

# **PERIMETER**

**PERIMETER MEDICAL IMAGING AI, INC.**

**NOTICE OF ANNUAL GENERAL MEETING AND  
MANAGEMENT INFORMATION CIRCULAR FOR THE  
ANNUAL GENERAL MEETING OF SHAREHOLDERS OF PERIMETER MEDICAL IMAGING AI, INC.  
TO BE HELD ON DECEMBER 6, 2023**

**DATED: NOVEMBER 8, 2023**

**PERIMETER MEDICAL IMAGING AI, INC.**  
**555 Richmond St. W, Suite 511, Toronto, Ontario M4M 1B7**

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS (“NOTICE OF MEETING”)**

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting (the “**Meeting**”) of shareholders of Perimeter Medical Imaging AI, Inc. (“**Perimeter**” or the “**Company**”) will be held on December 6, 2023 at 1:00 p.m. (Toronto Time) exclusively in virtual format, for the following purposes:

1. to receive the audited financial statements of the Company and the auditors’ report thereon for its fiscal year ended December 31, 2022;
2. to elect directors of the Company for the ensuing year;
3. to appoint an auditor of the Company for the ensuing year and authorize the directors to approve the remuneration to be paid to such auditor; and
4. to transact such other business as may properly come before the Meeting or any adjournment thereof.

**Please Read This Important Notice**

The Company is conducting an online only Meeting. Registered Shareholders and duly appointed proxyholders can attend the Meeting online at [meetnow.global/MG7GPVS](https://meetnow.global/MG7GPVS) where they can participate, vote or submit questions during the Meeting’s live webcast.

The specific details of the matters to be put before the Meeting, as identified above, are set forth in the Management Information Circular accompanying this Notice of Meeting.

The Board has fixed the close of business on November 6, 2023 as the record date for the determination of the Shareholders entitled to receive notice of and vote at the Meeting or any adjournment or postponement thereof. Unless specified otherwise, all information contained herein is as of November 8, 2023.

**Registered shareholders who are unable to attend the Meeting and who wish to ensure that their common shares will be voted at the Meeting are requested to complete, date and sign the enclosed form of proxy, or another suitable form of proxy, and deliver it in accordance with the instructions set out in the form of proxy and in the Management Information Circular.**

**Unregistered shareholders who plan to attend the Meeting must follow the instructions set out in the form of proxy or voting instruction form to ensure that their common shares will be voted at the Meeting. If you hold your common shares in a brokerage account, you are not a registered shareholder.**

Vancouver, BC

November 8, 2023

BY ORDER OF THE BOARD OF DIRECTORS  
OF PERIMETER MEDICAL IMAGING, INC.

(signed) “*Suzanne Foster*”

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Suzanne Foster

Chairperson of the Board

**PERIMETER MEDICAL IMAGING AI, INC.**  
**555 Richmond St. W, Suite 511, Toronto, Ontario M4M 1R7**

**MANAGEMENT INFORMATION CIRCULAR**  
as at November 8, 2023 (except as otherwise indicated)

This Management Information Circular (the “**Circular**”) is furnished in connection with the solicitation of proxies by the management of Perimeter Medical Imaging AI, Inc. for use at the Annual General Meeting (the “**Meeting**”) of holders of common shares of the Company (the “**Common Shares**”) to be held on December 6, 2023 at 1:00 p.m. (Toronto Time) online at [meetnow.global/MG7GPVS](https://meetnow.global/MG7GPVS), and at any and all adjournments thereof, and for the purposes set forth in the accompanying Notice of Meeting.

Unless specified otherwise, all information contained herein is as of November 8, 2023.

“**Shareholders**” means the holders of Common Shares. “**Registered Shareholders**” mean Shareholders whose names appear on the records of the Company as the registered holders of Common Shares. “**Beneficial Shareholders**” means shareholders who do not hold Common Shares in their own name.

**Please Read This Important Notice**

The Company is conducting an online only Meeting. Registered Shareholders and duly appointed proxyholders can attend the Meeting online at [meetnow.global/MG7GPVS](https://meetnow.global/MG7GPVS) where they can participate, vote or submit questions during the Meeting’s live webcast.

The specific details of the matters to be put before the Meeting, as identified above, are set forth in the Management Information Circular accompanying this Notice of Meeting.

The Board has fixed the close of business on November 6, 2023 as the record date for the determination of the Shareholders entitled to receive notice of and vote at the Meeting or any adjournment or postponement thereof.

## **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS AND RISKS**

This Circular contains forward-looking statements that relate to Company's current expectations and views of future events. In some cases, these forward-looking statements can be identified by words or phrases such as "may", "would", "could", "will", "likely", "believe", "expect", "anticipate", "intend", "plan", "estimate", or the negative of these terms, or other similar expressions intended to identify forward-looking statements. The Company has based these forward-looking statements on its current expectations and projections about future events and financial trends that it believes might affect its financial condition, results of operations, business strategy and financial needs. These forward-looking statements include but are not limited to statements and information concerning: the matters to be brought before the Meeting; the administration of the Omnibus Incentive Plan (as defined below); the Board's use of Options (as defined below) as part of the Company's overall executive compensation plan; the proposed composition of the Board and Board's committees after the Meeting and the Company's compensation policies, practices and plans.

These forward-looking statements are based on the beliefs of the management of the Company as well as on assumptions which such management believes to be reasonable, based on information currently available at the time such statements were made. However, there can be no assurance that forward-looking statements will prove to be accurate. Such assumptions and factors include, among other things, (i) the accuracy of Perimeter's financial projections; (ii) obtaining positive results from trials; (iii) obtaining necessary regulatory approvals; and (iv) general business, market and economic conditions.

Although the Company believes that the assumptions underlying these statements are reasonable, they may prove to be incorrect, and the Company cannot assure that actual results will be consistent with these forward-looking statements. Given these risks, uncertainties and assumptions, any investors or users of this document should not place undue reliance on these forward-looking statements. Whether actual results, performance or achievements will conform to the Company's expectations and predictions is subject to a number of known and unknown risks, uncertainties, and other factors including, but not limited to, those described in Perimeter's most recent Management Discussion and Analysis which is available on Perimeter's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca) and could cause actual events or results to differ materially from those projected in any forward-looking statements. In particular, we note the risk that our technology may not achieve the anticipated benefits in terms of surgical outcomes.

Forward-looking statements are statements about the future and are inherently uncertain. Actual results could differ materially from those projected in the forward-looking statements as a result of the matters set out or incorporated by reference in this Circular generally and certain economic and business factors, some of which may be beyond the control of the Company. Perimeter does not intend, nor does Perimeter undertake any obligation, to update or revise any forward-looking information contained in this news release to reflect subsequent information, events, or circumstances or otherwise, except if required by applicable laws.

## **REPORTING CURRENCY**

This Circular contains reference to Canadian dollars ("C\$") and United States dollars (" \$" and "US\$"). All dollar amounts referenced, unless otherwise indicated, are expressed in United States dollars. Unless otherwise stated, Canadian dollar amount which have been converted to United States dollars have been converted at an exchange rate of C\$1.00 = US\$0.7383, representing the daily exchange rate for converting Canadian dollars into United States dollars, as quoted by the Bank of Canada on December 31, 2022. On November 7, 2023, the daily exchange rate quoted by the Bank of Canada was C\$1.00 = US\$0.7267

## GENERAL PROXY INFORMATION

### Solicitation of Proxies

The enclosed Proxy is being solicited by or on behalf of management for use at the Meeting or any adjournment(s) or postponement(s) thereof.

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone, facsimile transmission or other electronic means of communication by directors, officers, regular employees of the Company and the Company may retain the services of a proxy solicitation agent to assist in the solicitation of proxies. The Company will bear all costs of this solicitation.

### Appointment of Proxyholder

Only Registered Shareholders of Perimeter or their duly appointed proxy holders are entitled to vote at the virtual Meeting. Voting instructions for Beneficial Shareholders are set forth below under the heading “**Beneficial Shareholders**”.

The purpose of the accompanying form of proxy (“**Proxy**”) is to permit a Registered Shareholder to designate one or more persons as proxy holder(s) to vote on that Registered Shareholder’s behalf in accordance with the instructions given by the Registered Shareholder in the Proxy.

**If you are a Registered Shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than either of the persons designated in the Proxy, who need not be a Shareholder, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

Shareholders who wish to appoint a third-party proxyholder to represent them at the online Meeting **must submit their VIF (as defined below) or Proxy (as applicable) prior to registering their proxyholder. Registering a proxyholder is an additional step once you have submitted your VIF (as defined below) or Proxy (as applicable). Failure to register the proxyholder will result in the proxyholder not receiving an invite code to participate in the Meeting.** To register a proxyholder, Shareholders **MUST** visit <http://www.computershare.com/PerimeterMedical> by 1:00 p.m. (Toronto Time) on December 4, 2023 and provide Computershare with their proxyholder’s contact information, so that Computershare may provide the proxyholder with an invite code via email.

A Proxy can be submitted to Computershare either in person, or by mail or courier, to 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1, or via the internet at [www.investorvote.com](http://www.investorvote.com). The Proxy must be deposited with Computershare by no later than 1:00 p.m. (Toronto Time) on December 4, 2023, or if the Meeting is adjourned or postponed, not less than 48 hours, excluding Saturdays, Sundays and statutory holidays, before the commencement of such adjourned or postponed Meeting, unless the Chairperson of the Meeting exercises their discretion to accept proxies received after that time. If a Shareholder who has submitted a Proxy attends the Meeting via the webcast and has accepted the terms and conditions when entering the Meeting online, any votes cast by such Shareholder on a ballot will be counted and the submitted Proxy will be disregarded.

A Proxy may not be valid unless it is dated and signed by the Registered Shareholder or the Registered Shareholder’s authorized attorney in writing, or, if the Registered Shareholder is a corporation, under its

corporate seal by an officer or attorney duly authorized. If a Proxy is executed by an authorized attorney for an individual Registered Shareholder, or by an officer or attorney for a corporate Registered Shareholder, the instrument so empowering the officer or attorney or a notarially certified copy thereof, should accompany the Proxy.

**Without an invite code, proxyholders will not be able to vote at the Meeting.**

### **Voting by Proxyholder**

The persons named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with the instructions provided by the Registered Shareholder on any ballot that may be called for. If a choice is specified with respect to any matter to be acted upon, the Registered Shareholder's Common Shares will be voted accordingly. The Proxy confers discretionary authority on the persons named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors,
- (b) any amendment to or variation of any matter identified therein, and
- (c) any other matter that properly comes before the Meeting.

**In respect of a matter for which a choice is not specified in the Proxy, the management appointee acting as a proxyholder will vote in favour of each matter identified on the Proxy and, if applicable, for the nominees of management for directors and auditors as identified in the Proxy. At the time of printing of this Circular, management of Perimeter knows of no such amendments, variations or other matters that are anticipated to be presented for consideration or action at the Meeting.**

### **How to Attend the Meeting**

Shareholders and duly appointed proxyholders can attend the Meeting online by going to [meetnow.global/MG7GPVS](https://meetnow.global/MG7GPVS).

Registered Shareholders and duly appointed proxyholders can participate in the Meeting by clicking "**Shareholder**" and entering a Control Number or an Invitation Code before the start of the Meeting.

- **Registered Shareholders** - The 15-digit control number is located on the Proxy or in the email notification you received.
- **Duly appointed proxyholders** - Computershare will provide the proxyholder with an invite code after the voting deadline has passed.

Voting at the Meeting will only be available for Registered Shareholders and duly appointed proxyholders. Beneficial Shareholders who have not appointed themselves may attend the Meeting by clicking "**Guest**" and completing the online form.

Shareholders who wish to appoint a third-party proxyholder to represent them at the online Meeting **must submit their VIF (as defined below) or Proxy (as applicable) prior to registering their proxyholder. Registering the proxyholder is an additional step once a Shareholder has submitted their Proxy / VIF. Failure to register a duly appointed proxyholder will result in the proxyholder not receiving an**

**invite code to participate in the Meeting.** To register a proxyholder, Shareholders MUST visit <http://www.computershare.com/PerimeterMedical> by 1:00 p.m. (Toronto Time) on December 4, 2023 and provide Computershare with their proxyholder's contact information, so that Computershare may provide the proxyholder with an invite code via email.

**It is important that you are connected to the internet at all times during the Meeting in order to vote when balloting commences.**

**In order to participate online, Shareholders must have a valid 15-digit control number and proxyholders must have received an email from Computershare containing an invite code.**

### **Revocation of Proxies**

In addition to revocation in any other manner permitted by law, a Registered Shareholder who has given a Proxy may revoke it by:

- (a) executing and submitting a Proxy bearing a later date in accordance with the instructions and deadline set out above;
- (b) by executing a valid notice of revocation, to be executed by the Registered Shareholder or the Registered Shareholder's authorized attorney in writing, or, if the Registered Shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the notice of revocation to Computershare by hand or mail at 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, or by fax within North America at 1-866-849-7775, or at the address of the office of the Company at 555 Richmond St. W, Suite 511, Toronto, Ontario M4M 1B7, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or
- (c) attending the Meeting via webcast and voting the Registered Shareholder's Common Shares. If you are using a 15-digit control number or a username assigned by Computershare to login to the Meeting and you accept the terms and conditions, you will be revoking any and all previously submitted proxies. However, in such a case, you will be provided the opportunity to vote by ballot on the matters put forth at the Meeting. If you DO NOT wish to revoke all previously submitted proxies, do not accept the terms and conditions, in which case you can only enter the Meeting as a guest.

A revocation of a Proxy will not affect the matter on which a vote is taken before the revocation.

### **Beneficial Shareholders**

**The following information is of significant importance to Beneficial Shareholders who do not hold Common Shares in their own name.** Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders (those whose names appear on the records of the Company as the registered holders of Common Shares).

If Common Shares are listed in an account statement provided to a Shareholder by a broker or other **"intermediary"** (a term used to refer to, among others, brokers, banks, trust companies and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans), then in almost all cases

those Common Shares will not be registered in the Shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the names of intermediaries. In Canada, the vast majority of such Common Shares are registered under the name CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms) and in the United States, under the name Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks).

Pursuant to Canadian National Instrument 54-101 - Communication with Beneficial Owners of Securities of a Reporting Issuer ("NI 54-101"), intermediaries, such as those listed above, are required to seek voting instructions from Beneficial Shareholders in advance of meetings of Shareholders. Meeting materials sent to Beneficial Shareholders (who have not waived their right to receive Meeting materials) do not contain a Proxy. Instead, pursuant to NI 54-101, they will likely contain a Voting Instruction Form ("VIF"). The content of a VIF is almost identical to the content of a Proxy. A VIF differs from the Proxy insofar as its purpose is limited to instructing the Registered Shareholder (the intermediary) or the Company how to vote on behalf of the Beneficial Shareholder. Without specific instructions, intermediaries are prohibited from voting such Common Shares. Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person.

Every intermediary has its own mailing procedures and provides its own return instructions to clients. By returning a VIF in accordance with the instructions noted on it, a Beneficial Shareholder is able to instruct to ensure that their Common Shares are voted at the Meeting.

A Beneficial Shareholder who wishes to attend and vote at the virtual Meeting may write the name of the Beneficial Shareholder in the place provided for that purpose on the VIF. **A Beneficial Shareholder also has the right to appoint a person or company other than the persons designated in the Proxy, who need not be a Shareholder, to attend the Meeting and act on behalf of the Beneficial Shareholder. Unless prohibited by law, the person whose name is written in the space provided in the VIF will be appointed as proxy holder for the Beneficial Shareholder and will have full authority to present matters to the Meeting and vote on all matters that are presented at the Meeting, even if those matters are not set out in the VIF or this Circular.** A Beneficial Shareholder should consult a legal advisor if the Beneficial Shareholder wishes to modify the authority of the person to be appointed as proxy holder in any way. Shareholders who wish to appoint a third-party proxyholder to represent them at the online Meeting **must submit their VIF prior to registering their proxyholder. Registering a proxyholder is an additional step once you have submitted your VIF. Failure to register the proxyholder will result in the proxyholder not receiving an invite code to participate in the Meeting.** To register a proxyholder, Shareholders **MUST** visit <http://www.computershare.com/PerimeterMedical> by 1:00 p.m. (Toronto Time) on December 4, 2023 and provide Computershare with their proxyholder's contact information, so that Computershare may provide the proxyholder with an invite code via email.

There are two kinds of Beneficial Shareholders recognized by NI 54-101, those who object to their name being made known to the issuers of securities which they own (called "**OBOs**" for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are (called "**NOBOs**" for Non- Objecting Beneficial Owners).

The Company is taking advantage of the provisions of NI 54-101 which permits the Company to deliver proxy-related materials directly to its NOBOs. As a result, NOBOs can expect to receive a scannable VIF from our transfer agent, Computershare. The VIF is to be completed and returned to Computershare as set out in the instructions provided on the VIF. Computershare will tabulate the results of the VIFs received

from NOBOs and will provide appropriate instructions at the Meeting with respect to the Common Shares represented by the VIFs they receive.

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

These proxy-related materials are being sent to both registered and non-registered owners of the Common Shares of the Company. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name, address and information about your holdings of securities, were obtained in accordance with applicable securities regulatory requirements from the intermediary holding securities on your behalf.

Beneficial Shareholders who are OBOs should follow the instructions of their intermediary carefully to ensure that their Common Shares are voted at the Meeting. Unless required pursuant to United States proxy rules, the Company does not intend to pay for the intermediaries to forward to OBOs under NI 54-101 the proxy-related materials and Form 54-101F7 - Request for Voting Instructions Made by Intermediary, and in the case of an OBO, the OBO will not receive the materials unless the OBO's intermediary assumes the cost of delivery.

Most brokers or intermediaries delegate responsibility for mailing proxy-related materials to OBOs, and obtaining voting instructions from OBOs to Broadridge Financial Solutions, Inc. ("**Broadridge**") in Canada and the United States. Broadridge prepares its own form of VIF based on the Proxy and mails the VIF and the other proxy-related materials to OBOs. The completed VIF must then be returned to Broadridge in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting and the appointment of any Shareholder's representative. **If you receive a VIF from Broadridge, the VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have your Common Shares voted or to have an alternate representative duly appointed to attend the Meeting and vote your Common Shares at the Meeting.**

### **Participating and Voting at the Meeting**

The Meeting will be hosted online by way of a live webcast. Shareholders will not be able to attend the Meeting in person. A summary of the information shareholders will need to attend the online Meeting is provided below. The Meeting will begin at 1:00 p.m. (Toronto Time) on December 6, 2023.

- **Registered Shareholders** that have a 15-digit control number, along with duly appointed proxyholders who were assigned an invitation code by Computershare will be able to vote and submit questions during the Meeting. To do so, please go to [meetnow.global/MG7GPVS](https://meetnow.global/MG7GPVS) prior to the start of the Meeting to login. Click on "Shareholder" and enter your 15-digit control number or click on "Invitation" and enter your invite code. Beneficial Shareholders who have not appointed themselves to vote at the Meeting, may login as a guest, by clicking on "Guest" and complete the online form.
- **United States Beneficial holders:** To attend and vote at the virtual Meeting, you must first obtain a valid legal proxy from your broker, bank or other agent and then register in advance to attend the virtual Meeting. Follow the instructions from your broker or bank included with

these proxy materials, or contact your broker or bank to request a legal proxy form. After first obtaining a valid legal proxy from your broker, bank or other agent, to then register to attend the virtual Meeting, you must submit a copy of your legal proxy to Computershare. Requests for registration should be directed to:

Computershare  
100 University Avenue  
8<sup>th</sup> Floor  
Toronto, Ontario  
M5J 2Y1  
OR  
Email at [uslegalproxy@computershare.com](mailto:uslegalproxy@computershare.com)

Requests for registration must be labeled as “Legal Proxy” and be received no later than 1:00 p.m. (Toronto Time) on December 4, 2023. You may attend the virtual Meeting and vote your shares at [meetnow.global/MG7GPVS](https://meetnow.global/MG7GPVS) during the Meeting. Please note that you are required to register your appointment at <http://www.computershare.com/PerimeterMedical>.

- **Beneficial Shareholders** who do not have a 15-digit control number or invite code will only be able to attend as a guest which allows them listen to the Meeting however will not be able to vote or submit questions. Please see the information under the heading “Beneficial Shareholders” for an explanation of why certain shareholders may not receive a Proxy.

If you are eligible to vote at the Meeting, it is important that you are connected to the internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure connectivity for the duration of the Meeting.

### **Voting at the Meeting**

A Registered Shareholder, or a Beneficial Shareholder 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. To have their shares voted at the Meeting, each Registered Shareholder or proxyholder will be required to enter their control number or invite code provided by Computershare at [meetnow.global/MG7GPVS](https://meetnow.global/MG7GPVS) prior to the start of the Meeting. In order to vote, Beneficial Shareholders who appoint themselves as a proxyholder **MUST** register with Computershare at <http://www.computershare.com/PerimeterMedical> after submitting their VIF in order to receive an invite code. If a Shareholder who has submitted a Proxy attends the Meeting via the webcast and has accepted the terms and conditions when entering the Meeting online, any votes cast by such Shareholder on a ballot will be counted and the submitted Proxy will be disregarded.

### **Notice to Shareholders in the United States**

The solicitation of proxies involves securities of an issuer located in Canada and is being effected in accordance with the corporate laws of the Province of British Columbia, Canada and securities laws of the provinces of Canada. The proxy solicitation rules under the United States Securities Exchange Act of 1934, as amended, are not applicable to the Company or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the provinces of Canada differ from the disclosure requirements under United States securities laws.

The enforcement by Shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is incorporated under the Business Corporations Act (British Columbia) (the “**BCBCA**”), as amended, certain of its directors and its executive officers are residents of Canada and a substantial portion of its assets and the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

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

Except as disclosed herein, no person who has been a director or executive officer of the Company at any time since the beginning of the Company’s last financial year, proposed nominee for election as director of the Company, and no associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting other than the election of directors.

### VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The board of directors of the Company (the “**Board**”) has fixed November 6, 2023 as the record date (the “**Record Date**”) for determination of persons entitled to receive notice of the Meeting. Only Shareholders of record at the close of business on the Record Date who either attend the virtual Meeting or complete, sign and deliver a Proxy or VIF in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

We strongly encourage Perimeter shareholders to vote in advance of the Meeting rather than voting at the Meeting or appointing an alternate proxyholder to attend or vote on their behalf at the Meeting.

The Company’s authorized capital consists of an unlimited number of Common Shares without par value. As of the Record Date, there were 65,025,739 Common Shares issued and outstanding, each carrying the right to one vote on all matters to come before the Meeting. The Company has no other classes of voting securities. The Common Shares of the Company are listed for trading on the TSX Venture Exchange (the “**TSXV**”) under the trading symbol “**PINK**”.

To the knowledge of the directors and executive officers of the Company, no persons or corporations beneficially own, or control or direct, directly or indirectly, shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Company other than as set below:

<u>Name of Registered Shareholder</u>	<u>Number of Common Shares</u>	<u>Percentage of Outstanding Common Shares<sup>(1)</sup></u>
SC Master Holdings, LLC (“ <b>Social Capital</b> ”) <sup>(2)</sup>	14,446,667	22.25

Notes:

- (1) Percentage of outstanding Common Shares is calculated based on Common Shares issued and outstanding as 65,025,739.
- (2) Social Capital the holder of 14,446,667 fully vested warrants to purchase 14,446,667 Common Shares.

## VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast at the Meeting is required to pass the ordinary resolutions described herein.

## PARTICULARS OF MATTERS TO BE ACTED UPON

### Election of Directors

The term of office of each of the current directors will end at the conclusion of the Meeting. Unless the director's office is earlier vacated in accordance with the provisions of the BCBCA, each director elected will hold office until the conclusion of the next annual meeting of the Company, or if no director is then elected until a successor is elected.

Pursuant to Section 10.12 of the Company's Articles, any additional director nominations for an annual meeting must be received by the Company, not less than 30 days prior to the date of the Meeting; provided, however, that in the event that the annual meeting is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the annual meeting was made, notice may be made not later than the close of business on the 10th day following the day on which the first public announcement of the date of such meeting is made. As of the date of this Circular, the Company has not received notice of a nomination in compliance with the Company's Articles. If no such notice is received by the aforementioned deadline, any nominations other than nominations by or at the direction of the Board or an authorized officer of the Company will be disregarded at the Meeting.

**Nominees.** The following disclosure sets out the names of management's six nominees for election as directors, all major offices and positions with the Company and any of its significant affiliates each now holds, each nominee's principal occupation, the period of time during which each has been a director of the Company and the number of Common Shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at the Record Date.

Name of Nominee; Current Position with the Company and Province or State and Country of Residence	Principal Occupation <sup>(1)(2)</sup>	Period as a Director of the Company	Common Shares Beneficially Owned or Controlled <sup>(1)</sup>
<b>Suzanne M. Foster</b> <sup>(2)(4)</sup> Chairperson <i>New Hampshire, United States of America</i>	President of Beckman Coulter Life Sciences, a global leader in laboratory automation and innovation. Previously President of Cardinal Health Inc. at Home Solutions, an integrated healthcare services and products company. Previously Vice President & General Manager at Medtronic, a global leader in medical technology, services, and solutions.  Member of the Board of Directors of Unifil Corporation, a public company that engages in the local distribution of electricity and natural gas.	March 2018	43,756 Common Shares 376,667 Options 42,000 Warrants
<b>Aaron Davidson</b> <sup>(4)</sup> Director <i>Ontario, Canada</i> <i>Florida, United States of America</i>	Previously CFO and SVP Corporate Developmental, Profound Medical Inc., a medical technology company. Co-Head and Managing Director of H.I.G. BioHealth Partners, an investment fund investing in BioHealth opportunities.	August 2020	84,000 Common Shares 285,000 Options 84,000 Warrants

Name of Nominee; Current Position with the Company and Province or State and Country of Residence	Principal Occupation <sup>(1)(2)</sup>	Period as a Director of the Company	Common Shares Beneficially Owned or Controlled <sup>(1)</sup>
<b>Ian Mortimer</b> <sup>(3)</sup> Director <i>British Columbia, Canada</i>	President and Chief Executive Officer of Xenon Pharmaceuticals Inc., a clinical stage biopharmaceutical company. Member of the Board of Directors of Xenon Pharmaceuticals Inc.	July 2020	113,333 Common Shares 285,000 Options 30,000 Warrants
<b>Hugh Cleland</b> <sup>(3)(5)</sup> Director <i>Ontario, Canada</i>	Co-Founder and CEO at Roadmap Capital, a venture capital investment platform.	April 2017	69,800 Common shares, 135,000 Options
<b>Anantha Kancherla</b> <sup>(4)(6)</sup> Director <i>California, United States of America</i>	Engineering Director at Meta Platforms, Inc., a multinational technology conglomerate. Previously VP of Engineering at Lyft, a mobility as a service company.	June 2022	90,000 Options
<b>Joshua G. Vose, MD., MBA.</b> <sup>(3)(7)</sup> Director <i>Washington, United States of America</i>	Previously Chief Executive Officer and Board Director of SIA Health (Surgical Innovation Associates, Chicago, IL, acquired by Integra LifeSciences, Inc.). Previously Chief Medical Officer at Enclear Therapies, Inc. (Cambridge, MA), and Senior Medical Director at Medtronic, plc. (Minneapolis, MN).	June 2023	90,000 Options
<b>Adrian Mendes</b> Chief Executive Officer <i>California, United States of America</i>	Chief Executive Officer of the Company. Previously Chief Executive Officer of Groq.	N/A	2,905,908 Options

Notes:

- (1) The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective nominees.
- (2) On January 17, 2023, Ms. Foster replaced Dr. Holler as Chairman of the Board. On May 23, 2023, Dr. Holler resigned from the Board.
- (3) Member of the Audit Committee
- (4) Member of the Nominations, Corporate Governance and Compensation Committee.
- (5) Mr. Cleland is a principal of Roadmap, which, as of the date of this Circular, beneficially owned, or controlled or directed, directly or indirectly, 1,952,628 Common Shares and 467,548 Warrants.
- (6) Nominated to the Board by Social Capital pursuant to the Investor Rights Agreement.
- (7) On June 5, 2023, the Company appointed Mr. Vose to its Board of Directors.

Unless otherwise specified, the persons named in the enclosed Proxy will vote for the election of each of the six nominees to serve as directors of the Company. The Board does not contemplate that any of such nominees will be unable to serve as a director; however, if for any reason any of the proposed nominees do not stand for election or are unable to serve, the persons designated in the Proxy will be able to vote in their discretion for any substitute nominee or nominees.

**The Board unanimously recommends that each Shareholder vote FOR the approval of the election of each of the seven nominees to serve as directors of the Company. Common Shares represented by proxies in favour of the management nominees will be voted FOR the election of each of the six nominees to serve as directors of the Company, unless a Shareholder has specified in its Proxy that its Common Shares are to be withheld from voting on the election of a director.**

**Cease Trade Orders and Bankruptcies.** Other than as described below, no proposed director of the Company is, as of the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that: (i) was subject to 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, 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 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, 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.

Other than as described below, no proposed director of the Company is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Other than as described below, no proposed director of the Company has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Other than as described below, no proposed director of the Company has been subject to 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 has been subject to 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.

From September 2013 to March 2017, Mr. Cleland served on the board of directors of American Solar Direct Inc., a private U.S. corporation specializing in the sale and installation of solar panels in California. American Solar Direct Inc. experienced rapid growth between 2009 and 2014 but, as renewable energy fell out of favor with the then new U.S. presidential regime, financing for solar panel companies became increasingly difficult to obtain on terms that were commercially acceptable. Mr. Cleland resigned from the board of American Solar Direct Inc. in March 2017. In June 2017, American Solar Direct Inc. filed for bankruptcy with the U.S. Bankruptcy Court in the Central District of California (Los Angeles). American Solar Direct Inc.'s assets were eventually sold to an operating solar power company.

#### **Appointment of Auditor.**

KPMG LLP is the Company's auditor and was first appointed as the Company's auditor on July 15, 2019 by the Board. KPMG LLP will be nominated at the Meeting for reappointment as auditor of the Company at remuneration to be fixed by the directors.

In order to be effective, the ordinary resolution must be passed by a majority of votes cast by Shareholders at the Meeting. Unless otherwise specified, the persons named in the enclosed Proxy will vote for the appointment of KPMG LLP as auditor of the Company for the ensuing year, at a remuneration to be fixed by the directors.

The Board unanimously recommends that each Shareholder vote FOR the appointment of KPMG LLP as auditor of the Company and authorizing the Board to fix the auditor's remuneration. Common Shares represented by proxies in favour of the management nominees will be voted FOR the appointment of KPMG LLP as auditor of the Company and authorizing the Board to fix the auditor's remuneration, unless a Shareholder has specified in its Proxy that its Common Shares are to be withheld from voting on the appointment of auditor.

## STATEMENT OF EXECUTIVE COMPENSATION

### Named Executive Officers

In this section, "Named Executive Officer" or "NEO" means each of the following individuals:

- (a) each individual who served as Chief Executive Officer ("CEO") of Perimeter during any part of the most recently completed financial year, including an individual performing functions similar to a CEO;
- (b) each individual who served as Chief Financial Officer ("CFO") of Perimeter during any part of the most recently completed financial year, including an individual performing functions similar to a CFO;
- (c) the most highly compensated executive officer, or the most highly compensated individual acting in a similar capacity, other than the CEO and CFO identified in paragraphs (a) and (b), at the end of the most recently completed financial year whose total compensation was more than \$150,000 for that financial year; and
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of Perimeter, and was not acting in a similar capacity, at the end of that financial year.

The Company had three NEOs during its financial year ended December 31, 2022, namely Jeremy Sobotta, who served as the Company's CEO in the most recently completed financial year, Chris Scott, who served as CFO from June 2022 until January 2023, and Tom Boon, who serves as the Company's current Chief Operating Officer.

### Oversight and Description of Director and Named Executive Officer Compensation

**Objectives.** Perimeter has established a Nominations, Corporate Governance and Compensation Committee (the "NCGC Committee") comprised of four directors as at December 31, 2022; Aaron Davidson (Chair), Ian Mortimer, Suzanne Foster and Hugh Cleland. Effective July 1<sup>st</sup>, 2023, the composition of the committee changed in that Anantha Kancherla joined the NCGC and replaced Hugh Cleland and Ian Mortimer, for a committee of three directors.

The NCGC Committee oversees the Company's remuneration policies and practices. The NCGC Committee meets annually subsequent to the annual meeting or more frequently as determined by the committee and the Board to discuss and determine management compensation, without reference to formal objectives, criteria or analysis. A copy of the NCGC Committee's charter is available on the Company's website at:

<https://ir.perimetermed.com/governance/governance-documents>.

Perimeter has relied on the experience of the Board and the NCGC Committee in setting Director and executive compensation. In considering compensation awards, the NCGC Committee takes into account the performance, potential, expertise, and experience of its executives as well as comparable levels of compensation for individuals with similar capabilities and experience. Regarding Perimeter's current executive compensation arrangements, the NCGC Committee has considered such factors as Perimeter's current financial situation, the estimated financial situation of Perimeter in the future and the need to attract and retain the key executives necessary for Perimeter's long-term success. The general objectives of Perimeter's compensation strategy are to (a) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term value for Perimeter's Shareholders; (b) align management's interests with the long-term interests of Shareholders; (c) provide a compensation package that enables Perimeter to attract and retain talent; and (d) ensure that the total compensation package is designed in a manner that takes into account the constraints that Perimeter is under by virtue of the fact that it has recently commercialized its technology and has a history of losses. The Board generally considers four elements of compensation - a base salary for the current financial year, a discretionary cash bonus for the previously completed financial year, a grant of long-term Options to purchase Common Shares, and benefits plans.

The Company's compensation objectives seek to align management interests with Shareholder interests through both short-term and long-term incentives linking compensation to performance. The short-term incentive is an annual cash bonus which is linked to individual performance and the Company's performance. Further, long-term incentive grants of Options also comprise a portion of overall compensation for the Company's NEOs. The Board believes this is appropriate because it creates a direct correlation between variations in the Company's share price (which is based in part on the Company's financial performance) and the compensation of its NEOs, thereby aligning the interests of the Company's executives and Shareholders.

**Base Salary.** Base salary is intended to reflect an executive officer's position within the Company, his or her years of experience and level of responsibility, and salary norms in the sector and the general marketplace. As such, decisions with respect to base salary levels for executive officers are not based on objective identifiable performance measures but for the most part are determined by reference to competitive market information for similar roles and levels of responsibility, as well as more subjective performance factors such as leadership, commitment, accountability, industry experience and contribution. The Company's view is that a competitive base salary is a necessary element for retaining qualified executive officers, as it creates a meaningful incentive for individuals to remain at Perimeter and not be unreasonably susceptible to recruiting efforts by the Company's competitors.

In determining the base salary compensation of Named Executive Officers, the Board and the NCGC Committee consider:

- (a) recruiting and retaining executives critical to the success of the Company and the enhancement of shareholder value;
- (b) providing fair and competitive compensation;
- (c) balancing the interests of management and Shareholders; and
- (d) rewarding performance, both on an individual basis and with respect to operations in general.

**Bonus Awards.** The Board will consider whether it is appropriate and in the best interests of the Company to award a discretionary cash bonus to executive officers for the most recently completed financial year and if so, in what amount. A cash bonus may be awarded to reward extraordinary performance that has led to increased value for Shareholders. Performance objectives include the achievement of the Company's departmental and individual goals, which may be quantitative or qualitative in nature. These have been established for each individual executive officer by the Board with alignment of such corporate and individual goals with the CEO and include objectives such as research and product development, company productivity, and long-term strategic guidance of the Company. These corporate, departmental, and individual goals form the basis for the review of the executive officers and the determination of cash bonuses at the end of each year with the Board. These awards are reviewed yearly to ensure that corporate performance metrics and individual goals are consistent from year to year.

Bonus award payments are based on the following assessment of:

- (a) whether or not the executive officers have successfully met or exceeded the established corporate, departmental and individual performance metrics and goals;
- (b) the executive officers' decisions and actions and whether or not they are aligned with the Company's long-term growth strategy and have created value for Shareholders;
- (c) whether any near-term goals and objectives were not met because the executive officers made decisions in the best long-term interests of the Company or due to factors outside of the executive officers' control; and/or
- (d) additional initiatives undertaken by the executive officers, which were not contemplated in the initial objectives.

For the fiscal year ended December 31, 2022, the Company established the following targets, as a percentage of base salary, were approved for each NEO for the fiscal year ending December 31, 2022:

<u>Position</u>	<u>Target</u>
CEO	60%
Other NEOs	20-55%

For 2022, the Board adopted a mix of subjective and objective performance-based criteria that contemplate a number of factors related to key aspects of the Company's business plan and strategy. At the conclusion of the year, the Board assessed actual performance against these objectives for cash bonus incentive plan purposes:

<u>Criteria</u>	<u>Relative Weight</u>
Installation base of Perimeter's S-Series OCT system	40%
Complete Enrollment of patients in Perimeter's ongoing pivotal trial evaluating the B-Series OCT system with ImgAssist AI	40%
ISO13485 readiness	20%

In addition to the corporate objectives described above, the Board adopted additional subjective performance criteria in order to assess the Chief Executive Officer's performance. These additional criteria

include improving the Company's internal corporate governance and reporting standards and were given a relative weight of 20% in determining the Chief Executive Officer's cash bonus incentive for 2022.

The Board assessed 2022 performance against these objectives and assigned the following achievement ratios to the criteria:

Criteria	2022 Achievement
Installation base of Perimeter's S-Series OCT system	0%
Complete Enrollment of patients in Perimeter's ongoing pivotal trial evaluating the B-Series OCT system with ImgAssist AI	0%
ISO13485 readiness	20%

For 2023, the Board adopted a mix of subjective and objective performance-based criteria that contemplate a number of factors related to key aspects of the Company's business plan and strategy.

Criteria	Relative Weight
Progression based milestones of ongoing pivotal trial evaluating the B-Series OCT system with ImgAssist AI 2.0	35%
Operational Corporate Objectives, including management of cash runway	30%
Engagement of surgeon advocates/KOLs in 2023	20%
Innovation Pipeline Development	15%

**Long-term Incentives.** Long-term incentives, in the form of Awards, are intended to align the interests of Perimeter's directors and its executive officers with those of the Shareholders, to provide a long-term incentive that rewards these individuals for their contribution to the creation of Shareholder value and to reduce the cash compensation Perimeter would otherwise be required to pay. The Company currently has a 20% fixed incentive plan, which was most recently approved by the Company's Shareholders at the annual general and special meeting held on October 27, 2022 (the "**Omnibus Incentive Plan**"). The Omnibus Incentive Plan is administered by the Board. In establishing the number of Awards to be granted to any particular executive officer, the Board considers: general industry standards and expectations; the number and term of previous grants of Awards, including Options; the overall number of Awards that are outstanding relative to the number of outstanding Common Shares; the performance of the executive officer; and the limits imposed by the terms of the Omnibus Incentive Plan and the TSXV. The terms and conditions of Awards, including vesting provisions and exercise prices, are governed by the terms of the Omnibus Incentive Plan, which are described below under the heading "**Omnibus Incentive Plan**".

**Benefits Plans.** The Company provides broad-based benefit plans to all of its employees, including the same programs for NEOs. All employees participate in the same health care plans, and we do not provide NEOs with any different or additional benefit plans.

**Director Compensation.** Effective July 1<sup>st</sup>, 2023, Directors of the Company, other than the current CEO, are entitled to an annual fee of C\$50,000 for their services. The chair is entitled to an additional annual fee of C\$25,000, the Chair of the Audit Committee is entitled to an additional annual fee of C\$15,000, and the Chair of the NCGC Committee is entitled to an additional annual fee of C\$12,000. Members of the Audit Committee are entitled to an additional annual fee of C\$10,000 and members of the NCGC Committee are entitled to C\$8,000. Directors of the Company are also eligible to receive Awards as an initial grant and on

an annual basis in accordance with the Omnibus incentive Plan and the policies of the TSXV. The granting of Awards provides a link between director compensation and Perimeter's share price. It also rewards directors for achieving results that improve Perimeter's performance and thereby increases Shareholder value. The directors may be reimbursed for actual expenses reasonably incurred in connection with the performance of their duties as directors.

**Independent Compensation Advisory Firm.** In March 2021, Perimeter engaged Aon, an independent executive compensation advisory firm (the "**Independent Compensation Advisory Firm**") that hosts an annual global life sciences compensation survey, to review executive and Board compensation levels and practices and provide recommendations for the 2022 fiscal year. The Independent Compensation Advisory Firm's mandate included the development of a peer group and high-level compensation philosophy that is reflective of market practice for similar-sized companies; reviewing management and Board compensation levels and structure; evaluating the historic equity grants made to management; and making recommendations on the Company's compensation programs, which would be market competitive among a defined peer group.

To facilitate our ability to benchmark competitive compensation levels and practices, the NCGC Committee established a peer group. The NCGC Committee selected the companies that constitute the peer group after discussing various recommendations from the Independent Compensation Advisory Firm. The peer group was selected using NCGC Committee-approved criteria designed to identify companies with whom we are most likely to compete for talent. The criteria include factors such as our size (measured by revenue, market capitalization, and other size measures), our complexity, and our geographic footprint and also ensures we include companies that represent the medical device, life sciences, and technology industries.

The following lists the peer group adopted by the Company.

<b>Compensation Peer Group</b>	
Apollo Endosurgery	Motus GI
Bluejay Diagnostics	NetScientific
ClearPoint Neuro	Navidea Biopharmaceuticals
Effector Therapeutics	NeuroPace
Endra Life Sciences	Perenti Global
GBS	Qualigen Therapeutics
Hamilton Thorne	Ra Medical Systems
HeartBeam	Renalytix
Hyperfine	Stereotaxis
Immuneering	Tivic Health Systems
Lantern Pharma	Vicarious Surgical

The NCGC Committee reviewed and approved the recommended peer group presented by AON and took into account the AON study's compensation philosophy when setting the 2023 remuneration. AON's report concluded that (i) the Company was underpaying management in comparison to peer group companies and (ii) that increased securities based compensation could be used to align management incentives with those of Company's shareholders.

## NEO and Director Compensation (Excluding Compensation Securities)

The following table discloses all compensation for each NEO and director of the Company for the two most recently completed financial years, other than compensation disclosed below under the heading “**Stock Options and Other Compensation Securities**”:

Table of Compensation Excluding Compensation Securities

Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$) <sup>(1)</sup>	Value of all other compensation (\$)	Total compensation (\$)
<b>Jeremy Sobotta</b> <sup>(2)</sup> CEO and Director	2022	354,246	46,875	Nil	Nil	Nil	401,121
	2021	250,000	30,475	Nil	Nil	Nil	280,475
<b>Tom Boon</b> COO	2022	285,000	42,750	Nil	Nil	Nil	327,750
	2021	297,011	29,934	Nil	Nil	Nil	326,945
<b>Chris Scott</b> <sup>(3)</sup> Former CFO	2022	218,750	Nil	Nil	Nil	Nil	218,750
	2021	Nil	Nil	Nil	Nil	Nil	Nil
<b>Anthony Holler</b> <sup>(4)(7)</sup> Director	2022	21,856	Nil	15,299	Nil	Nil	37,155
	2021	23,663	Nil	16,564	Nil	Nil	40,227
<b>Franklyn G. Prendergast</b> <sup>(5)</sup> Director	2022	18,982	Nil	2,785	Nil	Nil	21,767
	2021	23,997	Nil	3,200	Nil	Nil	27,197
<b>Suzanne Foster</b> Director	2022	24,232	Nil	6,376	Nil	Nil	30,608
	2021	23,997	Nil	6,399	Nil	Nil	30,396
<b>Aaron Davidson</b> Director	2022	55,600	Nil	Nil	Nil	Nil	55,600
	2021	55,600	Nil	Nil	Nil	Nil	55,600
<b>Ian Mortimer</b> <sup>(7)</sup> Director	2022	23,054	Nil	12,245	Nil	Nil	35,349
	2021	23,663	Nil	12,620	Nil	Nil	36,283
<b>Douglas Janzen</b> <sup>(5)(7)</sup> Director	2022	18,982	Nil	3,796	Nil	Nil	22,778
	2021	23,663	Nil	4,733	Nil	Nil	28,396
<b>Hugh Cleland</b> <sup>(7)</sup> Director	2022	23,054	Nil	3,074	Nil	Nil	26,128
	2021	35,596	Nil	4,733	Nil	Nil	40,227
<b>Imed Zine</b> <sup>(5)(7)</sup> Director	2022	18,982	Nil	Nil	Nil	Nil	18,982
	2021	35,495	Nil	Nil	Nil	Nil	35,495
<b>Anantha Kancherla</b> <sup>(6)</sup> Director	2022	5,443	Nil	Nil	Nil	Nil	5,443
	2021	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Nil indicates that perquisites and other personal benefits did not exceed the higher of C\$15,000 or 10% of the total salary of the NEO for the financial year.
- (2) On June 3, 2023, Mr. Sobotta resigned from the Board and on June 15, 2023, Mr. Sobotta ceased to act as CEO. Mr. Sobotta received no compensation for services as a director.
- (3) Mr. Scott was appointed as CFO of Perimeter on June 1, 2022. On January 13, 2023, Mr. Scott ceased to act as CFO.
- (4) On May 23, 2023, Dr. Holler resigned from the Board.

- (5) Did not stand for re-election at Perimeter's annual meeting in October 2022.  
 (6) Anantha Kancherla was appointed to the Board of Directors on June 22, 2022.  
 (7) Director's compensation paid in Canadian dollars converted to US dollars using the December 31, 2022 annual average exchange rate reported by the Bank of Canada being US\$1.00 = C\$0.7685 (December 31, 2021-US\$1.00 = C\$0.7978).

## Stock Options and Other Compensation Securities

The following table discloses all compensation securities granted or issued to NEOs and directors of the Company during the financial year ended December 31, 2022.

### Option-Based Compensation Securities

Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class(1)	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of underlying security on date of grant (\$)	Closing price of underlying security at year end(\$)	Expiration Date
<b>Jeremy Sobotta</b> <sup>(2)</sup> CEO and Director	Options	Nil	n/a	n/a	n/a	n/a	n/a
<b>Tom Boon</b> <sup>(3)</sup> COO	Options	Nil	n/a	n/a	n/a	n/a	n/a
<b>Chris Scott</b> <sup>(4)</sup> Former CFO	Options <sup>(14)</sup>	350,000	June 1, 2022	\$1.52 <sup>(15)</sup>	\$1.52 <sup>(15)</sup>	\$1.21	April 13, 2023
<b>Anthony Holler</b> <sup>(5)</sup> Director	Options	Nil	n/a	n/a	n/a	n/a	n/a
<b>Franklyn G. Prendergast</b> <sup>(6)</sup> Director	Options	Nil	n/a	n/a	n/a	n/a	n/a
<b>Suzanne M. Foster</b> <sup>(7)</sup> Director	Options	Nil	n/a	n/a	n/a	n/a	n/a
<b>Aaron Davidson</b> <sup>(8)</sup> Director	Options	Nil	n/a	n/a	n/a	n/a	n/a
<b>Ian Mortimer</b> <sup>(9)</sup> Director	Options	Nil	n/a	n/a	n/a	n/a	n/a
<b>Douglas G. Janzen</b> <sup>(10)</sup> Director	Options	Nil	n/a	n/a	n/a	n/a	n/a
<b>Hugh Cleland</b> <sup>(11)</sup> Director	Options	Nil	n/a	n/a	n/a	n/a	n/a
<b>Imed Zine</b> <sup>(12)</sup> Director	Options	Nil	n/a	n/a	n/a	n/a	n/a
<b>Anantha Kancherla</b> <sup>(13)</sup> Director	Options	Nil	n/a	n/a	n/a	n/a	n/a

Notes:

- (1) Percentage is calculated based on 64,458,586 Common Shares issued and outstanding as at December 31, 2022.  
 (2) As of December 31, 2022, Mr. Sobotta held 1,462,965 Options and 53,392 Common Shares.  
 (3) As of December 31, 2022, Mr. Boon held 464,261 Options and 5,000 Common Shares.

- (4) As of December 31, 2022, Mr. Scott held 350,000 Options and no Common Shares. On January 13, 2023, 262,500 Options were forfeited on ceasing to act as a CFO and remaining options of 87,500 expired on April 13, 2023, in accordance with the Omnibus Incentive Plan.
- (5) As of December 31, 2022, Dr. Holler held 277,500 Options and owns units of the Roadmap Perimeter LP I and the Roadmap Perimeter LP II that effectively give him indirect ownership of (but not voting control over) 953,650 Common Shares as of December 31, 2022.
- (6) As of December 31, 2022, Dr. Prendergast held 340,000 Options and no Common Shares.
- (7) As of December 31, 2022, Ms. Foster held 331,667 Options and 42,000 Common Shares.
- (8) As of December 31, 2022, Mr. Davidson held 240,000 Options and 84,000 Common Shares.
- (9) As of December 31, 2022, Mr. Mortimer held 240,000 Options, and beneficially owned or controlled 92,500 Warrants and 113,333 Common Shares.
- (10) As of December 31, 2022, Mr. Janzen held 340,000 Options and 171,650 Common Shares.
- (11) As of December 31, 2022, Mr. Cleland held 90,000 Options, 69,800 Common Shares and owns units of the Roadmap Perimeter LP I and the Roadmap Perimeter LP II that effectively give him indirect ownership of (but not voting control over) 953,650 Common Shares as of December 31, 2022.
- (12) As of December 31, 2022, Mr. Zine held 90,000 Options and no Common Shares.
- (13) As of December 31, 2022, Mr. Kancherla held no Options and no Common Shares.
- (14) 1/4 of Options vest immediately and 1/4 of Options shall vest on each subsequent anniversary of the grant date.
- (15) Exercise price of C\$1.92 converted to US\$1.52 using an exchange rate of US\$1.00 = C\$0.7912 as of June 1, 2022.

### **Exercise of Compensation Securities by NEOs and Directors**

No compensation securities were exercised by NEOs or directors of the Company during the financial year ended December 31, 2022.

### **Employment, Consulting and Management Agreements.**

During the financial year ended December 31, 2022, each of Mr. Sobotta, Mr. Scott and Mr. Boon, were parties to executive employment agreements (the “**Executive Employment Agreements**”) with the Company. The Executive Employment Agreements have an indefinite term and contain standard confidentiality and non-solicitation provisions. Perimeter has agreed pursuant to the Executive Employment Agreements that each of Mr. Sobotta and Mr. Boon will receive base salaries determined by the Board and may receive discretionary bonuses, grants of Options, reimbursement of expenses, benefits and certain perquisites as set forth in the Executive Employment Agreements, with the amounts paid in 2022 with respect to such matters set forth in the Table of Compensation Excluding Compensation Securities and Option-Based Compensation Securities. Effective June 15, 2023, Mr. Sobotta resigned as chief executive officer of the Company.

The Executive Employment Agreements provide for certain benefits upon termination or change of control. In the event that a party to the Executive Employment Agreements is terminated with cause or resigns, the Company shall have no further obligation other than the payment of unpaid base salary, any bonus declared but not yet paid, and any outstanding vacation pay or expense reimbursement.

If Mr. Sobotta was terminated without cause as of December 31, 2022, he was entitled to a severance payment of twelve months base salary, the target bonus award, and continuation of healthcare benefits for twelve months. Assuming Mr. Sobotta was terminated without cause on December 31, 2022, the estimated value of payments required to be made to Mr. Sobotta under his Executive Employment Agreement would have been \$606,047. If Mr. Sobotta’s employment with the Company was terminated by the Company without cause or by Mr. Sobotta for cause within the period commencing three months prior to and ending twelve months following a change of control, Mr. Sobotta would be entitled to a severance payment of eighteen months plus one month per year of service up to a maximum of twenty-four months of base salary, a multiple of the target bonus award equivalent to the number of severance months, and continuation of healthcare benefits for the number of severance months. Assuming Mr. Sobotta’s employment was

terminated December 31, 2022 without cause following a change of control, the estimated value of payments required to be made to Mr. Sobotta under his Executive Employment Agreement would have been \$1,060,584. On June 3, 2023 Mr. Sobotta resigned from the Board and on June 15, 2023, Mr. Sobotta ceased to act as CEO.

If Mr. Boon is terminated without cause, he is entitled to a severance payment of six months base salary, one half of the target bonus award, and continuation of healthcare benefits for six months. Assuming Mr. Boon was terminated without cause on December 31, 2022, the estimated value of payments required to be made to Mr. Boon under his Executive Employment Agreement would have been \$171,476. If Mr. Boon's employment with the Company is terminated by the Company without cause or by Mr. Boon for cause within the period commencing three months prior to and ending twelve months following a change of control, he is entitled to a severance payment of twelve months plus one month per year of service up to a maximum of eighteen months of base salary, a multiple of the target bonus award equivalent to the number of severance months, and continuation of healthcare benefits for the number of severance months. Assuming Mr. Boon's employment was terminated December 31, 2022 without cause following a change of control, the estimated value of payments required to be made to Mr. Boon under his Executive Employment Agreement would have been \$428,700.

If Mr. Scott is terminated without cause, he is entitled to a severance payment of six months base salary, one half of the target bonus award, and continuation of healthcare benefits for six months. Assuming Mr. Scott was terminated without cause on December 31, 2022, the estimated value of payments required to be made to Mr. Scott under his Executive Employment Agreement would have been \$293,637. If Mr. Scott's employment with the Company is terminated by the Company without cause or by Mr. Scott for cause within the period commencing three months prior to and ending twelve months following a change of control, he is entitled to a severance payment of twelve months plus one month per year of service up to a maximum of eighteen months of base salary, a multiple of the target bonus award equivalent to the number of severance months, and continuation of healthcare benefits for the number of severance months. Assuming Mr. Scott's employment was terminated December 31, 2022 without cause following a change of control, the estimated value of payments required to be made to Mr. Scott under his Executive Employment Agreement would have been \$587,298. On January 13, 2023, Mr. Scott ceased to act as CFO.

Upon a change of control, all outstanding Options shall automatically become fully exercisable.

### **External Management Companies**

There are currently no contracts with external management companies in effect.

### **Omnibus Incentive Plan**

The shareholders of the Company approved the Omnibus Incentive Plan at the annual general and special meeting of the Company on October 27, 2022.

The Omnibus Incentive Plan has been established as a vehicle by which equity-based incentives may be awarded to the directors, officers, employees and consultants of the Company; to provide a flexible, Common Share-based mechanism to attract, retain and motivate qualified individuals; to recognize and reward their significant contributions to the long-term success of the Company; and to align the interests of the Company's directors, officers, employees and consultants more closely with Shareholders.

The Omnibus Incentive Plan is a “**fixed up to 20%**” plan as that term is used in TSXV Policy 4.4 – Security Based Compensation and allows the Company to issue Options, restricted share units, performance share units, deferred share units and stock appreciation rights (collectively “**Awards**”) in accordance with the restrictions set out in the Omnibus Incentive Plan. The maximum number of Common Shares reserved and available for issuance under the Omnibus Incentive Plan, is a fixed limit of up to an aggregate of 12,834,531 Common Shares, such number being equal to approximately 20% of the issued and outstanding Common Shares at the time the Omnibus Incentive Plan was approved (the “**Total Share Authorization**”).

The Board intends to use Awards issued under the Omnibus Incentive Plan as part of the Company’s overall executive compensating plan. Since the value of each type of Award increases or decreases with the price of the Common Shares, the issuance of Awards reflects a philosophy of aligning the interests of Award holders with those of the Shareholders by tying compensation to the share price performance. In addition, the various Awards may assist in the retention of qualified and experienced persons by rewarding those individuals who make a long-term commitment.

### Securities Authorized for Issuance Under Equity Compensation Plans

The following table sets out information as of December 31, 2022 with respect to the Company’s equity compensation plans.

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 (excluding securities reflected in (a))
	(a)	(b)	(c)
Equity compensation plans approved by securityholders	6,199,658	1.40	6,489,037
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
<b>Total</b>	6,199,658	1.40	6,489,037

### Particulars of the Omnibus Incentive Plan

A summary of the material terms of the Omnibus Incentive Plan is provided below. Please refer to Schedule A in the Company’s management information circular for its annual and general meeting held October 27, 2022, which is available on the Company’s profile at [www.sedarplus.ca](http://www.sedarplus.ca), for full text of the Omnibus Incentive Plan. This summary is qualified in its entirety by the full text of the Omnibus Incentive Plan. Unless otherwise specified, all capitalized terms used in the following summary have the same meanings as those given to such terms in the Omnibus Incentive Plan.

**Administration.** The Omnibus Incentive Plan is administered by the Board, subject to the Board’s power to delegate such administrative duties and powers as it may seem fit, from time to time. The Board, or any committee that receives delegated authority to administer the Omnibus Incentive Plan from the Board is referred to herein as the “**Committee**”. The Committee may further delegate certain duties to one or more of its members in accordance with applicable corporate law and as it deems advisable. In connection with its administrative role, the Board may make, amend and repeal at any time and from time to time such

policies not inconsistent with the Omnibus Incentive Plan as it may deem necessary or advisable for the proper administration of the plan. The Company's administration of the Omnibus Incentive Plan will be consistent with the policies and rules of the TSXV and will comply with such other stock exchanges on which the Common Shares may be listed from time to time.

**Eligibility Under the Omnibus Incentive Plan.** Pursuant to the Omnibus Incentive Plan, Awards may be granted to:

- (a) a director of the Company or any of its subsidiaries;
- (b) an officer of the Company or any of its subsidiaries;
- (c) an employee of the Company or any of its subsidiaries, which is (i) an individual that is considered an employee of the Company or any of its subsidiaries under the Income Tax Act (Canada); (ii) an individual who works full-time for the Company or any of its subsidiaries providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; (iii) an individual who works for the Company or any of its subsidiaries on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source;
- (d) a management company employee, which is an individual employed by a person providing management services to the Company, which is required for the ongoing successful operation of the business enterprise of the Company; and
- (e) a consultant to the Company or any of its subsidiaries, which is an individual (or a corporation or partnership of which the individual is an employee, shareholder or partner), other than an employee, officer, management company employee or a director of the Company, that (i) is engaged to provide on a bona fide basis, consulting, technical, management or other services to the Company or any of its subsidiaries, other than services provided in relation to a distribution; (ii) provides the services under a written contract between the Company or a subsidiary of the Company and the individual or the consultant company; (iii) 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 its subsidiaries; and (iv) has a relationship with the Company or a subsidiary of the Company that enables the individual to be knowledgeable about the business and affairs of the Company.

**Common Shares Issuable Under the Omnibus Incentive Plan.** The Omnibus Incentive Plan provides that the maximum number of Common Shares that may be reserved and available for issuance under the Omnibus Incentive Plan and all of the Company's other equity incentive plans or compensation arrangements in existence from time to time on and after the effective date of the Omnibus Incentive Plan, will be 12,834,531 Common Shares. If any Award (or Option issued under the Company's previous option plan) expires, is cancelled, otherwise terminated for any reason without having been exercised in full, or is settled in cash, the number of Common Shares in respect of which such Award was not exercised will again be available for issuance under the Omnibus Incentive Plan.

**Restrictions on Award Grants.** The Committee has the power to determine, in its sole discretion, those Participants to whom Awards are to be awarded. The following restrictions apply to grants under the Omnibus Incentive Plan.

- (a) Unless the Company receives Disinterested Shareholder Approval:
  - (i) the maximum aggregate number of Common Shares that are issuable under all share compensation arrangements of the Company granted or issued in any 12-month period to any one person must not exceed 5% of the Common Shares issued and outstanding calculated at the time of grant;
  - (ii) the maximum aggregate number of Common Shares which may be issued under share compensation arrangements of the Company granted or issued to Insiders as a group must not exceed 10% of the Common Shares issued and outstanding at any point in time; and
  - (iii) the maximum aggregate number of Common Shares that are issuable under all share compensation arrangements of the Company granted or issued in any 12-month period to Insiders as a group must not exceed 10% of the Common Shares issued and outstanding calculated at the time of grant.
- (b) The maximum aggregate number of Common Shares that are issuable under all share compensation arrangements of the Company granted or issued in a 12-month period to any one Consultant must not exceed 2% of the Common Shares issued and outstanding calculated at the time of grant.
- (c) The maximum aggregate number of Common Shares that are issuable under all share compensation arrangements of the Company granted or issued in a 12-month period to all persons retained to provide Investor Relations Activities must not exceed 2% of the Common Shares issued and outstanding calculated at the time of grant.
- (d) Persons retained to provide Investor Relations Activities to the Company may only be granted Options under the Omnibus Incentive Plan.
- (e) Grants shall expire on the expiration date determined by the Board, provided that the maximum term of a grant under the Omnibus Incentive Plan is ten years from its date of grant.

**Types of Awards.** Awards of stock options, restricted share units, performance share units, deferred share units and stock appreciation rights may be made under the Omnibus Incentive Plan. All of the awards described below are subject to the conditions, limitations, restrictions, exercise price, vesting, settlement and forfeiture provisions determined by the Committee, in its sole discretion. Awards are subject to limitations set out in the Omnibus Incentive Plan, and by the TSXV and will generally be evidenced by an Award agreement. In addition, subject to the limitations provided in the Omnibus Incentive Plan and in accordance with applicable law and TSXV requirements, the Committee may accelerate or defer the vesting or payment of Awards, cancel or modify outstanding awards, and waive any condition imposed with respect to Awards.

**Options.** An Option entitles a holder thereof to purchase a prescribed number of treasury Common Shares at an exercise price set at the time of the grant. The Committee will establish the exercise price at the time each Option is granted, which exercise price must in all cases be not less than the market price, as defined in TSXV Policy 1.1 – Interpretation, (the “**Market Price**”) of the Common Shares. Subject to any accelerated

termination as set forth in the Omnibus Incentive Plan, each Option expires on its respective expiry date. The Committee will have the authority to determine the vesting terms (which may include Performance Goals) applicable to grants of Options, subject to the restrictions in the Omnibus Incentive Plan relating to Options granted to providers of Investor Relations Activities. Once an Option becomes vested, it shall remain vested and shall be exercisable until expiration or termination of the Option in accordance with the Award agreement and the Omnibus Incentive Plan. No Option will be exercisable later than the tenth anniversary of the date of its grant, except where the expiry date of any Option would occur in a blackout period or within five days after the end of a blackout period, in which case the expiry date will be automatically extended to the tenth business day following the last day of the blackout period.

The Omnibus Incentive Plan allows Option holders to elect to exercise vested Options on a cashless basis, if, at the time, the Company has engaged a brokerage firm to facilitate cashless exercises. Cashless exercise is a process whereby the selected brokerage firm will loan money to the exercising Option holder to exercise the applicable Options and then sell a sufficient number of the Common Shares underlying the exercised Options in order to repay the loan made to the exercising Option holder.

**Restricted Share Units.** A restricted share unit (“RSU”) is a unit equivalent in value to a Common Share which entitles the holder to receive (subject to adjustment in certain circumstance) one Common Share (or the value thereof) for each RSU after a specified vesting period. The Committee may, from time to time, subject to the provisions of the Omnibus Incentive Plan and such other terms and conditions as the Committee may prescribe, grant RSUs to Participants not engaged in Investor Relations Activities. The Committee shall have the authority to determine any vesting terms applicable to the grant of RSUs (which may include Performance Goals), provided no RSUs may vest before the date that is one year following the date of grant and after the date that is three years following the date of grant and that, if applicable, the vesting terms comply with Section 409A of the U.S. Internal Revenue Code of 1986 (the “Code”).

Upon settlement, for each RSU, holders will receive (a) one fully paid and non-assessable Common Share in respect of each vested RSU, (b) a cash payment or (c) a combination of Common Shares and cash, in each case as determined by the Committee. Any such cash payments made by the Company shall be calculated by multiplying the number of RSUs to be redeemed for cash by the Fair Market Value per Common Share as at the settlement date.

**Performance Share Units.** A performance share unit (“PSU”) is a unit equivalent in value to a Common Share which entitles the holder to receive (subject to adjustment in certain circumstance) one Common Share (or the value thereof) for each PSU after specific performance-based vesting criteria determined by the Committee, in its sole discretion, have been satisfied. The Performance Goals to be achieved during any Performance Period, the length of any Performance Period, the amount of any PSUs granted, the termination of a participant’s employment and the amount of any payment or transfer to be made pursuant to any PSU will be determined by the Committee and by the other terms and conditions of any PSU, all as set forth in the applicable Award agreement. The Committee may, from time to time, subject to the provisions of the Omnibus Incentive Plan and such other terms and conditions as the Committee may prescribe, grant PSUs to Participants not engaged in Investor Relations Activities.

The Committee shall have the authority to determine any vesting terms applicable to the grant of PSUs provided no PSUs may vest before the date that is one year following the date of grant and after the date that is three years following the date of grant and that, if applicable, the vesting terms comply with Section 409A of the Code. Upon settlement, holders will receive (a) one fully paid and non-assessable Common Share in respect of each vested PSU, (b) a cash payment, or (c) a combination of Common Shares and cash, in each case as determined by the Committee. Any such cash payments made by the Company to a

participant shall be calculated by multiplying the number of PSUs to be redeemed for cash by the Fair Market Value per Common Share as at the settlement date.

**Deferred Share Units.** A deferred share unit (“**DSU**”) is a unit equivalent in value to a Common Share which entitles the holder to receive (subject to adjustment in certain circumstances) one Common Share (or the value thereof) for each DSU at a future date. The Committee may, from time to time, subject to the provisions of the Omnibus Incentive Plan and such other terms and conditions as the Committee may prescribe, grant DSUs to Participants not engaged in Investor Relations Activities.

The Committee shall have the authority to determine any vesting terms applicable to the grant of DSUs provided no DSUs may vest before the date that is one year following the date of grant and that, if applicable, the vesting terms comply with Section 409A of the Code. Upon settlement, holders will receive (a) one fully paid and non-assessable Common Share in respect of each vested DSU, (b) a cash payment, or (c) a combination of Common Shares and cash, in each case as determined by the Committee. Any such cash payments made by the Company to a participant shall be calculated by multiplying the number of DSUs to be redeemed for cash by the Fair Market Value per Common Share as at the settlement date.

**Stock Appreciation Rights.** A stock appreciation right (“**SAR**”) entitles the recipient to receive, upon settlement of the SAR, the increase in the Fair Market Value of a specified number of Common Shares from the date of the grant of the SAR to the date of exercise (payable in Common Shares, cash or a combination of both at the discretion of the Committee). The Committee may, from time to time, subject to the provisions of the Omnibus Incentive Plan and such other terms and conditions as the Committee may grant SARs to any Participants not engaged in Investor Relations Activities. The Committee will establish the grant price of a SAR at the time each SAR is granted, which grant price must in all cases be not less than the Market Price (as defined in TSXV Policy 1.1 – Interpretation) of the Common Shares. The Committee shall have the authority to determine any vesting terms applicable to the grant of SARs (which may include Performance Goals), provided no SARs may vest before the date that is one year following the date of grant and that, if applicable, the vesting terms comply with Section 409A of the Code.

**Dividend Equivalents.** At the discretion of the Committee, awards of RSUs, PSUs, DSUs and SARs may be credited with dividend equivalents in the form of cash, Common Shares or additional RSUs, PSUs, DSUs, or SARs as applicable. If awarded, dividend equivalents shall vest in proportion to, and settle in the same manner as, the awards to which they relate. Dividend equivalents shall not apply to an award unless specifically provided for in the Award agreement. For clarity, any dividend equivalents granted shall be included in calculating the limits prescribed by the Omnibus Incentive Plan and shall reduce the applicable pool of Common Shares available for issuance under the compensation arrangements of the Company. If the Company does not have a sufficient number of available Common Shares under the Omnibus Incentive Plan to grant such dividend equivalents, the Company shall make such dividend payment in cash.

**Black-out Periods.** If an Award expires during, or within five business days after, a blackout period imposed by the Company, then, notwithstanding any other provision of the Omnibus Incentive Plan, the Award shall expire 10 business days after the blackout period is lifted by the Company. The Omnibus Incentive Plan contains certain requirements applicable to eligible blackout periods including that the automatic extension of an Award will not be permitted where the participant or the Company is subject to a cease trade order (or similar order under applicable securities laws) in respect of the Company’s securities.

**Transferability.** Awards granted under the Omnibus Incentive Plan are non-transferable and non-assignable, except as specifically provided under the Omnibus Incentive Plan in the event of the death or Disability of a Participant or to wholly-owned or controlled entities of an individual Participant.

**Effect of Death, Disability or Incapacity of Participant.** If a Participant dies or becomes Incapacitated during the term of an Award, or suffers a Disability and, as a result, their employment, term of office or engagement with the Company is terminated:

- (a) any Awards held by the Participant that are not yet vested at the Termination Date shall continue to vest in accordance with their terms;
- (b) any Awards held by the Participant that are subject to a Performance Goal shall be deemed to have been satisfied upon completion of the Performance Period;
- (c) the executor, liquidator or administrator of the Participant's estate may exercise Options or other exercisable Awards of the Participant that become exercisable prior to the termination of such Awards;
- (d) any RSUs, DSUs, PSUs or SAR held by the Participant that have vested or vest prior to their termination and do not otherwise have exercise requirements, shall be paid to the Participant, executor, liquidator or administrator of the Participant's estate;
- (e) the right to exercise or be paid for an Award terminates on the earlier of:
  - (i) the date that is 12 months after the Termination Date;
  - (ii) the date on which the particular Award expires or terminates; and
  - (iii) with respect to Awards subject to Section 409A of the Code awarded to U.S. Participant, the last day of the same calendar year as the Participant's Separation from Service.

**Retirement.** If a Participant voluntarily Retires then:

- (a) any Awards held by the Participant that are not yet vested at the Termination Date shall continue to vest in accordance with their terms;
- (b) the Participant or, if applicable, the executor, liquidator or administrator of the Participant's estate may exercise Options or other exercisable Awards of the Participant that become exercisable prior to the termination of such Awards;
- (c) any RSUs, DSUs, PSUs or SAR held by the Participant that have vested or vest, and do not otherwise have exercise requirements, shall be paid to the Participant or, if applicable, the executor, liquidator or administrator of the Participant's estate;
- (d) the right to exercise or be paid for an Award terminates on the earlier of:
  - (i) the date that is 12 months after the Termination Date;
  - (ii) the date on which the particular Award expires or terminates; and
  - (iii) with respect to Awards subject to Section 409A of the Code awarded to U.S. Participant, to the extent necessary to comply with section 409A of the Code, the last day of the same calendar year as the Participant's Separation from Service.

**Termination of Awards.** Except as explicitly provided otherwise in a Participant's employment agreement and subject to the discretion of the Board to determine otherwise:

- (a) if a Participant's employment, term of office or engagement terminates for just Cause:
  - (i) any vested but unexercised Options or other exercisable Awards held by the Participant at the Termination Date will be immediately cancelled and forfeited to the Company on the Termination Date;
  - (ii) any other Awards held by the Participant that are not yet vested or payable by the Company at the Termination Date will be immediately cancelled and forfeited to the Company on the Termination Date; and
  - (iii) any remaining Awards held by the Participant that have vested and become payable by the Company before the Termination Date shall be paid to the Participant.
  
- (b) where a Participant's employment or term of office or engagement terminates for any reason other than for Cause, death or Disability:
  - (i) any Options or other Awards held by the Participant that are exercisable at the Termination Date continue to be exercisable by the Participant until the earlier of:
    - a. the date that is 90 days after the Termination Date;
    - b. the date on which the exercise period of the particular Award expires; and
    - c. with respect to Awards subject to Section 409A of the Code awarded to U.S. Participant, the last day of the same calendar year as the Participant's Separation from Service,
  - (ii) any RSU, DSU, PSU or SAR held by the Participant that have vested or vest prior to their termination, and do not otherwise have exercise requirements, shall be paid to the Participant in accordance with the terms of the Omnibus Incentive Plan and Award agreement; and
  - (iii) any Award held by the Participant that are not yet vested at the Termination Date immediately expire and are cancelled and forfeited to the Company on the Termination Date.

Where a Participant's employment or term of office or engagement is terminated for any reason, other than for Cause, during the 24 months following a Change of Control, any unvested Awards as at the date of such termination shall be deemed to have vested as at the date of such termination and shall become payable or exercisable as at the date of termination.

**Adjustment.** The Omnibus Incentive Plan contains provisions for the adjustment in the number of Common Shares subject to the Omnibus Incentive Plan and issuable upon the exercise of Awards, and the other applicable terms and conditions thereof in the event of any stock dividend, stock consolidations, subdivisions or reclassifications of shares, spin-off, amalgamations, mergers, plans of arrangement, change of control transactions, take-over bid transactions or events which the Board determines affects the

Common Shares such that an adjustment is appropriate to prevent dilution or enlargement of the rights of persons eligible to receive Awards under the Omnibus Incentive Plan.

In the event of a Change of Control transaction, the Board shall have the discretion to (a) to amend, abridge or eliminate any vesting terms of an Award so that it may be exercised or settled in whole or in part, conditionally or otherwise, by the Participant prior to the completion of the Change of Control transaction and, if determined appropriate by the Board, any such Award not exercised or otherwise settled at the effective time or record date (as applicable) of such Change of Control will be deemed to have expired, or (b) unilaterally determine that all outstanding Awards shall be cancelled upon a Change of Control, and that the value of such Awards, as determined by the Board, shall be paid out in cash in an amount based on the Change of Control Price within a reasonable time subsequent to the Change of Control, all subject to the approval of the TSXV.

Notwithstanding the foregoing, if the Board determines in good faith that the Awards will be honoured or assumed following a Change of Control, or new rights substituted therefore that are substantially equivalent, then no cancellation, acceleration of vesting, lapsing of restrictions or payments of an Award shall occur.

**Tax Withholding.** It is the responsibility of the Participant to ensure that they adhere to tax legislation in their jurisdiction regarding the reporting of benefits derived from the exercise or settlement of an Award. Pursuant to the Omnibus Incentive Plan, the Company may implement such procedures and conditions as it determines appropriate with respect to the withholding and remittance of taxes imposed under applicable law, or the funding of related amounts for which liability may arise under such applicable law.

**Termination of, and Amendments to, the Omnibus Incentive Plan.** The Board may at any time, and from time to time, and without Shareholder approval, amend the Omnibus Incentive Plan to fix typographical errors or to clarify the existing provisions of the Omnibus Incentive Plan that do not substantively alter the scope, nature and intent of the provisions; or terminate the Omnibus Incentive Plan. Except as described below, any other amendment shall require the approval of the TSXV. Notwithstanding the foregoing and any TSXV approval to an amendment, the Company may not amend the Omnibus Incentive Plan or grant any Awards in the following circumstances without disinterested shareholder approval: (i) making any individual Award grant that would result in the Total Share Authorization being exceeded; (ii) any individual Award grant that would result in the grant to insiders (as a group), within a twelve (12) month period, of an aggregate number of common shares exceeding ten percent (10%) of the issued common shares, calculated on the date an Award is granted to any insider; (iii) any individual Award grant that would result in an aggregate number of Common Shares issuable to insiders at any time exceeding ten percent (10%) (iv) any individual Award grant that would result in the number of Common Shares issued to any individual in any twelve (12) month period under the Omnibus Incentive Plan exceeding five percent (5%) of the issued common shares of the Company and (v) any amendment to Awards held by insiders that would have the effect of decreasing the exercise price of the Awards or otherwise result in a benefit to an insider. The Company may amend the terms of an Award without the acceptance of the TSXV in the following circumstances, (i) to reduce the number of Common Shares under Awards; (ii) to impose additional performance criteria or other vesting conditions; or (iii) to cancel an Award.

## AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

National Instrument 52-110 - Audit Committees of the Canadian Securities Administrators (“**NI 52-110**”) requires the Company, as a venture issuer, to disclose annually in its Circular the information required by Form 52-110F2 - Disclosure by Venture Issuers. The required information is set out below.

### The Audit Committee’s Charter

The Company’s Audit Committee Charter is attached to this Circular as Schedule “A”.

### Composition of the Audit Committee

The current members of the Audit Committee are Ian Mortimer (Chair), Hugh Cleland and Josh Vose. All members are considered an independent member of the Audit Committee. All members of the Audit Committee are considered to be financially literate.

### Relevant Education and Experience

**Ian C. Mortimer.** Mr. Mortimer is currently President and Chief Executive Officer of Xenon Pharmaceuticals Inc. (NASDAQ: XENE), a company developing innovative therapeutics to improve the lives of patients with neurological disorders. Prior to joining Xenon in 2013, Mr. Mortimer spent six years at Tekmira Pharmaceuticals Corporation, now Arbutus Biopharma Corporation (NASDAQ: ABUS), as Executive Vice President and Chief Financial Officer. He led both Xenon’s and Tekmira’s listings on the NASDAQ, in 2014 and 2010 respectively. From 2004 to 2007, Mr. Mortimer was Chief Financial Officer of Inex Pharmaceuticals Corporation. Mr. Mortimer has an M.B.A. from Queen’s University, a B.Sc. in Microbiology from the University of British Columbia, and is a Chartered Professional Accountant, Certified Management Accountant.

**Hugh Cleland.** Mr. Cleland is co-founder and principal at Roadmap Capital, and Portfolio Manager of the Roadmap Innovation Funds. Mr. Cleland has a Bachelor of Arts (Honours, 1992/97) from Harvard University and earned his CFA designation in 2001. He was founding portfolio manager at Northern Rivers Capital Management (“**Northern Rivers**”), where he managed the Northern Rivers Innovation Fund from May of 2001 until Northern Rivers was acquired by BluMont Capital in February of 2010. He co-founded Roadmap Capital Inc. in the summer of 2013. Roadmap and its investors have now invested almost \$200M in VC-stage tech companies. Roadmap’s sectors of interest include semiconductors, cybersecurity, material sciences, and medical devices. In addition to serving as a Director on Perimeter’s Board, Mr. Cleland is currently a member of the Board of Directors of Ubilite Inc, MMB, Corsa Security, Tornado Spectral Systems, and CHAR Technologies (YES on the TSXV). Prior to Northern Rivers, Mr. Cleland also held various roles at Midland Walwyn Capital and Interward Capital Corporation.

**Joshua Vose, M.D., MBA.** Dr. Vose is an experienced medical device executive and corporate director with a longstanding history in scaling novel surgical technologies, and particularly in breast oncology and reconstruction. Most recently, Dr. Vose served as CEO and Board Director at SIA Health, leading the company through its Series B financing, the commercial growth of DuraSorb®, and acquisition by Integra LifeSciences (NASDAQ: IART). Dr. Vose earned a Masters of Business Administration (MBA) from MIT Sloan School of Management, a Doctor of Medicine (M.D.) from Medical College of Georgia, with general surgery training at Beth Israel Deaconess Medical Center, and a Bachelor of Science (B.S.) in Chemical Engineering from Georgia Institute of Technology.

All members of the Audit Committee have:

- (a) gained through their experience as directors and officers of publicly listed companies, an understanding of the accounting principles used by the issuer to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity in accounting issues comparable to issues that the Company can reasonably expect to arise in the issuer’s financial statements; or experience actively supervising individuals engaged in such activities; and
- (c) an understanding of internal controls and procedures for financial reporting.

**Audit Committee Oversight**

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

**Reliance on Certain Exemptions**

At no time since the commencement of the Company’s most recently completely financial year has the Company relied on the exemption in section 6.1.1 (4) of NI 52-110 (Circumstances Affecting the Business or Operations of the Venture Issuer); the exemption in section 6.1.1 (5) of NI 52-110 (Events Outside the Control of Members); the exemption in section 6.1.1 (6) of NI 52-110 (Death, Incapacity or Resignation); or an exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemptions) of NI 52-110.

**Pre-Approval Policies and Procedures**

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services to the extent set forth in the Company’s Audit Committee Charter attached to this Circular as Schedule “A”.

**External Auditor Service Fees**

The aggregate fees billed by the Company’s auditor, KPMG LLP, in each of the last two fiscal years are as follows:

Nature of Services	Fees Paid to Auditor in Year Ended December 31, 2022	Fees Paid to Auditor in Year Ended December 31, 2021
Audit Fees <sup>(1)</sup>	\$268,531	\$271,104
Audit-Related Fees <sup>(2)</sup>	\$0	\$0
Tax Fees <sup>(3)</sup>	\$16,182	\$28,439
All Other Fees <sup>(4)</sup>	\$0	\$0
Total	\$284,715	\$299,543

Notes:

(1) “**Audit Fees**” include fees necessary to perform the annual audit of the Company’s consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements.

Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

- (2) **"Audit-Related Fees"** include fees for services that are traditionally performed by the auditor including employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) **"Tax Fees"** include fees for all tax services other than those included in **"Audit Fees"** and **"Audit-Related Fees"**. This category includes fees for tax compliance, tax planning, tax advice, and the Company's Canadian and US corporate tax returns. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) **"All Other Fees"** include all other non-audit services.

### **Reliance on Exemption in Section 6.1 of NI 52-110**

Perimeter is a venture issuer as defined in NI 52-110 and relies on the exemption in section 6.1 of NI 52-110.

## **CORPORATE GOVERNANCE**

### **General**

Corporate governance refers to the policies and structure of the board of directors of a company whose members are elected by and are accountable to the shareholders of such company. Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure the board of directors recognizes the principles of good management. The Board is committed to sound corporate governance practices, as such practices are both in the interests of shareholders and help to contribute to effective and efficient decision-making.

The Board believes that good corporate governance improves corporate performance and benefits all shareholders. The Canadian Securities Administrators have adopted National Policy 58-201 - Corporate Governance Guidelines, which provides certain non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, the Canadian Securities Administrators have implemented National Instrument 58-101 - Disclosure of Corporate Governance Practices ("**NI 58-101**"), which prescribes certain disclosure by the Company of its corporate governance practices. The disclosure required by NI 58-101 is set out below.

### **Board of Directors**

The Company's Board currently consists of six directors. All of the current members of the Board are considered to be independent, in accordance with NI 52-110.

The business and affairs of the Company are managed under the direction of the Board. The Board may, by resolution, delegate its authority to management or to committees of the Board, subject to the Company's Articles, applicable laws, rules and listing standards. The Board facilitates independent supervision over management through regular meeting of the Board, and communication with members of Company's management. Should the Board believe it is necessary, meetings of the Board may be held absent those directors that are not independent (if applicable) or non-independent directors (if applicable) may be excused from all or a portion of meetings where potential conflict arise, may arise, or where appropriate.

## Directorships

The Company's directors are currently serving on boards of the following other reporting companies (or equivalent) as set out below:

Name of Director	Name of Reporting Issuer	Exchange Listed
Suzanne M. Foster	Unitil Corporation	New York Stock Exchange
Hugh Cleland	CHAR Technologies	Toronto Stock Exchange
Ian C. Mortimer	Xenon Pharmaceuticals Inc.	NASDAQ Global Markets

## Orientation and Continuing Education

When new directors are appointed, they receive an orientation, commensurate with their previous experience, on the Company's business, technology and industry and on the responsibilities of directors. While the Company does not have formal orientation or training programs for new Board members, new Board members are provided with full access to the Company's records, including all publicly filed documents of the Company, reports, internal financial information, management & technical experts and consultants and a summary of significant securities disclosure obligations.

Board members are encouraged to communicate with management, auditors and technical consultants to keep themselves current with industry trends and developments and changes in legislation with management's assistance and to attend related industry seminars.

Board meetings may also include presentations by the Company's management and employees to give the directors additional insight into the Company's business.

## Ethical Business Conduct

The Board has adopted a written Code of Conduct (the "Code") for the directors, officers and employees of the Company which sets out the legal, ethical and regulatory standards that the Company must follow to promote integrity and deter wrongdoing. Compliance with the Code is mandatory for every director, officer, employee and consultant of the Company.

The Board, through its meetings and other informal discussions with management, encourages a culture of ethical business conduct. The Board monitors compliance with the Code by ensuring that all directors, officers, employees and consultants verify that they have read and understood the Code and by charging management with bringing to the Board's attention any issues that arise with respect to the Code. A copy of the Code is available on the Company's website at: <https://ir.perimetermed.com/governance/governance-documents> or may be obtained under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

The Board requires the Company's employees, officers and directors to act with honesty and integrity and to avoid any relationship or activity that might create, or appear to create, a conflict between their personal interests and the interests of the Company. Such individuals (and their immediate family members) are prohibited from using their positions with the Company to solicit gifts or other benefits from the Company's customers, suppliers and contractors.

The Company is committed to maintaining the highest standards of corporate governance and this philosophy is continually communicated by the Board to management which in turn is emphasized to the employees of the Company on a continuous basis.

### **Nomination of Directors**

The Board has a Nominations, Corporate Governance and Compensation Committee currently consisting of Aaron Davidson (Chair), Suzanne Foster and Anantha Kancherla. The NCGC Committee is responsible of identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting of the Shareholders. The NCGC Committee assesses potential candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. This committee considers the size and composition of the Board each year when it considers the number of directors to recommend to the Shareholders for election at the annual meeting of Shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

### **Compensation**

The CEO's compensation is determined by the Board, based on recommendations from the NCGC Committee. The Board has delegated the determination of all other executive officers' compensation to the NCGC Committee. The NCGC Committee sets guidelines for determining the short-term and long-term compensation of the CEO and other executive officers based on various indicators such as individual performance, compensation in previous years, the experience and skills of the individual, day-to-day duties and responsibilities and any other factors the Committee determines to be relevant from time to time. The NCGC Committee, in its discretion, recommends annual and long-term performance goals and objectives for the CEO and other executive officers to the Board for its approval. The NCGC Committee evaluates the performance of the CEO and other executive officers in light of the approved performance goals and objectives. The NCGC Committee also reviews and recommends the compensation for directors and committee members for approval by the Board.

For further information, see "**Statement of Executive Compensation**".

### **Other Board Committees**

The Board has no standing committees other than the Audit Committee and the NCGC Committee.

### **Assessments**

Direct communication between directors and officers is encouraged. The Board conducts periodic and informal assessments of the effectiveness of the Board, its individual directors and its committees. The assessments consider and take into account, in the case of the Board, competencies and skills of the directors as a whole, and in the case of an individual director, attendance at Board and committee meetings, the competencies and skills each individual director is expected to possess, and experience relevant to the Company at its current stage of development.

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

No directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Company were indebted to the Company or any of its subsidiaries as of the end of the most recently completed financial year or as at the date hereof.

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

Except as disclosed herein, there are no transactions in which a material interest, direct or indirect, of any informed person of the Company (as defined in National Instrument 51-102 - Continuous Disclosure Obligations), any proposed director of the Company, or any associate or affiliate of any informed person or proposed director, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries other than as set out herein.

### **ADDITIONAL INFORMATION**

Additional information relating to the Company is filed on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Financial information is provided in the Company's financial statements for the year ended December 31, 2022, and related management discussion and analysis filed on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Copies of the Company financial statements and related management discussion and analysis may also be obtained by Shareholders upon request by contacting 1-888-988-7465.

### **OTHER MATTERS**

The Board is not aware of any other matters which it anticipates will come before the Meeting as of the date of mailing of this Circular.

The contents of this Circular and its distribution to Shareholders have been approved by the Board.

**DATED** at Vancouver, BC, on, November 8, 2023.

**BY ORDER OF THE BOARD**

BY ORDER OF THE BOARD OF DIRECTORS  
OF PERIMETER MEDICAL IMAGING, INC.

(signed) "*Suzanne Foster*"

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Suzanne Foster

Chairperson of the Board

**Schedule A**  
**Audit Committee Charter**

(See Attached)

**CHARTER OF THE AUDIT COMMITTEE**  
**OF THE BOARD OF DIRECTORS OF**  
**PERIMETER MEDICAL IMAGING AI, INC.**

**Section 1 Purpose**

The Audit Committee (the “**Committee**”) is appointed by the board of directors (the “**Board**”) of Perimeter Medical Imaging AI, Inc. (the “**Company**”) to assist the Board in fulfilling its oversight responsibilities relating to financial accounting and reporting process and internal controls for the Company. The Charter may be amended only by the affirmative vote of the majority of the Board.

The Committee’s primary duties and responsibilities are to:

- conduct such reviews and discussions with management and the external auditors relating to the audit and financial reporting as are deemed appropriate by the Committee;
- assess the integrity of internal controls and financial reporting procedures of the Company and ensure implementation of such controls and procedures;
- ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel;
- review the quarterly financial statements and management’s discussion and analysis of the Company’s financial position and operating results;
- review the annual financial statements and management’s discussion and analysis of the Company’s financial position and operating results and report thereon to the Board for approval of same;
- review and discuss with management the policies with respect to earnings press releases, as well as the financial information and earnings guidance to be provided to analysts and rating agencies;
- select and monitor the independence and performance of the Company’s external auditors, including attending at private meetings with the external auditors and reviewing and approving all renewals or dismissals of the external auditors and their remuneration;
- provide and establish open channels of communication between the Company’s management, internal accounting department, external auditor and directors;
- provide oversight to related party transactions entered into by the Company; and
- review and approve the investment policy of the company and review the investments held by the company on a quarterly basis.

The Committee has the authority to conduct any investigation appropriate to its responsibilities, and it may request the external auditors as well as any officer of the Company, or outside counsel for the Company, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee. The Committee shall have unrestricted access to the books, records, facilities and personnel of the Company and has the authority to retain, at the expense of the Company, special legal, accounting, or other consultants or experts to assist in the performance of the Committee’s duties.

The Committee shall review and assess the adequacy of this Audit Committee Charter (the “**Charter**”) annually and submit any proposed revisions to the Board for approval.

In fulfilling its responsibilities, the Committee will carry out the specific duties set out in **Section 4** of this Charter.

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits, or to determine that the Company's financial statements are complete and accurate. This is the responsibility of Company's management, internal accounting department and external auditors. Because the primary function of the Committee is oversight, the Committee will be entitled to rely on the expertise, skills and knowledge of the Company's management, internal accounting department, external auditors and other external advisors and the integrity and accuracy of information provided to the Committee by such persons in carrying out its oversight responsibilities. Nothing in this Charter is intended to change or in any way limit the responsibilities and duties of Company's management, internal accounting department or external auditors.

## **Section 2 Authority of the Audit Committee**

The Committee shall have the authority to:

- (a) engage (at the Company's expense) independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) conduct investigations that it believes, in its sole discretion, are necessary to carry out its responsibilities;
- (c) set and pay the compensation for advisors employed by the Committee;
- (d) communicate directly with the internal, if any, and external auditors; and
- (e) request that any director, officer or employee of the Company, or other persons whose advice and counsel are sought by the Committee (including, but not limited to, the Company's legal counsel and the external auditors) meet with the Committee and any of its advisors and respond to their inquiries.
- (f) approve interim financial statements and associated documents for issuance

## **Section 3 Composition and Meetings**

- (a) The Committee and its membership shall meet all applicable legal, regulatory and listing requirements, including, without limitation, those of the British Columbia Securities Commission, the TSX Venture Exchange, the *Business Corporations Act* (British Columbia) and all applicable securities regulatory authorities.
- (b) The Committee shall be composed of three or more directors as shall be designated by the Board from time to time. The Board shall appoint from among the members of the Committee a member who shall serve as Chair.
- (c) The composition of the Committee will be determined by the Board such that the membership and independence requirements set out in the applicable legal, regulatory and listings requirements are satisfied.
- (d) The Committee shall meet at least quarterly, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements. A minimum of two and at least 50% of the members of the Committee present either in person or by telephone shall constitute a quorum.
- (e) If within one hour of the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the next business day following the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one hour of the time appointed for such adjourned meeting, such meeting shall stand adjourned to the same hour on the second business day following the date of such meeting

at the same place. If at the second adjourned meeting a quorum as hereinbefore specified is not present, the quorum for the adjourned meeting shall consist of the members then present.

- (f) If and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.
- (g) The time and place at which meetings of the Committee shall be held, and procedures at such meetings, shall be determined from time to time by the Committee. A meeting of the Committee may be called by letter, telephone, facsimile, email or other communication equipment, by giving at least 48 hours' notice, provided that no notice of a meeting shall be necessary if all of the members are present either in person or by means of conference telephone or if those absent have waived notice or otherwise signified their consent to the holding of such meeting.
- (h) Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.
- (i) The Committee shall keep minutes of its meetings which shall be submitted to the Board.
- (j) The Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at any meeting.
- (k) The Committee may invite such officers, directors and employees of the Company and its subsidiaries as the Committee may see fit, from time to time, to attend meetings of the Committee.
- (l) Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose. All decisions or recommendations of the Committee shall require the approval of the Board prior to implementation.

The Committee members will be elected annually at the first meeting of the Board following the annual general meeting of shareholders. Each member will continue to be a member thereof until such member's successor is appointed, or until such member resigns or is removed from the Board. A member of the Committee will automatically cease to be a member of the Committee upon either ceasing to be a director of the Board or ceasing to meet the requirements established, from time to time, by any applicable legal, regulatory and listings requirements.

Members of the Committee may receive fees for their service as Committee members as may be determined by the Board (or committee thereof) in its sole discretion. Members of the Committee may not receive any compensation from the Company except the fees they receive for their service as a member of the Board or any committee thereof.

#### **Section 4      Responsibilities**

##### **A.      Financial Accounting and Reporting Process and Internal Controls**

- (a) The Committee shall review the annual audited financial statements to satisfy itself that they are presented in accordance with applicable generally accepted accounting principles ("GAAP") and/or IFRS principles as required, and report thereon to the Board and recommend to the Board whether or not same should be approved prior to their being filed with the appropriate regulatory authorities. The Committee shall also review the interim financial statements. With respect to the annual audited financial statements, the Committee shall discuss significant issues regarding accounting principles, practices, and

judgments of management with management and the external auditors as and when the Committee deems it appropriate to do so. The Committee shall satisfy itself that the information contained in the annual audited financial statements is not significantly erroneous, misleading or incomplete and that the audit function has been effectively carried out.

- (b) The Committee shall review any material internal control reports prepared by management and the evaluation of such report by the external auditors, together with management's response.
- (c) The Committee shall be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, management's discussion and analysis and interim earnings press releases, and periodically assess the adequacy of these procedures.
- (d) The Committee shall review management's discussion and analysis relating to annual and interim financial statements and any other public disclosure documents, including interim earnings press releases, that are required to be reviewed by the Committee under any applicable laws before the Company publicly discloses this information.
- (e) The Committee shall meet no less frequently than annually with the external auditors and the Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Company in charge of financial matters, to review accounting practices, internal controls and such other matters as the Committee, Chief Financial Officer or, in the absence of a Chief Financial Officer, the officer of the Company in charge of financial matters, deem appropriate.
- (f) The Committee shall inquire of management and the external auditors about significant risks or exposures, both internal and external, to which the Company may be subject, and assess the steps management has taken to minimize such risks.
- (g) The Committee shall review the post-audit or management letter containing the recommendations of the external auditors and management's response and subsequent follow-up to any identified weaknesses.
- (h) The Committee shall ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel.
- (i) The Committee shall establish procedures for:
  - (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
  - (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- (j) The Committee shall provide oversight to related party transactions entered into by the Company.

**B. Independent Auditors**

- (a) The Committee shall recommend to the Board the external auditors to be nominated, shall set the compensation for the external auditors, provide oversight of the external auditors and shall ensure that the external auditors report directly to the Committee.
- (b) The Committee shall be directly responsible for overseeing the work of the external auditors, including the resolution of disagreements between management and the external auditors regarding financial reporting.
- (c) The Committee shall pre-approve all audit and non-audit services not prohibited by law to be provided by the external auditors in accordance with this Charter.

- (i) The Committee may delegate to one or more members of the Committee the authority to pre-approve permissible non-audit and tax services, as long as the pre-approved services are presented to the full Committee at its next regularly scheduled meeting.
- (d) The Committee shall monitor and assess the relationship between management and the external auditors and monitor, support and assure the independence and objectivity of the external auditors.
- (e) The Committee shall review the external auditors' audit plan, including the scope, procedures and timing of the audit.
- (f) The Committee shall review the results of the annual audit with the external auditors, including matters related to the conduct of the audit.
- (g) The Committee shall obtain timely reports from the external auditors describing critical accounting policies and practices, alternative treatments of information within GAAP that were discussed with management, their ramifications, and the external auditors' preferred treatment and material written communications between the Company and the external auditors.
- (h) The Committee shall review fees paid by the Company to the external auditors and other professionals in respect of audit and non-audit services on an annual basis.
- (i) The Committee shall review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former auditors of the Company.
- (j) The Committee shall monitor and assess the relationship between management and the external auditors and monitor and support the independence and objectivity of the external auditors.

**C. Other Responsibilities**

The Committee shall perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate.

Dated: September 08, 2023  
Approved by: Board of Directors of the Company

