



Amended and Restated Stock Option Plan

**Approved by the Board of Directors
and Effective on May 13, 2020**

Table of Contents

1. Purposes of the Plan 1

2. Definitions 1

3. Overview and Administration of the Plan5

4. Shares Offered5

5. Grant of Options.....5

6. Option Terms and Conditions6

7. Manner of Exercise of Options..... 10

8. Changes in Share 10

9. Amendments to the Plan 10

10. Legal Requirements 12

11. Quantitative Restrictions 13

12. Voluntary Participation 13

13. Effective Date of Plan 13

14. Transitional Rules..... 14

15. US Participants 14

SCHEDULE A I

SCHEDULE B..... III

1. Purposes of the Plan

The purposes of this Plan are to:

- (a) reward Key Employees of the Corporation for the creation of economic value for the shareholders of the Corporation;
- (b) align the interests of Key Employees of the Corporation with those of the Corporation's shareholders; and
- (c) provide Key Employees of the Corporation with total compensation which is competitive with that of similar positions in markets where the Corporation competes for managerial and professional talent.

The Corporation intends to make grants of Options hereunder only upon the initial engagement of Key Employees and not as an element of regular or ongoing compensation.

2. Definitions

The following words and phrases, wherever used herein, shall, unless there is something in the context inconsistent therewith, have the following meanings:

"Blackout Extension Term" means an extension of ten (10) business days from the end of a Blackout Period if the Expiry Date of an Option falls within the Blackout Period or within ten (10) business days after the end of the Blackout Period;

"Blackout Period" means a period self-imposed by the Corporation during which directors, officers and certain employees of the Corporation shall not trade the securities of the Corporation;

"Board" means the Board of Directors of the Corporation;

"Cause" means any event or circumstance which, pursuant to applicable law or under the relevant individual's written employment agreement (if any), constitutes a sufficient cause

for dismissal without any notice, payment in lieu of notice, severance pay or any indemnity whatsoever;

"Change of Control" means, at any time, the occurrence of any of the following events:

- (a) the acceptance of an offer by a sufficient number of holders of Shares to constitute the offeror, together with persons acting jointly or in concert with the offeror, a shareholder of the Corporation being entitled to exercise more than 50% of the voting rights attaching to the outstanding Shares (provided that prior to the offer, the offeror was not entitled to exercise more than 50% of the voting rights attaching to the outstanding Shares);
- (b) the completion of a consolidation, merger or amalgamation of the Corporation with or into any other entity whereby the voting shareholders of the Corporation immediately prior to the consolidation, merger or amalgamation receive less than 50% of the voting rights attaching to the outstanding securities of the consolidated, merged or amalgamated entity; or
- (c) the completion of a sale whereby all or substantially all of the Corporation's undertakings and assets become the property of any other entity and the voting shareholders of the Corporation immediately prior to that sale hold less than 50% of the voting rights attaching to the outstanding voting securities of that other entity immediately following that sale;

"Committee" means the Corporate Governance, Nominating and Compensation Committee of the Board or any other committee duly designated by the Board;

"Corporation" means Medical Facilities Corporation, a British Columbia corporation;

"Effective Date" has the meaning set forth in Section 13 of this Plan;

"Exercise Price" means the price per Share payable upon the exercise of an Option pursuant to the provisions of the Plan and the Option Agreement relating to that Option;

"Expiry Date" means the date on which an Option expires pursuant to the provisions of the Plan and the Option Agreement relating to that Option, subject to a Blackout Extension Term;

"Grant Date" means the date on which an Option is granted, which date may be on or, if determined by the Board at the time of grant, after the date that the Board resolves to grant the Option. Should the Board resolve to grant an Option during a Blackout Period, the Grant Date shall be presumed to be the sixth (6th) Trading Day following the end of such Blackout Period;

"Insider" has the meaning ascribed thereto in National Instrument 55-104, *Insider Reporting Requirements and Exemptions*;

"Key Employee" means any person in regular employment with Medical Facilities Corporation and who contributes significantly to the financial success of Medical Facilities Corporation (for greater certainty, non-employee directors are not considered to be Key Employees);

"Long-Term Disability" means the status of an Optionee which entitles him/her to receive benefits under a Long-Term Disability program;

"Medical Facilities Corporation" means the Corporation and its subsidiaries Medical Facilities America, Inc. and Medical Facilities (USA) Holdings, Inc.;

"Option" means a right awarded to a Key Employee to purchase Shares, subject to the terms and conditions set forth in this Plan and in the Option Agreement relating to that Option;

"Option Agreement" means an agreement, substantially in the form of the agreement set out in Schedule A to this Plan, between the Corporation and a Key Employee setting out terms and conditions of an Option granted to the Key Employee;

"Option Period" has the meaning set forth in Section 6.1 of this Plan;

"Optioned Shares" means the Shares that may be purchased by an Optionee pursuant to a particular Option Agreement;

"**Optionee**" means a Key Employee to whom an Option has been granted pursuant to the Plan;

"**Original Plan**" means the Stock Option Plan dated February 10, 2017;

"**Plan**" means this Amended and Restated Stock Option Plan, amending the Original Plan, as amended from time to time;

"**Purchased Shares**" has the meaning set forth in Section 7 of this Plan;

"**Retiree**" means an Optionee who fulfills all of the following eligibility requirements upon his/her last day of work as a full-time regular employee of Medical Facilities Corporation:

- (a) has voluntarily terminated his/her employment; and
- (b) has reached sixty-five (65) years of age and completed a minimum of five (5) years of continuous service with Medical Facilities Corporation;

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

"**Share Value**" means, on a given date, the volume weighted average trading price per Share on the TSX for the five (5) Trading Days preceding such date;

"**Trading Day**" means a business day on which a sale of Shares occurred on the TSX;

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

"**US Participant**" means a participant who is a US taxpayer, for whom the Plan documentation must satisfy US tax rules.

3. Overview and Administration of the Plan

The Plan has been established to further the development and growth of the Corporation by enabling certain Key Employees to acquire Shares directly from the Corporation, in accordance with the terms and conditions set forth in this Plan.

The Committee is generally responsible for the administration of the Plan. The Board shall retain ultimate authority in connection with all decisions made in the administration of the Plan.

4. Shares Offered

The total number of authorized and unissued Shares available for Options under the Plan is equal to 3,100,000. Such limit shall include the Shares underlying the 1,000,000 Options granted to the former Chief Executive Officer, the 425,000 Options granted to the former Chief Financial Officer, and the 350,000 Options granted to the current Chief Development Officer, in each case under their respective employment agreements. The aggregate number of Shares reserved for issuance pursuant to Options granted to any one individual shall be less than 5% of the number of Shares issued and outstanding. Shares in respect of which Options are granted but not exercised prior to the termination of such Options due to the expiration, termination or lapse of such Options or otherwise, shall be available for new grants of Options pursuant to the provisions of the Plan, including without limitation, the 1,775,000 Options granted to the executives referenced above. If all of the 1,775,000 Options granted to the executives referenced above are exercised, the number of Options available for grant would be 1,325,000.

5. Grant of Options

5.1 Grant of Options

The Board may, from time to time, at its entire discretion, designate the Key Employees to whom a grant of Options may be made, the number of Shares covered by such Options, and the Options' Grant Date. The Board shall further have discretion to establish, within the

restrictions set forth in the Plan, the time of exercise, Expiry Dates, Exercise Price, and other particulars applicable to an Option granted hereunder.

5.2 Option Agreement

Upon the grant of an Option, the Corporation will deliver to the Key Employee selected to receive an Option Agreement stating the Option's Grant Date, containing the terms of the Option, and executed by the Corporation.

5.3 Exercise Price

The Exercise Price for an Option will be determined by the Board and will not be less than the Share Value on the Grant Date. For greater certainty, should the Board resolve to grant an Option during a Blackout Period, the Exercise Price of such Option shall be presumed to be the Share Value on the sixth (6th) Trading Day following the end of the Blackout Period. In addition, the Board shall resolve to grant each Option at least six (6) Trading Days prior to the Grant Date.

6. **Option Terms and Conditions**

6.1 Vesting Schedule

Unless otherwise determined by the Board, Options to be granted hereunder shall be subject to the vesting schedule specified in the Option Agreement. Each Option may be exercised only during a period commencing as per the vesting schedule specified in the Option Agreement and expiring on the last day of the tenth (10th) year (or such shorter period as reflected in the Option Agreement or as otherwise provided in this Section 6) following the Grant Date or the last day of the Blackout Extension Term, if applicable (the "**Option Period**").

6.2 Non-Transferability

No Option or any right in respect thereof shall be transferable or assignable other than by will or pursuant to the laws of succession, and no Option may be exercised by anyone other than the Optionee during the life of the Optionee.

6.3 Leaves

If an Optionee should be granted authorized leave of absence for sickness or other reasons, before the expiration of the Option Period, the Optionee shall be entitled to exercise his/her Options, according to the provisions of Section 6.1 above, during his/her leave of absence.

6.4 Retirement or Permanent Long-Term Disability

If an Optionee becomes a Retiree or in case of voluntary termination as a result of a permanent Long-Term Disability before the expiration of the Option Period, the Optionee shall be entitled to exercise his/her Option according to the provisions of Section 6.1 above, except when an Optionee engages in the activities set forth in Section 6.5(a) below, in which case his/her unexercised vested Options shall be forfeited, and his/her unvested Options shall expire effective upon his/her last day of work as a full-time regular employee of Medical Facilities Corporation.

6.5 Competing Activities

The unexercised vested Options of an Optionee shall be forfeited and his/her unvested Options shall expire immediately, if:

- (a) during the Optionee's employment with Medical Facilities Corporation or at any time within the two-year (2) period following the end of such employment, the Optionee:
 - (i) engages in any activity that directly or indirectly competes with any business carried on by Medical Facilities Corporation;

(ii) directly or indirectly acts as a consultant to any other person, firm or corporation, who or which competes with any business carried on by Medical Facilities Corporation; or

(iii) engages in any other activity which is prejudicial to the interests of Medical Facilities Corporation;

without the prior written consent of the Corporation;

(b) during the Optionee's employment with Medical Facilities Corporation or at any time thereafter, the Optionee discloses any confidential information, trade secrets, records, intellectual property or other private affairs of Medical Facilities Corporation to any person, without the prior written consent of the Corporation; or

(c) the Optionee's employment with Medical Facilities Corporation is terminated for Cause.

6.6 Death

Subject to the provisions of Section 6.5 above, if an Optionee should die before the expiration of the Option Period, his/her legal representatives shall be entitled to exercise his/her vested Options within a period of one (1) year following such death. A fraction $[(x) \div (y)]$ of the unvested Options shall vest as of the date of the death, where:

(x) is the number of days between the Grant Date and the date of death; and

(y) is the number of days between the Grant Date and the vesting date of the Options.

6.7 If an Optionee's employment is terminated or if an Optionee should resign from his/her employment with Medical Facilities Corporation, except in the cases referred to in Sections 6.4 or 6.5 above, then, except as may otherwise be provided in an Optionee's employment agreement or Option Agreement in respect of Options granted prior to the date of this Plan:

- (a) all of his/her unvested Options shall expire effective on the date of such termination or resignation; and
- (b) he/she shall have a period of thirty (30) days from the date of such termination or resignation or until the end of the Option Period, whichever occurs earlier, to exercise his/her unexercised vested Options, at the end of which period such Options shall expire.

6.8 Change of Control

If an Optionee is terminated without Cause within twenty-four (24) calendar months following a Change of Control:

- (a) each unexercised vested Option then held by the Optionee shall remain exercisable for a period of twenty-four (24) calendar months from the date of termination, but not later than the end of the Option Period, and thereafter any such Option shall expire; and
- (b) each unvested Option then held by the Optionee shall become exercisable upon such termination and shall remain exercisable for a period of twenty-four (24) calendar months from the date of such termination, but not later than the end of the Option Period, and thereafter any such Option shall expire.

6.9 US Participants

For US Participants, the Plan shall apply as if amended by the amendments set forth in Section 15 hereof. For more certainty, provisions set forth in Section 15 hereof shall be deemed to supersede provisions of the Plan for US Participants.

7. Manner of Exercise of Options

An Option may be exercised only during the Option Period by notice in writing signed by the Optionee in the form attached hereto as Schedule B (or such other form as may be approved by the Board). Such notice shall specify the number of Shares in respect of which such Option is thereby exercised (the "**Purchased Shares**"). Payment for the Purchased Shares shall be made in cash or by a certified cheque. Upon receipt of notice and payment as aforesaid, the Corporation shall advise the Optionee when the certificate(s) for such Shares (other than those sold on behalf of the Optionee) are ready for delivery to him/her. The Corporation may, in its discretion, on written request of an Optionee, designate a third party to sell Purchased Shares on behalf of the nominee and to remit the net proceeds to the Optionee.

8. Changes in Share

In the event of a declaration of a stock dividend or a subdivision, consolidation or reclassification, or other change or action affecting the Shares, the number of Options granted and their Exercise Price may be adjusted in such a manner as the Board shall deem appropriate, subject to requisite regulatory approval, where required.

9. Amendments to the Plan

9.1 Authority of the Board

From time to time, the Board may, in addition to its powers under the Plan, amend any of the provisions of the Plan or suspend or terminate the Plan or amend the terms of any then outstanding award of Options under the Plan, provided, however, that the Corporation shall obtain shareholder approval for:

- (a) any amendment to the number of Shares issuable under the Plan, subject to Section 8 hereof;
- (b) any change which would allow non-employee directors to participate in the Plan;

- (c) any amendment which would permit any Option granted under the Plan to be transferable or assignable other than by will or pursuant to the laws of succession;
- (d) any reduction in the exercise price of an Option after the Option has been granted or any cancellation of an Option and the substitution of that Option by a new Option with a reduced exercise price, subject to Section 8 hereof;
- (e) any extension to the term of an Option beyond the original Option Period, unless the end of the Option Period falls within a Blackout Period, in which case it shall be extended by the Blackout Extension Term;
- (f) any increase to the insider participation limit set forth in Section 11 hereof, subject to Section 8 hereof; and
- (g) any change to this amendment provision other than amendments of a “housekeeping” or clerical nature or to clarify such provision.

9.2 Board Discretion

The Board may, subject to receipt of requisite regulatory approval, where required, in its sole discretion, make all other amendments to the Plan or to awards of Options that are not contemplated in Section 9.1 above without shareholder approval, including, without limitation, the following:

- (a) amendments of a “housekeeping” or clerical nature as well as any amendment clarifying any provision of the Plan;
- (b) a change to the vesting provisions of an Option;
- (c) a change to the termination provisions of an Option which does not entail an extension beyond the original Option Period, as extended by the Blackout Extension Term, if applicable;
- (d) any change described in Section 8 of the Plan; and

(e) suspending or terminating the Plan.

9.3 Compliance with Laws and Regulation

In making any amendment as described above, the Corporation shall not contravene any applicable requirements, norms, laws and regulations of the TSX or of any regulatory authorities.

9.4 No Adverse Effect

Furthermore, no amendment, suspension or termination shall, except with the written consent or deemed consent of the Optionees concerned, have an adverse effect on unexercised Options previously granted under the Plan.

10. Legal Requirements

10.1 No Law Violation

No Option may be exercised nor will the Corporation have any obligation to issue Shares pursuant to the Plan if such exercise or issue would be contrary to or violate any applicable law or regulation or any policy statement or decision of a duly constituted authority having jurisdiction, including a securities commission or a stock exchange having jurisdiction in the circumstances.

10.2 Tax Obligations

To the extent the exercise of an Option hereunder gives rise to any tax or other statutory withholding obligation (including, without limitation, income and payroll withholding taxes imposed by any jurisdiction), the Corporation may implement appropriate procedures to ensure that the tax withholding obligations are met. These procedures may include, without limitation, increased withholding from an Optionee's regular compensation, cash payments by an Optionee, or the sale of a portion of the Shares acquired pursuant to the exercise of an Option, which sale may be required and initiated by the Corporation. Selling costs (including

any brokerage commission) shall be paid by the Optionee in respect of any such sale of Shares.

11. Quantitative Restrictions

Notwithstanding anything to the contrary herein provided, the number of Shares (i) issuable to insiders at any time, and (ii) issued to insiders within any one-year (1) period, in each case under the Plan, or when combined with all of the Corporation's other security-based compensation arrangements, shall not exceed 10% of the issued Shares.

12. Voluntary Participation

The participation of a Key Employee in the Plan is entirely voluntary and not obligatory and shall not be interpreted as conferring upon any such Key Employee any rights or privileges other than those rights and privileges expressly provided in the Plan. In particular, participation in the Plan does not constitute a condition of employment nor a commitment on the part of the Corporation to ensure the continued employment of such Key Employee.

The Plan does not provide any guarantee against any loss which may result from fluctuations in the market value of the Shares.

The Corporation does not assume responsibility for the income or other tax consequences for the Optionees participating in the Plan and the Optionees are advised to consult with their own tax advisors.

13. Effective Date of Plan

The Original Plan came into force on February 10, 2017 (the "**Effective Date**") and was approved by shareholders of the Corporation on May 11, 2017 and by applicable regulatory authorities. This Amended and Restated Stock Option Plan came into force on May 13, 2020, and no shareholder or regulatory approval is required for the amendments contained herein.

14. Transitional Rules

As of the Effective Date, no additional Options may be granted under individual agreements, and the remaining unexercised Options issued as per individual agreements on the Effective Date shall continue to be governed by the terms and conditions of these individual agreements. The existing Options to acquire Shares which are subject to regulatory approval will be governed by the terms of this Plan.

15. US Participants

The Plan shall apply to US Participants as if amended by the provisions set forth below:

- (a) any reference to a "Change of Control" must be interpreted in a way to comply with the definition of "Change in the ownership or effective control of a corporation, or a change in the ownership or a substantial portion of the assets of a corporation" as set forth in Section 1.409A-3(i) of the Treasury Regulations to the US Internal Revenue Code, as amended from time to time;
- (b) any reference to a "Long-Term Disability" must be interpreted in a way to comply with the definition of "Disability" as set forth in Section 1.409A-3(i) of the Treasury Regulations to the US Internal Revenue Code, as amended from time to time; and
- (c) any reference to a termination of employment must be interpreted in a way to comply with the definition of "Separation from service" in Section 1.409A-1(h) of the Treasury Regulations to the US Internal Revenue Code, as amended from time to time.

FORM OF OPTION AGREEMENT - Plan

SCHEDULE A

This Option Agreement is entered into between Medical Facilities Corporation (the “**Corporation**”) and the Optionee named below pursuant to the Stock Option Plan of the Corporation, as amended from time to time, (the “**Plan**”), a copy of which is attached hereto, and confirms that:

1. on _____ (the “**Grant Date**”);
 2. _____ (the “**Optionee**”);
 3. was granted non-assignable options (the “**Options**”) to purchase _____ common shares (the “**Optioned Shares**”) of the Corporation, in accordance with the terms and conditions of the Plan;
 4. at a price (the “**Exercise Price**”) of \$_____ per Optioned Share;
 5. for a maximum term expiring at 5:00 P.M. Eastern Time _____ (the “**Expiry Date**”);
 6. subject to the following vesting schedule: _____

_____ ; and
 7. subject to the following performance conditions (if applicable): _____
_____ ;
- all on the terms and subject to the conditions set out in the Plan.

By signing this Option Agreement, the Optionee acknowledges that he or she has read and understands the Plan, and agrees to be bound thereby.

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

By: _____

By: _____

Name of Optionee: _____

Signature of Optionee: _____

EXERCISE OF OPTIONS – Plan
SCHEDULE B

Medical Facilities Corporation

4576 Yonge Street
Suite 701
Toronto, Ontario
Canada M2N 6N4

Attention: The _____ [designated plan administrator]

I hereby exercise the Option(s) granted on _____ 20_____ under the Stock Option Plan, as amended from time to time, (the “**Plan**”) of Medical Facilities Corporation (the “**Corporation**”) with respect to, and hereby subscribe for, _____common shares of the Corporation (the “**Shares**”) at the price of \$_____ per Share (being the exercise price determined in accordance with the Plan), the whole in accordance with the terms and conditions of the Plan, a copy of which I have received and have read and with which I am familiar.

I enclose a cheque payable to the Corporation in the amount of \$_____representing payment for the _____ Shares.

Please cause the Shares to be registered in my name and the payment to be forwarded to the following address:

_____ (Name in block letters)

_____ (Address of residence)

_____ (City and Zip/Postal Code)