



STATEMENT OF EXECUTIVE COMPENSATION

General

The following information is presented in accordance with National Instrument 51-102 - *Continuous Disclosure Obligations* and Form 51-102F6V - *Statement of Executive Compensation – Venture Issuers*, and sets forth compensation for each NEO (as defined below) and each director of Perimeter Medical Imaging AI, Inc., (the "**Company**" or "**Perimeter**") during the financial year ended December 31, 2022.

Named Executive Officers

For the purpose of this Statement of Executive Compensation, "**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 C\$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 served as the Company's current Chief Operating Officer.

Reporting Currency:

Effective October 1, 2022, the Company changed its presentation currency from Canadian dollars to United States dollars. The change in presentation currency was

made to improve investor's ability to compare the Company's financial results with other publicly traded businesses in the industry.

This Statement of Executive Compensation contains reference to United States dollars ("**\$**" or "**US\$**") and Canadian dollars ("**C\$**"). Unless otherwise stated, any United States dollar amount which have been converted from Canadian dollars have been converted at an exchange rate of US\$1.00 = C\$0.7685, representing the daily exchange rate for converting Canadian dollars into United States dollars, as quoted by the Bank of Canada on December 30, 2022. On June 27, 2023, the daily exchange rate quoted by the Bank of Canada was US\$1.00 = C\$0.7590.

Oversight and Description of Director and Named Executive Officer Compensation

Objectives. Perimeter has established a Nominations, Corporate Governance and Compensation Committee (the "**NCGC Committee**") currently comprised of four directors, Aaron Davidson (Chair), Ian Mortimer, Suzanne Foster, and Hugh Cleland.

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 of directors of the Company (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 ("**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 equity-based incentives including long-term options (the "**Options**") to purchase common shares in the capital of the Company (the "**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, Awards (as defined below) under the Omnibus Incentive Plan (as defined below) comprise a portion of overall compensation for the Company's NEOs. The Board believes this is appropriate because equity-based incentives like Options create 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, which were approved for each NEO for the fiscal year ending December 31, 2022:

Position	Target
CEO	60%
Other NEOs	20-55%

For 2022, the Board adopted a mix of subjective and objective performance-based criteria that are based upon a number of factors and 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:

Criteria	Relative Weight
Installation base of Perimeter's S-Series OCT system	40%
Complete Enrollment of patients in Perimeter's ongoing pivotal trial evaluating Perimeter's 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 pivotal trial evaluating Perimeter's B-Series OCT system with ImgAssist AI	0%
ISO13485 Readiness	20%

As of the date of the Circular, the Company has not adopted any formal performance-based objectives for the 2023 financial year.

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 omnibus equity incentive plan which was adopted by the Company's Shareholders at the annual general 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. Directors of the Company, other than the current CEO, are entitled to an annual fee of C\$30,000 for their services. The chair is entitled to an additional annual fee of C\$15,000, the Chair of the Audit Committee is entitled to an additional annual fee of C\$12,000, and the Chair of the NCGC Committee is entitled to an additional annual fee of C\$8,000. Members of the Audit Committee are entitled to an additional annual fee of C\$6,000 and members of the NCGC Committee are entitled to C\$4,000. 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 TSXV. The granting of Options 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 includes 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.

Compensation Peer Group	
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 (\$) ⁽¹⁾	Value of all other compensation (\$)	Total compensation (\$)
Jeremy Sobotta ⁽²⁾ CEO and Director	2022	354,246	46,875	Nil	Nil	Nil	401,121
	2021	250,000	30,475	Nil	Nil	Nil	280,475
Tom Boon COO	2022	285,000	42,750	Nil	Nil	Nil	327,750
	2021	297,011	29,934	Nil	Nil	Nil	326,945
Chris Scott ⁽³⁾ Former CFO	2022	218,750	Nil	Nil	Nil	Nil	218,750
	2021	Nil	Nil	Nil	Nil	Nil	Nil
Anthony Holler ^{(4),(7)} Director	2022	21,856	Nil	15,299	Nil	Nil	37,155
	2021	23,663	Nil	16,564	Nil	Nil	40,227
Franklyn G. Prendergast ⁽⁵⁾ Director	2022	18,982	Nil	2,785	Nil	Nil	21,767
	2021	23,997	Nil	3,200	Nil	Nil	27,197
Suzanne Foster Director	2022	24,232	Nil	6,376	Nil	Nil	30,608
	2021	23,997	Nil	6,399	Nil	Nil	30,396
Aaron Davidson Director	2022	55,600	Nil	Nil	Nil	Nil	55,600
	2021	55,600	Nil	Nil	Nil	Nil	55,600
Ian Mortimer ⁽⁷⁾ Director	2022	23,054	Nil	12,245	Nil	Nil	35,349
	2021	23,663	Nil	12,620	Nil	Nil	36,283
Douglas Janzen ^{(5),(7)} Director	2022	18,982	Nil	3,796	Nil	Nil	22,778
	2021	23,663	Nil	4,733	Nil	Nil	28,396
Hugh Cleland ⁽⁷⁾ Director	2022	23,054	Nil	3,074	Nil	Nil	26,128
	2021	35,596	Nil	4,733	Nil	Nil	40,227
Imed Zine ^{(5),(7)} Director	2022	18,982	Nil	Nil	Nil	Nil	18,982
	2021	35,495	Nil	Nil	Nil	Nil	35,495
Anantha Kancherla ⁽⁶⁾ 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 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
Jeremy Sobotta ⁽²⁾ CEO and Director	Options	Nil	n/a	n/a	n/a	n/a	n/a
Tom Boon ⁽³⁾ COO	Options	Nil	n/a	n/a	n/a	n/a	n/a
Chris Scott ⁽⁴⁾ Former CFO	Options ⁽¹⁴⁾	350,000	June 1, 2022	\$1.52 ⁽¹⁵⁾	\$1.52 ⁽¹⁵⁾	\$1.21	April 13, 2023
Anthony Holler ⁽⁵⁾ Director	Options	Nil	n/a	n/a	n/a	n/a	n/a
Franklyn G. Prendergast ⁽⁶⁾ Director	Options	Nil	n/a	n/a	n/a	n/a	n/a
Suzanne M. Foster ⁽⁷⁾ Director	Options	Nil	n/a	n/a	n/a	n/a	n/a
Aaron Davidson ⁽⁸⁾ Director	Options	Nil	n/a	n/a	n/a	n/a	n/a
Ian Mortimer ⁽⁹⁾ Director	Options	Nil	n/a	n/a	n/a	n/a	n/a
Douglas G. Janzen ⁽¹⁰⁾ Director	Options	Nil	n/a	n/a	n/a	n/a	n/a
Hugh Cleland ⁽¹¹⁾ Director	Options	Nil	n/a	n/a	n/a	n/a	n/a
Imed Zine ⁽¹²⁾ Director	Options	Nil	n/a	n/a	n/a	n/a	n/a
Anantha Kancherla ⁽¹³⁾ 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 an executive employment agreement (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 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 would allow 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 person by rewarding those individuals who make a long-term commitment.

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.SEDAR.com, 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,

all of the foregoing collectively referred to as "**Participants**". Subject to certain restrictions, the Company may also issue Awards to a registered retirement savings plan or registered

retirement income fund established and controlled by a Participant or a company that is wholly owned by an individual Participant.

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.