axonify	Nil	Nil

- 1) The information as to Common Shares beneficially owned or over which control or direction is exercised, not being within the knowledge of the Company, has been furnished by the respective parties.
- 2) Member of the Audit Committee.
- 3) Member of the Nominations and Compensation Committee.
- 4) Chairman of the Audit Committee.
- 5) Chairman of the Nominations and Compensation Committee.
- 6) 500 Common Shares are owned by Mr. Ainsworth directly; 1,842,928 Common Shares are owned indirectly.
- 7) 1,873,587 Common Shares are owned by Mr. Dawe directly 3,771,528 Common Shares are owned indirectly

- 8) Mr. Fitzgerald and Mr. Ryan combined directly own 33,334 shares and indirectly own 8,009,616 shares through Beek Investments Ltd. Beek Investments Ltd. holds a total of 13,536,023 shares or approximately 17.4% of the voting Common Shares of the Company.

As at the date hereof, the directors and executive officers of the Company as a group owned beneficially, directly or indirectly, controlled or exercised direction over 19,552,968 Common Shares representing approximately 25% of the outstanding Common Shares.

The following are brief profiles of the directors of the Company, including a brief description of each individual's principal occupation within the past five years.

*Mr. Ian Ainsworth – Chairman*

Mr. Ainsworth has over thirty years of experience building and managing large investment teams, operating in both public and private markets in Europe and North America. He has managed large funds on behalf of private and institutional clients with a keen interest in healthcare and information technology. As former managing director and Chief Investment Officer of one of Canada's leading mutual fund companies, he won several awards for investment performance. Mr. Ainsworth has a Master of Business Administration in Finance and is a Chartered Financial Analyst.

*Mrs. Nutan Behki – Director*

Mrs. Behki has managed global technology teams for more than 25 years, in companies ranging from small startups to large multinational corporations. She is experienced in developing cloud native products at scale, using modern quality processes and Agile development methods. In her current position as Assistant Deputy Minister, Shared Services Canada, Mrs. Behki is responsible for managing large infrastructure and cybersecurity projects for the Government of Canada. She has held previous roles leading research and development, pre-sales, professional services, and as the general manager of a \$1 billion global wireless business. Mrs. Behki holds a Bachelor's degree in Systems Engineering from the University of Waterloo, and a Master's degree in Engineering from Queen's University

*Mr. Wade Dawe – Director*

Mr. Dawe is an accomplished entrepreneur, financier and investor based in Halifax, Nova Scotia. During his career, he has completed transactions valued in excess of \$2 billion. As a founder or partner, he has successfully grown and sold companies in technology, medical services, mining, and oil & gas. He is currently the Chairman and CEO of Numus Financial Inc., and serves on corporate boards, public and private. He believes in giving back to his community and generously supports charitable causes each year. Wade is originally from Newfoundland, holds a Bachelor of Commerce degree from Memorial University ("MUN") where he sits on the President's Advisory Council, and he is also a fellow of the Creative Destruction Lab (CDL) in Halifax, Nova Scotia.

*Mr. Kevin Fitzgerald – Director and Chief Product Officer*

Mr. Fitzgerald is a co-founder of the Company and currently serves as the Chief Product Officer. He has more than twenty five years of experience in design and project management within the pharmaceutical manufacturing industry and research and development of regulatory information technology products for the life sciences industry. Mr. Fitzgerald holds a Bachelor of Engineering (Electronic Engineering) from the University of Limerick.

*Mr. Edmund Ryan – Director and Chief Executive Officer*

Mr. Ryan is a co-founder of the Company and currently serves as the Chief Executive Officer. He has over fifteen years of experience in design, production and project management within pharmaceutical manufacturing and more than fifteen years of experience in regulated information technology

development and sales to the life sciences industry. Mr. Ryan has managed multidisciplinary pharmaceutical projects on behalf of blue-chip companies. He also headed Irish sales for multi-national manufacturers of capital and consumable pharmaceutical equipment. Mr. Ryan holds a Bachelor of Engineering (Mechanical Engineering) from the University of Limerick and a post graduate diploma in International Sales and Marketing from the Dublin Institute of Technology.

*Ms. Carol Leaman – Director*

Ms. Leaman is the CEO of Axonify, a SaaS-based training and communications platform for the frontline used in over 150 countries. Over the past 20 years, Ms. Leaman has built a track record of successfully leading technology companies. Prior to Axonify, she was the CEO of PostRack Inc., a social engagement analytics platform that she sold to Google. She was also the CEO at a number of other technology firms, including RSS Solutions and Fakespace Systems. Ms. Leaman is a celebrated entrepreneur and awardwinning thought leader whose articles appear in leading learning, business, and technology publications. Carol sits on the Boards of several Canadian high-tech organizations. Ms. Leaman holds a BA, a Masters of Accounting (MAcc) and a Fellow of Chartered Professional Accountants (FCPA) designation.

**Orders, Penalties and Bankruptcies**

To the knowledge of the Company, no director to be nominated for election at the Meeting:

- (a) is at the date of this Circular, or has been, within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Company) that:
  - (i) was subject to 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,
- (b) is at the date of this Circular, or has been, within 10 years before the date hereof, a director or executive officer of any company (including the Company) that, while such nominee was acting in that capacity, or within a year of such nominee ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within 10 years before the date hereof, 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 such nominee.

For the purposes of the above section, the term "order" means:

- (i) a cease trade order;
- (ii) an order similar to a cease trade order; or

- (iii) an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days.

To the knowledge of the Company, as of the date hereof, no director nominated for election at the Meeting has been subject to:

- (a) 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
- (b) any other penalties or sanctions imposed by a court or regulatory body.

### **CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS**

The following information has been furnished by the directors or officers of the Company.

#### ***Cease Trade Orders***

To the Company's knowledge, no director, at the date of this Circular, or was within the 10 years before the date of this Circular, a director that:

- (a) while such person was acting in that capacity, was the subject of a cease trade or similar order, or an order that denied the relevant company access to any exemptions under securities legislation, for a period of more than 30 consecutive days (an "Order"); or
- (b) was subject to an Order that was issued, after such person ceased to be a director, and which resulted from an event that occurred while that person was acting in the capacity as director.

#### ***Penalties or Sanctions***

To the Company's knowledge, no director, has been subject to

- (a) 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
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

#### ***Bankruptcies***

To the Company's knowledge, no director or officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

- (a) is, as at the date of this Management Information Circular, or has been within the 10 years before the date of this Management Information Circular, a director or officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any **legislation relating**

to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, state the fact; or

- (b) has, within the 10 years before the date of this Management 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 director, executive officer or shareholder.

### **Appointment of Auditors**

Management recommends the appointment of KPMG LLP as auditors of the Company to hold office until the close of the next annual meeting of the Shareholders and to authorize the Board to fix the remuneration of the auditors. KPMG LLP were first appointed as auditors of the Company on October 1, 2020. This resolution requires the approval of a simple majority of the votes cast at the Meeting, in person or by proxy, in order to be approved.

**In the absence of instructions to the contrary, the Common Shares represented by a properly executed form of proxy in favour of the persons designated by management of the Company will be voted FOR the re-appointment of KPMG LLP as auditors of the Company.**

### **Approval of Amendments to the Omnibus Equity Incentive Plan**

At the Meeting, Shareholders will be asked to consider and if thought fit, to approve an ordinary resolution to adopt certain amendments to the Omnibus Plan, which was last approved by shareholders on June 1, 2022. A copy of the Omnibus Plan in its amended form is attached hereto as Appendix "B". The main proposed amendment to the Omnibus Plan is to amend the total number of RSUs, DSUs, and Options reserved and available for the grant and issuance under the Omnibus Plan as follows: (i) the number of Options reserved and available for grant and issuance shall not exceed 6% of the total issued and outstanding Common Shares from time to time; and (ii) the number of Common Shares reserved for issuance pursuant to the settlement of RSUs and DSUs shall not exceed 9% of the total issued and outstanding Common Shares from time to time.

The Company's compensation program, including under the Omnibus Plan, provides for total compensation for executives and employees in various roles that is comprised of a base salary (fixed cash amount), short-term incentives (annual, discretionary cash bonus), and medium to long term equity-based incentives (the granting of stock options, deferred share units and restricted share units under the Omnibus Plan). See "*Statement of Executive Compensation*".

The following is a description of the key terms of the amended Omnibus Plan, which is qualified in its entirety by reference to the full text of the Omnibus Plan in its amended form, a copy of which is attached as Appendix "B" to this Circular.

### **Summary of Material Terms**

All directors, officers, employees and "**Consultants**" (as defined in the Omnibus Plan) of the Company and/or its affiliates ("**Eligible Participants**") are eligible to receive awards of Common Share purchase

options ("**Options**"), restricted share units ("**RSUs**"), and deferred share units ("**DSUs**" and collectively with Options and RSUs, "**Awards**").

The Omnibus Plan provides the Board with the flexibility to make broader and different forms of equity awards for the Eligible Participants and thereby maintain a competitive compensation structure. Further, the use of a wider range of equity-based compensation as part of a total compensation package gives the Board more flexibility in setting the base salaries of the various Eligible Participants. This gives the Company greater control over the management of its fixed cash expenses in the area of employee compensation.

Under the amended Omnibus Plan, the total number of Common Shares reserved and available for grant and issuance pursuant to the granting of Options shall not exceed 6% of the total issued and outstanding Common Shares from time to time.

Under the amended Omnibus Plan, the total number of Common Shares reserved issuance pursuant to the settlement of RSUs and DSUs shall not exceed 9% of the total issued and outstanding Common Shares from time to time.

The aggregate number of Common Shares for which Awards may be issued to any one participant in any 12-month period shall not exceed 5% of the outstanding Common Shares, unless the Company obtains disinterested shareholder approval as required by the policies of the TSX. The aggregate number of Common Shares for which Awards may be issued to any one Consultant within any 12-month period shall not exceed 2% of the outstanding Common Shares, calculated on the date an Award is granted to the Consultant. The aggregate number of Common Shares for which Options may be issued to any persons retained to provide investor relation activities within any 12-month period shall not exceed 2% of the outstanding Shares, calculated on the date an Option is granted to such persons. Subject to adjustment, the aggregate number of Common Shares: (i) issued to "**Insiders**" (as defined in the Omnibus Plan) under the Omnibus Plan or any other form of plan within any 12-month period; and (ii) issuable to Insiders at any time under the Plan or any other plan, shall in each case not exceed 10% of the total issued and outstanding Shares of the Corporation (on a non-diluted basis) from time to time.

The Board may provide the circumstances in which Awards shall be exercised, vested, paid or forfeited in the event a participant ceases to provide service to the Company or any affiliate of the Company prior to the end of a performance period or exercise or settlement of such Award. Upon a participant ceasing to be an Eligible Participant for cause, all unexercised, vested or unvested Awards granted to such participant shall terminate on the effective date of the termination as specified in the notice of termination, and in the case of a participant ceasing to be an Eligible Participant for any reason (other than for cause, resignation or death), the number of Awards that may vest is subject to pro ration over the applicable vesting or performance period and shall expire on the earlier of 90 days after the effective date of the "**Termination Date**" (as defined in the Omnibus Plan), or the expiry date of the Awards. If a participant ceases to be an Eligible Participant due to their resignation, subject to any later expiration dates determined by the Board, all Awards shall expire on the earlier of 90 days after the effective date of such resignation, or the expiry date of the Award, to the extent such Awards were vested and exercisable by the participant on the effective date of such resignation and all unexercised unvested Awards granted to such participant shall terminate on the effective date of such resignation. If a participant dies while in his or her capacity as an Eligible Participant, all unvested Awards will immediately vest and all Awards will expire 180 days after the death of such Participant.

On the occurrence of a Change in Control (as such term is defined in the Omnibus Plan) and unless otherwise provided in an Award Agreement (as such term is defined in the Omnibus Plan) or a written employment contract between the Corporation and a participant and except as otherwise set out as follows, the Board, may provide that: (1) the successor corporation or entity will assume each Award or replace it with a substitute Award on terms substantially similar to the existing Award; (2) the Awards will be surrendered for a cash payment made by the successor corporation or entity equal to the fair market value thereof; or (3) any combination of the foregoing will occur, provided that the replacement of any Option with a substitute Option shall comply with the provisions of subsection 7(1.4) of the *Income Tax Act* (Canada) and the replacement of any Award with a substitute Option, DSU or RSU shall be such that the substitute Award shall continuously be governed by section 7 of the *Income Tax Act* (Canada).

If within 12 months following a Change of Control (unless otherwise provided in an Award Agreement or a written employment contract between the Company and a participant), a participant or a participant's service, consulting relationship, or employment with the Company, or continuing entity is terminated without cause, or the participant resigns from his or her employment as a result of either (i) the Corporation requiring the participant to be based at a location in excess of one hundred (100) kilometers from the location of the participant's principal job location or office immediately prior to a Change of Control; or (ii) a reduction in the participant's base salary, or a substantial reduction in the participant's target compensation under any incentive compensation plan, as in effect as of the date of a Change of Control, then all Awards then held by such participant (and, if applicable, the time during which such Awards may be exercised) shall immediately vest. In the event that an Award is subject to vesting upon the attainment of "**Performance Criteria**" (as defined in the Omnibus Plan), then the number of Options or RSUs that shall immediately vest will be determined by multiplying the Award Agreement by the pro rata Performance Criteria achieved by the Termination Date.

The Board may amend the Omnibus Plan or any Award at any time without the consent of a participant provided that such amendment shall (i) not adversely alter or impair any Award previously granted except as permitted by the terms of the Omnibus Plan, (ii) be in compliance with applicable law and subject to any regulatory approvals including, where required, the approval of the TSX, and (iii) be subject to shareholder approval, where required by law, the requirements of the TSX or the Omnibus Plan, provided however that shareholder approval shall not be required for the following amendments and the Board may make any changes which may include but are not limited to: (A) amendments of a general housekeeping or clerical nature that, among others, clarify, correct or rectify any ambiguity, defective provision, error or omission in the Omnibus Plan; and (B) changes that alter, extend or accelerate the terms of vesting or settlement applicable to any Award provided that for Options it does not entail an extension beyond the original expiry date.

As described in the Omnibus Plan, the following amendments require the approval of Shareholders: (i) a change to the maximum number of Common Shares that may be made the subject of Awards under the Omnibus Plan; (ii) any amendment which reduces the exercise price of any Award, as applicable, after such Awards have been granted or any cancellation of an Award and the substitution of that Award by a new Award with a reduced price; (iii) any amendment which extends the expiry date of any Award, or the restriction period of any RSU beyond the original expiry date; (iv) any amendment which would have the potential of broadening or increasing participation by insiders; (v) any amendment which would permit any Award granted under the Omnibus Plan to be transferable or assignable by any participant other than for normal estate settlement purposes; (vi) any amendment which increases the maximum number of Common Shares that may be (a) issuable to insiders, associates of such insiders, consultants or persons retained to provide investor relation activities at any time; or (b) issued to insiders, associates of such

insiders, consultants or persons retained to provide investor relations activities under the Omnibus Plan and any other proposed or established share compensation arrangement in a one-year period; (vii) increase limits imposed on the participation of non-employee directors that are not officers or employees of the Company; (viii) otherwise cause the Omnibus Plan to cease to comply with any tax or regulatory requirement, including for these purposes any approval or other requirement; or (ix) any amendment to the amendment provisions of the Omnibus Plan. Common Shares held directly or indirectly by insiders benefiting from the amendments in sections (ii) and (iii) above shall be excluded when obtaining such shareholder approval.

The Board may, subject to regulatory approval, discontinue the Omnibus Plan at any time without the consent of the participants provided that such discontinuance shall not materially and adversely affect any Awards previously granted to a Participant under the Omnibus Plan.

The Board (or the designate committee of the Board) may, by resolution, but subject to applicable regulatory approvals, decide that any of the provisions of the Omnibus Plan concerning the effect of termination of the participant's employment shall not apply for any reason acceptable to the Board (or a committee thereof).

All Awards granted under the Omnibus Plan are non-transferable in any manner, including assignment, except as may be permitted by the Board (or the designate committee of the Board), or upon an Eligible Participants' death, or as specifically provided in the agreement for an Award granted under the Omnibus Plan.

#### *Options*

The Board shall determine, at the time of granting the particular Option, the period during which the Option is exercisable, commencing on the date such Option is granted to the participant and ending as specified in the Omnibus Plan or in the underlying option agreement, but in no event shall an Option expire on a date which is later than ten (10) years from the date the Option is granted. Unless otherwise determined by the Board, all unexercised Options shall be cancelled at the expiry of such Options. The exercise price for Common Shares that are the subject of any Option shall be fixed by the Board when such Option is granted, but shall not be less than the "**Market Price**" (as defined in the Omnibus Plan and as per TSX policies) of such Common Shares at the time of the grant. Unless otherwise set forth in the option agreement or outlined in the Omnibus Plan, the vesting of Options will not commence before the 1st anniversary from when they are granted.

In addition to exercising Options by delivering an exercise notice, Participants also have the right (but not obligation) to exercise a "**Cashless Exercise Right**" (as defined in the in Omnibus Plan) to surrender all or a part of their Option to the Company in consideration of a payment of the "**In-The-Money Amount**" (as defined in the Omnibus Plan). The Participant may elect to have the Company satisfy the payment of the In-The-Money Amount by delivering the "**Net Number of Shares**" (as defined in the Omnibus Plan) and calculated as such:

$$\text{Net Number of Shares} = \frac{\text{In-The-Money Amount}}{\text{MP}}$$

Where:

**In-The-Money Amount** is equal to  $(A \times \text{MP}) - (A \times \text{EP})$

**A** is the total number of Shares in respect of which the Participant has surrendered Options pursuant to the Cashless Exercise Right

**MP** is the Market Price

**EP** is the exercise price of the Options surrendered

Should the expiration date for an Option fall within a "**Black-Out Period**" (as defined in the Omnibus Plan) or within ten (10) business days following the expiration of a Black-Out Period, such expiration date shall be automatically extended without any further act or formality to that date which is the tenth business day after the end of the Black-Out Period, such tenth business day to be considered the expiration date for such Option for all purposes under the Omnibus Plan. The ten (10) business day period may not be extended by the Board.

#### *DSUs*

The Omnibus Plan also provides the Board with the authority to grant DSUs to participants. DSUs represent a contractual right to receive a payment in cash or in Common Shares, that is only made after the termination, retirement, or death of the holder of the DSU. Under the Omnibus Plan, DSUs may only be granted to an "**Eligible Director**", defined as any Board member who, at the time of execution of a grant agreement, and at all times thereafter while they continue to serve as a member of the Board, are not officers, senior executives or other employees of the Company or consultants or service providers providing ongoing services to the Company and its affiliates. Each Eligible Director may receive all or a portion of his or her annual retainer fee in the form of a grant of DSUs in each fiscal year. The number of DSUs shall be calculated as the applicable portion of the Eligible Director's annual retainer fee divided by the Market Price. At the discretion of the Board, fractional DSUs will not be issued and any fractional entitlements will be rounded down to the nearest whole number.

Subject to the vesting and other conditions and provisions set forth in the Omnibus Plan and in the "**DSU Agreement**" (as defined in the Omnibus Plan), the Board shall determine whether each DSU awarded to a participant shall entitle the participant: (i) to receive one Common Share issued from treasury; (ii) to receive the cash equivalent of one Common Share; or (iii) to elect to receive either one Common Share from treasury, the cash equivalent of one Common Share or a combination of cash and Common Shares.

Each Eligible Director shall be entitled to redeem his or her DSUs during the period commencing on the business day immediately following the Termination Date and ending on the date that is two years following such termination date, or a shorter such redemption period set out in the relevant DSU Agreement, by providing a written notice of settlement to the Company setting out the number of DSUs

to be settled and the particulars regarding the registration of the Common Shares issuable upon settlement (the "**DSU Redemption Notice**").

If a DSU Redemption Notice is not received by the Company on or before the 90th day following the Termination Date, the Eligible Director shall be deemed to have delivered a DSU Redemption Notice and the Company shall redeem all of the Eligible Director's DSUs in exchange for Common Shares to be delivered to the Eligible Director, administrator or liquidator of the estate of the Eligible Director or the cash equivalent of the shares, as applicable.

Notwithstanding any other provision of the Omnibus Plan, in the event that (i) a DSU Redemption Notice is received during a Black-Out Period or other trading restriction imposed by the Company; or (ii) the Eligible Director has not delivered a DSU Redemption Notice and the 90th day following the Termination Date falls during a Black-Out Period or other trading restriction imposed by the Company, then settlement of the applicable DSUs shall be automatically extended to the tenth (10th) business day following the date that such Black-Out Period or other trading restriction is lifted, terminated or removed.

### *RSUs*

The Omnibus Plan also authorizes the Board to grant RSUs, which provide a contractual right to receive Common Shares, vesting over a three-year period. RSUs add a medium-term incentive option to the Company's compensation program. RSUs are considered "medium-term" incentives because they vest from one to three years from the date of grant. The RSUs are granted at such price determined by the Board and are subject to such restrictions and conditions as the Board may determine at the time of grant.

Conditions may be based on continuing employment (or other service relationship) and/or achievement of pre-established performance goals and objectives.

For each award of RSUs, the Board shall establish the period in which any Performance Criteria and other vesting conditions must be met in order for a participant to be entitled to receive Common Shares in exchange for all or a portion of the RSUs held by such participant (the "**Performance Period**"), provided that such Performance Period may be no longer than three (3) years after the calendar year in which the Award was granted.

Unless otherwise set forth in an underlying "**RSU Agreement**" (as defined in the Omnibus Plan) or Article 6.2 of the Omnibus Plan, the vesting of RSUs will not commence before the 1st anniversary of the date of grant. Subject to the vesting and other conditions and provisions set forth in the Omnibus Plan and in an underlying RSU Agreement, the Board shall determine whether each RSU awarded to a Participant shall entitle the Participant: (i) to receive one Common Share issued from treasury; (ii) to receive the "Cash Equivalent" of one Common Share; or (iii) to elect to receive either one Common Share from treasury, the Cash Equivalent of one Common Share or a combination of cash and Common Shares.

The vesting determination date means the date on which the Board determines if the Performance Criteria and/or other vesting conditions with respect to a RSU have been met (the "**RSU Vesting Determination Date**"), and as a result, establishes the number of RSUs that become vested, if any.

Except as otherwise provided in an underlying RSU Agreement, all of the vested RSUs covered by a particular grant shall be settled as soon as practicable and in any event within ten (10) Business Days following their RSU Vesting Determination Date and, subject to Article 5.2 of the Omnibus Plan, no later than the end of the restriction period determined by the Board (the "**RSU Settlement Date**").

Settlement of RSUs shall take place promptly following the RSU Settlement Date and take the form set out in an RSU settlement notice through: (a) in the case of settlement of RSUs for their Cash Equivalent, delivery of a cheque to the Participant representing the Cash Equivalent; (b) in the case of settlement of RSUs for Common Shares, delivery of a share certificate to the Participant or the entry of the Participant's name on the share register for the Common Shares; or (c) in the case of settlement of the RSUs for a combination of Common Shares and the Cash Equivalent, a combination of (a) and (b).

Notwithstanding any other provision of the Omnibus Plan, in the event that an RSU Settlement Date falls during a Black-Out Period or other trading restriction imposed by the Company and the Participant has not delivered an RSU settlement notice, then such RSU Settlement Date shall be automatically extended to the tenth (10th) business day following the date that such Black-Out Period or other trading restriction is lifted, terminated or removed.

For purposes of determining the "**Cash Equivalent**" (as defined in the Omnibus Plan) of RSUs to be made pursuant to Section 5.6 of the Omnibus Plan, such calculation shall equal the Market Price on the RSU Settlement Date multiplied by the number of vested RSUs in the Participant's account which the Participant desires to settle in cash pursuant to the "**RSU Settlement Notice**" (as defined in the Omnibus Plan). For the purposes of determining the number of Common Shares from treasury to be issued and delivered to a Participant upon settlement of RSUs pursuant to Section 5.6 of the Omnibus Plan, such calculation will be made on the RSU Settlement Date and be the whole number of Common Shares equal to the whole number of vested RSUs then recorded in the Participant's account which the Participant desires to settle pursuant to the RSU Settlement Notice. Common Shares issued from treasury will be issued in consideration for the past services of the Participant to the Company and the entitlement of the Participant under the Omnibus Plan shall be satisfied in full by such issuance of Common Shares.

### *Conclusion*

The main components of the compensation program, including under the Omnibus Plan are:

- the fixed base salary;
- short-term incentives – the annual discretionary cash bonus; and
- medium and long-term equity-based incentives – Options, DSUs and RSUs.

The Omnibus Plan serves several purposes for the Company. One purpose is to develop the interests of Eligible Participants in the growth and development of the Company by providing such persons with the opportunity to acquire a proprietary interest in the Company. All Eligible Participants are considered eligible to be selected to receive an Award under the Omnibus Plan. Another purpose is to attract and retain key talent and valuable Eligible Participants, who are necessary to the Company's success and reputation, with a competitive compensation mechanism. Finally, the Omnibus Plan will align the interests of the participants with those of the Company's shareholders by devising a compensation mechanism which encourages the prudent maximization of distributions to shareholders and long-term growth.

As of the date hereof, there were an aggregate of 2,779,187 Options, 2,339,175 RSUs and 536,151 DSUs outstanding under the Omnibus Plan (or approximately 4%, 3% and 1% respectively of the total issued and outstanding Common Shares). The Omnibus Plan is administered by the Board of the Company, or such committee as may be designated by the Board to administer the Omnibus Plan. The Omnibus Plan is subject to renewal approval every three years at the annual shareholder meeting according to TSX rules.

The following table sets out information related to the applicable annual "burn rate" in each of the three most recently completed financial years for Options, DSUs and RSUs granted under the Omnibus Plan, and previous Option and DSUs plans of the Company, as applicable. The annual "burn rate" is the number of securities granted under the Omnibus Plan (or prior Option and DSU plans) during the applicable fiscal year divided by the weighted average number of Common Shares outstanding for the applicable fiscal year.

	Number of Options Granted	Number of DSUs Granted	Number of RSUs Granted	Weighted average number of securities outstanding for the applicable fiscal year	Annual Burn Rate (%)
December 31, 2022	443,500	108,182	926,863	77,444,009	1.91%
December 31, 2021	1,219,103	96,249	-	74,154,534	1.77%
December 31, 2020	671,000	90,071	-	65,911,458	1.15%

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution to approve the amendments to the Omnibus Plan (the "**Omnibus Amendment Resolution**"), as follows:

WHEREAS:

1. The board of directors of kneat.com, inc. (the "**Corporation**") approved on April 18, 2023 certain amendments to the omnibus equity incentive plan of the Company last approved by shareholders of the Corporation on June 1, 2022, (the "**Omnibus Plan**") in order to amend the total number of RSUs, DSUs, and Options reserved and available for the grant and issuance under the Omnibus Plan as follows: (i) the number of Options reserved and available for grant and issuance shall not exceed 6% of the total issued and outstanding Common Shares from time to time; and (ii) the number of Common Shares reserved for issuance pursuant to the settlement of RSUs and DSUs shall not exceed 9% of the total issued and outstanding Common Shares from time to time.

BE IT RESOLVED, AS AN ORDINARY RESOLUTION, THAT:

1. The foregoing amendment to the Omnibus Plan, substantially as described in the Management Information Circular of the Corporation dated April 18, 2023, is hereby approved, ratified and confirmed.
2. Any officer or director of the Corporation is authorized and directed to execute and deliver, under corporate seal or otherwise, all such documents and instruments and to do all such acts as in the opinion of such officer or director may be necessary or desirable to give effect to this resolution.

**The Board unanimously recommends that the shareholders vote FOR the Omnibus Amendment Resolution. It is intended that the Common Shares represented by proxies in favour of management nominees will be voted in favour of the Omnibus Amendment Resolution in the absence of direction to**

**the contrary from the shareholder appointing them. An affirmative vote of a majority of the votes cast by shareholders at the meeting is sufficient for approval of the Omnibus Amendment Resolution.**

#### **ANY OTHER MATTERS**

Management of the Company knows of no matters to come before the Meeting other than those referred to in the Notice of Meeting accompanying this Circular. However, if any other matters properly come before the Meeting, it is the intention of the persons named in the form of proxy accompanying this Circular to vote the same in accordance with their best judgment of such matters.

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

Other than as set forth in this Circular, no director, executive officer, shareholder who beneficially owns, directly or indirectly, or exercises control or direction over, more than 10% of the outstanding Common Shares, or any known associate or affiliate of any such person, has or had any material interest, direct or indirect, in any transaction since the previous fiscal year of the Company or in any proposed transaction, that has materially affected or will materially affect the Company or a subsidiary of the Company.

#### **STATEMENT OF CORPORATE GOVERNANCE PRACTICES**

The Canadian Securities Administrators have published National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**"), National Policy 58-201 – *Corporate Governance Guidelines* ("**NP 58-201**") and National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"). These instruments set out a series of guidelines and requirements for effective corporate governance (collectively, the "**Guidelines**"). The Guidelines address matters such as the constitution and independence of corporate boards, the functions to be performed by boards and their committees and the effectiveness and education of board members. NI 58-101 requires disclosure by each listed corporation of its approach to corporate governance with reference to the Guidelines. Set out below is a description of the Company's approach to corporate governance in relation to the Guidelines.

##### ***Board of Directors***

NI 52-110 sets out the standard for director independence. Under NI 52-110, a director is independent if he or she has no direct or indirect material relationship with the Company. Under NI 52-110, a material relationship is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment. NI 52-110 also sets out certain situations where a director will automatically be considered to have a material relationship with the Company.

The Board currently consists of six members, namely Ian Ainsworth, Carol Leaman, Wade Dawe, Kevin Fitzgerald, Edmund Ryan and Nutan Behki. Four of the directors are independent directors, namely Ian Ainsworth, Carol Leaman, Wade Dawe and Nutan Behki. They are considered independent directors since none of them, in the view of the Board, has a direct or indirect material relationship with the Company, which could reasonably be expected to interfere with the exercise of such director's independent judgment. Mr. Fitzgerald and Mr. Ryan are considered to be non-independent directors as they are Chief Product Officer and Chief Executive Officer of the Company, respectively.

The Board relies on senior outside legal counsel to provide advice and consultation on current and anticipated matters of corporate governance. The independent directors may meet in-camera, from time to time, with the Company's outside legal counsel participating by invitation, when deemed appropriate

by the independent directors. At the present time, the Board believes that the knowledge, experience and qualifications of its independent directors are sufficient to ensure that the Board can function independently of management and discharge its responsibilities.

Currently, the following directors serve on the boards of directors of other public companies, as listed below:

Director	Public Company Board Member
Wade Dawe	Torrent Capital Ltd. (TSX-V) Fortune Bay Corp. (TSX-V)
Carol Leaman	Magnet Forensics Inc. (TSX)

### ***Board Mandate***

The Charter of the Company's Board of Directors outlines the mandate of the Board. The Board has the following duties and responsibilities, which may be initially reviewed by the applicable committees of the Board before being recommended to the full Board for approval:

- (a) Strategic Planning:
  - (i) Ensuring that a company-wide strategic planning process is in place and approving the resulting business plan on at least an annual basis. This business plan should take into account, at a minimum the short and long term opportunities and risks of the business;
  - (ii) Approving the Company's annual operating and capital budgets; and
  - (iii) Reviewing performance results in relation to the business plan and budgets.
- (b) Risk Management and Internal Controls:
  - (i) Identifying and assessing the principal risks of the Company's business and ensuring the implementation of systems to mitigate these risks;
  - (ii) Ensuring the integrity of the Company's internal control and management information systems and the safeguarding of the Company's assets;
  - (iii) Reviewing, approving, and as required, overseeing compliance with the Company's Disclosure Policy by directors, officers, senior management and other employees;
  - (iv) Reviewing, approving and overseeing the Company's disclosure, controls and procedures; and
  - (v) Reviewing and approving the Code of Business Conduct of kneat.com with the purpose of promoting integrity and deterring wrongdoing, and encouraging and promoting a culture of ethical business conduct, and as required, overseeing compliance with the Company's Code of Business Conduct by directors, officers, senior management and other employees.

- (c) Chief Executive Officer ("CEO") and Senior Management:
  - (i) Appointing the CEO of kneat.com and determining the terms and conditions of his appointment;
  - (ii) Developing, along with the CEO, a written position description for the role of the CEO;
  - (iii) Satisfying itself as to the integrity of the CEO; and
  - (iv) Providing attention to succession planning, including the appointment, training, monitoring and continuing education of the CEO, officers and senior management.
  
- (d) Governance:
  - (i) Developing the Company's approach to governance practices, including expectations and responsibilities of individual directors, including expectations for attendance at meetings and the level of engagement that is expected of members of the Board;
  - (ii) Approving the nomination of directors to the Board, as well as:
    - (I) determining which directors, in the reasonable opinion of the Board, are independent pursuant to applicable legislation and regulatory requirements;
    - (II) developing qualifications and criteria for the selection of directors; and
    - (III) appointing the Board Chairman, lead independent director, if applicable, and the Chair and members of each Committee of the Board in consultation with the relevant Committee.
    - (IV) Determining that Audit Committee members meet all applicable legislative, regulatory and listing qualifications, including financial literacy and independence;
  - (iii) Providing an orientation program for new directors and continuing education opportunities for all directors;
  - (iv) Assessing annually the effectiveness of the Board Chairman and/or lead independent director, each Committee of the Board and their respective Chairs, as well as individual Directors;
  - (v) Developing position descriptions for the Chairman, the lead independent director and for each Committee Chair so that they may be evaluated objectively; and
  - (vi) Appointing and removing the Company's corporate secretary.
  
- (e) Financial Reporting, Auditors and Transactions:
  - (i) Reviewing and approving, as required, the Company's financial statements and related financial information;
  - (ii) Appointing, subject to the approval of shareholders, and removing the external auditor;

- (iii) Appointing and removing of the Company's Chief Financial Officer; and
  - (iv) Delegating, to the extent permitted by law, to the CEO, other officers and senior management appropriate powers to manage the business affairs of the Company.
- (f) Legal Requirements and Communication:
- (i) Overseeing the adequacy of the Company's processes to ensure compliance by the Company with applicable legal and regulatory requirements;
  - (ii) Developing and implementing measures through which the Board can receive feedback from security holders; and
  - (iii) Performing any other function that is prescribed by law that has not been delegated by the Board to a Committee of the Board or to management.
- (g) Oversight of the Company's Environmental Risks:
- (i) Review and monitor the environment policy and environmental management system.

***Position Descriptions***

The position description for the Company's Board Chairman is outlined in the Charter of the Board of Directors. The Board Chairman and/or lead independent director shall lead the Board in all aspects of its work and are responsible to effectively manage the affairs of the Board and ensuring that the Board is properly organized and functions efficiently. As appropriate, the Chairman and/or the lead independent director will advise the CEO in matters concerning the Board, including the relationship between management and the Board. Specifically, the Board Chairman shall:

- (a) Provide the leadership necessary to enable the Board to carry out its duties and responsibilities described in the Board Charter;
- (b) Work with the CEO, other officers and senior management to monitor progress on the business plan, annual budgets, policy implementation and succession planning;
- (c) Provide advice, counsel and mentorship to the CEO and fellow members of the Board;
- (d) Foster an effective working relationship between the Board and management;
- (e) Chair the Board meetings;
- (f) Determine, in consultation with the CEO, the Secretary, the Chairs of Committees, the frequency, dates and location of meetings of the Board, the Committees of the Board and the shareholders;
- (g) Review the meeting agendas to ensure that all required business comes before the Board so that it may effectively and efficiently carry out its duties and responsibilities;
- (h) Ensure that all items requiring Board and Committee approval are tabled as appropriate;
- (i) Ensure the proper flow of information to the Board;

- (j) Review, with the corporate secretary and CEO, the adequacy and timing of information and materials in support of management proposals to the Board;
- (k) In conjunction with the relevant Committee of the Board and its Chair, review and assess individual director's meeting attendance records and the effectiveness and performance of the Board, its Committees, Committee Chairs and individual directors;
- (l) Act for the CEO and exercise his/her authority in the event that the CEO is absent and is unable to act where action by the CEO is necessary to protect the interests of the Company;
- (m) Attend Committee meetings in a non-voting capacity as deemed appropriate;
- (n) Ensure that an opportunity exists at each regular meeting for the independent directors to meet separately without non-independent directors and management personnel present; and
- (o) Carry out other functions or assignments as requested by the Board.

### ***Orientation and Continuing Education***

The Board does not currently provide a formal orientation or education program for Board members, as it believes that informal discussions and review of policies, plans and financial information is most appropriate based on the Company's size and complexity. The Company's Board members have considerable industry and public company experience and rely on this experience and their backgrounds in business to best determine how to maintain and enhance their skills.

### ***Ethical Business Conduct***

The Company has adopted a Code of Business Conduct and Ethics (the "**Code**") to which all directors, officers and employees of the Company must adhere. The Code is a comprehensive set of expectations, obligations and responsibilities relating to ethical conduct, corporate reporting, conflicts of interests and compliance with legal and regulatory obligations and with the Company's policies, including its environmental, health and safety, non-discrimination and other policies. A copy of the Code may be examined by accessing the Company's website at [www.kneat.com](http://www.kneat.com). Under the Code, directors, officers and employees are required to promptly report any problems or concerns and any actual or potential violation of the Code to their supervisor. The Board monitors compliance with the Code by requiring management to advise it of any reports received regarding violations of the Code.

The Company also has a Whistleblower Policy which sets out the procedures for the receipt and treatment of complaints or concerns received by the Company regarding any impropriety or inaccuracy in respect of its financial statement disclosure or regarding its accounting procedures or practices, internal accounting controls, auditing matters or any violations of the Code. The policy includes provision for the submission or reporting by employees (including officers) of the Company or others, on a confidential and anonymous basis, of any such complaints or concerns to the Audit Committee. Complaints or concerns are investigated by the Audit Committee or by persons designated by the Audit Committee.

In respect of any transactions or agreements involving the Company and in respect of which a director of the Company has a material interest or a conflict or potential conflict of interest, that director, in order that the members of the Board exercise independent judgment in respect thereto, is required to disclose such to the Board prior to any such transaction or agreement being considered by the Board and is not

permitted to vote on any Board resolution with respect thereto. Should any officer similarly have any such material interest or conflict or potential conflict of interest, such officer must similarly disclose such to the Board.

### ***Nomination of Directors***

Prior to their standing for election, new nominees to the Board will be reviewed by the entire Board. The Nominations and Compensation Committee will have the responsibility of making recommendations to the Board with respect to the new nominees and for assessing directors on an on-going basis. The Company considers it important to retain directors with significant business experience in the industry, and therefore the Company's practice is to not set term limits for its directors. Individual directors are invited to propose new nominees to the Board having regard to the Company's business strategy and the current composition of the Board.

### ***Board Committees***

The Board currently has two committees: (i) the Audit Committee; and (ii) the Nominations and Compensation Committee. All such committees report directly to the Board. From time-to-time, based on need, ad hoc committees of the Board may also be appointed.

#### ***The Audit Committee***

The Audit Committee is currently composed of three directors, being Carol Leaman (Chair), Nutan Behki and Ian Ainsworth. All of the Company's Audit Committee members are considered to be independent directors. The relevant education and experience of each member of the Audit Committee is described as part of his/her respective biography. See biographies under "*Election of Directors*". Each member of the Audit Committee possesses: (i) an understanding of the accounting principles used by the Company to prepare its financial statements; (ii) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves; (iii) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more individuals engaged in such activities; and (iv) an understanding of internal controls and procedures for financial reporting. The Audit Committee operates under a written charter which is attached as Appendix "A" to this Circular.

The Audit Committee meets with the Company's Chief Financial Officer and financial management personnel and/or its independent auditors at least four times a year, and at least once every quarter, to review and assist, as part of its Audit Committee Charter, the Board in its oversight responsibilities relating to, among other matters, the quality and integrity of the Company's financial statements and MD&A, the accounting and financial reporting principles and procedures of the Company and the adequacy of the Company's system of internal controls. The Audit Committee meets with the Company's independent auditors twice per year and at least once per audit without the presence of management and as well communicates directly with such auditors as circumstances warrant. The Audit Committee reviews, among other things, the Company's financial reporting practices and procedures, the Company's annual and quarterly financial statements and MD&A prior to their issuance to shareholders and filing with regulatory agencies, actual and prospective changes in significant accounting policies and their effect, the planned scope of examinations by the Company's independent auditors and their findings and recommendations and the scope of audit and non-audit services provided by the independent auditors.

It also recommends to the Board the independent auditors to be proposed to the Shareholders for appointment at the Company's annual meeting and approves the remuneration of such auditors.

In response to regulatory initiatives in Canada, the Audit Committee has also reviewed the Company's use of its independent auditors for non-audit services.

The aggregate fees incurred for audit and non-audit services provided by KPMG LLP for the financial years ended December 31, 2022 and December 31, 2021, respectively, are as follows:

<b>Nature of Services</b>	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Audit fees <sup>(1)</sup>	\$208,990	\$175,149
Audit related fees		-
Tax fees <sup>(2)</sup>	\$170,032	-
Other		-
<b>Total</b>	<b>\$379,022</b>	<b>\$175,149</b>

- 1) Audit fees relate to professional services rendered for the audit of the annual financial statements of the Company and its subsidiaries, for the reviews of quarterly reporting, and for services normally provided in connection with statutory and regulatory filings or engagements.
- 2) KPMG provided assistance services to the company relating to the preparation of the R&D tax credit claims for 2021 and 2022.

The Audit Committee believes that the extent to which the Company uses its independent auditors for non-audit services is not significant and accordingly does not affect their independence.

#### *The Nominations and Compensation Committee*

The Nominations and Compensation Committee is currently composed of the following three independent directors: Nutan Behki (Chair), Ian Ainsworth and Wade Dawe. The Board has adopted a Nominations and Compensation Committee Charter, which, among other responsibilities, requires the Nominations and Compensation Committee to identify individuals qualified to become board members, recommend to the Board proposed nominees for membership on the Board, and to establish, administer and evaluate the compensation philosophy, policies and plans for non-employee directors and executive officers; make recommendations to the Board regarding director and executive compensation; and review the performance and determine the compensation of the Chief Executive Officer, based on criteria including the Company's performance and accomplishment of long-term strategic objectives.

#### **Assessments**

Board effectiveness is assessed by the Board as a whole, considering the operation of the Board committees, the adequacy of information provided to directors, the quality of communication between the Board and management and the historic growth and performance of the Company. The Board believes that this informal assessment has permitted the Board to operate effectively.

#### **Director Term Limits**

The Company has not adopted director term limits for directors. However, the Chairman and/or lead independent director and the Board regularly assess the effectiveness and contribution of directors. The

Company feels that its current governance system is sufficient to ensure that the Board, from year to year, is composed of directors with the appropriate knowledge and skills necessary to enhance the long-term performance of the Company. Furthermore, the Company recognizes the significant value that can be offered by long-serving directors, including the breadth of experience and familiarity with the Company and its industry of those members that have joined the Board. As such, the Company believes that it would not be best suited to the needs of the Company to adopt director terms limits or any formal board renewal mechanisms other than those already in place and discussed in this Circular

### ***Gender Diversity***

The Company currently does not have a formal policy related to the representation of women on the Board or the management team. However, the Board is aware of the benefit of diversity on the Board and within the management team of the Company. The Nominations and Compensation Committee takes gender diversity into consideration during the recruitment and selection process of Board and management positions.

The Company ensures there is a diverse Board, with a sufficient number of directors, to encourage a variety of opinions and insights on matters which come before the Board, while at the same time limiting its membership to a number of directors that facilitates effective and efficient decision-making. Recommendations concerning director appointments are based on merit and performance, with diversity taken into consideration. Diversity is considered advantageous as it relates to qualifications, insights and experiences.

The Board has not adopted targets regarding the representation of women on the Board and in executive officer positions due to the small size of the Company and the need to consider a balance of criteria in each individual appointment. It is important that each appointment to the Board or in executive officer positions be made based on the merits of the individual and the need of the Company at that point in time. In addition, targets based on specific criteria such as gender could limit the Board's ability to ensure that the overall composition of the Board or management of the Company meets the needs of the Company.

## **EXECUTIVE COMPENSATION**

### **Compensation Discussion and Analysis**

The following discussion and analysis sets out the Company's philosophy and objectives in determining executive compensation and explains how its policies and practices implement that philosophy. All dollar amounts in this Circular are expressed in Canadian dollars unless otherwise indicated. For purposes of this section, the term "Named Executive Officers" refers to the Chief Executive Officer, Chief Financial Officer, Chief Product Officer, Chief Technical Officer and Senior Vice President of Global Sales of the Company.

#### **Overview**

The Company's approach to executive compensation is to provide suitable compensation for executives that is internally equitable, externally competitive and reflects individual achievement. The Company will attempt to maintain compensation arrangements that will attract and retain highly qualified individuals who are able and capable of carrying out the objectives of the Company. The Company's compensation arrangements for the Named Executive Officers, in addition to salary, include compensation in the form of bonuses and, over a longer term, and benefits arising from the grant of Options and RSUs under the

Omnibus Plan. Given the stage of development of kneat.com, compensation of the Named Executive Officers includes the granting of Options and RSUs, to attract and retain management and, to a certain extent, to conserve cash. This policy may be re-evaluated in the future to instead emphasize increased base salaries and cash bonuses with a reduced reliance on Option and RSU awards, depending upon the future development of the Company and other factors which may be considered relevant by the Board of Directors from time to time.

The Nominations and Compensation Committee of the Board of Directors consists of three directors appointed to review the compensation of the Company's officers and to make recommendations to the Board of Directors regarding base salary, bonuses, Options and RSUs, and other benefits of Named Executive Officers, as well as negotiating services and employment agreements on behalf of the Company. Information on the Company's Nominations and Compensation Committee and the skills and experience of its members in making decisions with respect to compensation policies and practices of the Company can be found in "*Statement of Corporate Governance Practices*" – "*Board Committees*" – "*The Nominations and Compensation Committee*" in this Circular.

The Company's executive compensation program is designed to recognize the fundamental value added to the Company by having a motivated and committed management team whose short, medium and long-term objectives are aligned with those of Shareholders. In determining executive compensation, the Company's Nominations and Compensation Committee bears in mind the relatively small size of the Company, the financial resources of the Company and the size of the executive team.

The Company's Nominations and Compensation Committee relies on general discussion and informal comparisons to similar development stage companies, while giving consideration to the experience, qualifications and performance of the executive, in determining executive compensation. The Company's executive compensation is typically comprised of three primary components:

- (a) base salary;
- (b) a short-term incentive plan, which may include the potential for cash bonuses; and
- (c) a medium and long-term incentive plan, which may include grants of Options, grants of RSUs, and/or participation in a pension plan.

The base salary of each executive is reviewed and evaluated by the Company's Nominations and Compensation Committee annually based on the philosophy, objectives and criteria outlined above. A short-term incentive award, if any, in the form of a cash bonus, may be awarded to an executive, as determined by the Company's Nominations and Compensation Committee, based on the philosophy, objectives and criteria outlined above, with some use of formal objectives.

With respect to medium and long-term incentives, an executive may be granted Options or RSUs, or the Company may contribute to a pension plan for the benefit of the executive. The amount of the medium/long-term incentive shall be determined by the Nominations and Compensation Committee and recommended to the Board of Directors, based on the philosophy, objectives and criteria outlined above, considering previous Option/RSU grants.

The Nominations and Compensation Committee has discretion in determining both short-term, medium-term and long-term incentive awards. The Company has not engaged compensation advisors.

## Approach to Risk

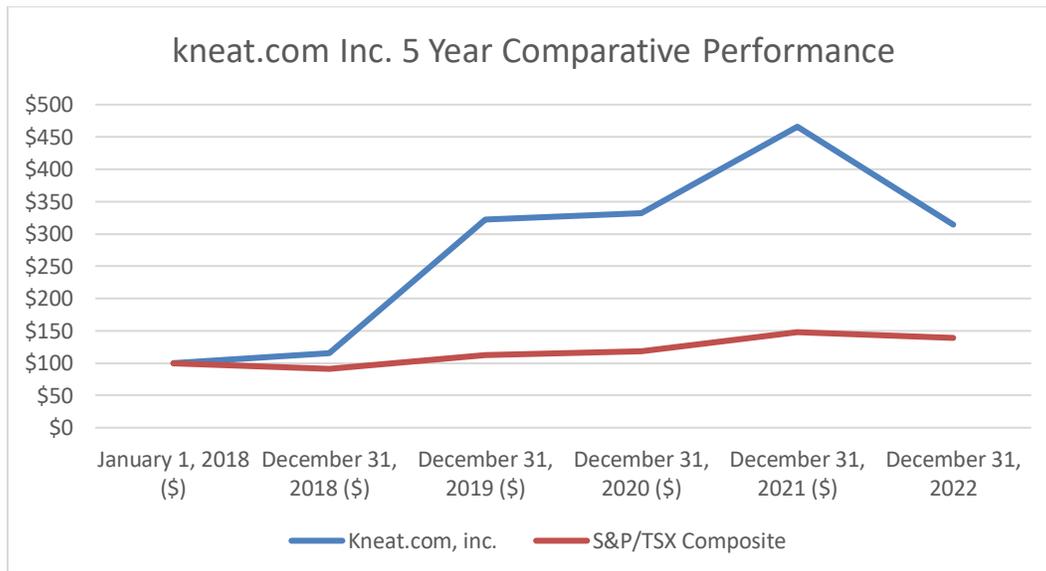
The Board is aware that compensation practices can have unintended risk consequences. The Nominations and Compensation Committee reviews the Company's compensation policies to identify any practice that might encourage an employee to expose the Company to unacceptable risk. At the present time, the Nominations and Compensation Committee is satisfied that the current executive compensation program does not encourage the executives to expose the business to inappropriate risk. The Board takes a conservative approach to executive compensation rewarding individuals for the success of the Company once that success has been demonstrated and incentivising them to continue that success through the grant of long-term incentive awards.

## Hedging Policy

No Named Executive Officer or director has purchased any financial instruments, including, for greater certainty, 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 Named Executive Officer or director, notwithstanding that there is no policy prohibiting such purchase as of the date of this Circular.

## Performance Graph

The below graph and table compares the 5-year total cumulative shareholder return for each fiscal year-end from December 31, 2018 to December 31, 2022, with the cumulative total return, including dividend reinvestment, of the S&P/TSX Composite Index for the annual periods from January 1, 2018 through to and including December 31, 2022.



	January 1, 2018 (\$)	December 31, 2018 (\$)	December 31, 2019 (\$)	December 31, 2020 (\$)	December 31, 2021 (\$)	December 31, 2022 (\$)	Average Annual Return (%) <sup>(1)</sup>
<b>Kneat.com, inc.</b>	100	115.29	322.35	331.76	465.88	314.12	41.13%
<b>S&amp;P/TSX Composite</b>	100	91.11	111.96	118.23	147.89	139.25	7.77%

1) Calculated by adding the annual rate of returns (ending value – beginning / beginning value x 100) from each year and dividing this cumulative figure by the 5-year period.

### Summary Compensation Table

Securities legislation requires the disclosure of compensation received by each "Named Executive Officer" of the Company for the three most recently completed financial years. "Named Executive Officer" is defined by the legislation to mean (i) each of Chief Executive Officer and Chief Financial Officer of the Company; (ii) the Company's most highly compensated executive officer, or the most highly compensated individual acting in a similar capacity, other than the Chief Executive Officer and Chief Financial Officer, at the end of the most recently completed financial year and whose total compensation exceeds \$150,000; and (iii) any additional individual for whom disclosure would have been provided under (ii) but for the fact that the individual was not serving as an executive officer of the Company at the end of the most recently completed financial year-end of the Company.

For purposes of this Circular, Named Executive Officers of the Company means the following individuals:

- (a) the Company's Chief Executive Officer, or an individual who acted in a similar capacity, for any part of the most recently completed financial year ("CEO");
- (b) the Company's Chief Financial Officer or an individual who acted in a similar capacity, for any part of the most recently completed financial year ("CFO");
- (c) the Company's Chief Product Officer or an individual who acted in a similar capacity, for any part of the most recently completed financial year ("CPO");
- (d) the Company's Chief Technical Officer, or an individual who acted in a similar capacity, for any part of the most recently completed financial year ("CTO").
- (e) the Company's Senior Vice President of Global Sales, or an individual who acted in a similar capacity, for any part of the most recently completed financial year ("SVP Global Sales").

The following table sets forth a summary of all compensation for each of the Named Executive Officers as of December 31:

Name and principal position	Year	Salary (\$)	Share-based awards (\$) <sup>(4)</sup>	Option-based	Non-equity incentive plan compensation (\$)		All other compensation	Total compensation
					Annual incentive plans	Long-term incentive plans		
Kevin Fitzgerald <sup>(1)</sup> CPO	2022	211,008	130,380	-	70,050	-	12,520	423,958
	2021	194,880	-	-	67,278	-	11,693	273,851
	2020	183,816	-	-	15,318	-	11,029	210,163
Edmund Ryan <sup>(1)</sup> CEO	2022	259,387	222,956	-	86,110	-	15,211	583,664
	2021	217,082	-	-	74,486	-	13,025	304,593
	2020	206,793	-	-	15,318	-	12,408	234,518
Hugh Kavanagh <sup>(1)</sup> CFO	2022	205,999	125,936	-	68,387	-	12,256	412,578
	2021	194,880	-	-	67,278	-	11,693	273,851
	2020	183,816	-	-	15,318	-	11,029	210,163
Keith Holmes <sup>(1) (2)</sup> CTO	2022	213,340	227,850	-	69,911	-	12,635	523,736
	2021	222,015	-	-	72,083	-	7,771	301,869
	2020	33,292	-	294,480 <sup>(3)</sup>	-	-	-	327,772
Jacob Hahn Michelsen <sup>(1)(5)</sup> SVP Global Sales	2022	199,331	397,206	-	117,983	-	-	714,521
	2021	-	-	-	-	-	-	-
	2020	-	-	-	-	-	-	-

1) Compensation for all Named Executive Officers is accounted for in Euro. The amounts included in the table above are translated to the Canadian dollar equivalent using a rate of 1.4499 for the year ended December 31, 2022 (December 31, 2021 - 1.4801, December 31, 2020 - 1.5318).

2) Keith Holmes joined the Company as Chief Technical Officer in November 2020.

3) This value reflects the estimated grant date fair value of options granted that will be recognized as compensation expense by the Company for financial reporting purposes, as determined in accordance with International Financial Reporting ("IFRS"). The estimated fair value of the options was also calculated using the Black-Scholes Option Pricing Model. The Black-Scholes Option Pricing Model values the option based awards granted to Keith Holmes at a weighted-average fair value of \$1.4724 per option based on the following weighted-average assumptions: a 4.5 year expected term, 91.16% volatility, risk-free interest rate of 0.38% per annum, and a dividend rate of 0%.

4) This value reflects the grant date fair value of RSUs issued to Named Executive Officers.

5) Jacob Hahn Michelsen joined the Company as Senior Vice President of Global Sales in June 2022.

## Outstanding Option- based and Share-based Awards – Named Executive Officers

The following table sets forth the details in respect of outstanding Options granted to each Named Executive Officer as of December 31, 2022. The value shown for unexercised in-the-money options is calculated based on the closing price of a Common Share on the TSX on the last day of the year-ended December 31, 2022, less the respective exercise price of the options, multiplied by the number of options exercisable.

Name and principal position	Option-based awards						Share-based awards		
	Number of securities underlying options at the time of grant (#)	Number of securities underlying unexercised options (#)	% of class (%) <sup>(1)</sup>	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(2)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$) <sup>(2)</sup>	Market or payout value of vested share-based awards not paid out or distributed (\$)
Kevin Fitzgerald, CPO	75,000	75,000	2.60%	\$1.06	Mar 7, 2024	\$120,750	41,655	\$111,219	-
Edmund Ryan, CEO	75,000	75,000	2.60%	\$1.06	Mar 7, 2024	\$120,750	71,232	\$190,189	-
Hugh Kavanagh, CFO	200,000	200,000	6.92%	\$1.52	Sept 23, 2024	\$230,000	40,235	\$107,427	-
Keith Holmes, CTO	200,000	200,000	6.92%	\$2.20	Nov 25, 2025	\$47,000	93,000	\$248,310	-
Jacob Hahn Michelsen <sup>(3)</sup> SVP Global Sales	-	-	-	-	-	-	136,497	\$364,447	-

1) As a percentage of the 2,890,140 Options outstanding at December 31, 2022.

2) Based on the December 31, 2022 closing share price on the TSX of \$2.67 per share.

## Incentive Plan Awards – Value Vested or Earned during the Most Recently Completed Financial Year

The following table sets forth the value of the option-based and share-based awards that vested for each Named Executive Officer in 2022, as well as the non-equity incentive plan compensation earned during the financial year-ended December 31, 2022.

Name and principal position	Option-based awards – value vested during the year (\$) <sup>(1)</sup>	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – value earned during the year (\$)
Kevin Fitzgerald, CPO	\$33,000	nil	nil
Edmund Ryan, CEO	\$33,000	nil	nil
Hugh Kavanagh, CFO	\$58,667	nil	nil
Keith Holmes, CTO	\$29,500	nil	nil
Jacob Hahn Michelsen, SVP Global Sales	nil	nil	nil

1) Value vested is calculated as the dollar value that would have been realized had the option been exercised on the date that it vested less the related exercise price multiplied by the number of vested options.

### Options Re-pricings

The Company did not re-price any options during the financial year-ended December 31, 2022.

### Long-Term Incentive Plan and Pension Plans

Effective January 1, 2017, the Company implemented a defined contribution pension plan whereby the Company contributes 6% to the defined contribution pension plan of the Named Executive Officers. During the fiscal year-ended December 31, 2022, the Company did not have any other long-term incentive plans for directors or executive officers, other than those described in this Circular.

### Termination and Change of Control Benefits

Effective June 27, 2016, Mr. Edmund Ryan was appointed Chief Executive Officer of the Company. Pursuant to his employment contract, should a "change in control" event, as defined in the related employment contract, occur for the Company, Mr. Ryan will receive a lump sum payment equal to 24 months of his then current base salary.

Effective June 27, 2016, Mr. Kevin Fitzgerald was appointed Director of Research and Development of the Company. He currently holds the position of Chief Product Officer at the date of this Circular. Pursuant to their employment contracts, should a "change in control" event, as defined in the related employment contracts, occur for the Company, Mr. Fitzgerald will receive a lump sum payment equal to 24 months of his then current base salary.

Effective September 23, 2019, Mr. Hugh Kavanagh was appointed Chief Financial Officer of the Company. Pursuant to his employment contract, should a "change of control" event, as defined in the related employment contract, occur for the Company, Mr. Kavanagh will receive a lump sum payment equal to 24 months of his then current base salary.

### Director Compensation

For the fiscal year-ended December 31, 2022, non-employee directors were compensated by the issuance of DSUs. The Company may grant Options and/or RSUs to directors under the Omnibus Plan, however no Options or RSUs were granted to non-employee directors during the year-ended December 31, 2022.

At the year-ended December 31, 2022, there were no director fees accrued relating to non-employee directors of the Company.

The below tables include information for Rory Cameron, who served as a director for the Company until June 1, 2022 and for Paul Breen, who served as a director for the Company until January 31, 2022.

The following chart provides an overview of the total number of DSUs granted to non-employee directors during 2022:

Name	DSUs granted 2022
Ian Ainsworth	36,359
Wade Dawe	18,180
Rory Cameron	6,933
Paul Breen <sup>(1)</sup>	nil
Nutan Behki	12,726
Carol Leaman	33,984

(1) Paul Breen resigned from the Board on January 31, 2022. As a result, no DSUs were granted to him during 2022.

As of December 31, 2022, non-employee directors of the Company held the following Options and DSUs:

Name	Number of Options held 2022	Number of DSUs held 2022
Ian Ainsworth	nil	256,145
Wade Dawe	nil	170,686
Rory Cameron <sup>(1)</sup>	nil	nil
Paul Breen <sup>(2)</sup>	nil	nil
Nutan Behki	nil	51,736
Carol Leaman	nil	33,984

(1) Rory Cameron resigned from the Board on June 1, 2022. As a result, all of his DSUs were either redeemed or forfeited by December 31, 2022.

(2) Paul Breen resigned from the Board on January 31, 2022. As a result, all of his DSUs were redeemed by December 31, 2022.

The directors are indemnified by the Company against all costs, charges and expenses reasonably incurred by such director in respect of any action or proceeding to which such director is made a party by reason of being a director of the Company, subject to the limitations in respect thereof contained in the *Canada Business Corporations Act*. Directors are reimbursed for their out-of-pocket expenses incurred in attending directors' and committee meetings.

The following table summarizes the compensation granted to each of the non-employee directors of the Company for the year-ended December 31, 2022:

Name	Fees earned (\$)	Share-based awards (\$) <sup>(1)</sup>	Option-based awards (\$)	Pension value (\$)	Non-equity incentive plan compensation (\$)	All other compensation (\$)	Total (\$)
Ian Ainsworth	-	97,079	-	-	-	-	
Wade Dawe	-	48,541	-	-	-	-	
Rory Cameron	-	18,511	-	-	-	-	
Paul Breen <sup>(2)</sup>	-	-	-	-	-	-	-
Nutan Behki	-	33,978	-	-	-	-	
Carol Leaman	-	90,737	-	-	-	-	

(1) The value of DSUs awards was determined utilizing the closing price of the Company's Common Shares on December 31, 2022 being \$2.67

(2) Paul Breen resigned from the Board on January 31, 2022. As a result, no DSUs were granted to him during 2022.

### Outstanding Stock Option Awards – Directors

There were no outstanding Options granted to the non-employee directors as of December 31, 2022.

### Outstanding DSU Awards – Directors

The following table provides information relating to each Directors' outstanding DSUs as at December 31, 2022.

Name	Number of DSUs Held	Market or payout value of DSUs not paid out or distributed <sup>(1)</sup>
Ian Ainsworth	256,145	683,907
Wade Dawe	170,686	455,732
Rory Cameron <sup>(2)</sup>	nil	nil
Paul Breen <sup>(3)</sup>	nil	nil
Nutan Behki	51,736	138,135
Carol Leaman	33,984	90,737

(1) This amount represents the aggregate value of each Director's DSUs as at December 31, 2022 which amount is based on the closing price of the Company's Common Shares at December 31, 2022, being \$2.67.

(2) Rory Cameron resigned from the Board on June 1, 2022. As a result, all of his DSUs were either redeemed or forfeited by December 31, 2022.

(3) Paul Breen resigned from the Board on January 31, 2022. As a result, all of his DSUs were redeemed by December 31, 2022.

### Incentive Plan Awards – Value Vested or Earned During the Year – Directors

The following table sets forth the value of the incentive stock option-based awards that vested for each non-employee director in 2022, as well as the non-equity incentive plan compensation earned during the financial year-ended December 31, 2022:

Name	Option-based awards – value vested during the year (\$) <sup>(1)</sup>	Non-equity incentive plan compensation – value earned during the year (\$) <sup>(2)</sup>
Ian Ainsworth	nil	nil
Wade Dawe	nil	nil
Rory Cameron	nil	nil
Paul Breen	Nil	nil
Nutan Behki	nil	nil
Carol Leaman	nil	nil

1) Value vested is calculated as the dollar value that would have been realized had the option been exercised on the date that it vested less the related exercise price multiplied by the number of vested options.

2) Represents cash bonuses awarded to the non-employee directors in respect of the year-ended December 31, 2022.

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

As at the Record Date, 2,779,187 Options, being 4% of the 77,692,911 currently issued Common Shares of the Company, were issued and outstanding. As at the Record Date, 536,151 DSUs, being 1% of the 77,692,911 currently issued Common Shares of the Company, were issued and outstanding with none of them being exercisable or vested. As at the Record Date, 2,339,175 RSUs, being 3% of the 77,692,911 currently issued Common Shares of the Company, were issued and outstanding with none of them being exercisable or vested. The Company has no equity compensation plan not approved by Shareholders.

The following table sets forth the aggregate number of securities authorized for issuance under the Omnibus Plan (and any former stock option and DSU plans, as applicable) as of December 31, 2022:

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding Options, DSUs and RSUs</b>	<b>Weighted-average exercise price of outstanding Options (\$)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column)</b>
Equity compensation plans approved by securityholders	4,329,554	2.57	9,880,469
<b>Total</b>	<b>4,329,554</b>	<b>2.57</b>	<b>9,880,469</b>

1) The DSUs do not have an exercise or conversion price.

#### **INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS TO THE COMPANY**

No director or senior officer of the Company, proposed management nominee for election as a director of the Company or associate or affiliate of any such director, senior officer or proposed nominee is or has been indebted to the Company or any of its subsidiaries at any time during the Company's last completed financial year, other than routine indebtedness.

#### **TRANSFER AGENT AND REGISTRAR**

The registrar and transfer agent for the Company is Computershare Investor Services, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1.

#### **ADDITIONAL INFORMATION**

Additional information regarding the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.kneat.com](http://www.kneat.com). Financial information regarding the Company is provided in the Company's Consolidated Financial Statements and MD&A, mailed to those Shareholders who requested such information. The Company's Consolidated Financial Statements and MD&A for the year-ended December 31, 2022, together with the auditor's report thereon, and this Circular may be obtained from the Secretary of the Company upon request.

#### **DIRECTORS' APPROVAL**

The Board of Directors has approved the contents of this Circular and has authorized it to be sent to shareholders.

DATED at Halifax this 18th day of April, 2023.

*Signed "Ian Ainsworth"*

Ian Ainsworth, Chairman of the Board of Directors

**APPENDIX A  
KNEAT.COM, INC.  
AUDIT COMMITTEE CHARTER**

**1. INTRODUCTION**

The Audit Committee (the "**Committee**" or the "**Audit Committee**") of kneat.com, inc. (the "**Corporation**") is a committee of the Board of Directors (the "**Board**"). The Committee shall oversee the accounting and financial reporting practices of the Corporation and the audits of the Corporation's financial statements and exercise the responsibilities and duties set out in this Mandate.

**2. MEMBERSHIP**

*Number of Members*

The Committee shall be composed of three or more members of the Board.

*Independence of Members*

The Committee shall have a sufficient number of independent directors to comply with National Instrument 52-110 Audit Committees. "Independent" shall have the meaning, as the context requires, given to it in National Instrument 52-110 Audit Committees, as may be amended from time to time, subject to any exemptions or relief that may be granted from such requirements.

*Chair*

At the time of the annual appointment of the members of the Audit Committee, the Board shall appoint a Chair of the Audit Committee. The Chair shall be a member of the Audit Committee, preside over all Audit Committee meetings, coordinate the Audit Committee's compliance with this Mandate, work with management to develop the Audit Committee's annual work-plan and provide reports of the Audit Committee to the Board.

*Financial Literacy of Members*

At the time of his or her appointment to the Committee, each member of the Committee shall have, or shall acquire within a reasonable time following appointment to the Committee, the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

*Term of Members*

The members of the Committee shall be appointed annually by the Board. Each member of the Committee shall serve at the pleasure of the Board until the member resigns, is removed, or ceases to be a member of the Board. Unless a Chair is elected by the Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership.

**3. MEETINGS**

*Number of Meetings*

The Committee may meet as many times per year as necessary to carry out its responsibilities.

*Quorum*

No business may be transacted by the Committee at a meeting unless a quorum of the Committee is present. A majority of members of the Committee shall constitute a quorum.

### *Calling of Meetings*

The Chair, any member of the Audit Committee, the external auditors, the Chairman of the Board, or the Chief Executive Officer or the Chief Financial Officer may call a meeting of the Audit Committee by notifying the Corporation's Corporate Secretary who will notify the members of the Audit Committee. The Chair shall chair all Audit Committee meetings that he or she attends, and in the absence of the Chair, the members of the Audit Committee present may appoint a chair from their number for a meeting.

### *Minutes; Reporting to the Board*

The Committee shall maintain minutes or other records of meetings and activities of the Committee in sufficient detail to convey the substance of all discussions held. Upon approval of the minutes by the Committee, the minutes shall be circulated to the members of the Board. However, the Chair may report orally to the Board on any matter in his or her view requiring the immediate attention of the Board.

### *Attendance of Non-Members*

The external auditors are entitled to attend and be heard at each Audit Committee meeting. In addition, the Committee may invite to a meeting any officers or employees of the Corporation, legal counsel, advisors and other persons whose attendance it considers necessary or desirable in order to carry out its responsibilities.

### *Meetings without Management*

The Committee shall hold unscheduled or regularly scheduled meetings, or portions of meetings, at which management is not present.

### *Procedure*

The procedures for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those applicable to meetings of the Board.

### *Access to Management*

The Committee shall have unrestricted access to the Corporation's management and employees and the books and records of the Corporation.

## **4. DUTIES AND RESPONSIBILITIES**

The Committee shall have the functions and responsibilities set out below as well as any other functions that are specifically delegated to the Committee by the Board and that the Board is authorized to delegate by applicable laws and regulations. In addition to these functions and responsibilities, the Committee shall perform the duties required of an audit committee by any exchange upon which securities of the Corporation are traded, or any governmental or regulatory body exercising authority over the Corporation, as are in effect from time to time (collectively, the "**Applicable Requirements**").

### ***Financial Reports***

#### **(a) General**

The Audit Committee is responsible for overseeing the Corporation's financial statements and financial disclosures. Management is responsible for the preparation, presentation and integrity of the Corporation's financial statements and financial disclosures and for the appropriateness of the accounting principles and the reporting policies used by the Corporation. The auditors are responsible for auditing the Corporation's annual consolidated financial statements and for reviewing the Corporation's unaudited interim financial statements, if required.

#### **(b) Review of Annual Financial Reports**

The Audit Committee shall review the annual consolidated audited financial statements of the Corporation, the auditors' report thereon and the related management's discussion and analysis of the Corporation's financial condition and results of operation ("**MD&A**"). After completing its review, if advisable, the Audit Committee shall approve and recommend for Board approval the annual financial statements and the related MD&A.

(c) Review of Interim Financial Reports

The Audit Committee shall review the interim consolidated financial statements of the Corporation, the auditors' review report thereon and the related MD&A. After completing its review, if advisable, the Audit Committee shall approve and recommend for Board approval the interim financial statements and the related MD&A.

(d) Review Considerations

In conducting its review of the annual financial statements or the interim financial statements, the Audit Committee shall:

- (i) meet with management and the auditors to discuss the financial statements and MD&A;
- (ii) review the disclosures in the financial statements;
- (iii) review the audit report or review report prepared by the auditors;
- (iv) discuss with management, the auditors and internal legal counsel, as requested, any litigation claim or other contingency that could have a material effect on the financial statements;
- (v) review the accounting policies followed and critical accounting and other significant estimates and judgments underlying the financial statements as presented by management;
- (vi) review any material effects of regulatory accounting initiatives or off-balance sheet structures on the financial statements as presented by management, including requirements relating to complex or unusual transactions, significant changes to accounting principles and alternative treatments under Canadian GAAP;
- (vii) review any material changes in accounting policies and any significant changes in accounting practices and their impact on the financial statements as presented by management;
- (viii) review management's report on the effectiveness of internal controls over financial reporting;
- (ix) review the factors identified by management as factors that may affect future financial results; and
- (x) review any other matters, related to the financial statements, that are brought forward by the auditors, management or which are required to be communicated to the Audit Committee under accounting policies, auditing standards or Applicable Requirements.

(e) Approval of Other Financial Disclosures

The Audit Committee shall review and, if advisable, approve and recommend for Board approval financial disclosure in a prospectus or other securities offering document of the Corporation, press releases disclosing, or based upon, financial results of the Corporation and any other material financial disclosure, including financial guidance provided to analysts, rating agencies or otherwise publicly disseminated.

## *Auditors*

### (a) General

The Audit Committee shall be responsible for oversight of the work of the auditors, including the auditors' work in preparing or issuing an audit report, performing other audit, review or attest services or any other related work.

### (b) Nomination and Compensation

The Audit Committee shall review and, if advisable, select and recommend for Board approval the external auditors to be nominated and the compensation of such external auditor. The Audit Committee shall have ultimate authority to approve all audit engagement terms and fees, including the auditors' audit plan.

### (c) Resolution of Disagreements

The Audit Committee shall resolve any disagreements between management and the auditors as to financial reporting matters brought to its attention.

### (d) Discussions with Auditors

At least annually, the Audit Committee shall discuss with the auditors such matters as are required by applicable auditing standards to be discussed by the auditors with the Audit Committee.

### (e) Audit Plan

At least annually, the Audit Committee shall review a summary of the auditors' annual audit plan. The Audit Committee shall consider and review with the auditors any material changes to the scope of the plan.

### (f) Quarterly Review Report

The Audit Committee shall review a report prepared by the auditors in respect of each of the interim financial statements of the Corporation, if available.

### (g) Independence of Auditors

At least annually, and before the auditors issue their report on the annual financial statements, the Audit Committee shall obtain from the auditors a formal written statement describing all relationships between the auditors and the Corporation; discuss with the auditors any disclosed relationships or services that may affect the objectivity and independence of the auditors; and obtain written confirmation from the auditors that they are objective and independent within the meaning of the applicable Rules of Professional Conduct/Code of Ethics adopted by the provincial institute or order of chartered accountants to which the auditors belong and other Applicable Requirements. The Audit Committee shall take appropriate action to oversee the independence of the auditors.

### (h) Evaluation and Rotation of Lead Partner

At least annually, the Audit Committee shall review the qualifications and performance of the lead partner(s) of the auditors and determine whether it is appropriate to adopt or continue a policy of rotating lead partners of the external auditors.

### (i) Requirement for Pre-Approval of Non-Audit Services

The Audit Committee shall approve in advance any retainer of the auditors to perform any non-audit service to the Corporation that it deems advisable in accordance with Applicable Requirements and Board approved policies and procedures. The Audit Committee may delegate pre-approval authority to a member of the Audit Committee. The decisions of any member of the Audit Committee to whom this authority has been delegated must be presented to the full Audit Committee at its next scheduled Audit Committee meeting.

(j) Approval of Hiring Policies

The Audit Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation.

(k) Financial Executives

The Committee shall review and discuss with management the appointment of key financial executives and recommend qualified candidates to the Board, as appropriate.

*Internal Controls*

(a) General

The Audit Committee shall review the Corporation's system of internal controls.

(b) Establishment, Review and Approval

The Audit Committee shall require management to implement and maintain appropriate systems of internal controls in accordance with Applicable Requirements, including internal controls over financial reporting and disclosure and to review, evaluate and approve these procedures. At least annually, the Audit Committee shall consider and review with management and the auditors:

- (i) the effectiveness of, or weaknesses or deficiencies in, the design or operation of the Corporation's internal controls (including computerized information system controls and security); the overall control environment for managing business risks; and accounting, financial and disclosure controls (including, without limitation, controls over financial reporting), non-financial controls, and legal and regulatory controls and the impact of any identified weaknesses in internal controls on management's conclusions;
- (ii) any significant changes in internal controls over financial reporting that are disclosed, or considered for disclosure, including those in the Corporation's periodic regulatory filings;
- (iii) any material issues raised by any inquiry or investigation by the Corporation's regulators;
- (iv) the Corporation's fraud prevention and detection program, including deficiencies in internal controls that may impact the integrity of financial information, or may expose the Corporation to other significant internal or external fraud losses and the extent of those losses and any disciplinary action in respect of fraud taken against management or other employees who have a significant role in financial reporting; and
- (v) any related significant issues and recommendations of the auditors together with management's responses thereto, including the timetable for implementation of recommendations to correct weaknesses in internal controls over financial reporting and disclosure controls.

*Compliance with Legal and Regulatory Requirements*

The Audit Committee shall review reports from the Corporation's Corporate Secretary and other management members on: legal or compliance matters that may have a material impact on the Corporation; the effectiveness of the Corporation's compliance policies; and any material communications received from regulators. The Audit Committee shall review management's evaluation of and representations relating to compliance with specific applicable law and guidance, and management's plans to remediate any deficiencies identified.

*Audit Committee Hotline Whistleblower Procedures*

The Audit Committee shall establish procedures for (a) the receipt, retention, and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and

(b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters. Any such complaints or concerns that are received shall be reviewed by the Audit Committee and, if the Audit Committee determines that the matter requires further investigation, it will direct the Chair of the Audit Committee to engage outside advisors, as necessary or appropriate, to investigate the matter and will work with management and the general counsel to reach a satisfactory conclusion.

*Audit Committee Disclosure*

The Audit Committee shall prepare, review and approve any audit committee disclosures required by Applicable Requirements in the Corporation's disclosure documents.

*Delegation*

The Audit Committee may, to the extent permissible by Applicable Requirements, designate a sub-committee to review any matter within this mandate as the Audit Committee deems appropriate.

**5. NO RIGHTS CREATED**

This Mandate is a statement of broad policies and is intended as a component of the flexible governance framework within which the Audit Committee, functions. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Corporation's By-laws, it is not intended to establish any legally binding obligations.

**6. MANDATE REVIEW**

The Committee shall review and update this Mandate annually and present it to the Board for approval.

**APPENDIX B**

**kneat.com, Inc.**

**OMNIBUS EQUITY INCENTIVE PLAN**

**kneat.com, Inc.**

**OMNIBUS EQUITY INCENTIVE PLAN**

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**kneat.com, inc.**  
**OMNIBUS EQUITY INCENTIVE PLAN**

kneat.com, inc. (the "**Corporation**") hereby adopts an Omnibus Equity Incentive Plan (the "**Plan**") for certain qualified directors, officers, employees, Consultants (as defined herein) and service providers providing ongoing services to the Corporation and its Affiliates (as defined herein) that can have a significant impact on the Corporation's long-term results.

**ARTICLE 1**  
**DEFINITIONS**

**1.1 Definitions.**

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

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

"**Associate**", where used to indicate a relationship with a Participant, means (i) any partner of that Participant and (ii) the spouse of that Participant and that Participant's children, as well as that Participant's relatives and that Participant's spouse's relatives, if they share that Participant's residence;

"**Awards**" means Options, RSUs, DSUs granted to a Participant pursuant to the terms of the Plan;

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

"**Board**" has the meaning ascribed thereto in Section 2.2(a) hereof;

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

"**Cash Equivalent**" means the amount of money equal to the Market Price multiplied by the number of vested RSUs in the Participant's Account, net of any applicable taxes in accordance with Section 8.2, on the RSU Settlement Date;

"**Cashless Exercise Right**" has the meaning ascribed thereto in Section 3.6(b);

"**Change in Control**" means the occurrence of any of the following events: (i) the acquisition, directly or indirectly, by any Person or group of Persons acting jointly or in concert, within the meaning of National Instrument 62-104 - *Takeover Bids and Issuer Bids* (or any successor instrument thereto), of a beneficial interest in voting or equity securities of the Corporation, together with all voting or equity securities of the Corporation at the time held beneficially, directly or indirectly by such person or persons acting jointly or in concert, equal to more than 50% of the votes associated with the outstanding voting securities of the Corporation; (ii) a merger, consolidation, plan of arrangement or reorganization of the Corporation that results in

the beneficial, direct or indirect transfer of more than 50% of the total voting power of the resulting entity's outstanding securities to a person, or group of persons acting jointly and in concert, who are different from the person(s) that have, beneficially, directly or indirectly, more than 50% of the total voting power prior to such transaction; (iii) any sale, lease, exchange or other transfer (in one transaction or series of related transactions) of all or substantially all of the Corporation's property and assets, or (iv) the Corporation's shareholders approving any plan or proposal for the liquidation or dissolution of the Corporation;

"**Code of Conduct**" means any code of conduct adopted by the Corporation, as modified from time to time;

"**Committee**" has the meaning ascribed thereto in Section 2.2(a) hereof;

"**Consultant**" means a person providing consulting services to the Corporation pursuant to a written agreement; provided that such consultant (i) is a natural person, (ii) provides bona fide services to the Corporation and (iii) whose services 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;

"**Corporation**" means kneat.com, inc., a corporation existing under the *Canada Business Corporations Act*, as amended from time to time;

"**Date of Grant**" means, for any Award, the date specified by the Board at the time it grants the Award or if no such date is specified, the date upon which the Award was granted.

"**DSU**" means a deferred share unit, which is a bookkeeping entry equivalent in value to a Share credited to a Participant's Account in accordance with Article 4 hereof;

"**DSU Agreement**" means a written letter agreement between the Corporation and a Participant evidencing the grant of DSUs and the terms and conditions thereof, substantially in the form of Appendix "B";

"**DSU Redemption Notice**" has the meaning ascribed thereto in Section 4.3(a) hereof;

"**Eligible Director**" means members of the Board who, at the time of execution of a Grant Agreement, and at all times thereafter while they continue to serve as a member of the Board, are not officers, senior executives or other employees of the Corporation or a Subsidiary, Consultants or service providers providing ongoing services to the Corporation and its Affiliates;

"**Eligible Participants**" has the meaning ascribed thereto in Section 2.3(a) hereof;

"**Employment Agreement**" means, with respect to any Participant, any written employment agreement between the Corporation or an Affiliate and such Participant;

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

**"Grant Agreement"** means an agreement evidencing the grant to a Participant of an Award, including an Option Agreement, a DSU Agreement, a RSU Agreement or an Employment Agreement;

**"Insider"** has the meaning given to the term in TSX Company Manual, as same may be amended, supplemented or replaced from time to time;

**"In-The-Money Amount"** has the meaning ascribed thereto in the definition of "Net Number of Shares" hereto;

**"Market Price"** has the meaning given to the term in TSX Company Manual, as same may be amended, supplemented or replaced from time to time;

**"Net Number of Shares"** means in respect of Options in relation to which the Participant has exercised the Cashless Exercise Right pursuant to Section 3.6(d), the number of Shares calculated in accordance with the following formula:

$$\text{Net Number of Shares} = \frac{\text{In-The-Money Amount}}{\text{MP}}$$

Where:

In-The-Money is equal to  $(A \times \text{MP}) - (A \times \text{EP})$  Amount

A is the total number of Shares in respect of which the Participant has surrendered Options pursuant to the Cashless Exercise Right MP is the Market Price

EP is the exercise price of the Options surrendered "Option" means an option granted by the Corporation to a Participant entitling such Participant to acquire a designated number of Shares from treasury at the Option Price, but subject to the provisions hereof;

**"Option Agreement"** means a written letter agreement between the Corporation and a Participant evidencing the grant of Options and the terms and conditions thereof, substantially in the form set out in Appendix "A";

**"Option Price"** has the meaning ascribed thereto in Section 3.3 hereof; "Option Term" has the meaning ascribed thereto in Section 3.4 hereof;

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

**"Participant's Account"** means an account maintained for each Participant's participation in DSUs and/or RSUs under the Plan;

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

**"Performance Period"** means the period determined by the Board pursuant to Section 5.3 hereof;

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

"**Plan**" means this Omnibus Equity Incentive Plan, as amended and restated from time to time;

"**Restriction Period**" means the period determined by the Board pursuant to Section 5.3 hereof;

"**RSU**" means a right awarded to a Participant to receive a payment in the form of Shares as provided in Article 5 hereof and subject to the terms and conditions of this Plan;

"**RSU Agreement**" means a written letter agreement between the Corporation and a Participant evidencing the grant of RSUs and the terms and conditions thereof, substantially in the form of Appendix "C";

"**RSU Settlement Date**" has the meaning determined in Section 5.6(a)(i);

"**RSU Settlement Notice**" means a notice by a Participant to the Corporation electing the desired form of settlement of vested RSUs.

"**RSU Vesting Determination Date**" has the meaning described thereto in Section 5.5 hereof;

"**Share Compensation Arrangement**" means a stock option, stock option plan, employee stock purchase plan, long-term incentive plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares to one or more full-time employees, directors, officers, insiders, service providers or Consultants of the Corporation or a Subsidiary including a share purchase from treasury by a full-time employee, director, officer, insider, service provider or Consultant which is financially assisted by the Corporation or a Subsidiary by way of a loan, guarantee or otherwise;

"**Shares**" means the common shares in the capital of the Corporation;

"**Subsidiary**" means a corporation, company, partnership or other body corporate that is controlled, directly or indirectly, by the Corporation;

"**Successor Corporation**" has the meaning ascribed thereto in Section 7.1(c) hereof;

"**Tax Act**" means the *Income Tax Act* (Canada) and its regulations thereunder, as amended from time to time.

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

"**Trading Day**" means any day on which the TSX is opened for trading;

"**TSX**" means the Toronto Stock Exchange; and

"**Vested Awards**" has the meaning described thereto in Section 6.2(b) hereof.

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

**2.1 Purpose of the Plan.**

- (a) The purpose of the Plan is to permit the Corporation to grant Awards to Eligible Participants, subject to certain conditions as hereinafter set forth, for the following purposes:
  - (i) to increase the interest in the Corporation's welfare of those Eligible Participants, who share responsibility for the management, growth and protection of the business of the Corporation or a Subsidiary;
  - (ii) to provide an incentive to such Eligible Participants to continue their services for the Corporation or a Subsidiary and to encourage such Eligible Participants whose skills, performance and loyalty to the objectives and interests of the Corporation or a Subsidiary are necessary or essential to its success, image, reputation or activities;
  - (iii) to reward the Participants for their performance of services while working for the Corporation or a Subsidiary; and
  - (iv) to provide a means through which the Corporation or a Subsidiary may attract and retain able Persons to enter its employment.

**2.2 Implementation and Administration of the Plan.**

- (a) The Plan shall be administered and interpreted by the Board or, if the Board by resolution so decides, by a committee appointed by the Board (the "**Committee**") and consisting of not less than three (3) members of the Board. If a Committee is appointed for this purpose, all references to the term "Board" will be deemed to be references to the Committee.
- (b) The Board may, from time to time, as it may deem expedient, adopt, amend and rescind rules and regulations for carrying out the provisions and purposes of the Plan, subject to any applicable rules of the TSX. Subject to the provisions of the Plan, the Board is authorized, in its sole discretion, to make such determinations under, and such interpretations of, and take such steps and actions in connection with, the proper administration of the Plan as it may deem necessary or advisable. The interpretation, construction and application of the Plan and any provisions hereof made by the Board shall be final and binding on all Eligible Participants.
- (c) No member of the Board or of the Committee shall be liable for any action or determination taken or made in good faith in the administration, interpretation, construction or application of the Plan or any Award granted hereunder.

- (d) Any determination approved by a majority of the Board shall be deemed to be a determination of that matter by the Board.

### **2.3 Eligible Participants.**

- (a) The Persons who shall be eligible to receive Awards ("**Eligible Participants**") shall be *bona fide* directors, officers, senior executives and other employees of the Corporation or a Subsidiary, Consultants and service providers providing ongoing services to the Corporation and its Affiliates, who the Board may determine from time to time, in its sole discretion, to hold key positions in the Corporation or a Subsidiary. In determining Awards to be granted under the Plan, the Board shall give due consideration to the value of each Eligible Participant's present and potential future contribution to the Corporation's success. For greater certainty, a Person whose employment with the Corporation or a Subsidiary has ceased for any reason, or who has given notice or been given notice of such cessation, whether such cessation was initiated by such employee, the Corporation or such Subsidiary, as the case may be, shall cease to be eligible to receive Awards hereunder as of the date on which such Person provides notice to the Corporation or the Subsidiary, as the case may be, in writing or verbally, of such cessation, or on the Termination Date for any cessation of a Participant's employment initiated by the Corporation.
- (b) Participation in the Plan shall be entirely voluntary and any decision not to participate shall not affect an Eligible Participant's relationship or employment with the Corporation.
- (c) Notwithstanding any express or implied term of this Plan to the contrary, the granting of an Award pursuant to the Plan shall in no way be construed as a guarantee of employment by the Corporation to the Participant.

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

- (a) Subject to adjustment pursuant to provisions of Article 7 hereof, the total number of Shares reserved and available for grant and issuance pursuant to Options shall not exceed six percent (6%) of the issued and outstanding Shares from time to time.
- (b) Subject to adjustment pursuant to provisions of Article 7 hereof, the total number of Shares reserved and available to be issued in settlement of DSUs and RSUs, the maximum number of Shares available for issuance pursuant to the settlement of DSUs and RSUs shall not exceed nine percent (9%) of the issued and outstanding Shares from time to time.

- (c) The aggregate number of Shares issuable to Insiders at any time, under all of the Corporation's Share Compensation Arrangements, shall not exceed 10% of the Corporation's issued and outstanding Shares.
- (d) The aggregate number of Shares for which Awards may be issued to any one Participant in any 12-month period shall not exceed 5% of the outstanding Shares, calculated on the date an Award is granted to the Participant, unless the Corporation obtains disinterested shareholder approval as required by the policies of the TSX. The aggregate number of Shares for which Awards may be issued to any one Consultant within any 12-month period shall not exceed 2% of the outstanding Shares, calculated on the date an Award is granted to the Consultant. The aggregate number of Shares for which Options may be issued to any Persons retained to provide investor relations activities within any 12-month period shall not exceed 2% of the outstanding Shares, calculated on the date an Option is granted to such Persons.
- (e) Subject to adjustment pursuant to provisions of Article 7 hereof, the aggregate number of Shares (i) issued to Insiders under the Plan or any other proposed or established Share Compensation Arrangement within any 12-month period and (ii) issuable to Insiders at any time under the Plan or any other proposed or established Share Compensation Arrangement, shall in each case not exceed ten percent (10%) of the total issued and outstanding Shares of the Corporation (on a non-diluted basis) from time to time.

## **2.5 Granting of Awards.**

- (a) Any Award granted under the Plan shall be subject to the requirement that, if at any time counsel to the Corporation shall determine that the listing, registration or qualification of the Shares subject to such Award, if applicable, upon any securities exchange or under any law or regulation of any jurisdiction, or the consent or approval of any securities exchange or any governmental or regulatory body, is necessary as a condition of, or in connection with, the grant or exercise of such Award or the issuance or purchase of Shares thereunder, if applicable, such Award may not be accepted or exercised in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions acceptable to the Board. Nothing herein shall be deemed to require the Corporation to apply for or to obtain such listing, registration, qualification, consent or approval.
- (b) Any Award granted under the Plan shall be subject to the requirement that, the Corporation has the right to place any restriction or legend on any securities issued pursuant to this Plan including, but in no way limited to placing a legend to the effect that the securities have not been registered under the *United States Securities Act of 1933* and may not be offered or sold in the United States unless registration or an exemption from registration is available.

**ARTICLE 3**  
**OPTIONS**

**3.1 Nature of Options.**

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

**3.2 Option Awards.**

- (a) Subject to the provisions set forth in this Plan and any shareholder or regulatory approval which may be required, the Board shall, from time to time by resolution, in its sole discretion, (i) designate the Eligible Participants who may receive Options under the Plan, (ii) fix the number of Options, if any, to be granted to each Eligible Participant and the date or dates on which such Options shall be granted, (iii) determine the price per Share to be payable upon the exercise of each such Option (the "**Option Price**") and the relevant vesting provisions (including Performance Criteria, if applicable) and Option Term, the whole subject to the terms and conditions prescribed in this Plan, in any Option Agreement and any applicable rules of the TSX. Unless otherwise set forth in the Option Agreement or outlined under Section 6.2, the vesting of Options will not commence before the 1st anniversary from the Date of Grant.
- (b) The total number of Options reserved and available for grant and issuance pursuant to Options shall not exceed six percent (6%) of the issued and outstanding Shares from time to time.

**3.3 Option Price.**

The Option Price for Shares that are the subject of any Option shall be fixed by the Board when such Option is granted, but shall not be less than the Market Price of such Shares at the time of the grant.

**3.4 Option Term.**

- (a) The Board shall determine, at the time of granting the particular Option, the period during which the Option is exercisable, commencing on the date such Option is granted to the Participant and ending as specified in this Plan, or in the Option Agreement, but in no event shall an Option expire on a date which is later than ten (10) years from the date the Option is granted ("**Option Term**"). Unless otherwise determined by the Board, all unexercised Options shall be cancelled at the expiry of such Options.
- (b) Should the expiration date for an Option fall within a Black-Out Period or within ten (10) Business Days following the expiration of a Black-Out Period, such

expiration date shall be automatically extended without any further act or formality to that date which is the tenth Business Day after the end of the Black-Out Period, such tenth Business Day to be considered the expiration date for such Option for all purposes under the Plan. Notwithstanding Section 7.2 hereof, the ten (10) Business Day-period referred to in this Section 3.4 may not be extended by the Board.

### **3.5 Exercise of Options.**

- (a) Subject to the provisions of this Plan, a Participant shall be entitled to exercise an Option granted to such Participant at any time prior to the expiry of the Option Term, subject to vesting limitations which may be imposed by the Board at the time such Option is granted.
- (b) Prior to its expiration or earlier termination in accordance with the Plan, each Option shall be exercisable as to all or such part or parts of the optioned Shares and at such time or times and/or pursuant to the achievement of such Performance Criteria and/or other vesting conditions as the Board at the time of granting the particular Option, may determine in its sole discretion. For greater certainty, no Option shall be exercised by a Participant during a Black-Out Period.

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

- (a) Subject to the provisions of the Plan and the alternative exercise procedures set out herein, an Option granted under the Plan may be exercisable (from time to time as provided in Section 3.5 hereof) by the Participant (or by the liquidator, executor or administrator, as the case may be, of the estate of the Participant) by delivering a fully completed Exercise Notice to the Corporation at its registered office to the attention of the Corporate Secretary of the Corporation (or the individual that the Corporate Secretary of the Corporation may from time to time designate), together with a bank draft, certified cheque or other form of payment acceptable to the Corporation in an amount equal to the aggregate Option Price of the Shares to be purchased pursuant to the exercise of the Options.
- (b) Notwithstanding anything to the contrary contained herein, in lieu of exercising the Option pursuant to Section 3.6(a) above, the Participant shall have the right (the "**Cashless Exercise Right**") (but not the obligation), at any time and from time to time during the term of an Option, by indicating same in the written notice of exercise, to surrender all or part of the Option to the Corporation in consideration of a payment of the In-The-Money Amount. The Participant may elect to have the Corporation satisfy the payment of the In-The-Money Amount by delivering to the Participant the Net Number of Shares.

Upon exercise by a Participant of the Cashless Exercise Right, the Corporation shall deliver to the Participant such Shares issuable pursuant to Section 3.6(d)(i) or 3.6(d)(ii), as

applicable, within a reasonable time following the receipt of such notice and, where the Participant is subject to the Tax Act in respect of the Option, the Corporation shall make the election provided for in subsection 110(1.1) of the Tax Act (if applicable).

- (c) Where Shares are to be issued to the Participant pursuant to the terms of this Section 3.6, as soon as practicable following the receipt of the Exercise Notice and, if Options are exercised only in accordance with the terms of Section 3.6(a), the required bank draft, certified cheque or other acceptable form of payment, the Corporation shall duly issue such Shares to the Participant as fully paid and non-assessable.
- (d) Upon the exercise of an Option pursuant to Section 3.6(a), the Corporation shall, as soon as practicable after such exercise but no later than ten (10) Business Days following such exercise, forthwith cause the transfer agent and registrar of the Shares to either:
  - (i) deliver to the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) a certificate in the name of the Participant representing in the aggregate such number of Shares as the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall have then paid for and as are specified in such Exercise Notice; or
  - (ii) in the case of Shares issued in uncertificated form, cause the issuance of the aggregate number of Shares the Participant (or the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall have then paid for and as are specified in such Exercise Notice to be evidenced by a book position on the register of the shareholders of the Corporation to be maintained by the transfer agent and registrar of the Shares.

### **3.7 Option Agreements.**

Options shall be evidenced by an Option Agreement or included in an Employment Agreement, in such form not inconsistent with the Plan as the Board may from time to time determine, provided that the substance of Article 3 and Article 6 hereof be included therein. The Option Agreement shall contain such terms that may be considered necessary in order that the Option will comply with any provisions respecting options in the income tax or other laws in force in any country or jurisdiction of which the Participant may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the corporation.

**ARTICLE 4**  
**DEFERRED SHARE UNITS**

**4.1 Nature of DSUs.**

A DSU is an Award to an Eligible Director, subject to restrictions and conditions as the Board may determine at the time of grant. Conditions may be based on continuing service to the Corporation and/or achievement of pre-established vesting conditions.

**4.2 DSU Awards.**

- (a) Each Eligible Director may receive all or a portion of his or her annual retainer fee in the form of a grant of DSUs in each fiscal year. The number of DSUs shall be calculated as the applicable portion of the Eligible Director's annual retainer fee divided by the Market Price. At the discretion of the Board, fractional DSUs will not be issued and any fractional entitlements will be rounded down to the nearest whole number.
- (b) The DSUs are structured so as to be considered to be a plan described in section 7 of the Tax Act or any successor to such provision.
- (c) Subject to the vesting and other conditions and provisions set forth herein and in the DSU Agreement, the Board shall determine whether each DSU awarded to a Participant shall entitle the Participant: (i) to receive one Share issued from treasury; (ii) to receive the Cash Equivalent of one Share; or (iii) to elect to receive either One Share from treasury, the Cash Equivalent of One Share or a combination of cash and Shares.

**4.3 Redemption of DSUs.**

- (a) Each Eligible Director shall be entitled to redeem his or her DSUs during the period commencing on the Business Day immediately following the Termination Date and ending on the date that is two years following the Termination Date, or a shorter such redemption period set out in the relevant DSU Agreement, by providing a written notice of settlement to the Corporation setting out the number of DSUs to be settled and the particulars regarding the registration of the Shares issuable upon settlement (the "**DSU Redemption Notice**"). In the event of the death of an Eligible Director, the Notice of Redemption shall be filed by the administrator or liquidator of the estate of the Eligible Director.
- (b) If a DSU Redemption Notice is not received by the Corporation on or before the 90th day following the Termination Date, the Eligible Director shall be deemed to have delivered a DSU Redemption Notice and the Corporation shall redeem all of the Eligible Director's DSUs in exchange for Shares to be delivered to the Eligible Director, administrator or liquidator of the estate of the Eligible Director or the cash equivalent of the shares, as applicable.

- (c) For the purposes of determining the number of Shares from treasury to be issued or cash equivalent value to be delivered to an Eligible Director upon redemption of DSUs pursuant to Section 4.3, such calculation will be made on the date the Corporation receives, or is deemed to receive, the DSU Redemption Notice and be the whole number of Shares equal to the whole number of DSUs then recorded in the Eligible Director's Account which the Eligible Director requests or is deemed to request to redeem pursuant to the DSU Redemption Notice. Shares issued from treasury or the cash equivalent provided will be issued in consideration for the past services of the Eligible Director to the Corporation and the entitlement of the Eligible Director under this Plan shall be satisfied in full by such issuance of Shares.
- (d) Subject to Section 4.3(e), settlement of DSUs shall take place promptly following the Corporation's receipt or deemed receipt of the DSU Redemption Notice through delivery of a share certificate to the Eligible Director, the entry of the Eligible Director's name on the share register for the Shares or the cash equivalent of the shares.
- (e) Notwithstanding any other provision of this Plan, in the event that (i) a DSU Redemption Notice is received during a Black-Out Period or other trading restriction imposed by the Corporation; or (ii) the Eligible Director has not delivered a DSU Redemption Notice and the 90th day following the Termination Date falls during a Black-Out Period or other trading restriction imposed by the Corporation, then settlement of the applicable DSUs shall be automatically extended to the tenth (10th) Business Day following the date that such Black-Out Period or other trading restriction is lifted, terminated or removed.

#### **4.4 DSU Agreements.**

DSUs shall be evidenced by a DSU Agreement or included in an Employment Agreement, in such form not inconsistent with the Plan as the Board may from time to time determine, provided that the substance of Article 4 and Article 6 hereof be included therein. The DSU Agreement shall contain such terms that may be considered necessary in order that the DSU will comply with any provisions respecting deferred share units in the income tax or other laws in force in any country or jurisdiction of which the Participant may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the corporation.

### **ARTICLE 5** **RESTRICTED SHARE UNITS**

#### **5.1 Nature of RSUs.**

A RSU is an Award entitling the recipient to acquire Shares, at such purchase price as determined by the Board, subject to such restrictions and conditions as the Board may determine at the time of grant. Conditions may be based on continuing employment (or other service relationship) and/or achievement of pre-established performance goals and objectives.

## 5.2 RSU Awards.

- (a) Subject to the provisions herein set forth and any shareholder or regulatory approval which may be required, the Board shall, from time to time by resolution, in its sole discretion, (i) designate the Eligible Participants who may receive RSUs under the Plan, (ii) fix the number of RSUs, if any, to be granted to each Eligible Participant and the date or dates on which such RSUs shall be granted, and (iii) determine the relevant conditions and vesting provisions (including the applicable Performance Period and Performance Criteria, if any) and Restriction Period of such RSUs, the whole subject to the terms and conditions prescribed in this Plan and in any RSU Agreement.
- (b) The Board shall have the authority to determine any vesting terms applicable to the grant of RSUs, provided that the terms comply with Section 409A, with respect to a U.S. Taxpayer.
- (c) Unless otherwise set forth in the RSU Agreement or outlined under Section 6.2, the vesting of RSUs will not commence before the 1st anniversary from the Date of Grant.
- (d) The RSUs are structured so as to be considered to be a plan described in section 7 of the Tax Act or any successor to such provision.
- (e) Subject to the vesting and other conditions and provisions set forth herein and in the RSU Agreement, the Board shall determine whether each RSU awarded to a Participant shall entitle the Participant: (i) to receive one Share issued from treasury; (ii) to receive the Cash Equivalent of one Share; or (iii) to elect to receive either One Share from treasury, the Cash Equivalent of One Share or a combination of cash and Shares.
- (f) RSUs shall be settled by the Participant at any time beginning on the first Business Day following their RSU Vesting Determination Date but no later than the RSU Settlement Date.

## 5.3 Restriction Period.

The applicable restriction period in respect of a particular RSU award shall be determined by the Board. For Eligible Participants subject to the Income Tax Act (Canada), the Restriction Period of a particular RSU in all cases shall end no later than December 31 of the calendar year which is three (3) years after the calendar year in which the Award is granted ("**Restriction Period**"). For example, the Restriction Period for a grant made in June 2021 shall end no later than December 31, 2024. Subject to the Board's determination, any vested RSUs with respect to a Restriction Period will be paid to Participants in accordance with Article 5, no later than the end of the Restriction Period. Unless otherwise determined by the Board, all unvested RSUs shall be

cancelled on the RSU Vesting Determination Date (as such term is defined in Section 5.5) and, in any event, no later than the last day of the Restriction Period.

#### **5.4 Performance Criteria and Performance Period.**

- (a) For each award of RSUs, the Board shall establish the period in which any Performance Criteria and other vesting conditions must be met in order for a Participant to be entitled to receive Shares in exchange for all or a portion of the RSUs held by such Participant (the "**Performance Period**"), provided that such Performance Period may not expire after the end of the Restriction Period, being no longer than three (3) years after the calendar year in which the Award was granted.
- (b) The Board will issue Performance Criteria prior to the Date of Grant to which such Performance Criteria pertain. The Performance Criteria may be based upon the achievement of corporate, divisional or individual goals, and may be applied to performance relative to an index or comparator group, or on any other basis determined by the Board. Following the Date of Grant, the Board may modify the Performance Criteria as necessary to align them with the Corporation's corporate objectives, subject to any limitations set forth in an RSU Agreement or an employment or other agreement with a Participant. The Performance Criteria may include a threshold level of performance below which no payment will be made (or no vesting will occur), levels of performance at which specified payments will be made (or specified vesting will occur) and a maximum level of performance above which no additional payment will be made (or at which full vesting will occur), all as set forth in the applicable RSU Agreement.

#### **5.5 RSU Vesting Determination Date.**

The vesting determination date means the date on which the Board determines if the Performance Criteria and/or other vesting conditions with respect to a RSU have been met (the "**RSU Vesting Determination Date**"), and as a result, establishes the number of RSUs that become vested, if any. For greater certainty, the RSU Vesting Determination Date must fall after the end of the Performance Period, if any, but no later than the last day of the Restriction Period each of which will not occur before the 1st anniversary from the Date of Grant, unless provided for under the RSU Agreement or under a situation outlined in Section 6.2.

#### **5.6 Settlement of RSUs.**

- (a) Except as otherwise provided in the RSU Agreement,
  - (i) all of the vested RSUs covered by a particular grant shall be settled as soon as practicable and in any event within ten (10) Business Days following their RSU Vesting Determination Date and, subject to Section 5.2 no later than the end of the Restriction Period (the "**RSU Settlement Date**").

- (ii) a Participant is entitled to deliver to the Corporation, on or before the RSU Settlement Date, an RSU Settlement Notice in respect of any or all vested RSUs held by such Participant.
- (b) Subject to Section 5.6(d), settlement of RSUs shall take place promptly following the RSU Settlement Date and take the form set out in the RSU Settlement Notice through:
  - (i) in the case of settlement of RSUs for their Cash Equivalent, delivery of a cheque to the Participant representing the Cash Equivalent;
  - (ii) in the case of settlement of RSUs for Shares, delivery of a share certificate to the Participant or the entry of the Participant's name on the share register for the Shares; or
  - (iii) in the case of settlement of the RSUs for a combination of Shares and the Cash Equivalent, a combination of (a) and (b) above.
- (c) If an RSU Settlement Notice is not received by the Corporation on or before the RSU Settlement Date, settlement shall take the form of Shares issued from treasury as set out in Section 5.7(b).
- (d) Notwithstanding any other provision of this Plan, in the event that an RSU Settlement Date falls during a Black-Out Period or other trading restriction imposed by the Corporation and the Participant has not delivered an RSU Settlement Notice, then such RSU Settlement Date shall be automatically extended to the tenth (10th) Business Day following the date that such Black-Out Period or other trading restriction is lifted, terminated or removed.

## **5.7 Determination of Amounts.**

- (a) Cash Equivalent of RSUs. For purposes of determining the Cash Equivalent of RSUs to be made pursuant to Section 5.6, such calculation will be made on the RSU Settlement Date and shall equal the Market Price on the RSU Settlement Date multiplied by the number of vested RSUs in the Participant's Account which the Participant desires to settle in cash pursuant to the RSU Settlement Notice.
- (b) Payment in Shares; Issuance of Shares from Treasury. For the purposes of determining the number of Shares from treasury to be issued and delivered to a Participant upon settlement of RSUs pursuant to Section 5.6, such calculation will be made on the RSU Settlement Date and be the whole number of Shares equal to the whole number of vested RSUs then recorded in the Participant's Account which the Participant desires to settle pursuant to the RSU Settlement Notice. Shares issued from treasury will be issued in consideration for the past services of

the Participant to the Corporation and the entitlement of the Participant under this Plan shall be satisfied in full by such issuance of Shares.

## **5.8 RSU Agreements.**

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

## **ARTICLE 6** **GENERAL CONDITIONS**

### **6.1 General Conditions applicable to Awards.**

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

- (a) **Employment** - The granting of an Award to a Participant shall not impose upon the Corporation or a Subsidiary any obligation to retain the Participant in its employ in any capacity. For greater certainty, the granting of Awards to a Participant shall not impose any obligation on the Corporation to grant any awards in the future nor shall it entitle the Participant to receive future grants.
- (b) **Rights as a Shareholder** - Neither the Participant nor such Participant's personal representatives or legatees shall have any rights whatsoever as shareholder in respect of any Shares covered by such Participant's Awards until the date of issuance of a share certificate to such Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) or the entry of such person's name on the share register for the Shares. Without in any way limiting the generality of the foregoing, no adjustment shall be made for dividends or other rights for which the record date is prior to the date such share certificate is issued or entry of such person's name on the share register for the Shares.
- (c) **Conformity to Plan** – In the event that an Award is granted or a Grant Agreement is executed which does not conform in all particulars with the provisions of the Plan, or purports to grant Awards on terms different from those set out in the Plan, the Award or the grant of such Award shall not be in any way void or invalidated, but the Award so granted will be adjusted to become, in all respects, in conformity with the Plan.
- (d) **Non-Transferability** – Except as set forth herein, Awards are not transferable and assignable. Awards may be exercised only by:

- (i) the Participant to whom the Awards were granted; or
- (ii) with the Corporation's prior written approval and subject to such conditions as the Corporation may stipulate, such Participant's family or retirement savings trust or any registered retirement savings plans or registered retirement income funds of which the Participant is and remains the annuitant; or
- (iii) upon the Participant's death, by the legal representative of the Participant's estate; or
- (iv) upon the Participant's incapacity, the legal representative having authority to deal with the property of the Participant; provided that any such legal representative shall first deliver evidence satisfactory to the Corporation of entitlement to exercise any Award. A person exercising an Award may subscribe for Shares only in the person's own name or in the person's capacity as a legal representative.

## 6.2 General Conditions applicable to Awards.

Each Award shall be subject to the following conditions:

- (a) **Termination for Cause.** Upon a Participant ceasing to be an Eligible Participant for "cause", all unexercised, vested or unvested Awards granted to such Participant shall terminate on the effective date of the termination as specified in the notice of termination. For the purposes of the Plan, the determination by the Corporation that the Participant was discharged for cause shall be binding on the Participant. "Cause" shall include, among other things, gross misconduct, theft, fraud, breach of confidentiality or breach of the Corporation's Code of Conduct and any reason determined by the Corporation to be cause for termination.
- (b) **Permanent Disability.** In the case of a Participant's termination of employment/service due to permanent disability , Awards will be treated as follows:
  - (i) **Options:** Upon a Participant ceasing to be an Eligible Participant by reason of permanent disability, (i) any unvested Option shall terminate and become void immediately, and (ii) any vested Option will cease to be exercisable on the earlier of the ninety (90) days from the date on which the Participant ceases his or her employment or service relationship with the Corporation by reason of permanent disability, and the expiry date of the Award set forth in the Option Agreement, after which the Option will expire. For clarity, any Option that would vest within 12 months of the Participant ceasing to be an Eligible Participant as per this Section 6.2(b)(i) will vest. Notwithstanding this, any unvested Options with Performance

Criteria attached to them will have the performance measured based on a pro-rata Performance Period up to the Termination Date with any Options earned based on Performance Criteria vesting and all Options not meeting the Performance Criteria forfeited. If the Participant is determined to have breached any post-employment restrictive covenants in favour of the Corporation within a 12 month period following the Termination Date, then any Awards held by the Participant, whether vested or unvested, will immediately expire and the Participant shall pay to the Corporation any "in-the-money" amounts realized upon exercise of Awards following the Termination Date.

- (ii) **RSUs/DSUs:** Except as otherwise determined by the Board from time to time, at its sole discretion, upon a Participant ceasing to be an Eligible Participant as a result of permanent disability, all unvested RSUs in the Participant's Account as of such date relating to a Restriction Period in progress shall remain outstanding and in effect until the applicable RSU Vesting Determination Date. DSUs will immediately vest.
- (c) **Resignation.** In the case of a Participant ceasing to be an Eligible Participant due to such Participant's resignation, subject to any later expiration dates determined by the Board, all Awards shall expire on the earlier of ninety (90) days after the effective date of such resignation, or the expiry date of the Award, to the extent such Awards were vested and exercisable by the Participant on the effective date of such resignation and all unexercised unvested Awards granted to such Participant shall terminate on the effective date of such resignation.
- (d) **Termination or Cessation.** In the case of a Participant ceasing to be an Eligible Participant for any reason (other than for "cause", resignation or death) the number of Awards that may vest is subject to pro ration over the applicable vesting or performance period and shall expire on the earlier of ninety (90) days after the effective date of the Termination Date, or the expiry date of the Awards. For greater certainty, the pro ration calculation referred to above shall be net of previously vested Awards. Notwithstanding this, any Awards with Performance Criteria attached to them will have the performance measured based on the pro-rata Performance Period with any Awards earned based on Performance Criteria vesting and all Awards not meeting the Performance Criteria forfeited.
- (e) **Death.** If a Participant dies while in his or her capacity as an Eligible Participant, all unvested Awards will immediately vest and all Awards will expire one hundred eighty (180) days after the death of such Participant.
- (f) **Change in Control.** If a Participant is terminated without "cause" or resigns for good reason during the 12 month period following the consummation of a Change in Control, then any unvested Awards will immediately vest and may be exercised within thirty (30) days of such date. Notwithstanding this, any unvested Options

or RSUs with Performance Criteria attached to them will have the performance measured based on a pro-rata Performance Period up to the Termination Date with any Options or RSUs earned based on Performance Criteria vesting and all Options or RSUs not meeting the Performance Criteria forfeited. Any Options that become exercisable pursuant to this Section 6.2(f) shall remain open for exercise until the earlier of their expiry date as set out in the Award Agreement and the date that is thirty (30) days after such termination or dismissal.

- (g) **Clawback.** It is a condition of each grant of an Award that if the Corporation's financial statements (the "**Original Statements**") are required to be restated (other than as a result of a change in accounting policy by the Corporation or under International Financial Reporting Standards applicable to the Corporation) within three years following which such Original Statements were received by shareholders at the Corporation's then most recent annual general meeting of shareholders, and such restated financial statements (the "**Restated Statements**") disclose, in the opinion of the Board, acting reasonably, materially worse financial results than those contained in the Original Statements, then the Board may, in its sole discretion, to the full extent permitted by governing law and to the extent it determines that such action is in the best interest of the Corporation, and in addition to any other rights that the Corporation or an Affiliate may have at law or under any agreement, take any or all of the following actions, as applicable): (i) require the Participant to reimburse the Corporation for any amount paid to the Participant in respect of an Award in cash in excess of the amount that should otherwise have been paid in respect of such Award had the determination of such compensation been based upon the Restated Statements, less, in any event, the amount of tax withheld pursuant to the Tax Act or other relevant taxing authority in respect of the amount paid in cash in the year of payment; (ii) cancel and terminate any one or more unvested Awards on or prior to the applicable maturity or vesting dates, or cancel or terminate any outstanding Awards which have vested in the twelve (12) months prior to the date on which the Board determines that the Corporation's Original Statements are required to be restated (a "**Relevant Equity Recoupment Date**"); and/or (iii) require payment to the Corporation of the value of any Shares of the Corporation acquired by the Participant pursuant to an Award granted in the twelve (12) months prior to a Relevant Equity Recoupment Date (less any amount paid by the Participant) to acquire such Shares and less the amount of tax withheld pursuant to the Tax Act or other relevant taxing authority in respect of such Shares).

### 6.3 Unfunded Plan.

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

shall be such that the Plan continuously meets the requirements of paragraph 6801(d) of the Income Tax Regulations, adopted under the Income Tax Act (Canada) or any successor provision thereto.

## **ARTICLE 7**

### **ADJUSTMENTS AND AMENDMENTS**

#### **7.1 Adjustment to Shares Subject to Outstanding Awards.**

- (a) In the event of any subdivision of the Shares into a greater number of Shares at any time after the grant of an Award to a Participant and prior to the expiration of the term of such Award, the Corporation shall deliver to such Participant, at the time of any subsequent exercise or vesting of such Award in accordance with the terms hereof, in lieu of the number of Shares to which such Participant was theretofore entitled upon such exercise or vesting of such Award, but for the same aggregate consideration payable therefor, such number of Shares as such Participant would have held as a result of such subdivision if on the record date thereof the Participant had been the registered holder of the number of Shares to which such Participant was theretofore entitled upon such exercise or vesting of such Award.
- (b) In the event of any consolidation of Shares into a lesser number of Shares at any time after the grant of an Award to any Participant and prior to the expiration of the term of such Award, the Corporation shall deliver to such Participant at the time of any subsequent exercise or vesting of such Award in accordance with the terms hereof in lieu of the number of Shares to which such Participant was theretofore entitled upon such exercise or vesting of such Award, but for the same aggregate consideration payable therefor, such number of Shares as such Participant would have held as a result of such consideration if on the record date thereof the Participant had been the registered holder of the number of Shares to which such Participant was theretofore entitled upon such exercise or vesting of such Award.
- (c) If, at any time after the grant of an Award to any Participant and prior to the expiration of the term of such Award, the Corporation shall make a distribution, without the receipt of consideration, to all holders of Shares or other securities in the capital of the Corporation, or cash, evidences of indebtedness or other assets of the Corporation (excluding an ordinary course dividend in cash or shares, but including for greater certainty shares or equity interests in a subsidiary or business unit of the Corporation or one of its subsidiaries or cash proceeds of the disposition of such a subsidiary or business unit), or should the Corporation effect any transaction or change having a similar effect, then the price or the number of Shares to which the Participant is entitled upon exercise or vesting of Award shall be adjusted to take into account such distribution, transaction or change. The Board shall determine the appropriate adjustments to be made in such

circumstances in order to maintain the Participants' economic rights in respect of their Awards in connection with such distribution, transaction or change.

## **7.2 Amendment or Discontinuance of the Plan.**

- (a) The Board may amend the Plan or any Award at any time without the consent of the Participants provided that such amendment shall:
  - (i) not adversely alter or impair any Award previously granted except as permitted by the provisions of Article 7 hereof;
  - (ii) be in compliance with applicable law and subject to any regulatory approvals including, where required, the approval of the TSX; and
  - (iii) be subject to shareholder approval, where required by law, the requirements of the TSX or the provisions of the Plan, provided that shareholder approval shall not be required for the following amendments and the Board may make any changes which may include but are not limited to:
    - (A) amendments of a general "housekeeping" or clerical nature that, among others, clarify, correct or rectify any ambiguity, defective provision, error or omission in the Plan; and
    - (B) changes that alter, extend or accelerate the terms of vesting or settlement applicable to any Award provided that for Options it does not entail an extension beyond the original Expiry Date;

The Committee may, by resolution, but subject to applicable regulatory approvals, decide that any of the provisions hereof concerning the effect of termination of the Participant's employment shall not apply for any reason acceptable to the Committee.

- (b) Notwithstanding Section 7.2(a)(iii), the Board shall be required to obtain shareholder approval to make the following amendments:
  - (i) any change to the maximum number of Shares issuable from treasury under the Plan, except such increase by operation of Section 2.4 and in the event of an adjustment pursuant to Article 7;
  - (ii) any amendment which reduces the exercise price of any Award, as applicable, after such Awards have been granted or any cancellation of an Award and the substitution of that Award by a new Award with a reduced price, except in the case of an adjustment pursuant to Article 7, provided that disinterested shareholder approval will be obtained for any reduction

in the exercise price if the Participant is an Insider of the Corporation at the time of the proposed amendment;

- (iii) any amendment which extends the expiry date of any Award, or the Restriction Period of any RSU beyond the original expiry date, except in case of an extension due to a Black-Out Period;
  - (iv) any amendment which would have the potential of broadening or increasing participation by Insiders;
  - (v) any amendment which would permit any Award granted under the Plan to be transferable or assignable by any Participant other than for normal estate settlement purposes;
  - (vi) any amendment which increases the maximum number of Shares that may be (i) issuable to Insiders, Associates of such Insiders, Consultants or Persons retained to provide Investor Relations Activities at any time; or (ii) issued to Insiders, Associates of such Insiders, Consultants or Persons retained to provide Investor Relations Activities under the Plan; and any other proposed or established Share Compensation Arrangement in a one-year period, except in case of an adjustment pursuant to Article 7;
  - (vii) increase limits imposed on the participation of non-employee directors that are not officers or employees of the Corporation;
  - (viii) otherwise cause the Plan to cease to comply with any tax or regulatory requirement, including for these purposes any approval or other requirement; or
  - (ix) any amendment to the amendment provisions of the Plan, provided that Shares held directly or indirectly by Insiders benefiting from the amendments in Sections (ii) and (iii) shall be excluded when obtaining such shareholder approval.
- (c) The Board may, subject to regulatory approval, discontinue the Plan at any time without the consent of the Participants provided that such discontinuance shall not materially and adversely affect any Awards previously granted to a Participant under the Plan.

### **7.3 Change in Control**

- (a) If a Change of Control occurs, and unless otherwise provided in an Award Agreement or a written employment contract between the Corporation and a Participant and except as otherwise set out in this Section 7.3(a), the Board, may provide that: (1) the successor corporation or entity will assume each Award or replace it with a substitute Award on terms substantially similar to the existing

Award; (2) the Awards will be surrendered for a cash payment made by the successor corporation or entity equal to the Fair Market Price thereof; or (3) any combination of the foregoing will occur, provided that the replacement of any Option with a substitute Option shall, at all times, comply with the provisions of subsection 7(1.4) of the Tax Act, and the replacement of any Award with a substitute Option, substitute DSU or substitute RSU shall be such that the substitute Award shall continuously be governed by section 7 of the Tax Act.

- (b) If within 12 months following a Change of Control, and unless otherwise provided in an Award Agreement or a written employment contract between the Corporation and a Participant, a Participant's service, consulting relationship, or employment with the Corporation, or the continuing entity is terminated without cause, or the Participant resigns from his or her employment as a result of either (i) the Corporation requiring the Participant to be based at a location in excess of one hundred (100) kilometers from the location of the Participant's principal job location or office immediately prior to a Change of Control; or (ii) a reduction in the Participant's base salary, or a substantial reduction in the Participant's target compensation under any incentive compensation plan, as in effect as of the date of a Change of Control, then the vesting of all Awards then held by such Participant (and, if applicable, the time during which such Awards may be exercised) will have all of their Options, Deferred Share Units or Restricted Share Units, as applicable, immediately vest. In the event that an Award is subject to vesting upon the attainment of Performance Criteria, then the number of Options or Restricted Share Units that shall immediately vest will be determined by multiplying the Award Agreement by the pro rata Performance Criteria achieved by the Termination Date.

## **ARTICLE 8**

### **MISCELLANEOUS**

#### **8.1 Use of an Administrative Agent and Trustee.**

The Board may in its sole discretion appoint from time to time one or more entities to act as administrative agent to administer the Awards granted under the Plan and to act as trustee to hold and administer the assets that may be held in respect of Awards granted under the Plan, the whole in accordance with the terms and conditions determined by the Board in its sole discretion. The Corporation and the administrative agent will maintain records showing the number of Awards granted to each Participant under the Plan.

#### **8.2 Tax Withholding.**

- (a) Notwithstanding any other provision of this Plan, all distributions, delivery of Shares or payments to a Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) under the Plan shall be made net of applicable source deductions. If the event giving rise to the

withholding obligation involves an issuance or delivery of Shares, then, the withholding obligation may be satisfied by (a) having the Participant elect to have the appropriate number of such Shares sold by the Corporation, the Corporation's transfer agent and registrar or any trustee appointed by the Corporation pursuant to Section 8.1 hereof, on behalf of and as agent for the Participant as soon as permissible and practicable, with the proceeds of such sale being delivered to the Corporation, which will in turn remit such amounts to the appropriate governmental authorities, or (b) any other mechanism as may be required or appropriate to conform with local tax and other rules.

- (b) Notwithstanding the first paragraph of this Section 8.2, the applicable tax withholdings may be waived where the Participant directs in writing that a payment be made directly to the Participant's registered retirement savings plan in circumstances to which regulation 100(3) of the regulations of the Tax Act apply.

### **8.3 Reorganization of the Corporation.**

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

### **8.4 Governing Laws.**

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

### **8.5 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.

### **8.6 Effective Date of the Plan.**

The Plan was approved by the Board on April 18, 2023 is effective on such date (the "**Effective Date**") until the date it is terminated by the Board in accordance with the Plan.

**ARTICLE 9**  
**PLAN PROVISIONS APPLICABLE TO U.S. TAXPAYERS**

**9.1 General.**

The provisions of this Article 9 apply to Awards held by a U.S. Taxpayer to the extent such Awards are subject to U.S. Taxation. The following provisions apply, notwithstanding anything to the contrary in the Plan. All capitalized terms used in this Article 9 and not defined herein, shall have the meaning attributed to them in the Plan.

**9.2 Definitions.**

- (a) "Code" means the *United States Internal Revenue Code of 1986*, as amended, and any applicable United States Treasury Regulations and other binding regulatory guidance thereunder.
- (b) "Section 409A" means section 409A of the Code.
- (c) "Separation From Service" shall mean shall mean the separation from service with the Corporation within the meaning of U.S. Treas. Regs. § 1.409A-1(h). Whether a Separation from Service has occurred is determined based on whether the facts and circumstances indicate that the Corporation and the Participant reasonably anticipated that no further services would be performed after a certain date or that the level of bona fide services the Participant would perform after such date (whether as an employee or independent contractor) would permanently decrease to no more than twenty percent (20%) of the average level of bona fide services performed (whether as an employee or an independent contractor) over the immediately preceding thirty six (36) month period (or the full period of services to the Corporation if the Participant has been providing services to the Corporation less than thirty six (36) months)). Separation from service shall not be deemed to occur while the Participant is on military leave, sick leave or other bona fide leave of absence if the period does not exceed six (6) months or, if longer, so long as the Participant retains a right to reemployment with the Corporation under an applicable statute or by contract. For this purpose, a leave is bona fide only if, and so long as, there is a reasonable expectation that the Participant will return to perform services for the Corporation. Notwithstanding the foregoing, a twenty-nine (29) month period of absence will be substituted for such six (6) month period if the leave is due to any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of no less than six (6) months and that causes the Participant to be unable to perform the duties of his or her position of employment. For this purpose, the Corporation includes all entities would be considered a single employer for purposes of U.S. Treasury Regulations; provided that, in applying

those regulations, the language "at least 50 percent" shall be used instead of "at least 80 percent" each place it appears therein. Notwithstanding the foregoing, with respect to a Participant who is a non-employee director, a "Separation from Service" shall mean a complete severance of a director's relationship as a director of the Corporation and as an independent contractor of the Corporation. A director may have a Separation from Service upon resignation as a director even if the director then becomes an officer or employee of the Corporation.

- (d) **"Specified Employee"** means a US Taxpayer who meets the definition of "specified employee," as defined in Section 409A(a)(2)(B)(i) of the Code.
- (e) **"US Taxpayer"** means a Participant whose compensation from the Corporation is subject to Section 409A.
- (f)

### **9.3 Compliance with Section 409A.**

Notwithstanding any provision of the Plan to the contrary, it is intended that any payments under the Plan either be exempt from or comply with Section 409A, and all provisions of the Plan shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A. Each payment made in respect of Restricted Share Units and Deferred Share Units shall be deemed to be a separate payment for purposes of Section 409A.

Each US Taxpayer is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or for the account of such US Taxpayer in connection with the Plan (including any taxes and penalties under Section 409A), and neither the Corporation nor any of its subsidiaries shall have any obligation to indemnify or otherwise hold such US Taxpayer (or any beneficiary) harmless from any or all of such taxes or penalties.

- (a) **Option Awards.** When determining the Option Price for any Option Award granted to a US Taxpayer, the "Market Price" shall be determined in the manner defined in Section 1.1 but without any discount permitted by the rules or policies of the TSX.
- (b) **DSU Awards.** Notwithstanding Article 4, a DSU which becomes payable on account of a Termination Date shall be payable by reason of such circumstance only if the circumstance is a Separation from Service; and if such payment has become payable on account of a Separation from Service, such payment shall be made as soon as administratively practicable but in all events by the 60th day following the Separation from Service (without regard to any DSU Redemption Notice given by the Participant); provided that if the payment is to be made to any Participant who is determined to be a Specified Employee, such payment shall not be paid before the date which is six months after such Specified Employee's Separation from Service (or, if earlier, the date of death of such Specified Employee). Following any

applicable six month delay of payment, all such delayed payments shall be made to the Specified Employee in a lump sum on the earliest possible payment date.

- (c) RSU Awards. Notwithstanding Article 5, an RSU which becomes payable upon an RSU Vesting Determination Date shall be made as soon as administratively practicable but in all events by the 60th day following the RSU Vesting Determination Date (without regard to any RSU Settlement Notice given by the Participant). In the case of any termination event that qualifies for accelerated vesting and payment under Section 6.2, an RSU that is not otherwise exempt from Section 409A shall be payable by reason of such circumstance only if the circumstance is a Separation from Service; and if such payment has become payable on account of a Separation from Service, such payment shall be made as soon as administratively practicable but in all events by the 60th day following the Separation from Service (without regard to any RSU Settlement Notice given by the Participant); provided that if the payment is to be made to any Participant who is determined to be a Specified Employee, such payment shall not be paid before the date which is six months after such Specified Employee's Separation from Service (or, if earlier, the date of death of such Specified Employee). Following any applicable six month delay of payment, all such delayed payments shall be made to the Specified Employee in a lump sum on the earliest possible payment date.
- (d) Special Requirement for Option Awards Intended to Qualify as ISOs. An Option Award granted to a US Taxpayer that is intended to qualify as an "incentive stock option" ("ISO") within the meaning of section 422 of the Code shall be subject to the following requirements:
  - (i) The maximum number of Shares available for issuance of ISOs shall be 3,000,000 Shares.
  - (ii) An ISO may be granted only to employees (including a director or officer who is also an employee) of the Corporation (or of any parent or subsidiary of the Corporation). For purposes of this Article 9, the term "employee" shall mean a person who is an employee for purposes of the Code and the terms "parent" and "subsidiary" shall have the meanings set forth in sections 424(e) and 424(f) of the Code.
  - (iii) The Corporation will not grant ISOs in which the aggregate fair market value (determined as of the date of grant) of the Shares with respect to which ISOs are exercisable for the first time by any US Taxpayer during any calendar year (under this Plan and all other plans of the Corporation and of any parent or subsidiary of the Corporation) exceeds US\$100,000 or any limitation subsequently set forth in section 422(d) of the Code.
  - (iv) When determining the Option Price for any ISO, the "Market Price" shall be determined in the manner defined in Section 1.1 but without any

discount permitted by the rules or policies of the TSX; provided, however, that, in the case of the grant of an ISO to a US Taxpayer who, at the time such ISO is granted, is a ten percent (10%) shareholder, the exercise price payable per Share upon exercise of such ISO will be not less than 110% of the Market Price of a Share on the date of grant of such ISO.

- (v) An ISO will terminate and no longer be exercisable no later than ten years after the date of grant of such ISO; provided, however, that in the case of a grant of an ISO to a US Taxpayer who, at the time such ISO is granted, is a ten percent (10%) shareholder, such ISO will terminate and no longer be exercisable no later than five years after the date of grant of such ISO. The foregoing term limits shall apply even if the expiry date falls within a Black-Out Period, notwithstanding anything in the contrary in Section 3.4(b).
- (vi) If a US Taxpayer who has been granted ISOs ceases to be employed by the Corporation (or by any parent or subsidiary of the Corporation) for any reason, whether voluntary or involuntary, other than death, permanent disability or cause, such ISO shall be exercisable by the US Taxpayer (to the extent such ISO was vested on the date of cessation of employment) at any time prior to the earlier of (i) the date that is three months after the date of cessation of employment or (ii) the expiration of the term of such ISO. If a US Taxpayer who has been granted ISOs ceases to be employed by the Corporation (or by any parent or subsidiary of the Corporation) because of the death or permanent disability of such US Taxpayer, such US Taxpayer, such US Taxpayer's personal representatives or administrators, or any person or persons to whom such ISO is transferred by will or the applicable laws of descent and distribution, may exercise such ISO (to the extent such ISO was vested on the date of death or permanent disability, as the case may be) at any time prior to the earlier of (i) the date that is one year after the date of death or permanent disability, as the case may be, or (ii) the expiration of the term of such ISO. If a US Taxpayer who has been granted ISOs ceases to be employed by the Corporation (or by any parent or subsidiary of the Corporation) for cause, the right to exercise such ISO will terminate on the date of cessation of employment, unless otherwise determined by the directors. For purposes of this Article 9, the term "permanent disability" has the meaning assigned to that term in section 422(e)(3) of the Code.
- (vii) An ISO granted to a US Taxpayer may be exercised during such person's lifetime only by such US Taxpayer.
- (viii) An ISO granted to a US Taxpayer may not be transferred, assigned or pledged by such US Taxpayer, except by will or by the laws of descent and distribution.

- (ix) No ISO will be granted more than ten years after the earlier of the date this Plan is adopted by the Board or the date this Plan is approved by the shareholders of the Corporation.

**APPENDIX "A"**  
**FORM OF OPTION AGREEMENT**

**kneat.com, inc.**  
**OPTION AGREEMENT**

This Stock Option Agreement (the "**Option Agreement**") is entered into between kneat.com, inc. (the "**Corporation**"), and the optionee named below (the "Optionee") pursuant to and on the terms and subject to the conditions of the Corporation's Omnibus Equity Incentive Plan (the "Plan"). Capitalized terms used and not otherwise defined in this Option Agreement shall have the meanings set forth in the Plan.

The terms of the option (the "**Option**"), in addition to those terms set forth in the Plan, are as follows:

Optionee. The Optionee is ► and the address of the Optionee is currently ►.

Number of Shares. The Optionee may purchase up to ► Shares of the Corporation (the "**Option Shares**") pursuant to this Option, as and to the extent that the Option vests and becomes exercisable as set forth in section 6 of this Option Agreement.

Option Price. The exercise price is Cdn \$► per Option Share (the "**Option Price**").

Date Option Granted. The Option was granted on ►.

Term of Option. The Option terminates on ►. (the "**Expiry Date**").

Vesting. The Option to purchase Option Shares shall vest and become exercisable as follows:

►

Exercise of Options. In order to exercise the Option, the Optionee shall notify the Corporation in the form annexed hereto as Schedule "A", whereupon the Corporation shall use reasonable efforts to cause the Optionee to receive a certificate representing the relevant number of fully paid and non-assessable Shares in the Corporation.

Transfer of Option. The Option is not-transferable or assignable except in accordance with the Plan.

U.S. Securities Laws. If the Options and the Shares are not registered under the *United States Securities Act of 1933*, as amended (the "U.S. Securities Act"), or any state securities laws, the Options may not be exercised in the "United States" (as defined in Rule 902 of Regulation S under the U.S. Securities Act) unless an exemption from the registration requirements of the U.S. Securities Act is available. Any Shares issued to Optionee in the United States that have not been registered under the U.S. Securities Act will be deemed "restricted securities" (as defined in Rule 144(a)(3) of the U.S. Securities Act) and bear a restrictive legend to such effect.

Inconsistency. This Option Agreement is subject to the terms and conditions of the Plan and, in the event of any inconsistency or contradiction between the terms of this Option Agreement and the Plan, the terms of the Plan shall govern.

Severability. Wherever possible, each provision of this Option Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Option Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this Option Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

Entire Agreement. This Option Agreement and the Plan embody the entire agreement and understanding among the parties and supersede and pre-empt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.

Successors and Assigns. This Option Agreement shall bind and enure to the benefit of the Optionee and the Corporation and their respective successors and permitted assigns.

Time of the Essence. Time shall be of the essence of this Agreement and of every part hereof.

Governing Law. This Agreement and the Option shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

Counterparts. This Option Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

[Remainder of this page left intentionally blank; Signature page follows]

By signing this Agreement, the Optionee acknowledges that the Optionee has been provided a copy of and has read and understands the Plan and agrees to the terms and conditions of the Plan and this Option Agreement.

IN WITNESS WHEREOF the parties hereof have executed this Option Agreement as of the day of , 20\_\_.

**KNEAT.COM, INC.**

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

**Name:** **Name**

**Title:** **Title**

*I have authority to bind the Corporation*

\_\_\_\_\_  
**Witness**

\_\_\_\_\_  
**Name**

**SCHEDULE "A"**  
**ELECTION TO EXERCISE STOCK OPTIONS**

TO: [kneat.com](http://kneat.com), inc. (the "Corporation")

The undersigned Optionee hereby elects to exercise Options granted by the Corporation to the undersigned pursuant to a Grant Agreement dated ►, 20► under the Corporation's Omnibus Equity Incentive Plan (the "Plan"), for the number Shares set forth below. Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Plan.

Number of Shares to be Acquired: ►

Option Price (per Share): \$►

Aggregate Purchase Price: ►

Amount enclosed that is payable on account of any source deductions relating to this Option exercise (contact the Corporation for details of such amount): \$►

Or check here if electing the Cashless Exercise Right

Or check here if alternative arrangements have been made with the Corporation; and hereby tenders a certified cheque, bank draft or other form of payment confirmed as acceptable by the Corporation for such aggregate purchase price, and, if applicable, all source deductions, and directs such Shares to be registered in the name of ►.

In connection with such exercise the undersigned represents, warrants and covenants to the Corporation (and acknowledges that the Corporation is relying thereon) that (check one):

The undersigned is not a U.S. person (the definition of which includes, but is not limited to, a person resident in the United States, a partnership or corporation organized or incorporated under the laws of the United States, and a trust or estate of which any trustee, executor or administrator is a U.S. person), the undersigned was not offered the Shares in the United States and the Option is not being exercised within the United States or for the account or benefit of a U.S. person. The terms "United States" and "U.S. person" are as defined in Rule 902 of Regulation S under the *United States Securities Act of 1933*, as amended (the "U.S. Securities Act"); or

The undersigned represents, warrants and covenants to the Corporation that:

1. The Optionee, upon exercise of Options, is acquiring Shares as principal and for the account of the Optionee.

2. In issuing the Shares to the Optionee upon the exercise of Options, the Corporation is relying on the representations and warranties of the Optionee contained herein to support the conclusion of the Corporation that the issuance of Shares upon the exercise of Options does not require registration under the U.S. Securities Act or to be qualified under the securities laws of any state of the United States.
3. The Optionee acknowledges that it is not acquiring the Common Shares as a result of "general solicitation" or "general advertising" (as such terms are used in Regulation D under the U.S. Securities Act), including without limitation, advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or on the internet, or broadcast over radio or television or on the internet, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising.
4. The Optionee understands and agrees that the Shares have not been and will not be registered under the U.S. Securities Act and the Shares are being offered and sold by the Corporation in reliance upon an exemption from registration under the U.S. Securities Act.
5. Neither the Options nor the Shares issued upon the exercise of Options have been or will be registered under the U.S. Securities Act or any state securities laws. The Option may not be exercised in the United States unless exempt from such registration requirements. Shares issued to the Optionee in the United States will be deemed "restricted securities" (as defined in Rule 144 of the U.S. Securities Act) and bear a restrictive legend to such effect.
6. Each certificate representing Shares issued to the Optionee upon the exercise of Options shall bear a legend in substantially the following form:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"). THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE U.S. SECURITIES ACT ("ACT"), (B) IN COMPLIANCE WITH THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE ACT PROVIDED BY SECTION 4 OF SUCH ACT OR RULE 144 OR RULE 144A THEREUNDER, IF AVAILABLE, AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE LAWS AND REGULATIONS GOVERNING THE OFFER AND SALE OF SECURITIES, AND THE HOLDER HAS, PRIOR TO SUCH SALE, FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OR OTHER EVIDENCE OF EXEMPTION, IN EITHER CASE REASONABLY SATISFACTORY TO THE CORPORATION. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES.

"provided that, if Shares issued upon the exercise of Options are being sold under clause (B) above, the legend may be removed by providing a declaration to the Corporation's transfer agent in such form as the Corporation may from time to time prescribe together with such documentation as the Corporation or its transfer agent may require (which may include an opinion of counsel of recognized standing reasonably satisfactory to the Corporation), to the effect that the sale of the securities is being made in compliance with Rule 904 of Regulation S under the U.S. Securities Act; and provided further, that, if the Shares issued upon the exercise of Options are being sold pursuant to Rule 144 of the U.S. Securities Act, if available, the legend may be removed by delivery to the Corporation and the Corporation's transfer agent an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation, to the effect that the legend is no longer required under applicable requirements of the U.S. Securities Act.

7. The Optionee acknowledges that the Corporation may have federal, state, provincial or local tax withholding and reporting obligations and consents to such actions by the Corporation as may reasonably be required to comply with such obligations in connection with the exercise of Options. The acceptance and exercise of Options and the sale of Shares issued pursuant to the exercise of Options may have consequences under federal, provincial and other tax and securities laws which may vary depending on the individual circumstances of the Optionee. Accordingly, the Optionee acknowledges that the Optionee has consulted, as the Optionee considers necessary, personal legal and tax advisors in connection with the Options and the Optionee's dealings with respect to the Options or the Shares to be issued upon exercise of the Options.

The foregoing representations, warranties and covenants are made by the undersigned with the intent that they be relied upon in determining whether the Shares issuable upon the exercise of Options may be issued under applicable securities laws. The undersigned undertakes to notify the Corporation immediately of any change in any representation, warranty or other information relating to the undersigned set forth herein which takes place prior to the date of issuance of the Shares.

By executing this Election to Exercise Stock Options, the undersigned hereby confirms that the undersigned has read the Plan and agrees to be bound by the provisions of the Plan.

[Remainder of this page left intentionally blank; Signature page follows]

I hereby agree to file or cause the Corporation to file on my behalf, on a timely basis, all insider reports and other reports that I may be required to file under applicable securities laws. I understand that this request to exercise my Options is irrevocable.

DATED this ► day of ►, ►.

Signature of Participant Name of Participant (Please Print)

---

Signature of Participant

---

Name of Participant (Please print)



ON BEHALF OF THE CORPORATION: KNEAT.COM,  
INC.

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

**Name,**

**Title**

*I have authority to bind the Corporation*

**APPENDIX "C"**  
**FORM OF RSU AGREEMENT**

**kneat.com, inc.**  
**RESTRICTED SHARE UNIT AGREEMENT**

This restricted share unit agreement ("RSU Agreement") is entered into between kneat.com, inc. (the "Corporation") and the Participant named below (the "Recipient") of the restricted share units ("RSUs") pursuant to the Corporation's Omnibus Equity Incentive Plan (the "Plan"). Capitalized terms used and not otherwise defined in this RSU Agreement shall have the meanings set forth in the Plan.

The terms of the RSUs, in addition to those terms set forth in the Plan, are as follows:

1. Recipient. The Recipient is ► and the address of the Recipient is currently ►.
2. Grant of RSUs. The Recipient is hereby granted ► RSUs.
3. Settlement. The RSUs shall be settled as follows:

(Select one of the following three options):

- (a) One Share issued from treasury per RSU.
  - (b) Cash Equivalent of one Share per RSU.
  - (c) Either (a), (b), or a combination thereof, at the election of the Board.
4. Restriction Period. In accordance with Section 5.3 of the Plan, the restriction period in respect of the RSUs granted hereunder, as determined by the Board, shall commence on ► and terminate on ►.
5. Performance Criteria. ►.
6. Performance Period. ►.
7. Vesting. The RSUs will vest as follows:
8. Transfer of RSUs. The RSUs granted hereunder are not-transferable or assignable except in accordance with the Plan.
9. U.S. Securities Laws. If the Shares issuable upon the vesting of the RSUs are not registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws, the Shares may not be issued in the "United States" (as defined in Rule 902 of Regulation S under the U.S. Securities Act) unless an exemption from the registration requirements of the U.S. Securities Act is available. Any Shares issued to a Recipient in the United States that have not been registered under the U.S. Securities Act will be deemed "restricted securities" (as defined in Rule 144(a)(3) of the U.S. Securities Act) and bear a restrictive legend to such effect.
10. **Inconsistency. This RSU Agreement is subject to the terms and conditions of the Plan and, in the event of any inconsistency or contradiction between the terms of this RSU Agreement and the Plan, the terms of the Plan shall govern.**

11. Severability. Wherever possible, each provision of this RSU Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this RSU Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this RSU Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

12. Entire Agreement. This RSU Agreement and the Plan embody the entire agreement and understanding among the parties and supersede and pre-empt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.

13. Successors and Assigns. This RSU Agreement shall bind and enure to the benefit of the Recipient and the Corporation and their respective successors and permitted assigns.

14. Time of the Essence. Time shall be of the essence of this Agreement and of every part hereof.

15. Governing Law. This RSU Agreement and the RSUs shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

16. Counterparts. This RSU Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

By signing this RSU Agreement, the Participant acknowledges that he or she has been provided with, has read and understands the Plan and this RSU Agreement.

In connection with the RSU, the undersigned represents, warrants and covenants to the Corporation (and acknowledges that the Corporation is relying thereon) that (check one):

1. The undersigned is not a U.S. person (the definition of which includes, but is not limited to, a person resident in the United States, a partnership or corporation organized or incorporated under the laws of the United States, and a trust or estate of which any trustee, executor or administrator is a U.S. person), the undersigned was not offered the Shares in the United States and the RSU is not being exercised within the United States or for the account or benefit of a U.S. person. The terms "United States" and "U.S. person" are as defined in Rule 902 of Regulation S under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"); or

2. The undersigned represents, warrants and covenants to the Corporation that:

(a) The RSU Holder, upon receipt of RSU's, is acquiring Shares as principal and for the account of the RSU Holder.

(b) In issuing the Shares to the RSU Holder upon the receipt of RSU's, the Corporation is relying on the representations and warranties of the RSU Holder contained herein to support the conclusion of the Corporation that the issuance of Shares upon the receipt of RSU's does not require registration under the U.S. Securities Act or to be qualified under the securities laws of any state of the United States.

- (c) The RSU Holder acknowledges that it is not acquiring the Common Shares as a result of "general solicitation" or "general advertising" (as such terms are used in Regulation D under the U.S. Securities Act), including without limitation, advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or on the internet, or broadcast over radio or television or on the internet, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising.
- (d) The RSU Holder understands and agrees that the Shares have not been and will not be registered under the U.S. Securities Act and the Shares are being offered and sold by the Corporation in reliance upon an exemption from registration under the U.S. Securities Act.
- (e) Neither the RSU nor the Shares issued upon the receipt of the RSU have been or will be registered under the U.S. Securities Act or any state securities laws. The RSU may not be exercised in the United States unless exempt from such registration requirements. Shares issued to the RSU Holder in the United States will be deemed "restricted securities" (as defined in Rule 144 of the U.S. Securities Act) and bear a restrictive legend to such effect.
- (f) Each certificate representing Shares issued to the RSU Holder upon the receipt of RSU's shall bear a legend in substantially the following form:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**U.S. SECURITIES ACT**"). THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE U.S. SECURITIES ACT ("**ACT**"), (B) IN COMPLIANCE WITH THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE ACT PROVIDED BY SECTION 4 OF SUCH ACT OR RULE 144 OR RULE 144A THEREUNDER, IF AVAILABLE, AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE LAWS AND REGULATIONS GOVERNING THE OFFER AND SALE OF SECURITIES, AND THE HOLDER HAS, PRIOR TO SUCH SALE, FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OR OTHER EVIDENCE OF EXEMPTION, IN EITHER CASE REASONABLY SATISFACTORY TO THE CORPORATION. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES.

" provided that, if Shares issued upon the receipt of RSU's are being sold under clause (B) above, the legend may be removed by providing a declaration to the Corporation's transfer agent in such form as the Corporation may from time to time prescribe together with such documentation as the Corporation or its transfer agent may require (which may include an opinion of counsel of recognized standing reasonably satisfactory to the Corporation), to the effect that the sale of the securities is being made in compliance with Rule 904 of Regulation S under the U.S. Securities Act; and provided further, that, if the Shares issued upon the receipt of RSU's are being sold pursuant

to Rule 144 of the U.S. Securities Act, if available, the legend may be removed by delivery to the Corporation and the Corporation's transfer agent an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation, to the effect that the legend is no longer required under applicable requirements of the U.S. Securities Act.

- (g) The RSU holder acknowledges that the Corporation may have federal, state, provincial or local tax withholding and reporting obligations and consents to such actions by the Corporation as may reasonably be required to comply with such obligations in connection with the receipt of RSU's. The acceptance and receipt of RSU's and the sale of Shares issued pursuant to the receipt of RSU's may have consequences under federal, provincial and other tax and securities laws which may vary depending on the individual circumstances of the RSU Holder. Accordingly, the RSU Holder acknowledges that the RSU Holder has consulted, as the RSU Holder considers necessary, personal legal and tax advisors in connection with the RSU's and the RSU Holder's dealings with respect to the RSU's or the Shares to be issued upon receipt of RSU's.

The foregoing representations, warranties and covenants are made by the undersigned with the intent that they be relied upon in determining whether the Shares issuable upon the receipt of RSU's may be issued under applicable securities laws. The undersigned undertakes to notify the Corporation immediately of any change in any representation, warranty or other information relating to the undersigned set forth herein which takes place prior to the date of issuance of the Shares.

By executing this RSU Agreement, the undersigned hereby confirms that the undersigned has read the Plan and agrees to be bound by the provisions of the Plan.

IN WITNESS WHEREOF the parties hereof have executed this RSU Agreement as of the ► day of ►, 20►.

**KNEAT.COM, INC.**

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

**Name,**  
**Title**

*I have authority to bind the Corporation*

\_\_\_\_\_  
**Witness**

\_\_\_\_\_  
**[Insert Participant's Name]**