



**SATO TECHNOLOGIES CORP.**

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

**AND**

**MANAGEMENT INFORMATION CIRCULAR**

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**May 29, 2025**

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## NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual general and special meeting of the shareholders (the “**Meeting**”) of SATO Technologies Corp. (the “**Corporation**” or “**SATO**”) will be held at 433 Broadway, meeting room 5, New York, NY, USA, starting at **11:00 am (Eastern Time), on June 30, 2025**, for the purposes of:

1. receiving the financial statements of the Corporation for the year ended December 31, 2024 and the report of the auditor thereon;
2. electing directors for the ensuing year;
3. appointing the auditor and authorizing the directors to fix its remuneration;
4. considering and, if deemed advisable, approving, with or without variation, a resolution, the text of which is set out in Schedule “A” to the management information circular of the Corporation dated May 29, 2025 (the “**Circular**”), approving the Corporation’s Omnibus Equity Incentive Plan (the “**Omnibus Plan**”), as further described in the Circular;
5. transacting such other business as may properly be brought before the Meeting.

If you are unable to attend the Meeting, please complete, date, and sign the enclosed form of proxy and return it in the envelope provided for that purpose or vote online following the instructions set out on the proxy form. Proxies, to be valid, must be deposited at the office of the registrar and transfer agent of the Corporation, Computershare Investor Services Inc., 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1, no later than 48 hours, excluding Saturdays, Sundays and holidays, prior to the Meeting. **Your Shares will be voted in accordance with your instructions as indicated on the form of proxy or, if no instructions are given on the form of proxy, the proxy holder will vote “IN FAVOUR” of each of the matters indicated above.** Please refer to the accompanying Management Information Circular for additional details on how to log on to the Meeting.

Regardless of whether or not shareholders are able to attend the Meeting (or any adjournment thereof), shareholders are strongly encouraged to complete, date, sign and return the form of proxy or voting instruction form, as applicable, in accordance with the instructions set out on such form and in the accompanying Management Information Circular, or alternatively to vote over the Internet or by telephone, at their discretion, in accordance with the instructions provided on such form and in the Management Information Circular.

In order to be valid for use at the Meeting, proxies must be received no later than 5:00pm (Eastern Time) on June 26, 2025 (or, if the Meeting is adjourned or postponed, by 5:00pm (Eastern Time) two business days before the day on which the Meeting is reconvened).

Toronto, Ontario May 29, 2025

By order of the Board of Directors

*(s) Alasdair Federico*  
Mr. Alasdair Federico  
Corporate Secretary

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## SATO TECHNOLOGIES CORP.

### MANAGEMENT INFORMATION CIRCULAR

#### SOLICITATION OF PROXIES AND VOTING INSTRUCTIONS

The information contained in this management information circular (the “**Circular**”) is furnished in connection with the solicitation of proxies from registered owners of common shares (the “**Shares**”) of SATO Technologies Corp. (the “**Corporation**”, “**SATO**”, “**we**,” “**our**” and “**us**,” as the context requires) (and of voting instructions in the case of non-registered owners of Shares) to be used at the annual and special meeting of shareholders of the Corporation (the “**Shareholders**”) to be held on June 30, 2025 at 11:00am (Eastern Time) at 433 Broadway, meeting room 5, New York, NY, USA, and at all adjournments, thereof (the “**Meeting**”). It is expected that the solicitation will be made primarily by mail, but proxies and voting instructions may also be solicited in writing or on the phone by our employees. **The solicitation of proxies and voting instructions by this Circular is being made by or on behalf of our management.** The total cost of the solicitation of proxies will be borne by us.

The Corporation shall send the proxy documents to the non-objecting beneficial owners of Shares. The Corporation may pay for intermediaries to deliver the proxy documents to objecting beneficial owners of Shares. Accordingly, if you are a non-registered owner, and the Corporation or its agent has sent the proxy documents directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding your securities on your behalf. By choosing to send the proxy documents to you directly, the Corporation (and not the intermediary holding your securities on your behalf) has assumed responsibility for (i) delivering the proxy documents to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the voting instruction form.

The information contained in this Circular is given as at May 29, 2025, except where otherwise noted.

#### Registered Owners

Shareholders whose name appears on the registry of shareholders (the “**Registered Shareholders**”) maintained by Computershare Investor Services Inc. (“**Computershare**”), the Corporation’s transfer agent, and duly appointed proxyholders can participate in the meeting.

Voting at the Meeting will only be available for Registered Shareholders and duly appointed proxyholders. Non-Registered Owners (as defined in this Circular under the heading “Non-Registered Owners”) who have not completed the steps set out on the voting instruction form to appoint themselves as proxyholder may attend the Meeting but will not be able to vote on any matters before the meeting.

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting. Registered Shareholders who wish to submit a proxy may choose one of the following methods:

- a. log onto the internet website of Computershare at [www.investorvote.com](http://www.investorvote.com). Registered shareholders must follow the instructions given on Computershare’s website and refer to the enclosed proxy form for the holder’s account number and the proxy access number; or
- b. complete, date and sign the proxy form and return it to Computershare, by fax within North America to 1-866-249-7775, by fax outside North America to 416-263-9524, by mail or by hand to the 8th Floor, 100 University Avenue, Toronto, Ontario, Canada, M5J 2Y1, or by hand delivery to the 3rd Floor, 510 Burrard Street, Vancouver, British Columbia, Canada, V6C 3B9; or
- c. use a touch-tone phone to transmit voting choices to a toll-free number. Registered shareholders must follow the instructions of the voice response system and refer to the proxy form for the toll free number, the holder’s account number and the access number.

Registered Shareholders must ensure the proxy form is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or any adjournment thereof.

## Voting at the Meeting

A Registered Shareholder, or a Non-Registered Owner who has appointed themselves or a third-party proxyholder to represent them at the Meeting, will appear on a list of Shareholders prepared by Computershare, the transfer agent and registrar for the Meeting.

## Appointment of Proxies

If you do not wish to attend the Meeting, you should complete and return the enclosed proxy form. The individuals named in the proxy form are representatives of our management and are directors or officers of the Corporation. **You have the right to appoint someone else to represent you at the Meeting.** If you wish to appoint someone else to represent you at the Meeting, insert that other person's name in the blank space in the proxy form. The person you appoint to represent you at the Meeting need not be a shareholder of the Corporation. To be valid, proxies must be deposited with the Corporation either online at [www.investorvote.com](http://www.investorvote.com) or by using the return envelope provided not later than 5:00pm (Eastern Time) on June 26, 2025 or, if the Meeting is adjourned, 48 hours, (excluding Saturdays, Sundays and holidays) before any adjourned Meeting.

## Revocation

If you have submitted a proxy and later wish to revoke it, you can do so by:

- (a) completing and signing a form of proxy bearing a later date and depositing it with Computershare Investor Services Inc. as described above;
- (b) depositing a document that is signed by you (or by someone you have properly authorized to act on your behalf): (i) at our registered office at 66 Wellington Street West, Suite 5300, Toronto, Ontario, M5K 1E6 at any time up to the last business day preceding the day of the Meeting, or any adjournment of the Meeting, at which the proxy is to be used; or (ii) with the chair of the Meeting before the Meeting starts on the day of the Meeting or any adjournment of the Meeting;
- (c) electronically transmitting your revocation in a manner permitted by law, provided that the revocation is received: (i) at our registered office at 66 Wellington Street West, Suite 5300, Toronto, Ontario, M5K 1E6 at any time up to and including the last business day preceding the day of the Meeting, or any adjournment of the Meeting, at which the proxy is to be used; or (ii) by the chair of the Meeting before the Meeting starts on the day of the Meeting or any adjournment of the Meeting; or
- (d) following any other procedure that is permitted by law.

## Voting of Proxies

In connection with any ballot that may be called for, the management representatives designated in the enclosed proxy form, or any other person you may have appointed, will vote or withhold from voting your Shares in accordance with the instructions you have indicated on the proxy and, if you specify a choice with respect to any matter to be acted upon, the Shares will be voted accordingly. **In the absence of any direction, your Shares will be voted by the management representatives IN FAVOUR of the election of each director, IN FAVOUR of the appointment of the auditor, and IN FAVOUR of the resolution approving the Omnibus Equity Incentive Plan.**

The management representatives designated in the proxy form have discretionary authority with respect to amendments to or variations of matters identified in the accompanying notice of meeting and with respect to other matters that may properly come before the Meeting. At the date of this Circular, our management knows of no such amendments, variations or other matters.

## Non-Registered Owners

If your Shares are registered in the name of a depository (such as The Canadian Depository for Securities Limited) or an intermediary (such as a bank, trust company, securities dealer or broker, or trustee or administrator of a self-administered RRSP, RRIF, RESP or similar plan), you are a “**Non-Registered Owner**”. There are two kinds of Non-Registered Owners: (i) those who object to their name being made known to the issuers of securities which they own, known as objecting beneficial owners or “**OBOs**”; and (ii) those who do not object to their name being made known to the issuers of securities which they own, known as non-objecting beneficial owners or “**NOBOs**”.

Only registered owners of Shares, or the persons they appoint as their proxies, are permitted to attend and vote at the Meeting. If you are a Non-Registered Owner, you are entitled to direct how the Shares beneficially owned by you are to be voted or you may obtain a form of legal proxy that will entitle you to attend and vote at the Meeting.

In accordance with Canadian securities law, the Corporation has distributed copies of the notice of meeting and this Circular (collectively, the “**Meeting Materials**”) directly or to intermediaries for onward distribution to Non-Registered Owners who have not waived their right to receive them. Typically, intermediaries will use a service company to forward the Meeting Materials to non-registered owners.

If you are a Non-Registered Owner and have not waived your right to receive Meeting Materials, you will receive either a request for voting instructions or a form of proxy with your Meeting Materials. The purpose of these documents is to permit you to direct the voting of the Shares you beneficially own. You should follow the procedures set out below, depending on which type of document you receive.

Intermediaries are required to forward the Meeting Materials to Non-Registered Owners unless a Non-Registered Owner has waived the right to receive them. Generally, Non-Registered Owners who have not waived the right to receive Meeting Materials will either:

- (a) be given a voting instruction form which is not signed by the Intermediary and which, when properly completed and signed by the Non-Registered Owner and returned in accordance with the directions on the form, will constitute voting instructions (often called a “**voting instruction form**”) which the intermediary must follow; or
- (b) be given a form of proxy which has already been signed by the intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Owner but which is otherwise not completed by the intermediary. Because the intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Owner when submitting the proxy. In this case, the Non-Registered Owner who wishes to submit a proxy should properly complete the form of proxy and deposit it with Computershare Investor Services at 100 University Avenue, 8<sup>th</sup> Floor, Toronto, ON, M5J 2Y1.

In either case, the purpose of these procedures is to permit Non-Registered Owners to direct the voting of the Shares they beneficially own. Should a Non-Registered Owner who receives one of the above forms wish to vote at the Meeting, or any adjournment(s) or postponement(s) thereof (or have another person attend and vote on behalf of the Non-Registered Owner), the Non-Registered Owner should strike out the names of the persons named in the voting instruction form or form of proxy, as applicable, and insert the Non-Registered Owner’s or such other person’s name in the blank space provided. **In either case, Non-Registered Owners should carefully follow the instructions provided to them with their form, including those regarding when and where the form is to be delivered.**

## GENERAL MATTERS

References in this Circular to “dollars”, “C\$” or “\$” are to Canadian dollars. United States dollars are indicated by the symbol “US\$”.

## INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No person who has been a director or an executive officer of the Corporation nor any proposed nominee for election as a director of the Corporation at any time since the beginning of its last completed financial year, or any associate of any such director, officer or proposed nominee, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, except as disclosed in this Circular.

## VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

As of May 29, 2025, the Corporation had 73,277,680 Shares issued and outstanding, being the only class of securities of the Corporation entitled to be voted at the Meeting. Each holder of Shares of record at the close of business on May 29, 2025, the record date established for notice of the Meeting, will be entitled to vote on all matters proposed to come before the Meeting on the basis of one vote for each Share held.

As at May 29, 2025, to the knowledge of our directors and officers, the following persons beneficially owned, directly or indirectly, or exercised control or direction over, more than 10% of the voting shares of the Corporation.

Name	Number of shares held	Percentage
Romain Nouzareth	11,079,552	15.12%
Mathieu Nouzareth	8,326,710	11.36%
True Global Ventures 4 Plus Fund Pte Ltd	9,255,003	12.63%

## PRESENTATION OF THE FINANCIAL STATEMENTS

The financial statements of the Corporation, for the year ended December 31, 2024, and the auditor's report thereon, will be presented to the Shareholders at the Meeting, but no vote with respect thereto is required or proposed to be taken. The financial statements are available on the Corporation's website at <https://corp.bysato.com/financials> or under the Corporation's profile on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)).

## ELECTION OF DIRECTORS

### Director Nominees

The articles of the Corporation provide that the Board of Directors of the Corporation (the "**Board**") shall consist of a minimum of three directors and a maximum of ten directors. Currently, the number of directors has been set at six, however, at the Meeting Shareholders will be asked to set the number at five.

The following table and the notes thereto state the names and places of residence of all persons proposed to be nominated for election as directors of the Corporation, the positions they hold with the Corporation, their principal occupations or employments during the past five years, the year such persons began to serve as directors of the Corporation and the number of Shares beneficially owned or over which control or direction is exercised by each of them as at May 29, 2025. Each director will hold office until the next annual meeting of shareholders or until his or her successor is duly elected, unless prior thereto the director resigns or the director's office becomes vacant by reason of death or other cause. Upon successful election of all director nominees at the Meeting, it is expected that each member of the committees of the Board as noted below will continue in their respective roles after the Meeting.

**Unless authority to vote is withheld, the persons named in the enclosed proxy form intend to vote IN FAVOUR of the election of each of the five nominees whose names are set forth hereafter.**

Name, Province or State and Country of Residence	Position Held with the Corporation	Principal Occupation during Past Five Years	Director Since	Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly <sup>(4)</sup>
Dominique Payette <sup>(1)(2)(3)</sup> Québec, Canada	Director	Privacy Counsel & DPO at Dialogue. Previously, Senior Privacy Counsel at Royal Bank of Canada; Legal counsel at the National Bank of Canada	September 7, 2021	Nil
Randal S. Milch <sup>(1)(2)(3)</sup> Massachusetts, USA	Director	Faculty Director, Master of Science in Cybersecurity Risk and Strategy, NYU and Professor of Practice, NYU School of Law	September 27, 2023	Nil
Frank Di Tomaso <sup>(1)(2)(3)</sup> Quebec, Canada	Director	Fellow Chartered Professional Accountant and Corporate Director	September 7, 2021	500,000
Romain Nouzareth New York, USA	Director, Chief Executive Officer, Chairman	Chief Executive Officer of the Corporation; previously CEO of Canada Computational Unlimited Inc.	September 7, 2021 <sup>(5)</sup>	11,079,552
Mathieu Nouzareth London, UK	Director	Chief Business Officer of The Sandbox. Previously Chief Executive Officer of FreshPlanet Inc.	September 7, 2021 <sup>(5)</sup>	8,326,710

(1) Member of the Compensation Committee.

(2) Member of the Corporate Governance and ESG Committee.

(3) Member of the Audit Committee.

(4) The information as to the number of Shares beneficially owned or over which control is exercised, not being within the knowledge of the Corporation, has been furnished by each director individually as of May 29, 2025.

(5) Mathieu Nouzareth and Romain Nouzareth have been directors of Canada Computation Unlimited Inc. ("CCU Inc."), a subsidiary of the Corporation, since November 2017.

As at May 29, 2025, as a group, the Corporation's directors and executive officers beneficially owned, directly or indirectly, or exercised control over an aggregate of 19,918,167 Shares of the Corporation representing 27.18% of the outstanding Shares.

## Biographies

### Dominique Payette, Director

Dominique Payette, LL.B. J.D., LL.M., is a technology and A.I. lawyer. She has researched and advised different entities on the responsible and ethical deployment of A.I. and other finance technologies such as cryptocurrency. She has been a proactive advocate of the importance of finance technology ethics in the finance industry and Canadian community at large. Currently serving as Privacy Counsel and DPO for Dialogue, she is a published author and public speaker on the topics of robo-advisers, A.I. fairness and governance, and digital currency. Dominique holds a Master of Laws (LL.M.) from Université de Montréal, and also sits on the board of a non-profit entity that leverages A.I and other technologies to create a circular economy around fishing ghost gear. She is very passionate about environmental action and climate change, and has a developing expertise in corporate environmental ethics.

Randal S. Milch, Director

Randal Milch is the Co-Chair of the NYU Center for Cybersecurity, a Professor of Practice at NYU School of Law, and Faculty Director of the Master of Science in Cybersecurity Risk and Strategy Program. Prior to joining NYU, he was the General Counsel and head of public policy at Verizon Communications. At Verizon, Randal chaired the Verizon Executive Security Council, which oversaw information security across all Verizon entities. He was responsible for national security matters at Verizon beginning in 2006 and served as the senior cleared executive at Verizon. Randal is a member of the board of The Analysis Group, Inc.

Frank Di Tomaso, FCPA, ICD.D, Director

Frank Di Tomaso, FCPA, ICD.D is a Fellow Chartered Professional Accountant and holds the designation of ICD.D from the Institute of Corporate Directors. He is a Corporate Director and was a Partner and Advisory Partner at Raymond Chabot Grant Thornton LLP, which he joined in 1981, and held the position of Managing Partner Audit – Public Companies until his departure in 2013. He is engaged both in the business and the social community and is a member of many business associations, not-for-profit organizations, and charitable organizations. In that regard, he received the Award of Distinction from the John Molson School of Business – Concordia University in 2004 in recognition of his outstanding contribution to the World of Business and the community. He was also Director of Professional Inspection of the Ordre des CPA du Québec, the first person to hold this position in Canada.

Romain Nouzareth, CEO and Chairman

Romain Nouzareth is a seasoned tech entrepreneur who co-founded SATO and its subsidiary, Canada Computational Unlimited Inc., and has acted as its chief executive officer since its inception in 2017. He co-founded, with his brother Mathieu, Web Concept, one of the first web agencies in France, which was sold to Icon Medialab in 1999. Mr. Nouzareth subsequently co-founded Boonty, a digital distribution platform, which was sold in 2007 to NexWay SA, while a spin off, known as IsCool Entertainment, developed one of the first viral games on Facebook and was listed on the NYSE Euronext before being sold to Hachette of Lagardère Publishing in 2018. Mr. Nouzareth co-founded FreshPlanet Inc., a game studio based in New York, USA, and founded eWRLD Corp., a studio building products for messenger apps, Natural Language Processing (NLP), Facebook Instant Games platform, and for iOS and Android App Stores.

Mathieu Nouzareth, Director

Mathieu Nouzareth is the Chief Business Officer of Bacasable Global Limited, which operates as The Sandbox, and was the Chief Executive Officer of FreshPlanet Inc. He is a serial entrepreneur with extensive experience in start-up creation, growth initiatives, user acquisition, sales, mobile and web development, and digital assets. Over the last 25 years, he has co-founded five companies, three of which were sold, with one going public.

**Shareholding, Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

To the knowledge of the Corporation, none of the proposed directors of the Corporation is, as of the date hereof, or within 10 years before the date hereof, has been:

- (a) a director, chief executive officer or chief financial officer of any company (including the Corporation) 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) a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromises with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

For the purposes of (a) above, “order” means a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days.

To the knowledge of the Corporation, none of the proposed directors of the Corporation 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 securityholder in deciding whether to vote for a proposed director.

#### **APPOINTMENT OF AUDITOR**

It is proposed that Davidson & Company LLP ("Davidson") be appointed as the auditor of the Corporation to hold office until the close of the next annual meeting of the shareholders of the Corporation and that the board of directors of the Corporation be authorized to set the auditor's remuneration. Davidson was first appointed as the auditor of the Corporation effective May 23, 2025, upon resignation of Raymond Chabot Grant Thornton LLP ("RCGT"), the predecessor auditor of the Corporation, at the request of the Corporation. In accordance with National Instrument 51-102 – Continuous Disclosure Obligations of the Canadian Securities Administrators ("NI 51-102"), a copy of the prescribed reporting package relating to the change of auditor is attached to this Circular as Schedule “C”, including the Corporation's change of auditor notice dated May 28, 2025, and letters of acknowledgement from each of Davidson and RCGT dated May 8, 2025, and May 29, 2025, respectively. As noted in the reporting package, there were no "reportable events" (within the meaning of NI 51-102) and no modified opinion was expressed in RCGT's report on any of the financial statements of the Corporation relating to the period during which RCGT was the auditor of the Corporation.

**Unless authority to vote is withheld, the persons named in the enclosed proxy form intend to vote IN FAVOUR of retaining Davidson & Company LLP, Chartered Professional Accountants, as auditor of the Corporation to hold office until the next annual meeting of the Shareholders and to authorize the directors of the Corporation to determine the auditor’s remuneration.**

#### **APPROVAL OF THE CORPORATION’S OMNIBUS EQUITY INCENTIVE PLAN**

Previously, the Corporation had adopted a Stock Option Plan (the “**Legacy Plan**”) as its equity incentive plan, which was last approved by Shareholders at the annual general and special meeting of the Corporation held on June 14, 2024. The Legacy Plan was established to provide incentives to employees, officers, directors and consultants who provide services to the Corporation. Exchange policy requires that all companies listed on the Exchange adopt a security based compensation plan if a company wishes to grant security based compensation.

During the Meeting, the Shareholders will be invited to consider and, if deemed advisable, to adopt, with or without amendment, a resolution (the “**Omnibus Plan Resolution**”), the text of which is set out in Schedule “A” to the Circular, to approve an omnibus equity incentive plan (the “**Omnibus Plan**”). To be validly adopted, the Omnibus

Plan Resolution must be adopted by a simple majority of the votes cast by the Shareholders present or represented by proxyholder at the Meeting.

#### *Background and Context*

On May 29, 2025, the Board approved the adoption by the Corporation of the Omnibus Plan for future awards to eligible directors, officers, employees, consultants, and Eligible Charitable Organizations (as such term is defined in Exchange policies). Provided that the Omnibus Plan is approved by Shareholders at the Meeting, all future grants of equity-based awards will be made under the Omnibus Plan, all outstanding Options granted under the Legacy Plan will continue to be governed by the terms of the Legacy Plan, and the Corporation will cease to grant any Options under the Legacy Plan.

The objectives of the Omnibus Plan are to, among other things, promote alignment between the interests of officers, directors, employees and other service providers of the Corporation and the long term growth objectives of the Corporation, to associate a portion of participants' compensation with the performance of the Corporation, and to attract, motivate and retain key participants to drive the business success of the Corporation.

A summary of the key terms of the Omnibus Plan is set out below, which is qualified in its entirety by the full text of the Omnibus Plan attached to this Circular as Schedule "B".

**The Board recommends that Shareholders vote in favour of the approval of the Omnibus Plan Resolution. The Management Proxyholders, unless expressly directed to the contrary in such form of proxy, will vote such proxies FOR the Omnibus Plan Resolution to approve the Omnibus Plan.**

#### *Summary of the Omnibus Plan*

The Omnibus Plan provides flexibility to the Corporation to grant equity-based incentive awards in the form of Options, restricted share units ("RSUs"), performance share units ("PSUs") and deferred share units ("DSUs", and together with Options, RSUs and PSUs, "Awards"), as described in further detail below.

#### *Failure to Approve the Omnibus Plan*

If Shareholders do not approve the Omnibus Plan Resolution (as defined below), the Corporation will not be able to implement the Omnibus Plan and the Board will not be able to grant Options, RSUs, PSUs or DSUs under the Omnibus Plan.

#### *Administration*

The Omnibus Plan will be administered by the Board and the Compensation Committee. The Board will determine which directors, officers, eligible employees or consultants of the Corporation and any affiliates of the Corporation designated by the Board (the "**Participating Entity**"), and Eligible Charitable Organizations are eligible to receive Awards under the Omnibus Plan.

The approval of the Shareholders is required for any amendments to the Omnibus Plan that would result in an increase in the maximum number of Shares that may be issuable pursuant to Awards granted under the Omnibus Plan, or an increase in the maximum number of Awards that may be issuable to "insiders" of the Corporation (as defined in Exchange Policy 1.1) and associates of such insiders at any time.

The approval of the disinterested shareholders of the Corporation is required for any amendments that would result in a reduction in the exercise price of an outstanding Option benefitting an insider of the Corporation or an extension of the expiry date of an Award benefitting an insider of the Corporation (except in the case of an extension due to a blackout period).

The Board has the power to amend or modify the Omnibus Plan or any Award granted thereunder without Shareholder approval in connection with:

- (a) any amendment of a “housekeeping” nature, including those made to clarify the meaning of an existing provision of the Omnibus Plan or any agreement, correct or supplement any provision of the Omnibus Plan that is inconsistent with any other provision of the Omnibus Plan or any agreement, correct any grammatical or typographical errors or amend the definitions in the Omnibus Plan regarding administration of the Omnibus Plan; or
- (b) an amendment of the Omnibus Plan or an Award as necessary to comply with applicable law or the requirements of any stock exchange upon which the securities of the Corporation are then listed or any other regulatory body having authority over the Corporation, the Omnibus Plan, Participants or the shareholders of the Corporation.

No amendment to the Omnibus Plan shall become effective until the approval of the Exchange is obtained.

#### *Eligibility*

The Board may determine, in its sole and absolute discretion, which Directors, Officers, Employees, Management Company Employees, Consultants, and Eligible Charitable Organizations are eligible to participate in the Omnibus Plan (collectively, the “**Participants**”). Except as required by law, no Awards or any rights of a Participant under the Omnibus Plan may be anticipated, assigned, transferred, alienated, sold, encumbered, pledged, mortgaged or charged and no such Awards or rights are capable of being subject to attachment or legal process for the payment of any debts or obligations of the Participant.

#### *Shares Subject to the Omnibus Plan and Limitation on Awards*

The Omnibus Plan is a “rolling up to 10% and fixed up to 10%” plan.

The maximum number of Shares available for issuance pursuant to the Omnibus Plan shall not exceed:

- (a) pursuant to the exercise of Options, 10% of the issued and outstanding Shares from time to time as at the date of grant of any Option; and
- (b) pursuant to the settlement of RSUs, PSUs, and DSUs granted pursuant to the Omnibus Plan and any other security-based compensation arrangement of the Corporation, 7,327,768 Shares, being 10% of the issued and outstanding Shares as at May 29, 2025, the date of implementation of the Omnibus Plan.

In addition, the grant of Awards under the Omnibus Plan is subject to the following additional limitations:

- (a) the aggregate number of Shares issuable to insiders of the Corporation under the Omnibus Plan or any other security based compensation plan of the Corporation shall not at any time exceed 10% of the issued and outstanding Shares and the aggregate number of Shares issuable to insiders of the Corporation under the Omnibus Plan or any other security based compensation plan of the Corporation, within a one-year period, shall not exceed 10% of the issued and outstanding Shares as at the date any Award is granted to any insider of the Corporation (unless the Corporation has obtained disinterested shareholder approval in respect thereof);
- (b) the aggregate number of Shares issuable to any one Participant under the Omnibus Plan or any other security based compensation plan of the Corporation, within a one-year period, shall not at any time exceed 5% of the issued and outstanding Shares as at the date any Award is granted to the Participant (unless the Corporation has obtained disinterested shareholder approval in respect thereof);
- (c) the aggregate number of Shares issuable to any one consultant under the Omnibus Plan or any other security based compensation plan of the Corporation, within a one-year period, shall not at any time exceed 2% of the issued and outstanding Shares as at the date any Award is granted to the consultant;
- (d) the aggregate number of Shares issuable to all Participants retained to provide “investor relations activities” (as defined in Exchange Policy 1.1) under the Omnibus Plan or any other security based

compensation plan of the Corporation, within a one-year period, shall not at any time exceed 2% of the issued and outstanding Shares as at the date any Option is granted to a Participant retained to provide investor relations activities;

- (e) the aggregate number of Shares issuable to all Eligible Charitable Organizations under the Omnibus Plan shall not at any time exceed 1% of the Outstanding Issue as at the date any Option is granted to an Eligible Charitable Organization;
- (f) No RSUs, PSUs, or DSUs may be awarded to Participants who provide investor relations activities or to any Eligible Charitable Organization.

If any Options, RSUs, PSUs or DSUs granted under the Omnibus Plan expire, terminate or are cancelled for any reason without being settled in the form of Shares, such Shares will become available for additional grants under the Omnibus Plan.

### *Stock Options*

The exercise price for Options will be determined by the Board, but shall be not less than the Discounted Market Price (as such term is defined in Exchange policies) of a Share at the date of grant. Notwithstanding the foregoing, solely with respect to a Participant who is obligated to pay federal income tax under the United States Internal Revenue Code of 1986 (a "U.S. Participant"), in no event shall the exercise price under any Option be less than the Market Value (as defined in the Omnibus Plan) of a Share as at the date the Option is granted. Options granted under the Omnibus Plan shall have the vesting provisions (if any) designated by the Board and Exchange policies, provided, that Options granted to persons providing investor relations activities shall vest in stages over a period of not less than twelve months with no more than 1/4 of the Options Vesting in any three-month period.

Options must be exercised within a period fixed by the Board that may not exceed 10 years from the date of grant, except in a case where the expiry period falls during a blackout period, in which case the expiry period will be automatically extended until 10 business days after the end of the blackout period.

The Omnibus Plan allows for the option and ability to exercise Options on both a cashless exercise and net exercise basis. Under a cashless exercise, a brokerage firm will loan money to a Participant to purchase Shares underlying Options, will sell a sufficient number of Shares to cover the exercise price of such Options to repay the loan made to the Participant, and the Participant will retain the balance of the Shares. In connection with a net exercise, a participant under the Omnibus Plan would receive Shares equal in value to the difference between the exercise price and the fair market value of the Shares on the date of exercise, computed in accordance with the Omnibus Plan. Additionally, an Option may be exercised by cash settlement whereby the Corporation delivers to the Participant a cash payment equal to the excess of (i) the Market Value of the Shares underlying the exercised portion of the Option on the date of exercise over (ii) the exercise price of such Option, in lieu of issuing Shares, and such Options are thereafter terminated and cancelled.

### *Restricted Share Units and Performance Share Units*

The terms and conditions of RSU and PSU grants, including the quantity, type of award, award date, vesting conditions, applicable vesting periods and other terms and conditions with respect to the award, as determined by the Board, will be set out in such Participant's RSU agreement or PSU agreement, as applicable. The agreement governing the grant of a PSU may also set out the applicable performance goals and the performance periods during which such goals must be attained in order for vesting to occur. RSUs and PSUs shall be settled by the issuance of Shares, a cash payment or any combination thereof, to be determined at the discretion of the Board at the time of settlement.

Performance goals for PSUs may be based upon the achievement of corporate, divisional, cluster 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. The Board may modify the performance goals as necessary to align them with the Corporation's corporate objectives, subject to any limitations set forth in the award agreement for the PSU or an employment or other agreement with the Participant. The performance goals 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 award agreement for the PSU.

An RSU and PSU account will be maintained for each Participant and each notional grant of RSUs and PSUs, as granted to such Participant from time to time, will be credited to such Participant's account. RSUs and PSUs that fail to vest with respect to a Participant, or that are paid out to the Participant are cancelled and will be removed from such Participant's account.

Vested RSUs and PSUs may be settled on the first business day following the applicable vesting date, and, in any event, on or before December 31 of the third year following the year in which the Participant performed the services to which the grant of RSUs or PSUs relates. No RSU or PSU may vest before the date which is one year from the date of grant of the RSU or PSU.

If RSUs or PSUs would be otherwise be settled during a trading blackout period, such settlement shall be postponed until the earlier of the tenth (10th) business day following the date on which such blackout period ends and the otherwise applicable date for the settlement of the RSUs or PSUs under the Omnibus Plan.

#### *Deferred Share Units*

The Board may grant DSUs to any eligible Participant designated by the Board as eligible to receive DSUs under the Omnibus Plan. The number of DSUs granted at any particular time pursuant to the Omnibus Plan will be calculated by not less than the Market Value of a Share on the grant date. The Corporation shall maintain a DSU account for each Participant. All DSUs recorded in a Participant's DSU account will vest on the date the Participant ceases to be an eligible Participant, provided however that no DSU may vest before the date which is one year from the date of grant of the DSU. DSUs shall be settled by the issuance of Shares, a cash payment or any combination thereof, to be determined at the discretion of the Board at the time of settlement.

If DSUs would be otherwise be settled during a trading blackout period, such settlement shall be postponed until the earlier of the tenth (10th) business day following the date on which such blackout period ends and the otherwise applicable date for the settlement of the DSUs under the Omnibus Plan.

Upon the settlement of DSUs by the issuance of Shares, the Shares will be issued from treasury by the Corporation as fully paid non-assessable Shares in an amount based on the whole number of DSUs then recorded in the Participant's DSU account (no fractional Shares will be issued). If settled in cash, the aggregate market value of the DSUs so settled will be determined based on the market value of the Shares on the applicable termination date multiplied by the number of DSUs then recorded in the Participant's DSU account on the termination date.

#### *Termination, Death, Disability or Discontinuance*

The Omnibus Plan also provides for earlier termination of Awards on the occurrence of certain events, including:

- (1) If the Participant dies or is terminated as a result of disability, or if the entity by which the Participant is employed or to which the Participant is a director or consultant ceases to be a Participating Entity:
  - all of the Options held by the Participant that would have vested in the 12 months following the date of death, resignation or termination (the "**Termination Date**") will vest immediately on such date;
  - if a Participant's RSUs have not vested, subject to the Board's approval, a pro rata portion of the Participant's RSUs that are scheduled to vest on the next scheduled vesting date set forth in the RSU Agreement for such RSUs will vest, based on the number of days that have elapsed between the date of grant of the RSU and the Termination Date, and such RSUs will be settled in accordance with the provisions of the Omnibus Plan on the next scheduled vesting date set forth in the agreement governing the grant of such RSUs, provided that no RSU may vest before the date which is one year from the date of grant of the RSU except upon the death of the Participant or in connection with a Change of Control;

- if a Participant's PSUs have not vested, any PSUs standing to the credit of such Participant shall continue to vest (and be settled) in the normal course for a period of ninety (90) days extending from the end of the fiscal year in which the Termination Date occurs (the "90 Day Period"). Subject to the Board's approval, any PSUs which do not vest in the normal course during the 90 Day Period shall vest pro rata upon the Termination Date to take into account only the period that has elapsed between the date of grant of the PSU and the Termination Date, provided that the applicable performance goals for the PSU are satisfied in respect of the applicable performance period in which the Termination Date occurs and that no PSU may vest before the date which is one year from the date of grant of the PSU except upon the death of the Participant or in connection with a Change of Control; and
  - vested Options, RSUs or PSUs held by the Participant shall terminate on the earlier of: (i) 12 months following the Termination Date, or (ii) the expiry date of such Option, RSU or PSU, as applicable;
- (2) If the Participant resigns from employment or as a director or consultant:
- the Participant shall forfeit all rights, title and interest in the Awards which are not vested on the date the notice of resignation is delivered to the Corporation; and
  - the Participant may exercise the Options which are vested on the date the notice of resignation is delivered to the Corporation until the earlier of: (i) the end of the applicable exercise period; and (ii) 90 days after the date the notice of resignation is delivered to the Corporation, after which time all Options expire;
- (3) If the Participant's employment is terminated for "cause" (as defined in the Omnibus Plan) or the Participant ceases to be a director or consultant on a similar basis, the Participant shall forfeit all rights, title and interest in all Awards, whether vested or not as at the date of such termination;
- (4) If the Participant's employment is terminated without cause, the Participant resigns because he or she has been constructively dismissed, or the Participant ceases to be a director or Consultant on a similar basis then:
- the Participant's Options which are vested on the date of such termination may be exercised until the earlier of the applicable expiry date or 90 days after the date of such termination, after which time all Options expire;
  - the Participant's RSUs that have not vested shall vest in accordance with the Omnibus Plan, provided that such RSUs shall in no event be settled later than the earlier of (i) one year following the date of such termination, and (ii) the expiry date of such RSUs; and
  - the Participant's PSUs that have not vested shall vest in accordance with the Omnibus Plan, provided that such PSUs shall in no event be settled later than the earlier of (i) one year following the date of such termination, and (ii) the expiry date of such PSUs.

Notwithstanding the foregoing, the Board may, at the time of a Participant's termination, resignation, retirement, death or disability permit the exercise of any outstanding Options held by such Participant, provided that the Board may not extend the applicable exercise period of such Options.

#### *Alterations/Corporate Transactions*

If the Corporation effects a subdivision or consolidation of the Shares or any similar capital reorganization or a payment of a stock dividend (other than a stock dividend that is in lieu of an ordinary cash dividend), or if any other change is made in the capitalization of the Corporation that, in the opinion of the Board, would warrant the amendment or replacement of any existing Awards in order to adjust:

- (a) the number of Shares that may be acquired on the exercise of any outstanding Options;
- (b) the exercise price of any outstanding Options; or

- (c) the number of RSUs, PSUs or DSUs in the Participant's account or notional account, as applicable,

in order to preserve proportionately the rights and obligations of the Participants, the Board will authorize such steps to be taken as may be equitable and appropriate to that end as determined by the Board in its discretion, subject to (i) the limits set forth in the Omnibus Plan, (ii) the Corporation's compliance with Exchange Policy 4.4, and (iii) the Board's capacity to elect to effect such adjustment through payments in cash in lieu of adjusting the number of Shares or the number of RSUs, PSUs or DSUs in the Participant's account or notional account, as applicable. Notwithstanding the foregoing, any adjustment made by the Corporation in connection with an alteration of its capitalization or a corporate transaction, except for any adjustments made in connection with a subdivision or consolidation of the Shares, shall be subject to the approval of the Exchange.

#### *Change of Control*

If the Corporation undergoes a Change of Control (as such term is defined in the Omnibus Plan), the Board may accelerate the expiry of Options granted under the Omnibus Plan to the business day immediately following the date on which such Change of Control is consummated, provided that: (i) the Board accelerates the vesting of Options prior to the date such Change of Control occurs; (ii) the Corporation gives notice of the accelerate vesting to all Participants not less than 10 business days prior to the completion of the Change of Control; and (iii) the Corporation complies with Policy 4.4. The Board may also elect to cause any or all outstanding Options to be cancelled in exchange for a cash payment equal to the value of such Options based on the per Share transaction price payable in the Change of Control, less the applicable exercise price.

In the event of a Change of Control, the Board may also cause all or a portion of the outstanding RSUs and PSUs to vest immediately prior to the Change of Control.

#### *Claw-Back Provisions*

If the Board determines that a Participant: (i) engaged in an act of embezzlement, fraud, breach of fiduciary duty or any other misconduct which constitutes cause for dismissal during the Participant's employment or engagement that significantly contributed to an obligation to restate the Corporation's financial statements (whether required by law, accounting principles, regulatory policy or settlement with regulators having jurisdiction over the Corporation); or (ii) violated a non-competition, non-solicitation, non-disparagement, confidentiality, or other restrictive covenant by which the Participant is bound, that Participant may, subject to the approval of the Exchange, be required to return any outstanding unexercised or unredeemed Awards for cancellation, and repay the proceeds resulting from any sale or other disposition of Shares issued or issuable upon redemption or exercise of an Award or any cash received on redemption of an Award, if the sale, disposition or receipt of cash occurred during the three year period following the first public issuance or filing with the applicable securities commissions or similar regulatory authorities of the financial statements required to be restated.

The Board may, in determining the appropriate amount of the claw-back referred to above, take into account penalties or punishments imposed by third parties, such as law enforcement agencies, regulators or other authorities. The Board's power to determine the appropriate punishment for the Participant is in addition to, and not in replacement of, any remedies which may be imposed by such entities and any other remedies available to the Corporation or its subsidiaries.

#### *Omnibus Plan Resolution*

Pursuant to the policies of the Exchange, a "rolling up to 10% and fixed up to 10%" security based compensation plan (such as the Omnibus Plan) must be approved by shareholders at the time it is implemented and yearly thereafter. The Corporation is seeking Shareholder approval for the Omnibus Plan in accordance with the policies of the Exchange. The Corporation has received conditional approval of the TSXV for the Omnibus Plan. Final TSXV approval is subject to, among other conditions, the Corporation receiving shareholder approval for the Omnibus Plan.

In the event the Corporation fails to obtain Shareholder approval for the Omnibus Plan as required by the Exchange, then commencing on the earlier of: (i) the date of the Shareholder meeting at which the Shareholders do not approve of the Omnibus Plan or (ii) the date which is 15 months from the date of the last Shareholder meeting at which

Shareholders approved the Omnibus Plan, the Corporation cannot grant or issue any further Awards under the Omnibus Plan until it has obtained the requisite Shareholder approval for the Omnibus Plan.

## **EXECUTIVE COMPENSATION**

For the purpose of this Circular:

“**CEO**” means each individual who acted as chief executive officer of the Corporation or acted in a similar capacity for any part of the most recently completed financial year;

“**CFO**” means each individual who acted as chief financial officer of the Corporation or acted in a similar capacity for any part of the most recently completed financial year; and

“**NEO**” means: (a) a CEO; (b) a CFO; (c) the Corporation’s most highly compensated executive officer, including any of the Corporation’s subsidiaries, or the most highly compensated individual acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year and whose total compensation was, individually, more than \$150,000 as determined in accordance with subsection 1.3(6) of Form 51-102F6 Statement of Executive Compensation, for that financial year; and (d) each individual who would be a NEO but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity at the end of the most recently completed financial year.

During the year ended December 31, 2024, the Corporation had two NEOs, namely Romain Nouzareth, the CEO of the Corporation, and Kyle Appleby, the CFO of the Corporation.

### **Basis of Presentation**

SATO Technologies Corp. was incorporated pursuant to the provisions of the OBCA on May 7, 2008, under the name “Capricorn Business Acquisitions Inc.”. The Corporation completed its initial public offering on February 26, 2010, and was listed on the TSX-V as a capital pool Corporation (“**CPC**”) on March 9, 2010. Pursuant to the policies of the TSX-V regarding CPCs, the shares of Capricorn were suspended from trading and listed on the NEX tier of the TSX-V from March 12, 2012 until the Corporation completed its Qualifying Transaction on September 7, 2021. On September 7, 2021 upon completion of the Qualifying Transaction, the Corporation changed its name and completed a consolidation of its share capital on a basis of one post-consolidation Common Share for every 2.7 common shares outstanding immediately before the consolidation. The Common Shares were listed for trading on the TSX-V under the symbol “SATO” on September 16, 2021.

Prior to the completion of the Qualifying Transaction, the Corporation did not own any assets other than cash and had not conducted any active business operations. Since its incorporation and prior to the Qualifying Transaction, the principal activities of the Corporation consisted of the financing through its initial public offering.

Prior to the completion of the Qualifying Transaction, due to Capricorn’s status as a CPC, the Corporation did not pay any compensation to its officers and directors. As the Qualifying Transaction was a reverse takeover of the Corporation, the resulting issuer is a continuation of the business of CCU Inc. (prior to the Qualifying Transaction). Accordingly, this Statement of Executive Compensation includes disclosures relating to the executive compensation paid by CCU Inc. before and after the completion of the Qualifying Transaction.

Certain share options presented in this Statement of Executive Compensation were initially granted in respect of the shares of CCU Inc. prior to the completion of the Qualifying Transaction, at which time such share purchase options were rendered exercisable in respect of the shares of the Corporation. Accordingly, in this Statement of Executive Compensation, the disclosures relating to the value of unexercised in-the-money options and the value vested or earned have been presented only for the period after the completion of the Qualifying Transaction when relevant market data was available for underlying calculations.

## **Compensation Discussion and Analysis**

### ***Interpretation***

The NEO's who are the subject of this Compensation Discussion and Analysis are Romain Nouzareth (CEO), and Kyle Appleby (CFO). No other individuals fall within the NEO definition during the applicable reporting periods.

### ***Compensation Program Objectives***

The Corporation has established a compensation committee (the "**Compensation Committee**"), currently consisting of Randal S. Milch, Dominique Payette and Frank Di Tomaso. Mr. Milch, Ms. Payette and Mr. Di Tomaso are all independent directors. The Compensation Committee has been mandated to oversee the remuneration policies and practices of the Corporation, establish, review and report on compensation of SATO's executive officers, including those whose compensation is set forth under the heading "Summary of Compensation Table" below, and administer equity-based and certain other compensation.

The Corporation's policy regarding executive compensation has the following objectives:

- to ensure that policies regarding compensation are aligned with the Corporation's business objectives;
- to provide levels of total compensation sufficient to attract and retain effective employees; and
- to ensure that management executives' interests are consistent with the objectives of the Board and the Corporation's shareholders.

### ***Elements of the Compensation Program***

The compensation package for the executive officers of the Corporation is principally composed of the following elements:

- fixed annual compensation and benefits;
- an incentive program that currently takes the form of bonuses linked to the Corporation's financial and operating performance and other initiatives that enhance the intrinsic value of the Corporation; and
- long-term incentive programs, currently consisting of stock options, but which, subject to the approval of the Omnibus Plan Resolution, may include other equity incentive grants under the Omnibus Plan, as described below.

### ***Purpose of Each Element of the Executive Compensation Program***

The fixed annual compensation and benefits of a NEO are intended to provide income certainty and to attract and retain executives, and is therefore based on the assessment of a number of factors such as current competitive market conditions, compensation levels within similarly situated companies to the Corporation and factors particular to the executive, including individual performance, the scope of the executive's role with the Corporation and retention considerations. The Compensation Committee considers available market data for companies in comparable industries and of a similar size, although a specific benchmark is not targeted and a formal peer group has not been established.

In addition to the fixed annual compensation, the Corporation may award executives with short term incentive awards in the form of an annual bonus. Annual bonuses are intended to provide short-term incentives to executives and to reward them for their yearly individual contribution and performance of personal objectives in the context of overall annual corporate performance. The Board has established target amounts that the CEO may earn based on the achievement of specific objectives, as set out in the CEO's employment agreement.

Long-term incentive compensation may be provided through the awarding of equity incentives under the Omnibus Plan. Subject to the approval of the Omnibus Plan Resolution, the Omnibus Plan will be the Corporation's only equity

incentive plan. The size of equity incentive awards to Named Executive Officers is dependent on each officer's level of responsibility, authority and importance to the Corporation and the degree to which such officer's long-term contribution to the Corporation will be crucial to its long-term success. Previous awards are taken into account when considering new awards. The Omnibus Plan is summarized below, and the full text of the Omnibus Plan is attached hereto as Schedule A.

Named Executive Officers and directors are not currently prevented from purchasing financial instruments (including prepaid variable forward contracts, equity swaps, collars, or units of exchange funds) that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the Named Executive Officer or director.

### **Risks of Compensation Policies and Practices**

The Corporation's compensation program is designed to provide executive officers incentives for the achievement of near-term and long-term objectives, without motivating them to take unnecessary risk. As part of its review and discussion of executive compensation, the Board noted the following facts that discourage the Corporation's executives from taking unnecessary or excessive risk:

- the Corporation's business strategy and related compensation philosophy; and
- the effective balance, in each case, between near-term and long-term focus, corporate and individual performance, and financial and non-financial performance.

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

### **Equity Incentives**

A number of Common Shares equal to 10% of the issued and outstanding Shares from time to time are currently reserved for the issuance of stock options pursuant to the Corporation's Legacy Plan. Following approval of the Omnibus Plan Resolution, the Legacy Plan will be replaced by the Omnibus Plan as described above.

To date, option grants to NEOs have been made on the basis of the number of options currently held, position, overall individual performance, anticipated contribution to the Corporation's future success and the individual's ability to influence corporate and business performance. The purpose of granting such options has been to assist the Corporation in compensating, attracting, retaining and motivating the officers, directors and employees of the Corporation and to align closely the personal interests of such persons to the interest of the shareholders. Following approval of the Omnibus Plan Resolution, equity incentive awards will be granted under the Omnibus Plan on the same bases and for the same purposes.

The recipients of incentive stock options and the terms of the options granted have been determined from time to time with the oversight and approval of the Board. The exercise price of the options granted has been determined by the market price at the time of grant. Following approval of the Omnibus Plan Resolution, equity incentive awards under the Omnibus Plan will be determined from time to time with the oversight and approval of the Board, based on the market price at the time of grant.

### **Share Based and Non-Equity Incentive Plan Compensation**

The Corporation has not granted any share-based awards nor has it provided any awards pursuant to a non-equity incentive plan.

### **Benefit, Contribution, Pension, Retirement, Deferred Compensation and Actuarial Plans**

The Corporation currently has no defined benefit, defined contribution, pension, retirement, deferred compensation or actuarial plans for its NEOs or directors of the Corporation.

## Director and Named Executive Officer Compensation, Excluding Compensation Securities

The compensation paid to the NEOs and directors during the Corporation's three most recently completed financial years ended December 31, 2024, 2023, and 2022 excluding compensation securities, is as set out below and expressed in Canadian dollars unless otherwise noted:

### Table of Compensation excluding Compensation Securities

Name and position	Year	Salary, consulting fee, retainer or commission	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation
Romain Nouzareth, <i>Chairman, CEO and Director</i> <sup>(1)</sup>	2024	\$373,444	-	-	-	-	\$373,444
	2023	\$368,793	-	-	-	-	\$368,793
	2022	\$324,790	\$203,160	-	-	-	\$527,950
Kyle Appleby <i>CFO</i> <sup>(2)</sup>	2024	\$60,000	-	-	-	-	\$60,000
	2023	\$36,000	-	-	-	-	\$36,000
	2022	\$36,000	-	-	-	-	\$36,000
Frank Di Tomaso <sup>(3)</sup> <i>Director</i>	2024	\$41,206	-	\$13,736	-	-	\$54,942
	2023	\$40,139	-	\$13,380	-	-	\$53,519
	2022	\$30,000	-	\$10,000	-	-	\$40,000
Mathieu Nouzareth <sup>(3)(4)</sup> <i>Director</i>	2024	\$41,206	-	\$6,868	-	-	\$48,074
	2023	\$40,139	-	\$6,690	-	-	\$46,829
	2022	\$43,281	-	-	-	-	\$43,281
Dominique Payette <sup>(3)</sup> <i>Director</i>	2024	\$41,206	-	\$13,736	-	-	\$54,942
	2023	\$40,139	-	\$13,380	-	-	\$53,519
	2022	\$30,000	-	\$10,000	-	-	\$40,000
Randal S. Milch <sup>(5)</sup> <i>Director</i>	2024	\$41,206	-	\$6,868	-	-	\$48,074
	2023	\$9,920	-	\$1,653	-	-	\$11,573
	2022	-	-	-	-	-	-

**Notes:**

- (1) Romain Nouzareth receives compensation as part of his executive compensation but does not receive any compensation for his role as director.
- (2) Mr. Appleby was appointed as CFO on September 7, 2021. Mr. Appleby receives his compensation via his consulting company, CFO ADVANTAGE INC.
- (3) Joined the Board on September 7, 2021, in connection with the Qualifying Transaction.
- (4) Mathieu Nouzareth receives compensation for sitting on the board in accordance with the compensation structure adopted by the board and received consulting fees for work performed up until the end of the first quarter of 2022.
- (5) Mr. Milch joined the board on September 27, 2023.

In the year ended December 31, 2024, each non-executive director was entitled to receive an annual fee of US\$30,000, plus an additional US\$5,000 if such director served on at least one committee of the Board or US\$10,000 if such director served as Chair of one of the Board's committees. Board members are also entitled to participate in the Corporation's equity incentive plans, but do not participate in any other benefit plans.

### Stock Options and Other Compensation Securities

The following table sets forth information in respect of all compensation securities granted or issued to each director and NEO by the Corporation or one of its subsidiaries for services provided or to be provided, directly or indirectly to the Corporation or its subsidiaries in the Corporation's most recently completed financial year ended December 31, 2024.

Compensation Securities							
Name and position	Type of compensation security	(a)Number of compensation securities, (b)number of underlying securities and (c)percentage of class	Date of issue or grant	Issue, conversion or exercise price	Closing price of security or underlying security on date of grant	Closing price of security or underlying security at year end	Expiry date
Romain Nouzareth, <sup>(1)</sup> <i>Chairman, CEO and Director</i>	-	-	-	-	-	-	-
Kyle Appleby <sup>(2)</sup> <i>CFO</i>	-	-	-	-	-	-	-
Frank Di Tomaso <sup>(4)</sup> <i>Director</i>	-	-	-	-	-	-	-
Mathieu Nouzareth <sup>(5)</sup> <i>Director</i>	-	-	-	-	-	-	-
Dominique Payette <sup>(6)</sup> <i>Director</i>	-	-	-	-	-	-	-
Randal S. Milch <sup>(8)</sup> <i>Director</i>	-	-	-	-	-	-	-

1. As of the Record Date, Romain Nouzareth held 1,680,644 stock options.
2. As of the Record Date, Kyle Appleby held 22,727 stock options.
3. As of the Record Date, Frank Di Tomaso held 251,600 stock options.
4. As of the Record Date, Mathieu Nouzareth held 887,851 stock options.
5. As of the Record Date, Dominique Payette held 251,600 stock options.
6. As of the Record Date, Randal S. Milch held 155,000 stock options.

### Exercise of Compensation Securities by Directors and NEOs

No director or NEO exercised compensation securities during the Corporation's most recently completed financial year ended December 31, 2024.

### Executive Contracts

Except as otherwise disclosed herein, SATO has not entered into management contracts with any director, officer, employee or consultant. Except as disclosed herein, no management function of SATO or its subsidiaries are performed by a person other than a director or senior officer of SATO. Except as outlined below, there are no compensatory plan(s) or arrangement(s) with respect to any NEO resulting from the resignation, retirement, or any other termination of an officer's employment or from a change of NEO's responsibilities following a change in control.

Pursuant to an informal management consulting agreement, Romain Nouzareth, the President and Chief Executive Officer of the Corporation, was entitled to receive annual compensation of \$373,444 in the year ended December 31, 2024. As of January 1, 2025, Mr. Nouzareth entered into an employment agreement with SATO Corp., a wholly owned subsidiary of the Corporation, that provides for fixed annual compensation of US\$295,000. Mr. Nouzareth's services as President and CEO of the Corporation are provided pursuant to a consulting agreement between the Corporation and SATO Corp. Mr. Nouzareth may participate in any benefit plans that are made available to employees. Mr. Nouzareth is eligible to receive a performance-based incentive, based on the achievement of specific targets. Mr. Nouzareth is entitled to participate in the Legacy Plan and the Omnibus Plan. Mr. Nouzareth's agreement may be terminated on written notice by either party. Mr. Nouzareth is entitled to a payment upon termination equal to 52 weeks' compensation, plus a pro rata bonus payment based on actual performance up to the time of termination.

Pursuant to a management consulting agreement with CFO Advantage Inc., for the year ended December 31, 2024, the Corporation paid annual fees of \$60,000 for the services of Kyle Appleby, the Chief Financial Officer of the Corporation, to whom 100% of such fees were allocated. Mr. Appleby does not participate in the Corporation's benefit plans. Mr. Appleby is not eligible to receive any performance-based incentives. Mr. Appleby is entitled to participate in the Omnibus Plan. Mr. Appleby's management consulting agreement may be terminated on one month's written notice by either party. Mr. Appleby is not entitled to any payment upon termination of the management consulting contract.

No management functions of SATO are to any substantial degree performed by a person other than the directors or senior officers of SATO.

## STATEMENT OF CORPORATE GOVERNANCE

### General

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Corporation. National Instrument 58-201 - *Corporate Governance Guidelines* establishes corporate governance guidelines which apply to all public companies. These guidelines are not intended to be prescriptive but to be used by issuers in developing their own corporate governance practices. The Board is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making.

Pursuant to National Instrument 58-101 - *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) the Corporation is required to disclose its corporate governance practices, as summarized below. The Board will continue to monitor such practices on an ongoing basis and when necessary, implement such additional practices as it deems appropriate.

### Board of Directors

The Board maintains the exercise of independent supervision over management by ensuring that the majority of its directors are independent.

NI 58-101 suggests that the board of directors of a public corporation should be constituted with a majority of individuals who qualify as “independent” directors. An “independent” director is a director who is independent of management and is free from any interest and any business or other relationship which could materially interfere or reasonably be perceived to interfere with the director's ability to act with a view to the best interests of the corporation, other than interests and relationships arising from shareholding. In addition, where a corporation has a significant shareholder, NI 58-101 suggests that the board of directors should include a number of directors who do not have interests in either the Corporation or the significant shareholder.

Romain Nouzareth, Chief Executive Officer, has been determined not to be independent by virtue of his position as an executive officer of the Corporation, and Mathieu Nouzareth has been determined to not be independent by virtue of being a sibling of the Chief Executive Officer.

The responsibilities of the Board, as prescribed by the *Business Corporations Act* (Ontario), are to manage or supervise the management of the business and affairs of the Corporation and to appoint officers of the Corporation and, in doing so, each director must act in accordance with a statutory fiduciary duty to act honestly and in good faith with a view to the best interests of the Corporation and a duty to exercise care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In carrying out these responsibilities, the Board oversees the management of the Corporation's affairs directly and through its various committees. In fulfilling its mandate, the Board, among other matters, is responsible for reviewing and approving the Corporation's overall business strategies, reviewing and approving significant acquisitions; reviewing major strategic initiatives to ensure that the Corporation's proposed actions accord with shareholder objectives; reviewing succession planning; assessing management's performance against industry standards; reviewing and approving the reports and other disclosure issued to shareholders; ensuring the effective operation of the Board; and safeguarding shareholders' equity interests through

the optimum utilization of the Corporation’s capital resources. The Board also takes responsibility for identifying the principal risks of the Corporation’s business and for ensuring these risks are effectively monitored and mitigated to the extent reasonably practicable. At this stage of the Corporation’s development, the Board does not believe it is necessary to adopt a written mandate, as sufficient guidance is found in the applicable corporate legislation and regulatory policies. However, as the Corporation grows, the Board may determine it is appropriate to develop a formal written mandate.

In keeping with its overall responsibility for the stewardship of the Corporation, the Board is responsible for the integrity of the Corporation’s internal control and management information systems and for the Corporation’s policies respecting corporate disclosure and communications.

The Board has outlined a skills matrix to assist in evaluating and guiding the composition and ongoing development of the Board, and to aid in the recruiting process for prospective new directors. The Board has identified particular competencies and experience that, in light of the Corporation’s current and expected strategic goals, should be possessed by one or more members of the Board, but it is not a requirement that all directors have all of the competencies and experience. The matrix below has been developed to help balance the composition of the Board and ensure that the required skills and experience are appropriately represented on the Board. The Corporate Governance Committee is responsible for reviewing the matrix periodically and updating as required. The following matrix is not intended to be an exhaustive list of director qualifications.

<b>Competency/ Experience</b>	Frank Di Tomaso	Mathieu Nouzareth	Romain Nouzareth	Dominique Payette	Randal S. Milch
Tech Industry		X	X	X	X
Digital Asset Industry		X	X		
Financial Literacy	X	X	X	X	X
Audit/Financial Reporting	X				
Capital Markets	X	X	X		
Risk Management	X		X	X	X
ESG			X	X	
Information Security		X	X	X	X
Corporate Governance	X	X	X	X	X
Compensation Governance	X				X
Public Company Compliance	X		X		X

### **Standing Committees of the Board**

The Corporation has an Audit Committee, a Compensation Committee, and a Corporate Governance Committee.

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

The Audit Committee is currently composed of Frank Di Tomaso (Chair), Randal S. Milch and Dominique Payette. All Audit Committee members are “independent” within the meaning of National Instrument 52-110 – *Audit Committees*. Each Audit Committee member is “financially literate”, within the meaning of National Instrument 52-110 – *Audit Committees* and possesses education or experience that is relevant for the performance of their responsibilities as Audit Committee members. For more information on the Audit Committee, see section “*Audit Committee*” in the Corporation’s Annual Information Form.

### ***Compensation Committee***

The Compensation Committee is currently composed of Randal S. Milch (Chair), Dominique Payette and Frank Di Tomaso. The Compensation Committee oversees the remuneration policies and practices of the Corporation. For more information on the Compensation Committee and the steps taken to determine compensation for the directors and the CEO, see “*Compensation Discussion and Analysis*”.

### ***Corporate Governance Committee***

The Corporate Governance Committee is composed of Dominique Payette (Chair), Frank Di Tomaso and Randal S. Milch. The Corporate Governance Committee is responsible for: (i) monitoring and overseeing the quality and effectiveness of the corporate governance practices and policies of the Corporation; (ii) considering nominees for independent directors of the Corporation; (iii) adopting and implementing corporate communication policies and ensuring the effectiveness and integrity of communication and reporting to the Corporation’s shareholders and the public generally; (iv) planning for the succession of directors and executive officers of the Corporation, including appointing, training and monitoring senior management to ensure that the board and management have appropriate skill and experience; and (v) administering the board’s relationship with the management.

### **Other Public Corporation Directorships**

None of the members of the Board currently hold directorships in other reporting issuers.

### **Orientation and Continuing Education of Board Members**

Each new director is given an outline of the nature of the Corporation’s business, its corporate strategy, and current issues of relevance to the Corporation. In addition, management of the Corporation takes steps to ensure that its directors and officers are regularly updated with respect to its operations, strategic initiatives, and latest corporate and securities policies which may affect the directors, officers and committee members of the Corporation as a whole.

### **Nomination of Directors**

The size of the Board is reviewed annually when the Board considers the number of directors to recommend for election at the annual general meeting of shareholders. The Board takes into account the number of directors required to carry out the Board duties effectively, and to maintain a diversity of view and experience.

### **Ethical Business Conduct**

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

Under corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Corporation and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In addition, relevant securities regulatory instruments impose obligations that help to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest.

Any director who has a conflict of interest in relation to a matter that comes before the Board will be required to declare the nature and extent of his or her conflict of interest and will not be entitled to vote at meetings of directors at which matters that give rise to such a conflict of interest are considered.

## Assessment of Directors, the Board and Board Committees

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

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table summarizes equity securities that have been issued and are available for issuance under the Corporation's Legacy Plan as of December 31, 2024:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by securityholders	4,561,696	\$0.57	2,766,072
Equity compensation plans not approved by securityholders	-	-	-
<b>Total</b>	<b>4,561,696</b>	<b>\$0.57</b>	<b>2,766,072</b>

## Legacy Plan

The following is a summary of the main provisions of the Legacy Plan. Following approval of the Omnibus Plan Resolution, the Legacy Plan will be replaced by the Omnibus Plan.

The purpose of the Legacy Plan pursuant to which the Corporation may grant incentive stock options, is to promote the profitability and growth of the Corporation by facilitating the efforts of the Corporation to obtain and retain key individuals. The Legacy Plan provides an incentive for and encourages ownership of the Shares by its key individuals so that they may increase their stake in the Corporation and benefit from increases in the value of the Shares. The Legacy Plan is administered by the Board or such committee designated by the Board to administer the Legacy Plan.

The Legacy Plan is a rolling stock option plan, where the maximum number of Shares issuable pursuant to such plan may not exceed 10% of the issued and outstanding Shares as at the date of grant (on a non-diluted basis). Options that expire unexercised or are otherwise cancelled will be returned to the Legacy Plan and may be made available for future option grant pursuant to the provisions of the Legacy Plan.

The eligible participants under the Legacy Plan are directors, officers, employees, and consultants of the Corporation and any subsidiary of the Corporation (referred to as "Participants" under the Legacy Plan).

Pursuant to the Legacy Plan, (i) the maximum number of Shares reserved for issuance in any 12 month period to any one optionee other than a consultant may not exceed 5% of the issued and outstanding Shares at the date of the grant; (ii) the maximum number of Common Shares reserved for issuance in any 12 month period to any consultant may not exceed 2% of the issued and outstanding Shares at the date of the grant and the maximum number of Common Shares reserved for issuance in any 12 month period to all persons engaged in investor relations activities may not exceed 2% of the issued and outstanding number of Shares at the date of the grant; and (iii) the maximum number of Shares issued or reserved for issuance to insiders of the Corporation in any 12 month period under the Legacy Plan and any other security-based compensation arrangements may not exceed 10% of the issued and outstanding Shares at the time of grant, unless disinterested shareholder approval is obtained.

Options may be exercisable for a period of up to 10 years, such period to be determined by the Board. In the event of the retirement, voluntary resignation or termination without cause of an optionee, the Options held by that optionee would be exercisable to acquire unissued Shares that have vested at the time of such retirement, resignation or termination until the earlier of (i) the expiry date of the Options; or (ii) 90 days after the optionee ceases active employment or service as a director, officer, employee or consultant or 30 days for any Participant engaged in Investor Relation Activities. Notwithstanding the foregoing, the Board may determine, without any further regulatory or

shareholder approval, to extend such 90-day period referenced in item (ii) of the foregoing sentence for Participants (excluding those that are engaged in Investor Relations Activities), provided that in no event may such period exceed 12 months following the effective date of such resignation, retirement or delivery of notice of termination. The Legacy Plan provides that in the event of termination for cause, the options held shall expire and terminate immediately at the time of delivery of notice of termination of employment for cause. Upon death of an optionee, the Options held by such optionee may be exercised until the earlier of (i) the expiry date of the Options; or (ii) one year after the optionee's death.

The Legacy Plan provides for a limited extension for Options expiring during a blackout period. A blackout period is imposed by the Corporation for good corporate governance reasons during which trading in the Corporation's securities (including exercising options) are prohibited. The Legacy Plan allows the exercise period of options expiring during a blackout period imposed by the Corporation to be extended to the day that is the 10<sup>th</sup> business day after the expiry of the blackout period.

The Legacy Plan expressly specifies the amendments that the Board is permitted to make to the Legacy Plan without shareholder approval, and the amendments that require shareholder approval, as follows:

- The Legacy Plan allows the Board to make amendments to the Legacy Plan without having to obtain shareholder approval, including: (i) amendments of a housekeeping nature; (ii) a change to the vesting provisions of an Option or the Legacy Plan; and (iii) a change to the termination provisions of an Option or the Legacy Plan which does not entail an extension beyond the earlier of the original expiry date and one year after the effective date of the termination.
- The Legacy Plan expressly states that shareholder approval is required for the following changes to the Legacy Plan or options granted under it: (i) any increase to the fixed maximum percentage of Shares issuable under the Legacy Plan; (ii) a reduction in the exercise price or purchase price of an Option (other than for standard anti-dilution purposes) held by or benefiting an Insider; (iii) an increase in the maximum number of Shares that may be issued to Insiders within any one year period or that are issuable to Insiders at any time; (iv) an extension of the term of an Option held by or benefiting an Insider; (v) any change to the definition of "Participants" which would have the potential of broadening or increasing Insider participation; (vi) the addition of any form of financial assistance; (vii) any amendment to a financial assistance provision which is more favourable to Participants; (viii) the addition of a deferred or restricted share unit or any other provision which results in Participants receiving securities while no cash consideration is received by the Corporation; and (ix) any other amendments that may lead to significant or unreasonable dilution in the Corporation's outstanding securities or may provide additional benefits to Participants, especially Insiders, at the expense of the Corporation and its existing shareholders.

The Legacy Plan provides for accelerated vesting in the event of certain transactions, such as an amalgamation, merger or similar arrangement, a sale of substantially all of the assets, or a Change of Control (as defined in the Legacy Plan). In the event of such transactions, the Board may exercise its discretion, by way of resolution, to permit accelerated vesting of Options on such terms as the Board sees fit at that time. If the Board determines that the Common Shares subject to any Option shall vest on an accelerated basis, all Participants entitled to exercise an unexercised portion of Options then outstanding will have the right at such time to exercise such Options to the extent specified and permitted by the Board. The Legacy Plan also provides that whenever the Corporation's shareholders receive a take-over bid under applicable securities laws and the Corporation supports this bid, the Participant may exercise their right to accelerated vesting based on certain time periods.

#### **INFORMATION ON THE AUDIT COMMITTEE**

Disclosure with respect to the composition of the Corporation's Audit Committee, the Mandate of the Audit Committee and other disclosure required to be made under National Instrument 52-110 – *Audit Committees* is contained in the Corporation's Annual Information Form filed under the Corporation's profile on the SEDAR+ website at [www.sedarplus.ca](http://www.sedarplus.ca).

## **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

As of May 29, 2025, no executive officer, director, proposed nominee for election as a director or employee, former or present, of the Corporation was indebted to the Corporation.

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

To the Corporation's knowledge and except as stated below or as otherwise specified in this Circular, no material transaction involving the Corporation or any of its subsidiaries has been entered into since the beginning of the Corporation's most recently completed financial year ended December 31, 2024, or are proposed to be entered into, in which any director or executive officer of the Corporation, or any person who beneficially owns, or controls or directs, directly or indirectly, more than 10% of the Shares or any director or executive officer of such persons or of any subsidiary of the Corporation or any proposed director of the Corporation and each of their associates or affiliates has had or expects to have a direct or indirect material interest.

## **MANAGEMENT CONTRACTS**

Management functions of the Corporation and its subsidiaries are not, to any degree, performed by a person or persons other than the directors or executive officers of the Corporation or its subsidiaries.

## **ADDITIONAL INFORMATION**

Additional information with respect to the Corporation, including copies of the Corporation's financial statements and management's discussion and analysis ("MD&A") may be found under the Corporation's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on the Corporation's website at [www.bysato.com](http://www.bysato.com). Copies of the Corporation's financial statements and MD&A are also available on request from the Secretary of the Corporation. Financial information of the Corporation is provided in its comparative financial statements and MD&A for the Corporation's most recently completed period.

## **APPROVAL OF THE CIRCULAR**

The content and transmission of this Circular have been approved by the Board.

Toronto, Ontario, May 29, 2025.

By Order of the Board of Directors

(s) Alasdair Federico  
Mr. Alasdair Federico  
Corporate secretary

**SCHEDULE “A”  
OMNIBUS PLAN RESOLUTION**

**“IT IS RESOLVED, as an ordinary resolution that:**

1. The Corporation’s omnibus equity incentive plan (the “**Omnibus Plan**”) as set forth in the Information Circular dated May 29, 2025, including the reservation for issuance: (i) pursuant to the exercise of stock options granted under the Omnibus Plan at any time, a maximum of 10% of the issued common shares of the Corporation, and (ii) pursuant to the settlement of restricted share units, performance share units, and deferred share units granted pursuant to the Omnibus Plan and any other security-based compensation arrangement of the Corporation, 7,327,768 common shares of the Corporation, be and is hereby ratified, confirmed and approved, subject to the acceptance of the Omnibus Plan by the TSX Venture Exchange (the “**Exchange**”), and the Corporation has the ability to grant stock options and other awards under the Omnibus Plan;
2. The Board be authorized in its absolute discretion to administer the Omnibus Plan and amend or modify the Omnibus Plan in accordance with its terms and conditions and with the policies of the Exchange; and
3. Any one director or officer of the Corporation be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Corporation or otherwise, all such deeds, documents, instruments and assurances as in his or her opinion may be necessary or desirable to give effect to the foregoing resolutions, including, without limitation, making any changes to the Omnibus Plan required by the Exchange or applicable securities regulatory authorities and to complete all transactions in connection with the administration of the Omnibus Plan.”

**SCHEDULE “B”  
OMNIBUS EQUITY INCENTIVE PLAN**

See attached full text of the Omnibus Equity Incentive Plan

**SATO TECHNOLOGIES CORP.**

**OMNIBUS EQUITY INCENTIVE PLAN**

**MAY 29, 2025**

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**SATO TECHNOLOGIES CORP.**  
**OMNIBUS EQUITY INCENTIVE PLAN**

**1 Establishment, Purpose, and Duration**

**1.1 Establishment of the Plan**

SATO Technologies Corp. (the “**Company**”) has established this Omnibus Equity Incentive Plan (as the same may be amended from time to time in accordance with its terms, the “**Plan**”). The Plan permits the grant of Options to purchase common shares, Restricted Share Units, Deferred Share Units and Performance Share Units. The Plan was approved by the Board (as defined below) on May 29, 2025 (the “**Effective Date**”), and will be put to the shareholders of the Company for approval at the Company’s next annual meeting of shareholders. Pursuant to the policies of the TSX Venture Exchange (the “**TSXV**”), the Company must receive shareholder approval no later than the earlier of (i) the Company’s next annual meeting of its shareholders and; (ii) one year from the date of implementation of the Plan or the grant of any Awards (as defined below) thereunder. The Plan will require yearly shareholder approval thereafter at the Company’s annual meeting of shareholders. The Plan will be subject to acceptance by the TSXV. Upon implementation, the Plan shall remain in effect until terminated by the Board pursuant to Section 10.10 hereofSECTION

**1.2 Purposes**

The purposes of the Plan are: (i) to promote a significant alignment between eligible Participants (as defined below) and the long term growth objectives of the Company; (ii) to associate a portion of Participants’ compensation with the performance of the Company over the long term; and (iii) to attract, motivate and retain key Participants to drive the business success of the Company and its subsidiaries.

**2 Interpretation**

**2.1 Definitions**

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

“**affiliate**” has the meaning ascribed thereto in section 1.3 of National Instrument 45-106 *Prospectus Exemptions*, as amended from time to time.

“**Applicable Withholding Taxes**” has the meaning set out in Section 3.4.

“**Award**” means an Option, RSU, PSU or DSU granted under the Plan.

“**Award Agreement**” means an Option Agreement, PSU Agreement, RSU Agreement or DSU Agreement pursuant to which an Award is granted, as the context requires.

“**Award Date**” means the date the Board grants an Award to a Participant under the Plan.

**“Blackout Period”** means any period imposed by the Company, during which specified individuals, including Insiders of the Company, are prohibited from trading in the Company’s securities pursuant to securities regulatory requirements or the Company’s written policies (including for greater certainty any period during which specific individuals are restricted from trading because they have undisclosed Material Information), but does not include any period when a regulator has halted trading in the Company’s securities.

**“Board”** means the board of directors of the Company as constituted from time to time, unless a Committee has been constituted and the Committee has been charged with the responsibility of administering the Plan, in which case all references in the Plan to the Board shall be deemed to be references to the Committee.

**“Business Day”** means any day, other than a Saturday, Sunday or statutory holiday in the Province of Ontario, on which commercial banks in Toronto, Ontario are open for business.

**“Cashless Exercise”** has the meaning ascribed thereto in Policy 4.4.

**“Cause”** means, with respect to a particular Participant:

- (a) “cause” as such term is defined in the employment or other written agreement between the Company or a subsidiary of the Company and the Participant;
- (b) in the event there is no written or other applicable employment agreement between the Company or a subsidiary of the Company or “cause” is not defined in such agreement, “cause” as such term is defined in the Award Agreement; or
- (c) in the event neither clause (a) nor (b) apply, then “cause” as such term is defined by applicable law or, if not so defined, such term shall refer to circumstances where an employer can terminate an individual’s employment without notice or pay in lieu thereof.

**“Change of Control”** means, unless the Board determines otherwise, the happening, in a single transaction or in a series of related transactions, of any of the following events:

- (a) any transaction (other than a transaction described in clause (b) below) pursuant to which any Person or group of Persons acting jointly or in concert acquires the direct or indirect beneficial ownership of securities of the Company representing 50% or more of the aggregate voting power of all of the Company’s then issued and outstanding securities entitled to vote in the election of directors of the Company;
- (b) there is consummated an arrangement, amalgamation, merger or similar transaction involving (directly or indirectly) the Company and, immediately after the consummation of such arrangement, amalgamation, merger or similar transaction, the shareholders of the Company immediately prior thereto do not beneficially own, directly or indirectly, either (i) outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving or resulting entity in such arrangement, amalgamation, merger or similar transaction or (ii) more than 50% of the combined outstanding voting power of the parent of the surviving or resulting entity in such arrangement, amalgamation, merger or similar transaction, in each case in substantially the same proportions as their beneficial ownership of the outstanding voting securities of the Company immediately prior to such transaction;

- (c) the sale, lease, exchange, license or other disposition of all or substantially all of the Company's consolidated assets to a Person other than a Person that was an affiliate of the Company at the time of such sale, lease, exchange, license or other disposition, other than a sale, lease, exchange, license or other disposition to an entity, more than fifty percent (50%) of the combined voting power of the voting securities of which are beneficially owned by shareholders of the Company in substantially the same proportions as their beneficial ownership of the outstanding voting securities of the Company immediately prior to such sale, lease, exchange, license or other disposition;
- (d) the passing of a resolution by the Board or shareholders of the Company to substantially liquidate the assets of the Company or wind-up the Company's business or significantly rearrange its affairs in one or more transactions or series of transactions or the commencement of proceedings for such a liquidation, winding-up or re-arrangement (except where such re-arrangement is part of a bona fide reorganization of the Company in circumstances where the business of the Company is continued and the shareholdings of shareholders of the Company remain substantially the same following the re- arrangement); or
- (e) individuals who, as of the date hereof, are members of the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the members of the Board; provided, however, that if the appointment or election (or nomination for election) of any new Board member was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member will, for purposes of the Plan, be considered as a member of the Incumbent Board.

Notwithstanding the foregoing, solely with respect to a Participant which is a U.S. Participant, a Change in Control shall not be deemed to have occurred under the Plan unless such event or series of events constitutes a "change in control" within the meaning of United States Treas. Reg. § 1.409A-3(i)(5).

**"Committee"** means the committee of the Board responsible for recommending to the Board the compensation of the Company's Directors and Officers.

**"Company"** means SATO Technologies Corp. and any of its successors.

**"Consultant"** means an individual who:

- (a) is engaged to provide, on an ongoing bona fide basis, consulting, technical, management, investor relations or other services to the Company or any Subsidiary other than services provided in relation to a "distribution" (as that term is defined the *Securities Act* (Ontario));
- (b) provides the services under a written contract between the Company or any Subsidiary and the individual or a Consultant Entity; and
- (c) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or any Subsidiary.

**"Consultant Entity"** means a Consultant that is not an individual.

**“Deferred Share Unit”** or **“DSU”** means a unit designated as a Deferred Share Unit representing the right to receive one Share (or its cash equivalent) in accordance with the terms set forth in the Plan.

**“Director”** means a non-Employee member of the board of directors of any Participating Entity.

**“Disability”** or **“Disabled”** means any incapacity or inability of a particular Participant, including any physical or mental incapacity, disease or affliction of the Participant as determined by a legally qualified medical practitioner or by a court, which has prevented or which will likely prevent the Participant from performing the essential duties of his position (taking into account reasonable accommodation by the Corporation) for a continuous period of 180 days or for any cumulative period of 270 days in any 360 consecutive day period;

**“Discounted Market Price”** has the meaning ascribed thereto in Policy 1.1.

**“DSU Agreement”** means a signed, written agreement between a DSU Participant and the Company, substantially in the form attached as Schedule “D” hereto, subject to any amendments or additions thereto as may, in the discretion of the Board, be necessary or advisable, evidencing the terms and conditions on which a DSU has been granted under the Plan.

**“DSU Participant”** means a Director or Officer of the Company who has been designated by the Company for participation in the Plan, who has agreed to participate in the Plan and to whom Deferred Share Units have or will be granted hereunder.

**“DSU Payment Date”** means, with respect to a Deferred Share Unit granted to a DSU Participant, no later than the end of the calendar year following the year of the DSU Termination Date. Notwithstanding the foregoing, for any Participant which is a U.S. Participant, the DSU Settlement Date shall occur, in all events, no later than the 15<sup>th</sup> day of the third month following the month in which their DSU Termination Date occurs.

**“DSU Settlement Notice”** means a notice, in substantially the form attached hereto in Schedule “F” (subject to any amendments or additions thereto as may, in the discretion of the Board, be necessary or advisable), by the Company electing the desired form of settlement of Deferred Share Units.

**“DSU Termination Date”** of a DSU Participant means, the day that the DSU Participant ceases to be a Director of the Company and, if applicable, an Employee of the Company for any reason.

**“Eligible Charitable Organization”** has the meaning ascribed thereto in Policy 4.4.

**“Employee”** has the meaning ascribed thereto in Policy 4.4.

**“Exercise Notice”** means a notice in writing substantially in the form set out in Schedule “A” hereto signed by a Participant and stating the Participant’s intention to exercise a particular Option granted under the Plan.

**“Exercise Period”** means the period of time during which an Option granted under the Plan may be exercised.

**“Exercise Price”** means the price at which Shares may be purchased on the exercise of an Option granted under the Plan.

**“Expiry Date”** means:

- (a) in respect of any Option, the tenth (10<sup>th</sup>) anniversary of its Award Date, subject to extension in accordance with Section 4.10 hereof, unless an earlier date is specified by the Board; and
- (b) in respect of any Share Unit, the date specified in the applicable Award Agreement, if any, as the date on which the Share Unit will be terminated and cancelled or, if later or no such date is specified in the applicable Award Agreement, December 31 of the third (3<sup>rd</sup>) calendar year commencing after the Award Date, in the case of each, subject to extension in the event the Expiry Date occurs during a Blackout Period in which case, but subject to Section 5.4(b) and Section 6.5(b) in respect of Share Units, the Expiry Date shall be extended until 10 Business Days after the end of the Blackout Period.

**“Internal Revenue Code”** or **“IRC”** means the United States Internal Revenue Code of 1986, as amended, and all regulations and guidance promulgated thereunder.

**“Insider”** has the meaning ascribed thereto in Policy 1.1.

**“Investor Relations Activities”** has the meaning ascribed thereto in Policy 1.1.

**“Investor Relations Service Provider”** has the meaning ascribed thereto in Policy 4.4.

**“Management Company Employee”** has the meaning ascribed thereto in Policy 4.4.

**“Market Value”** on any particular day means the market price of one (1) Share and shall be calculated by reference to the closing price for a board lot of Shares on the TSXV, on that day, or if at least one (1) board lot of Shares shall not have been traded on the TSXV on that day, on the immediately preceding day for which at least one (1) board lot was so traded (or, if such Shares are not listed and posted for trading on the TSXV, on such stock exchange on which such Shares are listed and posted for trading as may be selected for such purpose by the Board). In the event that the Shares are not listed and posted for trading on any stock exchange, the Market Value shall be the fair market value of such Shares as determined by the Board in its discretion.

**“Material Information”** has the meaning ascribed thereto in Policy 1.1.

**“Net Exercise”** has the meaning ascribed thereto in Policy 4.4.

**“Officer”** has the meaning ascribed thereto in Policy 4.4.

**“Option”** means a right granted to a Participant to purchase Shares on the terms set out in the Plan.

**“Option Agreement”** means a signed, written agreement between a Participant and the Company, substantially in the form attached as Schedule “B” hereto, subject to any amendments or additions thereto as may, in the discretion of the Board, be necessary or

advisable, evidencing the terms and conditions on which an Option has been granted under the Plan.

**“Outstanding Issue”** means the number of Shares that are outstanding (on a non-diluted basis) immediately prior to the grant of Award in question.

**“Participant”** means a Director, Officer, Employee, Management Company Employee, or Consultant of a Participating Entity, or an Eligible Charitable Organization whom the Board determines may participate in the Plan (and includes, where appropriate, a DSU Participant).

**“Participating Entity”** means the Company and any affiliate of the Company which is designated by the Board from time to time.

**“Performance Goals”** means performance goals expressed in terms of attaining a specified level of the particular criteria or the attainment of a percentage increase or decrease in the particular criteria, and may be applied to one or more of the Company, a subsidiary of the Company, a division of the Company or a subsidiary of the Company, or an individual, or may be applied to the performance of the Company or a subsidiary of the Company relative to a market index, a group of other companies or a combination thereof, or on any other basis, all as determined by the Board in its discretion, which may be measured over a specified period;

**“Performance Period”** means, with respect to PSUs, the period specified by the Board for achievement of any applicable Performance Goals as a condition to Vesting.

**“Performance Share Unit”** or **“PSU”** means a right granted to a Participant to receive a Share or its cash equivalent that generally becomes Vested, if at all, following a period of continuous employment and subject to the attainment of Performance Goals and the satisfaction of such other conditions to Vesting, if any, as may be determined by the Board.

**“Person”** means any individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, and a natural person in such person's capacity as trustee, executor, administrator or other legal representative.

**“Plan”** has the meaning set out in Section 1.1.

**“Policy 1.1”** means Policy 1.1 – *Interpretation* of the TSXV Manual.

**“Policy 4.4”** means Policy 4.4 – *Security Based Compensation* of the TSXV Manual.

**“PSU Account”** has the meaning set out in Section 6.3.

**“PSU Agreement”** means a signed, written agreement between a Participant and the Company, substantially in the form attached as Schedule “C” hereto, subject to any amendments or additions thereto as may, in the discretion of the Board, be necessary or advisable, evidencing the terms and conditions on which a PSU has been granted under the Plan.

**“PSU Settlement Date”** has the meaning set out in Section 6.5(a)(i).

**“Restricted Share Unit”** or **“RSU”** means a right granted to a Participant to receive a Share or its cash equivalent that generally becomes Vested, if at all, following a period of continuous

employment or tenure and subject to Time Vesting Conditions of the Participant with a Participating Entity.

**“Retirement”** means resignation in circumstances which the Board, in its discretion, determines is Retirement and on such terms as the Board may specify.

**“RSU Account”** has the meaning set out in Section 5.3.

**“RSU Agreement”** means a signed, written agreement between a Participant and the Company, substantially in the form attached as Schedule “D” hereto, subject to any amendments or additions thereto as may, in the discretion of the Board, be necessary or advisable, evidencing the terms and conditions on which an RSU has been granted under the Plan.

**“RSU Settlement Date”** has the meaning set out in Section 5.4(a)(i).

**“Security Based Compensation Plan”** has the meaning ascribed thereto in Policy 4.4.

**“Share”** means a common share of the Company.

**“Share Unit”** means either an RSU or a PSU as the context requires.

**“Share Unit Settlement Notice”** means a notice, in substantially the form attached hereto in Schedule “G” (subject to any amendments or additions thereto as may, in the discretion of the Board, be necessary or advisable), by the Company electing the desired form of settlement of Share Units.

**“subsidiary”** means an issuer that is Controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary, or any other entity in which the Company has an equity interest and is designated by the Plan administrator, from time to time, for purposes of the Plan to be a subsidiary;

**“Target Performance”** has the meaning set forth in Section 6.4;

**“Termination Date”** means a Participant's last day of actual and active employment or the end of his or her term as an Officer, Director, Employee, Management Company Employee or Consultant, as applicable, and does not include any period of statutory, contractual or reasonable notice or any period of salary continuance or deemed employment.

**“Termination Notice”** has the meaning set out in Section 8.3(a).

**“Time Vesting Conditions”** means any conditions relating to continued service with a Participating Entity for a period of time in respect of the Vesting of Share Units determined by the Board at the time of the Award.

**“TSXV”** means the TSX Venture Exchange and any successor exchange.

**“TSXV Manual”** means the TSX Venture Corporate Finance Manual, as amended from time to time, including such Staff Notices of the TSXV from time to time which may supplement the same.

**“U.S. Participant”** means a Participant who is obligated to pay federal income tax under the IRC for benefits accrued or paid pursuant to the Plan.

**“Vested”** means (i) with respect to an Option, that it has become exercisable, and (ii) with respect to Share Units, the applicable Time Vesting Conditions, Performance Goals and/or any other conditions for Vesting in relation to a whole or a percentage of the number of Share Units covered by an Award determined by the Board in connection with each RSU or PSU granted pursuant to the Plan, as the case may be, have been met. **“Vest”** and **“Vesting”** have corresponding meanings.

**“Vesting Date”** means a date on which the applicable Time Vesting Conditions, Performance Goals for the Performance Period and/or any other conditions for a Share Unit becoming Vested are met.

**“Vesting Period”** means, with respect to an Award, a period specified by the Board, subject to Policy 4.4, commencing on the Award Date and ending no later than immediately prior to the Expiry Date.

**“VWAP”** has the meaning ascribed thereto in Policy 4.4.

## **1.2 Interpretation**

The Plan is to be interpreted as follows:

- (a) The use of headings is for ease of reference only and does not affect construction or interpretation of the Plan.
- (b) Where the context so requires, words importing the singular number include the plural and vice versa, and words importing the masculine gender include the feminine and neuter genders.
- (c) References to Sections and Subsections are references to sections and subsections in the Plan, unless otherwise specified.
- (d) All amounts paid or values to be determined under the Plan shall be in Canadian dollars. Values determined in currencies other than Canadian dollars shall be converted into Canadian dollars using the prevailing applicable exchange rates on the day of grant. Any amounts paid in currencies other than Canadian dollars shall be converted from Canadian dollars to such other currency using the applicable prevailing exchange rate on the date preceding such payment.
- (e) Whenever the Board is to exercise discretion in the administration of the terms and conditions of the Plan or any Award, the term “discretion” means the “sole and absolute discretion” of the Board.
- (f) Where the words “including” or “includes” appear in the Plan, they mean “including (or includes) without limitation”.

## **2 Administration**

### **2.1 Administration**

The Plan will be administered by the Board and the Board has complete authority, in its discretion, to interpret the provisions of the Plan. In administering and interpreting the Plan, the

Board may adopt, amend and rescind administrative guidelines and other rules and regulations relating to the Plan and make all other determinations and take all other actions necessary or advisable for the implementation and administration of the Plan which the Board determines, in its discretion, are necessary or advisable. The Board's determinations and actions within its authority under the Plan are final, conclusive and binding on the Company, its affiliates and all other Persons.

## **2.2 Delegation to Committee**

To the extent permitted by applicable law, the Board may, from time to time, delegate to the Committee all or any of the powers conferred on the Board under the Plan. In such event, references to the Board mean and include the Committee and the Committee will exercise the powers delegated to it by the Board in the manner and on the terms authorized by the Board. Any decisions made or actions taken by the Committee arising out of or in connection with the administration or interpretation of the Plan within its authority under the Plan, are final, conclusive and binding on the Participating Entities and all other Persons.

## **2.3 Eligibility**

Participation in the Plan is entirely voluntary.

The Board may determine, in its sole and absolute discretion, which Directors, Officers, Employees, Management Company Employees, Consultants, and Eligible Charitable Organizations are eligible to participate in the Plan. However, under no circumstances may grants of RSUs, PSUs or DSUs be made to an Investor Relations Service Provider or an Eligible Charitable Organization under the Plan.

Eligibility to participate in the Plan does not confer upon any Person any right to be granted Awards pursuant to the Plan. In addition, no Participant has any claim or right to be granted an Award (including an Award granted in substitution for any Award that has expired pursuant to the terms of the Plan).

## **2.4 Taxes and Other Source Deductions**

Notwithstanding any other provision contained herein, the relevant Participating Entity shall be entitled to withhold from any amount payable to a Participant, either under the Plan or otherwise, such amounts as may be necessary so as to ensure that the relevant Participating Entity is in compliance with all applicable withholding tax or other source deduction liabilities relating to the settlement of Awards hereunder (the "**Applicable Withholding Taxes**"). Further, the relevant Participating Entity may elect to settle the cash equivalent amount in installments over the year in which the Award vests in accordance with local employment practices. It is the responsibility of the Participant to complete and file any tax returns which may be required within the periods specified in applicable laws as a result of the Participant's participation in the Plan. The Company shall not be held responsible for any tax consequences to a Participant as a result of the Participant's participation in the Plan and the Participant shall indemnify and save harmless the Company from and against any and all loss, liability, damage, penalty or expense (including legal expense), which may be asserted against the Company or which the Company may suffer or incur arising out of, resulting from, or relating in any manner whatsoever to any tax liability in connection therewith. For greater certainty, unless not required under the *Income Tax Act* (Canada) or any other applicable law, no cash payment will be made nor will Shares be issued until: (a) an amount sufficient to cover the Applicable Withholding Taxes payable on the

settlement of Awards (including, for certainty, the exercise of any Options) has been received by the Company (or withheld by the Company as noted above, if applicable); (b) the Participant undertakes to arrange, in a manner satisfactory to the Board, in its discretion, for such number of Shares to be sold as is necessary to raise an amount equal to the Applicable Withholding Taxes, and to cause the proceeds from the sale of such Shares to be delivered to the Company; or (c) the Participant has made other arrangements, satisfactory to the Board, in its discretion, to cover the Applicable Withholding Taxes payable on the settlement of Awards (including, for certainty, the exercise of any Options). Notwithstanding the foregoing, in no event shall the Company or a Participating Entity have any obligation to withhold or remit income taxes to the United States Internal Revenue Service on behalf of a U.S. Participant in connection with any Award issued or paid under the Plan.

## **2.5 Information**

Each Participant shall provide the Company with all information the Company requires from that Participant in order to administer the Plan.

## **2.6 Indemnification**

Each member of the Board and Committee is indemnified and held harmless by the Company against any cost or expense arising out of any act or omission to act in connection with the Plan to the extent permitted by applicable law. This indemnification is in addition to any rights of indemnification a Board or Committee member may have as director or otherwise.

## **2.7 Governing Law**

The Plan and all Award Agreements entered into pursuant to the Plan shall be interpreted and enforced in accordance with, and the respective rights and obligations of the parties shall be governed by, the laws of the Province of Ontario and the federal laws of Canada applicable in that province.

## **2.8 Total Shares Subject to Awards**

- (a) The Plan is a “rolling up to 10% and fixed up to 10%” plan as defined in Policy 4.4. Notwithstanding any other provision of this Plan, the maximum number of Shares available for issuance under the Plan will be:
  - (i) pursuant to the exercise of Options, 10% of Outstanding Issue as at the date of any Option grant, excluding Options granted to Eligible Charitable Organizations; and
  - (ii) pursuant to the settlement of Share Units and DSUs granted pursuant to the Plan and any other Security Based Compensation Plan, 7,327,768 Shares, being 10% of the Outstanding Issue as of the date of implementation of this Plan.
- (b) In addition, the grant of Awards under the Plan is subject to the following additional limitations:
  - (i) the aggregate number of Shares issuable to Insiders of the Company under the Plan or any other Security Based Compensation Plan of the Company shall not at any time exceed 10% of the Outstanding Issue and the aggregate number of

Shares issuable to Insiders of the Company under the Plan or any other Security Based Compensation Plan of the Company, within a one-year period, shall not exceed 10% of the Outstanding Issue as at the date any Award is granted to any Insider of the Company (unless the Company has obtained disinterested shareholder approval in respect thereof);

- (ii) the aggregate number of Shares issuable to any one Person under the Plan or any other Security Based Compensation Plan of the Company, within a one-year period, shall not at any time exceed 5% of the Outstanding Issue as at the date any Award is granted to the Person (unless the Company has obtained disinterested shareholder approval in respect thereof);
  - (iii) the aggregate number of Shares issuable to any one Consultant under the Plan or any other Security Based Compensation Plan of the Company, within a one-year period, shall not at any time exceed 2% of the Outstanding Issue as at the date any Award is granted to the Consultant;
  - (iv) the aggregate number of Shares issuable to all Persons retained to provide Investor Relations Activities under the Plan or any other Security Based Compensation Plan of the Company, within a one-year period, shall not at any time exceed 2% of the Outstanding Issue as at the date any Option is granted to the Persons retained to provide Investor Relations Activities; and
  - (v) the aggregate number of Shares issuable to all Eligible Charitable Organizations under the Plan shall not at any time exceed 1% of the Outstanding Issue as at the date any Option is granted to an Eligible Charitable Organization .
- (c) Awards which have been exercised, settled, cancelled, terminated, surrendered, forfeited, or expired prior to exercise will become available for subsequent grants under the Plan.

## **2.9 Award Agreements**

All grants of Awards under the Plan will be evidenced by Award Agreements. Any one Officer or Director of the Company is authorized and empowered to execute on behalf of the Company and deliver an Award Agreement to a Participant.

## **3 Options**

### **3.1 Grant of Options**

The Board may, in its discretion, from time to time, subject to the provisions of the Plan and such other terms and conditions as the Board may prescribe, grant Options to any Participant, and the Participant shall execute an Option Agreement evidencing the same.

### **3.2 Terms and Conditions of Options**

Subject to this Section 4, the Board shall determine the following in its discretion with respect to each Option:

- (a) the number of Shares issuable on the exercise of such Option;

- (b) the Exercise Price subject to Section 4.3;
  - (c) the Expiry Date;
  - (d) the Vesting schedule, if any; and
  - (e) such other terms and conditions as the Board may consider appropriate in its discretion,
- provided, that Options granted to Persons retained to provide Investor Relations Activities shall Vest in stages over a period of not less than twelve months with no more than 1/4 of the Options Vesting in any three-month period.

### **3.3 Exercise Price**

The Exercise Price under any Option will be as determined by the Board but may not be less than the Discounted Market Price of a Share at the Award Date. Notwithstanding the foregoing, solely with respect to a Participant which is a U.S. Participant, in no event shall the Exercise Price under any Option be less than the Market Value of a Share as of the Award Date.

### **3.4 Term of Options**

Subject to Section 4.10 and to any accelerated termination pursuant to the Plan, each Option expires on the Expiry Date. For greater certainty, each Option may be exercised at the latest on the 10<sup>th</sup> anniversary of the date it was granted. In the case of an Option granted to an Eligible Charitable Organization, such Option must be exercised on or before the earlier of (a) ten years from the date of grant and (b) the 90th day following the date that the holder ceases to be an Eligible Charitable Organization.

### **3.5 Exercise of Options**

Notwithstanding any provision to the contrary in the Plan or any Award Agreement, the Board may, in its sole discretion and subject to applicable laws and stock exchange rules, permit the exercise of an Option through:

- (a) a Cashless Exercise mechanism, whereby the Company has an arrangement with a brokerage firm pursuant to which the brokerage firm:
  - (i) agrees to loan money to a Participant to purchase the Shares underlying the Options to be exercised by the Participant;
  - (ii) receives the Shares from the exercise of the Options
  - (iii) then sells a sufficient number of Shares to cover the exercise price of the Options in order to repay the loan made to the Participant; and
  - (iv) transfers to the Participant the balance of Shares pursuant to such exercise, or the cash proceeds from the sale of the balance of such Shares (or in such other portion of Shares and Cash as the broker and Participant may otherwise agree);  
or
- (b) a Net Exercise mechanism, whereby Options, excluding Options held by any Investor Relations Service Provider, are exercised without the Participant making any cash

payment so the Company does not receive any cash from the exercise of the subject Options, and instead the Participant receives only the number of underlying Shares that is the equal to the quotient obtained by dividing:

- (i) the product of the number of Options being exercised multiplied by the difference between the VWAP of the underlying Shares and the exercise price of the subject Options; by
  - (ii) the VWAP of the underlying Shares.
- (c) a cash settlement whereby the Company delivers to the Participant a cash payment equal to the excess of (i) the Market Value of the Shares underlying the exercised portion of the Option on the date of exercise over (ii) the Exercise Price of such Option, in lieu of issuing Shares, and such Options are thereafter terminated and cancelled.

### **3.6 Early Exercise of Options**

Notwithstanding any other provision of the Plan, subject to Board approval at the time of grant or thereafter and applicable laws and stock exchange rules, a Participant may be permitted to exercise an Option, in whole or in part, prior to the time such Option has vested, provided that:

- (a) any Shares issued upon such early exercise shall be subject to the same vesting schedule applicable to the exercised portion of the Option;
- (b) the Participant shall enter into an agreement with the Company confirming the vesting restrictions on the Shares;
- (c) any unvested Shares shall be subject to forfeiture to the Company, for no consideration, upon the Participant's termination of service to the extent that the Shares remain unvested at such time; and
- (d) no Options granted to Investor Relations Service Providers may be exercised prior to the time such Option has Vested without the prior approval of the TSXV.

The Company shall not be obligated to issue any Shares until the Participant has paid or provided for any required tax withholdings or completed any tax filings required under applicable law, including, for U.S. Participants, timely filing of an election under Section 83(b) of the United States Internal Revenue Code, if applicable.

### **1.2 Payment of Exercise Price**

Subject to the provisions of the Plan and any Option Agreement, Options may be exercised by delivery of a fully completed Exercise Notice to the Chief Executive Officer and/or Chief Financial Officer of the Company accompanied by payment in full of the applicable Exercise Price and any Applicable Withholding Taxes. The Exercise Price and any Applicable Withholding Taxes may be paid by wire transfer, electronic funds transfer, certified cheque, bank draft or money order payable to the Company.

### **1.3 Issue of Shares**

No Shares will be issued or transferred until full payment of the Exercise Price therefor and any Applicable Withholding Taxes have been received by the Company and all conditions to the issue of the Shares have been met. As soon as practicable after receipt of any Exercise Notice and full payment of the Exercise Price and the satisfaction of all conditions to the issue of the Shares, the Company will deliver to the Participant a certificate or certificates representing the acquired Shares. No fractional Shares will be issued on the exercise of an Option in accordance with Section 10.6 hereof.

### **1.4 Conditions to Delivery of Shares**

The Company's obligation to issue and deliver Shares upon the exercise of any Option is subject to:

- (a) the satisfaction of all requirements under applicable laws in respect thereof and obtaining all approvals the Company shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof, including but not limited to shareholder approval (or disinterested shareholder approval, if applicable) and TSXV approval, if required; and
- (b) if such Shares are listed on any stock exchange or quotation market in Canada, compliance with the requirements of such stock exchanges or quotation markets.

### **1.5 Extension of Options that Expire During a Blackout Period**

Subject to Policy 4.4, if an Option would otherwise expire during a Blackout Period, the term of such Option shall automatically be extended until ten (10) Business Days after the end of the Blackout Period.

### **1.6 Effect of Exercise**

A Participant shall have no further rights, title or interest with respect to any Option that has been exercised.

## **2 Restricted Share Units**

### **2.1 Grant of RSUs**

The Board may, in its discretion, from time to time, subject to the provisions of the Plan and such other terms and conditions as the Board may prescribe, grant RSUs to any Participant, and the Participant shall execute an RSU Agreement. Each RSU will consist of a right to receive a Share, cash payment or a combination thereof (as provided in Section 5.4(a)), upon the settlement of such RSU.

### **2.2 Number of RSUs**

- (a) Each RSU Award Agreement shall set forth the type and Award Date of the Share Units evidenced thereby, the number of RSUs subject to such Award, the applicable Vesting conditions, and the applicable Vesting Period(s) and may specify such other terms and conditions consistent with the terms of the Plan as the Board shall determine or as shall

be required under any other provision of the Plan.

- (b) No RSU may Vest before the date that is one year from the date of grant of such RSU, except in accordance with Sections 9.3 and 10.5 herein.
- (c) The number of RSUs, including fractional RSUs, granted at any particular time pursuant to this Section 5 will be calculated by dividing (i) the amount that is to be paid in RSUs, as determined by the Board, by (ii) the greater of (A) the Discounted Market Price of a Share on the Award Date; and (B) such amount as determined by the Board in its discretion.
- (d) One (1) RSU is equivalent to one (1) Share.

### **2.3 RSU Accounts**

An account, called a “**RSU Account**”, shall be maintained by a Participating Entity for each Participant and will be credited with such notional grants of Share Units as are received by a Participant from time to time. RSUs that fail to Vest in a Participant, or that are paid out to the Participant, shall be cancelled and shall cease to be recorded in the Participant's RSU Account as of the date on which such RSUs are forfeited or cancelled under the Plan or are paid out, as the case may be.

### **2.4 Settlement of RSUs**

- (a) Except as otherwise provided in an Award Agreement:
  - (i) all of the Vested RSUs covered by a particular grant and related RSUs may be settled on the first Business Day following their Vesting Date (the “**RSU Settlement Date**”);
  - (ii) for any Participant which is a U.S. Participant, the RSU Settlement Date shall occur, in all events, no later than the 15<sup>th</sup> day of the third month following the month in which their Vesting Date occurs;
  - (iii) the Company is entitled to deliver to the Participant, within ten (10) Business Days following the RSU Settlement Date, a Share Unit Settlement Notice providing for the method of settlement for the Share Units in respect of any or all Vested Share Units held by the Participant; and
  - (iv) in the Share Unit Settlement Notice, the Company will elect, at the Board's discretion, including with respect to any fractional Share Units, to settle Vested Share Units for their cash equivalent (determined in accordance with Section 5.5(a)), Shares (determined in accordance with Section 5.5(b)) or a combination thereof; provided, however, that the Company shall at all relevant times reserve the right to modify the method of settlement (even if a Share Unit Settlement Notice has already been delivered to the Participant).
- (b) Except as otherwise provided in an Award Agreement, subject to Section 5.4(c), settlement of Share Units shall take place promptly following delivery of a Share Unit Settlement Notice and take the form set out in the Share Unit Settlement Notice (unless otherwise modified by the Company) through:

- (i) in the case of settlement of RSUs for their cash equivalent, delivery of the cash equivalent to the Participant;
- (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 a settlement of RSUs for a combination of Shares and cash, a combination of (i) and (ii) above.

Subject to the paragraph below, if a RSU would otherwise expire during a Blackout Period, the term of such RSU shall automatically be extended until ten (10) Business Days after the end of the Blackout Period.

Notwithstanding any other provision of the Plan, in no event will the RSU Settlement Date (and any subsequent payment with respect thereof) for any RSU granted hereunder be made later than the end of the third calendar year after the first year of a Participant's services in respect of which the RSUs were granted or credited, and any RSUs that have not settled and been paid by such date will automatically expire or will accelerate and be settled and paid out by such date, at the discretion of the Board, subject to the Company's compliance with Policy 4.4.

- (b) Except as otherwise provided in an Award Agreement, if a Share Unit Settlement Notice is not received by a Participant in respect of their RSUs within 10 Business Days following the RSU Settlement Date, settlement shall take the form of Shares issued from treasury as set out in Section 5.5(b).
- (c) Sell-to-Cover for Tax Withholding. Notwithstanding any other provision of the Plan, upon the settlement of RSUs, the Company may, in its sole discretion and to the extent permitted by applicable laws, (i) sell, or arrange for the sale of, such number of Shares to be issued in settlement of RSUs as is necessary to satisfy any Applicable Withholding Taxes; (ii) deduct from the Shares otherwise issuable in settlement of RSUs such number of Shares as is necessary to satisfy any Applicable Withholding Taxes; or (iii) require the Participant to pay in cash an amount sufficient to satisfy any Applicable Withholding Taxes. The Participant expressly authorizes the Company to take such actions on their behalf and agrees to sign any documentation necessary to facilitate such actions, including authorizing the Company's broker or agent to sell Shares as required.

## **1.2 Determination of Amounts**

- (a) For the purposes of determining the cash equivalent of RSUs to be made pursuant to Section 5.4(b)(i) or Section 5.4(b)(iii), such calculation will be made on the RSU Settlement Date based on the Market Value on the RSU Settlement Date multiplied by the number of Vested Share Units in the Participant's RSU Account which the Company desires to settle in cash pursuant to the Share Unit Settlement Notice.
- (b) 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 5.4(b)(ii) or Section 5.4(b)(iii), such calculation will be made on the RSU Settlement Date based on the whole number of Shares equal to the whole number of Vested Share Units then

recorded in the RSU Account which the Company desires to settle pursuant to the Share Unit Settlement Notice. Shares issued from treasury will be issued in consideration for the past services of the Participant and the entitlement of the Participant under the Plan shall be satisfied in full by such issuance of Shares. If applicable, the Company shall also make a cash payment to the Participant with respect to the value of fractional Share Units standing to the Participant's credit after the maximum number of whole Shares have been issued by the Company, calculated by multiplying (i) the number of such fractional RSUs by (ii) the Market Value on the RSU Settlement Date.

## **2 Performance Share Units**

### **2.1 Grant of PSUs**

The Board may, in its discretion, from time to time, subject to the provisions of the Plan and such other terms and conditions as the Board may prescribe, grant PSUs to any Participant, and the Participant shall execute a PSU Agreement. Each PSU will consist of a right to receive a Share, cash payment or a combination thereof (as provided in Section 6.6(a)), upon the achievement of such Performance Goals during such Performance Periods as the Board shall establish.

### **2.2 Number and Type of Share Units**

- (a) Each Award Agreement shall set forth the type and Award Date of the PSUs evidenced thereby, the number of PSUs subject to such Award, the applicable Vesting conditions including the Performance Goals to be achieved during any Performance Period, the length of any Performance Period, and the applicable Vesting Period(s) and may specify such other terms and conditions consistent with the terms of the Plan as the Board shall determine or as shall be required under any other provision of the Plan.
- (b) No PSU may Vest before the date that is one year from the date of grant of such PSU except in accordance with Sections 9.3 and 10.5 herein.
- (c) PSUs that are subject to Performance Goals and may become Vested PSUs based on a multiplier, which may be greater or less than 100%, subject to such percentage being no greater than 200%.

### **2.3 PSU Account**

An account, called a "**PSU Account**", shall be maintained by a Participating Entity for each Participant and will be credited with such notional grants of PSUs as are received by a Participant from time to time. PSUs that fail to Vest in a Participant, or that are paid out to the Participant, shall be cancelled and shall cease to be recorded in the Participant's PSU Account as of the date on which such PSUs are forfeited or cancelled under the Plan or are paid out, as the case may be.

### **2.4 Performance Goals**

The Board will issue Performance Goals prior to the date of grant of an Award to which such Performance Goals pertain. The Performance Goals may be based upon the achievement of corporate, divisional, cluster 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. The Board may

modify the Performance Goals as necessary to align them with the Company's corporate objectives, subject to any limitations set forth in an Award Agreement or an employment or other agreement with a Participant. The Performance Goals 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) ("**Target Performance**"), 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 Award Agreement.

## **2.5 Settlement of PSUs**

- (a) Except as otherwise provided in an Award Agreement:
- (i) all of the Vested PSUs covered by a particular grant and related Share Units may be settled on the first Business Day following their Vesting Date (the "**PSU Settlement Date**");
  - (ii) for any Participant which is a U.S. Participant, the PSU Settlement Date shall occur, in all events, no later than the 15<sup>th</sup> day of the third month following the month in which their Vesting Date occurs;
  - (iii) the Company is entitled to deliver to the Participant, within ten (10) Business Days following the PSU Settlement Date, a Share Unit Settlement Notice providing for the method of settlement for the PSUs in respect of any or all Vested Share Units held by the Participant; and
  - (iv) in the Share Unit Settlement Notice, the Company will elect, at the Board's discretion, including with respect to any fractional PSUs, to settle Vested Share Units for their cash equivalent (determined in accordance with Section 6.6(a)), Shares (determined in accordance with Section 6.6(b)) or a combination thereof; provided, however, that the Company (i) shall ensure that the issuance of any Share be within the limits set forth in Section 3.8, and (ii) shall at all relevant times reserve the right to modify the method of settlement (even if a Share Unit Settlement Notice has already been delivered to the Participant).
- (b) Except as otherwise provided in an Award Agreement, subject to Section 6.5(c), settlement of PSUs shall take place promptly following delivery of a Share Unit Settlement Notice and take the form set out in the Share Unit Settlement Notice (unless otherwise modified by the Company) through:
- (i) in the case of settlement of PSUs for their cash equivalent, delivery of the cash equivalent to the Participant;
  - (ii) in the case of settlement of PSUs 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 a settlement of PSUs for a combination of Shares and cash, a combination of (i) and (ii) above.

Subject to the paragraph below, if a PSUs would otherwise expire during a Blackout Period, the term of such Share Unit shall automatically be extended until ten

(10) Business Days after the end of the Blackout Period.

Notwithstanding any other provision of the Plan, in no event will the PSU Settlement Date (and any subsequent payment with respect thereof) for any PSUs granted hereunder be made later than the end of the third calendar year after the first year of a Participant's services in respect of which the PSUs were granted or credited, and any PSUs that have not settled and been paid by such date will automatically expire or will accelerate and be settled and paid out by such date, at the discretion of the Board, subject to the Company's compliance with Policy 4.4.

- (c) Except as otherwise provided in an Award Agreement, if a Share Unit Settlement Notice is not received by a Participant in respect of their PSUs within 10 Business Days following the PSU Settlement Date, settlement shall take the form of Shares issued from treasury as set out in Section 6.6(b).
- (d) **Sell-to-Cover for Tax Withholding.** Notwithstanding any other provision of the Plan, upon the settlement of PSUs, the Company may, in its sole discretion and to the extent permitted by applicable laws, (i) sell, or arrange for the sale of, such number of Shares to be issued in settlement of PSUs as is necessary to satisfy any Applicable Withholding Taxes; (ii) deduct from the Shares otherwise issuable in settlement of PSUs such number of Shares as is necessary to satisfy any Applicable Withholding Taxes; or (iii) require the Participant to pay in cash an amount sufficient to satisfy any Applicable Withholding Taxes. The Participant expressly authorizes the Company to take such actions on their behalf and agrees to sign any documentation necessary to facilitate such actions, including authorizing the Company's broker or agent to sell Shares as required.

## **2.6 Determination of Amounts**

- (a) For the purposes of determining the cash equivalent of PSUs to be made pursuant to Section 6.5(b)(i) or Section 6.5(b)(iii), such calculation will be made on the PSU Settlement Date based on the Market Value on the PSU Settlement Date multiplied by the number of Vested Share Units in the Participant's PSU Account which the Company desires to settle in cash pursuant to the Share Unit Settlement Notice.
- (b) For the purposes of determining the number of Shares from treasury to be issued and delivered to a Participant upon settlement of PSUs pursuant to Section 6.5(b)(ii) or Section 6.5(b)(iii), such calculation will be made on the PSU Settlement Date based on the whole number of Shares equal to the whole number of Vested Share Units then recorded in the PSU Account which the Company desires to settle pursuant to the Share Unit Settlement Notice. Shares issued from treasury will be issued in consideration for the past services of the Participant and the entitlement of the Participant under the Plan shall be satisfied in full by such issuance of Shares. If applicable, the Company shall also make a cash payment to the Participant with respect to the value of fractional Share Units standing to the Participant's credit after the maximum number of whole Shares have been issued by the Company, calculated by multiplying (i) the number of such fractional Share Units by (ii) the Market Value on the PSU Settlement Date.

### **3 Claw-Back Provisions**

If the Board determines that a Participant : (i) engaged in an act of embezzlement, fraud, breach of fiduciary duty or any other misconduct which constitutes Cause for dismissal during the Participant's employment or engagement that significantly contributed to an obligation to restate the Corporation's financial statements (whether required by law, accounting principles, regulatory policy or settlement with regulators having jurisdiction over the Company); or (ii) violated a noncompetition, non-solicitation, non-disparagement, confidentiality or other restrictive covenant by which the Participant is bound, that Participant may, subject to the approval of the TSXV, be required to return any outstanding unexercised or unredeemed Awards for cancellation, and repay the proceeds resulting from any sale or other disposition of Shares issued or issuable upon redemption or exercise of an Award or any cash received on redemption of an Award, if the sale, disposition or receipt of cash occurred during the three year period following the first public issuance or filing with the applicable securities commissions or similar regulatory authorities of the financial statements required to be restated. The term "proceeds" means, with respect to any sale or other disposition of Shares issued or issuable upon exercise or redemption of an Award, an amount determined appropriate (on an "after-tax" basis taking into account any tax recoupment possible after the claw-back) by the Board to reflect the effect of the restatement on the Company's financial statements, up to:

- (a) the amount equal to the number of Shares sold or disposed of multiplied by the difference between the Market Value per Share the time of such sale or disposition and the Exercise Price; or
- (b) in the case of a redemption for cash, the total amount received by the Participant in cash.

The Board may, in determining the appropriate amount of the claw-back referred to above, take into account penalties or punishments imposed by third parties, such as law enforcement agencies, regulators or other authorities. The Board's power to determine the appropriate punishment for the Participant is in addition to, and not in replacement of, any remedies which may be imposed by such entities and any other remedies available to the Company or its subsidiaries. The amounts which may be clawed-back under this Section 7 are a reasonable pre-estimate of the damages which would be suffered by the Company in the event of the misconduct described above by a Participant and shall not be construed as a penalty. If any court or arbitrator determines that any provision contained in this Section 7 is unenforceable because of the duration of the provision or for any other reason, the duration or scope of the provision, as the case may be, shall be reduced so that the provision becomes enforceable and, in its reduced form, the provision shall then be enforceable and shall be enforced.

### **4 Deferred Share Units**

#### **4.1 Grant of Deferred Share Units**

Subject to this Section 8, the Board may recommend the grant of, from time to time, Deferred Share Units to a DSU Participant. The grant of a Deferred Share Unit shall be evidenced by a DSU Agreement, signed on behalf of the Company. The Company shall maintain a notional account for each DSU Participant, in which shall be recorded the number of Deferred Share Units granted or credited to such DSU Participant. The grant of a Deferred Share Unit to a DSU Participant, or the settlement of a Deferred Share Unit, under the Plan shall neither entitle each

DSU Participant to receive nor preclude such DSU Participant from receiving subsequently granted Deferred Share Units.

#### **4.2 Equivalence**

One (1) Deferred Share Unit is equivalent to one (1) Share. Fractional Deferred Share Units are permitted under the Plan.

#### **4.3 Calculation**

The number of Deferred Share Units (including fractional Deferred Share Units) granted at any particular time pursuant to the Plan will be calculated by dividing (i) the dollar amount of such grant by (ii) the Market Value of a Share on the date of grant.

#### **4.4 Vesting**

- (a) All Deferred Share Units recorded in a DSU Participant's Deferred Share Unit notional account shall vest on the DSU Termination Date, unless otherwise determined by the Board at its discretion, in compliance with Section 10.10(h) and subject to the Company's compliance with Policy 4.4; provided, however, that no DSU shall vest before the date that is one year following the date of grant of such DSU.

#### **4.5 Settlement in respect of Deferred Share Units**

- (a) In respect of an award of Deferred Share Units granted to a DSU Participant, settlement shall be as soon as practicable following the DSU Termination Date and no later than the DSU Payment Date.
- (b) Within ten (10) Business Days following the DSU Termination Date, the Company shall deliver to the DSU Participant (or where the DSU Participant has died, the legal representative of the DSU Participant) a DSU Settlement Notice providing for the method of settlement for the Deferred Share Units in respect of all Deferred Share Units held by the DSU Participant.
- (c) In the DSU Settlement Notice, the Company will elect, in the Board's discretion, including with respect to any fractional Deferred Share Units, to settle the Deferred Share Units for their cash equivalent (determined in accordance with Section 8.7(a)), Shares (determined in accordance with Section 8.7(b)) or a combination thereof; provided, however, that the Company shall at all relevant times reserve the right to modify the method of settlement (even if a DSU Settlement Notice has already been delivered to the DSU Participant).
- (d) Except as otherwise provided in an Award Agreement, subject to Section 8.7, settlement of Deferred Share Units shall take place promptly following deliver of a DSU Settlement Notice and take the form set out in the DSU Settlement Notice (unless otherwise modified by the Company) through:
  - (i) in the case of settlement of Deferred Share Units for their cash equivalent, delivery of the cash equivalent to the DSU Participant;

- (ii) in the case of the settlement of Deferred Share Units for Shares, delivery of a share certificate to the DSU Participant or the entry of the DSU Participant's name on the share register for the Shares; or
  - (iii) in the case of a settlement of Deferred Share Units for a combination of Shares and cash, a combination of (i) and (ii) above.
- (e) If a DSU Settlement Notice is not received by a DSU Participant in respect of their Deferred Share Units within ten (10) Business Days following the DSU Termination Date, settlement shall take the form of Shares issued from treasury as set out in Section 8.7(b).

#### **4.6 Determination of Amounts**

- (a) For a cash settlement, for purposes of determining the aggregate Market Value of the Shares which would otherwise be issuable in settlement of such DSUs, such calculation will be made based on the Market Value on the DSU Termination Date multiplied by the number of Deferred Share Units in the Participant's Deferred Share Unit notional account as of the DSU Termination Date.
- (b) For the purposes of determining the number of Shares to be issued from treasury and delivered to a DSU Participant upon settlement of Deferred Share Units, such calculation will be made on the DSU Termination Date, or if the DSU Termination Date is not a Business Day, on the next such Business Day, based on the whole number of Shares equal to the whole number of Deferred Share Units then recorded in the Participant's Deferred Share Unit notional account. Shares issued from treasury will be issued in consideration for the past services of the DSU Participant to the Company and the entitlement of the DSU Participant under the Plan shall be satisfied in full by such issuance of Shares. If applicable, the Company shall also make a cash payment to the DSU Participant with respect to the value of fractional Deferred Share Units standing to the DSU Participant's credit after the maximum number of whole Shares have been issued by the Company, calculated by multiplying (i) the number of such fractional Deferred Share Units by (ii) the Market Value on the DSU Termination Date.

### **5 Termination of Employment or Tenure**

#### **5.1 Resignation**

If a Participant resigns from employment or as a director or Consultant with a Participating Entity, the Participant shall forfeit all rights, title and interest in the Participant's Awards which are not Vested on the date the notice of resignation is delivered to the Company. The Participant may exercise the Participant's Options which are Vested on the date the notice of resignation is delivered to the Company until the earlier of: (i) the end of the Exercise Period; and (ii) **90 days** after the date the notice of resignation is delivered to the Company, after which time all Options expire.

#### **5.2 Termination for Cause**

If a Participant's employment is terminated by a Participating Entity for Cause or the Participant ceases to be a director or Consultant on a similar basis, the Participant shall forfeit all rights, title

and interest in all the Participant's Awards, whether Vested or not Vested at the Termination Date.

### **5.3 Retirement, Death, Disability and Disposition of a Participating Entity**

If a Participant's employment or other position with a Participating Entity ceases because of the death, Disability or Retirement of the Participant, or because the Person which employs the Participant or to which the Participant is a director or Consultant, ceases to be a Participating Entity:

- (a) all of the Options that would Vest in the one year period following the Termination Date will vest immediately prior to the Termination Date, provided that Options granted to Investor Relations Service Providers may not Vest before the date that is one year from the date of grant without prior TSXV approval;
- (b) if a Participant's RSUs have not Vested, subject to the Board's approval, a pro rata portion of the Participant's RSUs that are scheduled to Vest on the next scheduled Vesting Date set forth in the RSU Agreement for such RSUs will Vest, based on the number of days that have elapsed between the Award Date and the Termination Date, and such RSUs will be settled in accordance with the provisions of Section 5 on the next scheduled Vesting Date set forth in the RSU Agreement, provided however that no RSU may Vest before the date which is one year from the date of grant of the RSU except upon the death of the Participant or in connection with a Change of Control in accordance with Section 10.5;
- (c) if a Participant's PSUs have not Vested, any PSUs standing to the credit of such Participant shall continue to Vest (and be settled) in the normal course for a period of ninety (90) days extending from the end of the fiscal year in which the Termination Date occurs (the "**90 Day Period**"). Subject to the Board's approval, any PSUs which do not Vest in the normal course during the 90 Day Period shall Vest pro rata upon the Termination Date to take into account only the period that has elapsed between the Award Date and the Termination Date, provided the Performance Goals are satisfied in respect of the applicable Performance Period in which the Termination Date occurs and that no PSU may Vest before the date which is one year from the date of grant of the PSU except upon the death of the Participant or in connection with a Change of Control in accordance with Section 10.5; and
- (d) any such Vested Option, RSU or PSU may be exercised by the Participant (or, where the Participant has died, their legal representatives), provided that such Option, RSU or PSU shall in no event expire later than the earlier of (i) one year following the Termination Date, and (ii) the expiry date of such Option, RSU or PSU, as the case may be.

### **5.4 Termination without Cause**

If a Participant's employment is terminated without Cause, the Participant resigns because he or she has been constructively dismissed, or the Participant ceases to be a director or Consultant on a similar basis then:

- (a) all of the Participant's Options which are Vested on the Termination Date may be exercised until the earlier of the Expiry Date or 90 days after the Termination Date, after which time all Options expire;

- (b) a Participant's RSUs that have not Vested shall Vest in accordance with Section 9.4(b), provided that no RSU may Vest before the date that is one year following the date it is granted, and that such RSUs shall in no event be settled later than the earlier of (i) one year following the Termination Date, and (ii) the expiry date of such RSUs; and
- (c) a Participant's PSUs that have not Vested shall Vest in accordance with Section 9.4(c), provided that no PSU may vest before the date that is one year following the date it is granted, and that such PSUs shall in no event be settled later than the earlier of (i) one year following the Termination Date, and (ii) the expiry date of such PSUs.

For purposes of the foregoing, a Participant which is a U.S. Participant shall only be treated as "constructively dismissed" (or terminated on a similar basis) if such Participant's separation from service is for "good reason," as described in Treas. Reg. § 1.409A-1(n)(2)(ii).

### **5.5 Discretion to Permit Exercise**

Subject to applicable laws, the Board may, in its discretion, at any time permit the exercise of any or all Options held by the Participant or by the Participant's estate, as the case may be, in the manner and on the terms authorized by the Board in its discretion, provided that the Board may not, in any case, (i) authorize the exercise of an Option pursuant to this Section beyond the expiration of the Exercise Period of the particular Option; or (ii) allow a Participant's estate to make a claim more than one year from such Participant's death.

### **5.6 Unexercisable Options**

Except in connection with the death, Disability or Retirement of a Participant or because the Person which employs the Participant or to which the Participant is a director or Consultant, ceases to be a Participating Entity as provided for in Section 9.3, any Options held by the Participant that were not exercisable or Vested at the Termination Date shall immediately expire and be cancelled on such date, provided, however, that the Board may, in its absolute discretion, upon granting Options under this Plan specify: (i) subject to Section 4.2 and Policy 4.4, different time periods during which an Option is exercisable following the Termination Date; (ii) subject to Section 4.2 and Policy 4.4, different time periods within which an Option will terminate if a Participant ceases to be a Director, Officer, Employee, Management Company Employee, Consultant, and (iii) subject to the provisions of this Plan and Policy 4.4, designate different exercise prices and vesting provisions with respect to an Option.

### **5.7 Leave of Absence**

For the purposes of the Plan, a Participant who is granted in writing a leave of absence or who is entitled to a statutory leave of absence shall be deemed to have remained in the employ of the Company or the applicable Participating Entity, as applicable, during such leave of absence.

### **5.8 No Entitlement to Damages**

A Participant shall have no entitlement to damages or other compensation arising from or related to not receiving a grant of Options, RSUs, PSUs or Shares which would have been made to the Participant or which would have Vested after the Participant's termination date. However, nothing herein is intended to limit any statutory entitlements on termination and such statutory entitlements shall, if required, apply despite this language to the contrary.

## **6 General**

### **6.1 General**

The provisions contained in the Plan and any Award Agreement and the existence of any Awards shall not affect in any way the right of the Company or its shareholders or affiliates to take any action, including any change in the Company's capital structure or its business, or any acquisition, disposition, amalgamation, combination, merger or consolidation, or the creation or issuance of any bonds, debentures, shares or other securities of the Company or of an affiliate thereof or the determination of the rights and conditions attaching thereto, or the dissolution or liquidation of the Company or of any of its affiliates or any sale or transfer of all or any part of their respective assets or businesses or ceasing to be a reporting issuer or to be listed on any stock exchange, whether or not any such corporate action or proceeding would have an adverse effect on the Plan or any Awards granted hereunder.

### **6.2 Reorganization of the Company's Capital**

If the Company effects a subdivision or consolidation of Shares or any similar capital reorganization or a payment of a stock dividend (other than a stock dividend that is in lieu of an ordinary cash dividend), or if any other change is made in the capitalization of the Company that, in the opinion of the Board, would warrant the amendment or replacement of any existing Awards in order to adjust:

- (a) the number of Shares that may be acquired on the exercise of any outstanding Options;
- (b) the Exercise Price of any outstanding Options; or
- (c) the number of Share Units or DSUs in the Participant's Share Unit account or notional account, as applicable,

in order to preserve proportionately the rights and obligations of the Participants, the Board will authorize such steps to be taken as may be equitable and appropriate to that end as determined by the Board in its discretion, subject to (i) the limits set forth in Section 3.8, (ii) the Company's compliance with Policy 4.4, and (iii) the Board's capacity to elect to effect such adjustment through payments in cash in lieu of adjusting the number of Shares or the number of Share Units or DSUs in the Participant's Share Unit account or notional account, as applicable. Notwithstanding the foregoing, any adjustment made by the Company as set forth in this Section 10.2, except for such adjustment made in connection with a subdivision or consolidation of Shares, shall be subject to the approval of the TSXV.

### **6.3 Other Events Affecting the Company**

In the event of an amalgamation, arrangement, combination, spin-off or other reorganization or any other corporate transaction having a similar effect involving the Company that, in the opinion of the Board, warrants the amendment or replacement of any existing Awards in order to adjust:

- (a) the number of Shares that may be acquired on the exercise of any outstanding Options;
- (b) the Exercise Price of any outstanding Options;

- (c) the number of Share Units or DSUs in the Participant's Share Unit account or notional account, as applicable; or
- (d) the kind of shares covered by outstanding Awards,

in order to preserve proportionately the rights and obligations of the Participants, the Board will authorize such steps to be taken as may be equitable and appropriate to that end as determined by the Board in its discretion. Notwithstanding the foregoing, any adjustment made by the Company as set forth in this Section 10.3 shall be subject to the approval of the TSXV.

#### **6.4 Immediate Exercise of Awards**

Where the Board determines that the steps provided in Section 10.2 and Section 10.3 would not preserve proportionately the rights and obligations of the Participants in the circumstances or the Board otherwise determines that it is appropriate, subject to the Company's compliance with Policy 4.4 and the approval of the TSXV, the Board may permit the Vesting and exercise, as applicable, effective no later than the Business Day immediately prior to the date on which the event referenced in Section 10.2 or Section 10.3, as applicable, is consummated, of any outstanding Awards that are not then otherwise Vested and the cancellation of any outstanding Options which are not exercised within any specified period.

#### **6.5 Change of Control**

In the event of a Change of Control, the Board may accelerate the expiry of Options granted under the Plan to the Business Day immediately following the date on which such Change of Control is consummated, provided that:

- (a) the Board accelerates the Vesting of the Options prior to the date on which the Change of Control is consummated;
- (b) the Company gives notice of the accelerated Vesting and expiry to all Participants not less than ten (10) Business Days prior to the date of consummation of the Change of Control; and
- (c) any acceleration shall be subject to the Company's compliance with Policy 4.4.

In the event of a Change of Control, the Board shall have the authority to take all necessary steps so as to ensure the preservation of the economic interests of the Participants in, and to prevent the dilution or enlargement of, any RSUs, PSUs or DSUs, including: (i) ensuring that the Company or any entity which is or would be the successor to the Company or which may issue securities in exchange for Shares upon the Change of Control becoming effective will provide each Participant with new or replacement or amended RSUs, PSUs or DSUs, as the case may be, which will continue to Vest following the Change of Control on similar terms and conditions as provided in the Plan; (ii) causing all or a portion of the outstanding Share Units to Vest immediately prior to the Change of Control; or (ii) any combination of the above.

In addition, in the event of a Change of Control, for each Option with an Exercise Price greater than the consideration offered in connection with any such transaction, the Board may in its discretion elect to cancel such Option without any payment to the Participant holding such Option.

In connection with a Change of Control, the Board may elect to cause any or all outstanding Options to be cancelled in exchange for a cash payment equal to the value of such Options based on the per share transaction price payable in the Change of Control, less the applicable Exercise Price.

## **6.6 Fractional Shares**

No fractional Shares will be issued on the exercise of an Option or the settlement of a Share Unit. Accordingly, if as a result of any adjustment to either the Exercise Price or the number of Shares issuable on exercise of an Option is made pursuant to the Plan, or to the number of Share Units in the Participant's Share Unit account, the Participant would become entitled to receive a fractional Share on the exercise of an Option or the settlement of a Share Unit, the Participant has the right to acquire only the number of full Shares. No payment or other adjustment will be made with respect to the fractional Shares so disregarded except as set out in Section 5.5(b), 6.6(b), and 8.8(b) hereof.

## **6.7 Legal Requirement**

The Company is not obligated to grant any Awards, issue any Shares or other securities, make any payments or take any other action if, in the opinion of the Board, in its discretion, such action would constitute a violation by a Participant or the Company of any provision of any applicable statutory or regulatory requirement of any government or governmental authority. No Award will be granted, and no Shares will be issued under the Plan, where such grant or issue would require registration of the Plan or of the Awards or Shares under the securities laws of any foreign jurisdiction, and any purported grant of any Award or purported issue of any Shares under the Plan in violation of this provision is void. Shares issued to Participants under the Plan may be subject to limitations on sale or resale under applicable securities laws.

## **6.8 Participant's Entitlement**

Except as otherwise provided in the Plan, Awards previously granted under the Plan, whether or not then exercisable, are not affected by any change in the relationship between or ownership of the Company and an affiliate.

## **6.9 Rights of Participant**

The granting of any Award is not to be construed as giving a Participant a right to remain in the employ of the Company or a Participating Entity nor to continue to serve as a director or Consultant.

## **6.10 Amendment or Discontinuance**

- (a) In addition to any other rights provided in the Plan, but subject to Sections 10.10(b) and 10.10(c) and the approval of the TSXV and the shareholders of the Company, where applicable, the Board may: (i) amend, suspend or terminate the Plan or any portion thereof at any time and without notice to or approval from any Participant; or (ii) amend or modify any outstanding Award in any manner to the extent that the Board would have had the initial authority to grant the Award as so modified or amended, whereupon the Plan shall be amended or discontinued, as appropriate, in the manner and to the extent required by applicable laws and other rules and regulations.

- (b) The Board shall not take any action pursuant to Section 10.10(a) that would adversely affect or alter the rights of a Participant in relation to a previously granted Award in a material manner, unless: (i) such action is permitted by the Plan or the Award Agreement relating to such Award; or (ii) the prior consent of the affected Participant is obtained, and provided that such action is taken in accordance with applicable law and subject to any required regulatory approval, including approval from any stock exchange upon which the Shares are then listed and shareholder approval. Solely with respect to U.S. Participants, no Award may be amended by the Board pursuant to Section 10.10(a) if such amendment violates, or triggers excise taxes under, Section 409A of the IRC.
- (c) Subject to Section 10.10(f), the Board may from time to time, in its discretion and without approval of the shareholders of the Company, make changes to the Plan or any Award that do not require the approval of shareholders under Sections 10.10(d) and 10.10(e), which may include but are not limited to:
  - (i) any amendment of a “housekeeping” nature, including those made to clarify the meaning of an existing provision of the Plan or any agreement, correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan or any agreement, correct any grammatical or typographical errors or amend the definitions in the Plan regarding administration of the Plan; or
  - (ii) an amendment of the Plan or an Award as necessary to comply with applicable law or the requirements of any stock exchange upon which the securities of the Company are then listed or any other regulatory body having authority over the Company, the Plan, Participants or the shareholders of the Company.
- (d) Notwithstanding the foregoing or any other provision of the Plan, the approval of the shareholders of the Company is required for the following amendments to the Plan:
  - (i) any amendment to the definition of a “Participant” hereunder;
  - (ii) the method of determining the Exercise Price of Options;
  - (iii) any amendment that may result in a benefit to a Participant; and
  - (iv) any amendment to Section 10.10(c) and this Section 10.10(d) of the Plan.
- (e) Notwithstanding the foregoing or any other provision of the Plan, the approval of the disinterested shareholders of the Company is required for the following amendments or issuances:
  - (i) any increase in the maximum number of Shares that may be issuable pursuant to Awards granted under the Plan set out in Section 3.8(a);
  - (ii) any increase in the maximum number of Awards that may be issuable to Insiders of the Company and associates of such Insiders at any time as set out in Section 3.8(b)(i);
  - (iii) any issuance of Awards to a Participant which would result in more than 5% of the Outstanding Issue, calculated as at the date of grant, being reserved for issuance pursuant to Awards granted to such Participant in a one year period;

- (iv) any reduction in the Exercise Price of an Option benefitting an Insider of the Company;
  - (v) any extension of the Expiry Date of an Award benefitting an Insider of the Company, except in the case of an extension due to a Blackout Period;
  - (vi) any individual Award requiring Shareholder approval pursuant to section 5.2(h); and
  - (vii) any amendment to this Section 10.10(e) of the Plan.
- (f) Notwithstanding anything contained herein to the contrary, no amendment to the Plan shall become effective until any required approval of the TSXV is obtained.
- (g) If the Plan is terminated, the provisions of the Plan and any administrative guidelines, and other rules and regulations adopted by the Board and in force at the time of the Plan, will continue in effect as long as any Awards or any rights pursuant thereto remain outstanding.
- (h) No amendment to the Plan shall be made which would cause the Plan, in respect of Deferred Shares Units, to cease to be a plan described in regulation 6801(d) of the *Income Tax Act* (Canada) or any successor to such provision.

#### **6.11 Severability**

If any provision of the Plan or any Award Agreement is determined to be illegal or unenforceable by any court of law in any jurisdiction, the remaining provisions are severable and enforceable in accordance with their terms, and all provisions will remain enforceable in any other jurisdiction.

#### **6.12 General Restrictions and Assignment**

Except as required by law, no Awards or any rights of a Participant under the Plan may be anticipated, assigned, transferred, alienated, sold, encumbered, pledged, mortgaged or charged and no such Awards or rights are capable of being subject to attachment or legal process for the payment of any debts or obligations of the Participant.

Subject to the approval of the Board or the Committee, a Participant that is an individual may elect, at any time, to participate in the Plan by holding any Award granted under the Plan in a registered retirement savings plan established by such Participant for the sole benefit of such Participant or in a personal holding company controlled by such Participant. For the purposes of this Section 10.12, a personal holding corporation shall be deemed to be controlled by a Participant if: (i) voting securities carrying more than 50% of the votes for the election of directors of such corporation are held, otherwise than by way of security only, by or for the benefit of such Participant and the votes carried by such voting securities are entitled, if exercised, to elect a majority of the board of directors of such corporation; and (ii) all of the equity securities of such corporation are directly or indirectly held, otherwise than by way of security only, by or for the benefit of such Participant and/or his or her spouse, children or grandchildren. In the event that a Participant elects to hold the Award granted under the Plan in a registered retirement savings plan or personal holding corporation, the provisions of the Plan shall continue to apply as if the Participant held such Award directly.

### **6.13 Market Fluctuations**

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

The Company makes no representations or warranties to Participants with respect to the Plan or the Awards whatsoever. Participants are expressly advised that the value of any Awards will fluctuate as the trading price of the Shares fluctuates.

In seeking the benefits of participation in the Plan, a Participant agrees to exclusively accept all risks associated with a decline in the market price of the Shares and all other risks associated with the Awards.

### **6.14 No Shareholder Rights**

Under no circumstances shall Awards be considered Shares or other securities of the Company, nor shall they entitle any Participant to exercise voting rights or any other rights attaching to the ownership of Shares or other securities of the Company, nor shall any Participant be considered the owner of Shares by virtue of the grant of Awards.

### **6.15 Unfunded and Unsecured Plan**

The Plan shall be unfunded and the Company will not secure its obligations under the Plan. To the extent any Participant or his or her estate holds any rights by virtue of a grant of Awards under the Plan, such rights shall be no greater than the rights of an unsecured creditor of the Company.

### **6.16 Non-Exclusivity**

Nothing contained in the Plan prevents the Board from adopting other or additional compensation arrangements for the benefit of any Participant, subject to any required regulatory or shareholder approval.

### **6.17 Other Employee Benefits**

The amount of any compensation deemed to be received by a Participant as a result of the exercise of an Option or the settlement of an RSU or PSU will not constitute compensation with respect to which any other employee benefits of that Participant are determined including benefits under any bonus, pension, profit-sharing, insurance or salary continuation plan, except as otherwise specifically determined by the Board in writing.

### **6.18 Tax Consequences**

It is the responsibility of the Participant to complete and file any tax returns and pay all taxes that may be required under Canadian or other tax laws within the periods specified in those laws as a result of the Participant's participation in the Plan. No Participating Entity shall be held responsible for any tax consequences to a Participant as a result of the Participant's participation in the Plan.

## **6.19 Compliance with U.S. Tax Laws**

The provisions of this Section 10.19 shall apply solely to U.S. Participants.

The Plan and all Awards granted to U.S. Participants are intended to comply with all tax laws of the United States of America, including Section 409A of the IRC, to the extent subject thereto. Accordingly, to the maximum extent permitted, the Plan and all Awards shall be interpreted and administered in a manner that complies with Section 409A of the IRC, and all regulations thereunder, or qualifies for an exemption therefrom

Any payments described in the Plan that are due within the "short-term deferral period" as defined in Section 409A of the IRC shall not be treated as deferred compensation unless applicable laws require otherwise. Notwithstanding anything to the contrary in the Plan, to the extent required to avoid accelerated taxation and tax penalties under Section 409A of the IRC, amounts that would otherwise be payable and benefits that would otherwise be provided under the Plan to a U.S. Participant who is a "specified employee" (as defined in Treas. Reg. § 1.409A-1(i)) during the six (6) month period immediately following such U.S. Participant's separation from service shall instead be paid on the first payroll date after the six-month anniversary of the U.S. Participant's separation from service (or the Participant's death, if earlier).

U.S. Participants may file a Section 83(b) election, substantially in the form attached as Schedule "H" hereto, in connection with any Award under the Plan, provided such election is filed within thirty (30) days of the Award Date or, in the case of an Option, the date of exercise of such Option. The Company is under no obligation to advise a U.S. Participant whether it is in their best interest to file a Section 83(b) election in connection with any Award under the Plan. The Company does not provide Participants with tax or accounting advice. Failure to timely file an 83(b) election may have adverse tax consequences. Participants should consult with their own tax advisors regarding the advisability of filing an 83(b) Election in connection with any Award under the Plan.

The Company shall not have any obligation to take any action to prevent the assessment of any additional tax or penalty on any U.S. Participant under the IRC, nor shall the Company have any liability to any U.S. Participant for such tax or penalty.

## **6.20 Bona Fide Representations**

The Company is representing herein and in the applicable Award Agreement that each Participant shall be a bona fide Director, Officer, Employee, Management Company Employee, or Consultant of a Participating Entity, or an Eligible Charitable Organization whom the Board determines may participate in the Plan, and each Participant shall be deemed to make such applicable representation herein and in the applicable Award Agreement upon his, her or its acceptance of any Award. The execution of an Award Agreement by the Company shall constitute conclusive evidence that the Awards have been granted to the Participants in compliance with the Plan.

## **6.21 Language**

The Participants, by accepting Awards issued or granted under the Plan, have agreed that the Plan as well as any notice, document or instrument relating to it, including any Award Agreement, be drawn up in English. *Les parties aux présentes ont convenu, en acceptant des*

*attributions émises ou octroyées aux termes du régime, que le régime ainsi que tous autres avis, actes ou documents s'y rattachant, y compris toute convention d'attribution, soient rédigés en anglais.*

## **6.22 Effective Date**

The Plan is effective May 29, 2025.

**Schedule "A"**

**OPTION EXERCISE NOTICE**

I, \_\_\_\_\_ [Print Name], hereby exercise the Options to purchase \_\_\_\_\_ common shares (the "**Shares**") of SATO Technologies Corp. (the "**Company**") at an exercise price of \$ \_\_\_\_\_ per Share (the "**Exercise Price**"). This Exercise Notice is delivered in respect of the Options to purchase \_\_\_\_\_ Shares of the Company granted to me on \_\_\_\_\_ [Insert Date] pursuant to the Option Agreement entered into between the Company and me on \_\_\_\_\_ [Insert Date].

In connection with the foregoing:

- (a) I enclose a certified cheque or bank draft payable to the Company; or
- (b) I have initiated a wire transfer of immediately available funds to the Company, in either case, in the amount of \$ \_\_\_\_\_ [Insert Amount] as full payment for the Shares to be received upon exercise of the Options. I hereby direct the Company to issue the Shares in my name.

In connection with the exercise of the Options, I hereby covenant and agree to pay to the Company, in addition to the Exercise Price, any amount that the Company is obliged to remit to a relevant taxing authority in connection with the exercise of the Options and I understand that the exercise of the Options is conditional upon me making any such payment to the Company.

Date: \_\_\_\_\_

Participant Signature: \_\_\_\_\_

**Schedule "B"**

**OPTION AGREEMENT**

SATO Technologies Corp. (the "**Company**") hereby grants to the Participant named below, options (the "**Options**") to purchase, in accordance with and subject to the terms, conditions and restrictions of this Agreement together with the provisions of the Omnibus Equity Incentive Plan of the Company (the "**Plan**"), a copy of which is attached to this Option Agreement, the number of common shares of the Company (the "**Shares**") at the exercise price per Share set forth below:

Name of Participant: \_\_\_\_\_  
Date of Grant: \_\_\_\_\_  
Number of Shares subject to Option: \_\_\_\_\_  
Expiry Date: \_\_\_\_\_

Vesting Date	Number of Options Vested	Exercise Price

The terms and conditions of the Plan are incorporated by reference as terms and conditions of this Agreement. All capitalized terms used in this Agreement have the meanings ascribed thereto in the Plan. The Participant acknowledges that the Participant has received, read and understands the Plan. Each notice relating to the Option, including the exercise thereof, shall be in writing. All notices to the Company shall be delivered personally or by prepaid registered mail and shall be addressed to:

SATO Technologies Corp.  
66 Wellington St. West, Suite 5300, Toronto, Ontario, M5K 1E6, Canada  
Attention: Chief Financial Officer

All notices to the Participant shall be addressed to the principal address of the Participant on file with the Company. Either the Company or the Participant may designate a different address by written notice to the other. This Agreement has been made in and shall be construed under and in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

**SATO TECHNOLOGIES CORP.**

Per: \_\_\_\_\_  
Name:  
Title:

I have read the foregoing Agreement and the Plan and hereby accept the Options to purchase Shares in accordance with and subject to the terms and conditions of such Agreement and the Plan. I agree to be bound by the terms and conditions of such Agreement and the Plan.

Date: \_\_\_\_\_  
Participant Signature: \_\_\_\_\_



**Schedule "C"**

**PERFORMANCE SHARE UNIT AGREEMENT**

SATO Technologies Corp. (the "**Company**") hereby grants to the Participant named below, performance share units (the "**PSUs**") to receive, in accordance with and subject to the terms, conditions and restrictions of this Agreement together with the provisions of the Omnibus Equity Incentive Plan of the Company (the "**Plan**"), a copy of which is attached to this PSU Agreement, the number and class of shares of the Company (or their cash equivalent) as set forth below:

Name of Participant: \_\_\_\_\_  
Award Date: \_\_\_\_\_  
Number of PSUs: \_\_\_\_\_  
Number and Class of Shares subject to the PSUs: \_\_\_\_\_  
Performance Period: \_\_\_\_\_  
Expiry Date: \_\_\_\_\_

The terms and conditions of the Plan are incorporated by reference as terms and conditions of this Agreement. All capitalized terms used in this Agreement have the meanings ascribed thereto in the Plan. The Participant acknowledges that the Participant has received, read and understands the Plan.

1. The PSUs will vest upon the satisfaction of the Performance Goals set forth below prior to the Expiry Date:  
  
*[Performance Goals to be inserted]*
2. If the Performance Goals are not satisfied prior to the Expiry Date, the PSUs will terminate and be null and void.
3. Tax Withholding and Sell-to-Cover Authorization. The Participant agrees that, upon the settlement of any PSUs, the Company may satisfy any Applicable Withholding Taxes by:
  - (i) selling, or arranging for the sale of, such number of Shares issuable in settlement of the PSUs as is necessary to satisfy the Applicable Withholding Taxes;
  - (ii) withholding such number of Shares otherwise issuable in settlement of the PSUs; or
  - (iii) requiring the Participant to remit a cash payment to satisfy the Applicable Withholding Taxes.

The Participant expressly authorizes the Company to take such actions and agrees to execute any documentation necessary to effect such sales or withholding.

4. Any notice relating to the PSUs shall be in writing. All notices to the Company shall be delivered personally or by prepaid registered mail and shall be addressed to:

SATO Technologies Corp.  
66 Wellington St. West, Suite 5300, Toronto, Ontario, M5K 1E6, Canada  
Attention: Chief Financial Officer

All notices to the Participant shall be addressed to the principal address of the Participant on file with the Company. Either the Company or the Participant may designate a different address by written notice to the other.

5. This Agreement has been made in and shall be construed under and in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

*[signature page follows]*

**SATO TECHNOLOGIES CORP.**

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

Name:

Title:

I have read the foregoing Agreement and the Plan and hereby accept the PSUs subject to the terms and conditions of such Agreement and the Plan. I agree to be bound by the terms and conditions of such Agreement and the Plan.

Date:

Participant Signature:

\_\_\_\_\_  
\_\_\_\_\_

**Schedule "D"**

**RESTRICTED SHARE UNIT AGREEMENT**

SATO Technologies Corp. (the "**Company**") hereby grants to the Participant named below, Restricted Share Units ("**RSUs**") to receive, in accordance with and subject to the terms, conditions and restrictions of this Agreement together with the provisions of the Omnibus Equity Incentive Plan (the "**Plan**") of the Company, a copy of which is attached to this Agreement, the number and class of shares of the Company (or their cash equivalent) as set forth below:

Name of Participant: \_\_\_\_\_  
Award Date: \_\_\_\_\_  
Number of RSUs: \_\_\_\_\_  
Number of Shares subject to the RSUs: \_\_\_\_\_  
Expiry Date: \_\_\_\_\_

1. The terms and conditions of the Plan are incorporated by reference as terms and conditions of this Agreement. All capitalized terms used in this Agreement have the meanings ascribed thereto in the Plan. The Participant acknowledges that the Participant has received, read and understands the Plan.
2. The RSUs will vest: [*vesting conditions to be inserted*].
3. Any notice relating to the RSUs shall be in writing. All notices to the Company shall be delivered personally or by prepaid registered mail and shall be addressed to:

SATO Technologies Corp.  
66 Wellington St. West, Suite 5300, Toronto, Ontario, M5K 1E6, Canada  
Attention: Chief Financial Officer

All notices to the Participant shall be addressed to the principal address of the Participant on file with the Company. Either the Company or the Participant may designate a different address by written notice to the other.

4. This Agreement has been made in and shall be construed under and in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

[signature page follows]

**SATO TECHNOLOGIES CORP.**

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

Name:

Title:

I have read the foregoing Agreement and the Plan and hereby accept the RSUs subject to the terms and conditions of such Agreement and the Plan. I agree to be bound by the terms and conditions of such Agreement and the Plan.

Date:

Participant Signature:

\_\_\_\_\_  
\_\_\_\_\_

**Schedule "E"**

**DSU AGREEMENT**

SATO Technologies Corp. (the "**Company**") hereby grants to the DSU Participant named below, deferred share units (the "**DSUs**") to receive, in accordance with and subject to the terms, conditions and restrictions of this Agreement together with the provisions of the Omnibus Equity Incentive Plan (the "**Plan**") of the Company, a copy of which is attached to this DSU Agreement, the number and class of shares of the Company (or their cash equivalent) as set forth below:

Name of DSU Participant: \_\_\_\_\_  
Award Date: \_\_\_\_\_  
Number of DSUs: \_\_\_\_\_  
Number of Shares subject to the DSUs: \_\_\_\_\_

The terms and conditions of the Plan are incorporated by reference as terms and conditions of this Agreement. All capitalized terms used in this Agreement have the meanings ascribed thereto in the Plan. The Participant acknowledges that the Participant has received, read and understands the Plan.

Any notice relating to the DSUs shall be in writing. All notices to the Company shall be delivered personally or by prepaid registered mail and shall be addressed to:

SATO Technologies Corp.  
66 Wellington St. West, Suite 5300, Toronto, Ontario, M5K 1E6, Canada  
Attention: Chief Financial Officer

All notices to the Participant shall be addressed to the principal address of the Participant on file with the Company. Either the Company or the Participant may designate a different address by written notice to the other.

This Agreement has been made in and shall be construed under and in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

**SATO TECHNOLOGIES CORP.**

Per: \_\_\_\_\_  
Name:  
Title:

I have read the foregoing Agreement and the Plan and hereby accept the DSUs subject to the terms and conditions of such Agreement and the Plan. I agree to be bound by the terms and conditions of such Agreement and the Plan.

Date: \_\_\_\_\_  
Participant Signature: \_\_\_\_\_

**Schedule "F"**

**DSU SETTLEMENT NOTICE**

In respect of the Deferred Share Units that vested on \_\_\_\_\_ that were granted to you by SATO Technologies Corp. (the "**Company**") pursuant to the Company's Omnibus Equity Incentive Plan (the "**Plan**"), the Company hereby elects to settle the Deferred Share Units (including for any fractional Deferred Share Units) as follows [Company to select one]:

- (     )     (i) the cash equivalent, calculated in accordance with Section 8.7(a) of the Plan;
- (     )     (ii) Shares, calculated in accordance with Section 8.7(b) of the Plan; or
- (     )     (iii) the cash equivalent for \_\_\_\_\_ Deferred Share Units and Shares for \_\_\_\_\_ Deferred Share Units.

[In the event the Company elects the cash equivalent, include:] [I acknowledge that the Company will deduct from payment applicable withholding taxes in accordance with the Plan.]

[In the event the Company elects Shares, include:]

[I (check one):

- (     )     (i) enclose cash, a certified cheque, bank draft or money order to the Company in the amount of \$ \_\_\_\_\_ as full payment for the applicable withholding taxes;
- (     )     (ii) undertake to arrange, in a manner satisfactory to the Board, for such number of Shares to be sold as is necessary to raise an amount equal to the applicable withholding taxes and to cause the proceeds from the sale of such Shares to be delivered to the Company; or
- (     )     (iii) if permitted by the Company, elect to settle for cash such number of Deferred Share Units as is necessary to raise funds sufficient to cover such withholding taxes with such amount being withheld by the Company.]

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

Date \_\_\_\_\_

Name of DSU Participant \_\_\_\_\_

Signature of DSU Participant \_\_\_\_\_

**Schedule "G"**

**SHARE UNIT SETTLEMENT NOTICE**

In respect of the RSUs that Vested on \_\_\_\_\_ that were granted to you by SATO Technologies Corp. (the "**Company**") pursuant to the Company's Omnibus Equity Incentive Plan (the "**Plan**"), the Company hereby elects to settle the RSUs (including for any fractional RSUs) as follows [Company to select one]:

- (     )     (i) the cash equivalent, calculated in accordance with Section 5.5(a) of the Plan;
- (     )     (ii) Shares, calculated in accordance with Section 5.5(b) of the Plan; or
- (     )     (iii) the cash equivalent for \_\_\_ RSUs and Shares for \_\_\_ RSUs.

In respect of the PSUs that Vested on \_\_\_\_\_ that were granted to you by the Company pursuant to the Plan, the Company hereby elects to settle the PSUs (including for any fractional PSUs) as follows [Company to select one]:

- (     )     (i) the cash equivalent, calculated in accordance with Section 6.6(a) of the Plan;
- (     )     (ii) Shares, calculated in accordance with Section 6.6(b) of the Plan; or
- (     )     (iii) the cash equivalent for \_\_\_ PSUs and Shares for \_\_\_ PSUs.

[In the event the Company elects the cash equivalent, include:] [I acknowledge that the Company will deduct from payment applicable withholding taxes in accordance with the Plan.]

[In the event the Company elects Shares, include:] [I (check one):

- (     )     (i) enclose cash, a certified cheque, bank draft or money order to the Company in the amount of \$ \_\_\_\_\_ as full payment for the applicable withholding taxes;
- (     )     (ii) undertake to arrange, in a manner satisfactory to the Board, for such number of Shares to be sold as is necessary to raise an amount equal to the applicable withholding taxes and to cause the proceeds from the sale of such Shares to be delivered to the Company; or
- (     )     (iii) if permitted by the Company, elect to settle for cash such number of [RSUs][PSUs] as is necessary to raise funds sufficient to cover such withholding taxes with such amount being withheld by the Company.]

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

Date \_\_\_\_\_

Name of Participant \_\_\_\_\_

Signature of Participant \_\_\_\_\_

**Schedule "H"**

**ELECTION PURSUANT TO SECTION 83(B) OF THE INTERNAL REVENUE CODE**

The undersigned taxpayer hereby makes this election pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended (the "**Code**") and Treasury Regulations Section 1.83-2 promulgated thereunder.

1. Taxpayer's general information:
  - Name: \_\_\_\_\_
  - Address: \_\_\_\_\_  
\_\_\_\_\_
  - Social Security # or Taxpayer ID #: \_\_\_\_\_
  
2. Description of property with respect to which the election is being made:
  - [INSERT AWARD DESCRIPTION]
  
3. Date on which the property was transferred: \_\_\_\_\_
  
4. Taxable year for which the election is being made: \_\_\_\_\_
  
5. Nature of restriction or restrictions to which the property is subject:
  - The [INSERT AWARD TYPE] may be forfeited upon termination of service that occurs before [VESTING DATE]. The [INSERT AWARD TYPE] may not be directly or indirectly sold, exchanged, transferred, pledged, assigned or otherwise disposed of, except with the consent of the Board of Directors of the Issuer.
  
6. The fair market value of the property at the time of transfer (determined without regard to any restriction other than a restriction which by its terms will never lapse): \$\_\_\_\_\_ per share x \_\_\_\_\_ shares = \$ \_\_\_\_\_.
  
7. The amount (if any) paid for the property: \$\_\_\_\_\_ per share x \_\_\_\_\_ shares = \$ \_\_\_\_\_.
  
8. The amount to include in gross income is \$ \_\_\_\_\_. (The result of the amount reported in Item 6 minus the amount reported in Item 7.)

The undersigned taxpayer will file this election with the Internal Revenue Service office with which the taxpayer files his or her annual income tax return not later than 30 days after the date of the transfer of the property. A copy of the election also will be furnished to the Issuer. The undersigned is the person performing the services in connection with which the property was transferred.

The undersigned understands that the foregoing election may not be revoked except with the consent of the Internal Revenue Commissioner.

Dated: \_\_\_\_\_

Signature: \_\_\_\_\_

Print Taxpayer Name: \_\_\_\_\_

**SCHEDULE "C"**  
**CHANGE OF AUDITOR REPORTING PACKAGE**

See attached the notices required under section 4.11 of National Instrument 51-102 *Continuous Disclosure Obligations*.

**SATO TECHNOLOGIES CORP.**

**CHANGE OF AUDITOR NOTICE**

*(Pursuant to Section 4.11 of National Instrument 51-102 – Continuous Disclosure Obligations)*

**TO: Raymond Chabot Grant Thornton LLP, Chartered Professional Accountants**

**AND TO: Davidson & Company LLP, Chartered Professional Accountants**

**AND TO: Ontario Securities Commission  
Alberta Securities Commission  
British Columbia Securities Commission**

**TAKE NOTICE THAT:**

- a) Raymond Chabot Grant Thornton LLP, Chartered Professional Accountants, the predecessor auditor of SATO Technologies Corp. (the "Corporation") tendered their resignation effective May 28, 2025, and the directors of the Corporation have appointed Davidson & Company, LLP, Chartered Professional Accountants, as successor auditor of the Corporation effective May 28, 2025;
- b) the predecessor auditor of the Corporation resigned at the request of the Corporation;
- c) the resignation of the predecessor auditor and the appointment of the successor auditor were approved by the board of directors of the Corporation;
- d) no modified opinion was expressed in the predecessor auditor's report on any of the financial statements of the Corporation relating to the period during which the predecessor auditor was the reporting issuer's auditor; and
- e) there are no reportable events (as defined in section 4.11 of National Instrument 51-102 – Continuous Disclosure Obligations).

DATED this 28 day of May, 2025.

SATO TECHNOLOGIES CORP.

By: 

*(signed) "Kyle Appleby"*

Name: Kyle Appleby

Title: Chief Financial Officer

May 28, 2025

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**Raymond Chabot  
Grant Thornton LLP**  
Suite 2000  
National Bank Tower  
600 De La Gauchetière Street West  
Montréal, Quebec  
H3B 4L8

T 514-878-2691

Alberta Securities Commission  
British Columbia Securities Commission  
Ontario Securities Commission

Dear Sirs / Mesdames:

**Subject: SATO Technologies Corp. (the “Company”)**

In accordance with National Instrument 51-102, we have read the Company’s Change of Auditor Notice dated May 28, 2025 and agree with the information contained therein, based upon our knowledge of the information at this date.

Should you require clarification or further information, please do not hesitate to contact the write.

Yours very truly,

*Raymond Chabot Grant Thornton LLP*

May 29, 2025

**Alberta Securities Commission  
British Columbia Securities Commission  
Ontario Securities Commission**

Dear Sirs / Mesdames:

**Re: Sato Technologies Corp. (the "Company")  
Notice Pursuant to NI 51-102 - Change of Auditor**

As required by the National Instrument 51-102 and in connection with our proposed engagement as auditor of the Company, we have reviewed the information contained in the Company's Notice of Change of Auditor, dated May 28, 2025 (the "Notice"), and, based on our knowledge of such information at this time, we agree with the information contained in the Notice pertaining to our firm.

Yours very truly,



**DAVIDSON & COMPANY LLP**  
Chartered Professional Accountants

**cc: TSX Venture Exchange**

