

**STAR DIAMOND CORPORATION**

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**DEFERRED SHARE UNIT PLAN**

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April 1, 2024

This plan was originally approved by the board of directors of the Corporation on May 6, 2015, an amendment to this plan was approved by the board of directors of the Corporation on March 29, 2018 and this plan was further approved without amendment by the board of directors of the Corporation on March 30, 2021 and April 1, 2024. This plan shall continue in effect from April 1, 2024, subject to the approval of this plan by the shareholders of the Corporation and the Toronto Stock Exchange.

**STAR DIAMOND CORPORATION**

**DEFERRED SHARE UNIT PLAN**

**ARTICLE 1  
INTRODUCTION AND INTERPRETATION**

**1.1 Purpose**

The purposes of the Plan are:

- (a) to promote a greater alignment of interests between directors of the Corporation and the shareholders of the Corporation;
- (b) to provide a compensation system for directors that, together with the other director compensation mechanisms of the Corporation, is reflective of the responsibility, commitment and risk accompanying Board membership and the performance of the duties required of the various committees of the Board;
- (c) to assist the Corporation to attract and retain individuals with experience and ability to act as directors; and
- (d) to allow directors of the Corporation to participate in the long-term success of the Corporation.

**1.2 Definitions**

Wherever used in this Plan, the following words and terms have the respective meanings set out below unless the context otherwise requires:

- (a) "**Account**" has the meaning ascribed thereto in Section 7.1(b);
- (b) "**Affiliate**" means an affiliate of the Company, as the term "affiliate" is defined in paragraph 8 of the Canada Revenue Agency's Interpretation Bulletin IT-337R4, *Retiring Allowances (Consolidated)* [Archived], or any successor publication thereto;
- (c) "**Annual Retainer**" means the annual retainer payable to an Eligible Director by the Corporation for serving on the Board in a calendar year, which for greater certainty, does not include Meeting Fees or any amounts payable to an Eligible Director for any other employment or services to the Corporation or an Affiliate (including, without limitation, any chairman, vice-chairman, or lead director fees, committee chair fees, per diem meeting fees, director and committee meeting fees, reimbursements for expenses, or any equity-based compensation);
- (d) "**Applicable Law**" with respect to a Person, property, transaction or event, means any applicable provision of law, domestic or foreign, including the common law, principles of equity, statutes, regulations, treaties, by-laws, ordinances, judgments and decrees, and further including applicable securities legislation, together with (whether or not having the force of law) all regulations, rules, policy statements, rulings, notices, orders or other instruments promulgated thereunder and the rules of any stock exchange upon which the Shares are listed, and further including (whether or not having the force of law) all applicable official directives, rules, consents, approvals, authorizations, guidelines, standards, codes of practice, orders (including judicial or administrative orders) and policies of any governmental authority having, or purporting to have authority over, or application to, that Person, property, transaction or event, as the same may be amended from time to time;
- (e) "**Applicable Withholding Taxes**" has the meaning ascribed thereto in Section 2.2(c);

- (f) "**Automatic DSU Retainer**" means, in respect of any particular calendar year, the percentage portion of an Eligible Director's Annual Retainer that is required to be satisfied in the form of Deferred Share Units credited to each Eligible Director's Account under the Plan, as determined by a resolution of the Board, as contemplated in Article 5;
- (g) "**Award Agreement**" means a signed, written agreement between an Eligible Director and the Corporation, in the form attached as Appendix "A" to the Participation and Election Agreement, or in such other form as may be determined by the Corporation from time to time, evidencing the terms and conditions under which a discretionary award of Deferred Share Units has been granted pursuant to Article 4;
- (h) "**Beneficiary**" means, subject to Applicable Law, an individual who has been designated by an Eligible Director, as contemplated by Section 10.5, in the form of Schedule "A" hereto or in such other form and manner as the Board may determine, to receive benefits payable under the Plan upon the death of the Eligible Director, or, where no such designation is validly in effect at the time of death, or where the designated individual does not survive the Eligible Director, the Eligible Director's estate;
- (i) "**Board**" means the board of directors of the Corporation as constituted from time to time or, if established and duly authorized to act with respect to the Plan, any committee of the board of directors of the Corporation;
- (j) "**Business Day**" means each day other than a Saturday, Sunday, a statutory holiday in Saskatchewan or any day on which the principal chartered banks located in Saskatoon, Saskatchewan are not open for business during normal business hours;
- (k) "**Cease Trade Date**" has the meaning ascribed thereto in Section 8.1(b);
- (l) "**Committee**" means the Compensation and Corporate Governance Committee of the Board, or such other committee of the Board as is designated by the Board for purposes of the Plan, provided, however, that if no Compensation and Corporate Governance Committee is in existence at any particular time and the Board has not appointed another committee of the Board to make recommendations with respect to the Plan, all references in the Plan to "Committee" shall at such time be in reference to the Board;
- (m) "**Corporation**" means Star Diamond Corporation and includes any successor corporation thereof, and any reference in the Plan to action by the Corporation means action by or under the authority of the Board or the Committee;
- (n) "**Deferred Share Unit**" means a unit credited by the Corporation to the Account of an Eligible Director by way of a bookkeeping entry in the books of the Corporation and administered pursuant to the terms of the Plan, the value of which on a particular date shall be equal to the Fair Market Value at that date;
- (o) "**Dividend Payment Date**" has the meaning ascribed thereto in Section 7.4;
- (p) "**Dividend Record Date**" has the meaning ascribed thereto in Section 7.4;
- (q) "**DSU Eligible Retainer**" means, in respect of any particular calendar year, that portion of an Eligible Director's Annual Retainer that is not the Automatic DSU Retainer, that the Eligible Director may elect to have satisfied in the form of Deferred Share Units credited to his or her Account under the Plan, as contemplated in Article 6;

- (r) **"Eligible Director"** means a director of the Corporation who does not receive employment income within the meaning of the Tax Act in respect of services rendered to the Corporation or any Affiliate, otherwise than in his or her capacity as a member of the Board or a member of the board of directors of an Affiliate;
- (s) **"Exchange"** means the Toronto Stock Exchange, or if the Shares are not listed on the Toronto Stock Exchange, such other stock exchange on which the Shares are listed, or if the Shares are not listed on any stock exchange, then on the over-the-counter market;
- (t) **"Exchange Business Day"** means any date on which the Exchange is open for the trading of Shares and on which Shares may be traded;
- (u) **"Fair Market Value"** means, with respect to any particular date, the five-day volume weighted average trading price of the Shares, calculated by dividing the total value by the total volume of Shares traded for the five trading days immediately preceding the relevant date, or, in the event of a Cease Trade Date, such other value as may be determined pursuant to Section 8.1(b);
- (v) **"Insider"** has the meaning given to such term in the policies and notices of the TSX;
- (w) **"Meeting Fees"** means the fees payable to an Eligible Director as compensation for attendance at a particular meeting of the Board (including, without limitation, any chairman, vice-chairman, or lead director fees, committee chair fees, per diem meeting fees and director and committee meeting fees), but which, for greater certainty, does not include the Annual Retainer or any amounts payable to an Eligible Director for any other employment or services to the Corporation or an Affiliate (including, without limitation, reimbursements for expenses, or any equity-based compensation);
- (x) **"Participation and Election Agreement"** has the meaning ascribed thereto in Section 3.2;
- (y) **"Person"** means any individual, sole proprietorship, partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, fund, organization or other group of organized persons, government, government regulatory authority, governmental department, agency, commission, board, tribunal, dispute settlement panel or body, bureau, court, and where the context requires any of the foregoing when they are acting as trustee, executor, administrator or other legal representative;
- (z) **"Plan"** means this Deferred Share Unit Plan of the Corporation, including all Schedules and Appendices hereto, as amended and restated from time to time in accordance with its terms;
- (aa) **"Prescribed Blackout Period"** means a special blackout period designated under any policy of the Corporation respecting restrictions on trading in securities of the Corporation;
- (bb) **"Quarter"** means a fiscal quarter of the Corporation, which, until changed by the Corporation, shall be any three-month period ending March 31, June 30, September 30 or December 31, as the case may be;
- (cc) **"Quarterly Blackout Period"** means a blackout period specified under any policy of the Corporation respecting restrictions on trading in securities of the Corporation;
- (dd) **"Redemption Date"** has the meaning ascribed thereto in Section 8.1(a);
- (ee) **"Related Company"** means a corporation which is related to the Corporation for the purposes of the Tax Act;

- (ff) "**Security-Based Compensation Arrangements**" has the meaning given to such term in the TSX Company Manual;
- (gg) "**Share**" means a common share of the Corporation and such other share that may be substituted therefore as a result of amendments to the articles of the Corporation, reorganization or otherwise, including any rights that form a part of the common share or substituted share but not including any other rights that are attached thereto and trade therewith or any other share that is added thereto;
- (hh) "**Tax Act**" means the *Income Tax Act* (Canada) and any regulations thereto, as may be amended from time to time;
- (ii) "**Termination Date**" means, in respect of an Eligible Director, the earliest date on which both of the following conditions are satisfied: (i) the Eligible Director is not a member of the Board nor a member of the board of directors of an Affiliate; and (ii) the Eligible Director is not an employee, within the meaning of the Tax Act, of the Corporation or any Affiliate; and
- (jj) "**Trading Day**" means any date on which the Exchange is open for the trading of Shares and on which at least one board lot of Shares is actually traded.

### **1.3 Construction and Interpretation**

- (a) In this Plan, all references to the masculine include the feminine; references to the singular shall include the plural and vice versa, as the context shall require.
- (b) The headings of all articles, sections and paragraphs in the Plan are inserted for convenience of reference only and shall not affect the construction or interpretation of the Plan. References to "Article", "Section" or "Paragraph" mean an article, section or paragraph contained in the Plan unless expressly stated otherwise.
- (c) In this Plan, "including" and "includes" mean including or includes, as the case may be, without limitation. The words "hereto", "herein", "hereby", "hereunder", "hereof" and similar expressions mean or refer to the Plan as a whole and not to any particular article, section, paragraph or other part hereof.
- (d) Whenever the Board or, where applicable, the Committee or any sub-delegate of the Committee is to exercise discretion in the administration of the terms and conditions of this Plan, the term "discretion" means the sole and absolute discretion of the Board or the sub-delegate of the Committee, as the case may be.

### **1.4 Effective Date**

The Plan shall be effective as of May 6, 2015, as amended March 29, 2018. The Board shall review and confirm the terms of the Plan from time to time.

## **ARTICLE 2 ADMINISTRATION OF THE PLAN**

### **2.1 Administration of the Plan**

- (a) Except for matters that are under the jurisdiction of the Board as specified under the Plan or as required by law or as required to ensure that the Plan continues to meet the requirements of the exception to the definition of "salary deferral arrangement" in paragraph 6801(d) of the regulations to the Tax Act or any successor to such provision, and subject to Section 2.1(b), this Plan will be administered by the Board (based on recommendations made by the Committee) and the Board has

the sole and complete authority, in its discretion, to: (i) interpret the Plan and prescribe, modify and rescind rules and regulations relating to the Plan; (ii) correct any defect or supply any omission or reconcile any inconsistency in the Plan in the manner and to the extent it considers necessary or advisable for the implementation and administration of the Plan; (iii) exercise rights reserved to the Corporation under the Plan; (iv) prescribe forms for notices to be prescribed by the Corporation under the Plan; and (v) make all other determinations and take all other actions as it considers necessary or advisable for the implementation and administration of the Plan.

The Board's determinations and actions under this Plan are final, conclusive and binding on the Corporation, the Eligible Directors and all other Persons.

- (b) All expenses of administration of the Plan shall be borne by the Corporation.

## **2.2 Taxes and Other Source Deductions**

- (a) The Corporation shall not be liable for any tax imposed on any Eligible Director or any Beneficiary as a result of the crediting, holding or redemption of Deferred Share Units, amounts paid or credited to such Eligible Director (or Beneficiary), or securities issued or transferred to such Eligible Director (or Beneficiary) under this Plan.
- (b) It is the responsibility of the Eligible Director (or Beneficiary) to complete and file any tax returns which may be required under any applicable tax laws within the period prescribed by such laws.
- (c) The Corporation and each of its Affiliates shall be authorized to deduct, withhold and/or remit from any amount paid or credited hereunder, or otherwise, such amount as may be necessary so as to ensure the Corporation and any Affiliate will be able to comply with the applicable provisions of any federal, provincial, state or local law relating to the withholding of tax or other required deductions, including on the amount, if any, includable in the income of a Eligible Director or Beneficiary, as the case may be (the "**Applicable Withholding Taxes**").

## **2.3 Shares Subject to the Plan**

This Section 2.3 applies to any securities that may be acquired by Eligible Directors on or subsequent to any Redemption Date pursuant to Section 8.1(e) that consist(s) of authorized but unissued Shares. Subject to adjustment for any subdivision, consolidation, reclassification or recapitalization of Shares as contemplated by, and in accordance with, Section 8.1(g):

- (a) the number of Shares reserved for issuance from treasury pursuant to the Deferred Share Units credited under the Plan shall, in the aggregate, equal ten percent (10%) of the number of Shares then issued and outstanding, less the number of Shares issuable pursuant to all other Security-Based Compensation Arrangements of the Corporation;
- (b) the aggregate number of Shares issuable from treasury to any one Eligible Director under the Plan and all other Security-Based Compensation Arrangements of the Corporation shall not exceed five percent (5%) of the issued and outstanding Shares;
- (c) the aggregate number of Shares issuable from treasury to Insiders under the Plan and all other Security-Based Compensation Arrangements of the Corporation shall not exceed ten percent (10%) of the issued and outstanding Shares;
- (d) during any one-year period, the aggregate number of Shares issued from treasury to Insiders under the Plan and all other Security-Based Compensation Arrangements of the Corporation shall not exceed ten percent (10%) of the issued and outstanding Shares;

- (e) this Section 2.3 and the Corporation's right to elect under Section 8.1(e) to satisfy Deferred Share Units by the issuance of Shares from treasury will be effective only upon receipt, from time to time, of all necessary approvals of the Plan, as amended from time to time, as required by the rules, regulations and policies of the TSX and any other stock exchange on which Shares are listed or traded;
- (f) if any Deferred Share Unit granted under the Plan shall expire, terminate or be cancelled for any reason (including, without limitation, the satisfaction of the Deferred Share Unit by means of a cash payment) without being paid out or settled in the form of Shares issued from treasury, any unissued Shares to which such Units relate shall be available for the purposes of the granting of further Deferred Share Units under the Plan or other securities pursuant to all other applicable Security-Based Compensation Arrangements of the Corporation. If any rights to acquire Shares granted under any other Security-Based Compensation Arrangements of a member of the Corporation shall be exercised, or shall expire or terminate for any reason without having been exercised in full, any Shares to which such security relates shall be available for the purposes of the granting of further Deferred Share Units under the Plan;
- (g) for greater clarity but without restriction to the foregoing, any and all increases in the issued and outstanding Shares shall result in an increase in the available number of Shares reserved for issuance from treasury pursuant to the Units credited under the Plan, and any Shares issued in accordance with Section 8.1(e) will allow for corresponding additional Shares reserved for issuance from treasury pursuant to the Deferred Share Units credited under the Plan;

Collectively, the restrictions referred to in Sections 2.3(c) and (d) are referred to as the "**Insider Participation Restrictions**".

### **ARTICLE 3 PLAN PARTICIPATION**

#### **3.1 Eligibility**

Any individual who at the relevant time is an Eligible Director shall participate in the Plan with respect to the Automatic DSU Retainer and is eligible to participate in the Plan with respect to the DSU Eligible Retainer, Meeting Fees and any discretionary grant of Deferred Share Units in accordance with Article 4. Except for Deferred Share Units which are credited to an Eligible Director's Account in satisfaction of the Automatic DSU Retainer, eligibility to participate does not confer upon any individual a right to receive an award of Deferred Share Units in satisfaction of any other amounts or to receive any payment pursuant to the Plan.

#### **3.2 Participation and Election Agreement**

Any individual who is, or will be, an Eligible Director in a particular calendar year shall complete and deliver a written participation and election agreement in the form attached to the Plan as Schedule "B" (or a similar form as determined by the Board) to the Board (the "**Participation and Election Agreement**") within the time period specified by the Board. Participation in the Plan by an Eligible Director shall be construed as acceptance by the Eligible Director of the terms and conditions of the Plan and all rules and procedures adopted hereunder and as amended from time to time.

### **ARTICLE 4 DISCRETIONARY GRANTS OF DEFERRED SHARE UNITS**

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

- (a) The Board (or, if duly authorized by the Board, the Committee) may, subject to Sections 4.1(b) and 10.9(a), in its sole discretion, grant such number of Deferred Share Units to an Eligible Director as

the Board determines to be appropriate in respect of the services the Eligible Director renders to the Corporation as a member of the Board. All grants of Deferred Share Units pursuant to this Section 4.1(a) shall be in addition to any grants of Deferred Share Units pursuant to Article 5 or Article 6. The Board (or, if duly authorized by the Board, the Committee) shall determine the date on which such Deferred Share Units shall be granted and credited to an Eligible Director's Account and shall determine the terms and conditions of any such grant, including any applicable vesting conditions, which shall be set out in the applicable Award Agreement.

- (b) The aggregate Fair Market Value of all discretionary grants of Deferred Share Units pursuant to Section 4.1(a) to any one Eligible Director shall not, as of the grant date, exceed \$100,000 in any one calendar year. The aggregate number of all Deferred Share Units granted pursuant to Section 4.1(a) and credited to Eligible Directors' Accounts shall not exceed more than 1% of the issued and outstanding Shares at any time.
- (c) All grants of Deferred Share Units pursuant to Section 4.1(a) will be evidenced by an Award Agreement. Award Agreements will be subject to the applicable provisions of this Plan and will contain such provisions as are required by this Plan and any other provisions that the Board may direct. The Chief Executive Officer, the Chief Financial Officer, or any two executive officers of the Corporation acting together, are authorized and empowered to execute and deliver, for and on behalf of the Corporation, an Award Agreement to each Eligible Director granted Deferred Share Units pursuant to this Article 4.

## **ARTICLE 5 GRANT OF DEFERRED SHARE UNITS FOR AUTOMATIC DSU RETAINER**

### **5.1 Determination of Automatic DSU Retainer**

- (a) At such time as the Board may determine, but in any case prior to December 31 of a particular calendar year, the Board shall pass a resolution specifying the percentage of the Annual Retainer which will constitute the Automatic DSU Retainer for each Eligible Director for the following calendar year. The Board may, in its discretion, specify a different percentage of the Annual Retainer which will constitute the Automatic DSU Retainer for Eligible Directors who are not in compliance with the Corporation's minimum share ownership guidelines as at December 31 of the year immediately preceding the year of the designation.
- (b) Where no resolution is passed by the Board pursuant to Section 5.1(a), the Automatic DSU Retainer shall be equal to 0% of the Annual Retainer for the applicable calendar year.

### **5.2 Payment of Automatic DSU Retainer**

Any Deferred Share Units credited to the Account of an Eligible Director pursuant to this Article 5 in satisfaction of such Eligible Director's Automatic DSU Retainer shall be credited on the first Business Day of the applicable calendar year, with the number of Deferred Share Units (including fractions thereof, calculated to two decimal places) to be credited on each such day to be determined by dividing: (i) the dollar amount of the Eligible Director's Automatic DSU Retainer for that calendar year, by (ii) the Fair Market Value on such day.

**ARTICLE 6  
GRANT OF DEFERRED SHARE UNITS FOR DSU ELIGIBLE RETAINER  
AND MEETING FEES**

**6.1 Election**

- (a) Subject to Section 6.2 and such rules, regulations, approvals and conditions as the Board, in its sole discretion, may impose, an Eligible Director may separately elect, in advance, to have all (but not less than all) of his or her: (i) DSU Eligible Retainer; and/or (ii) Meeting Fees, satisfied by way of Deferred Share Units credited to his or her Account under this Article 6 (with the remainder, if any, to be received in cash).
- (b) Notwithstanding the elections under Section 6.2 by an Eligible Director to have his or her DSU Eligible Retainer and/or Meeting Fees satisfied in the form of Deferred Share Units, the Board may decline to award Deferred Share Units to an Eligible Director in respect of his or her DSU Eligible Retainer and/or Meeting Fees in a particular calendar year.
- (c) Any Deferred Share Units credited to the Account of an Eligible Director pursuant to this Article 6 shall be credited in quarterly instalments on the final Business Day of each Quarter, with the number of Deferred Share Units (including fractions thereof, calculated to two decimal places) to be credited on each such day to be determined by dividing: (i) the sum of (A) a dollar amount equal to 25% of the Eligible Director's DSU Eligible Retainer for that calendar year to be satisfied in Deferred Share Units as elected by the Eligible Director pursuant to this Article 6, if any and (B) the dollar amount of the Eligible Director's Meeting Fees for the applicable Quarter to be satisfied Deferred Share Units as elected by the Eligible Director pursuant to this Article 6, if any ; by (ii) the Fair Market Value on such day.

**6.2 Method of Election**

- (a) In respect of any calendar year following the year ended December 31, 2015, an Eligible Director may make separate elections, on an irrevocable basis, to receive all (but not less than all) of such Eligible Director's: (i) DSU Eligible Retainer; and/or (ii) Meeting Fees, that would otherwise be payable to the Eligible Director as compensation for services to be performed after the date of the election in the form of Deferred Share Units, by completing and delivering to the Company an initial written election, in the form of the Participation and Election Agreement, no later than December 31 of the calendar year immediately preceding the calendar year to which such elections relates, subject to Section 6.2(c) and 6.2(e). Such elections shall set out whether the Eligible Director wishes his or her DSU Eligible Retainer and/or Meeting Fees to be satisfied in the form of Deferred Share Units (or to be paid in cash), for the calendar year following that in which such elections are made and for subsequent years unless the Eligible Director amends his or her elections under Section 6.2(d).
- (b) In respect of the calendar year in which this Plan becomes effective, an Eligible Director may elect, on an irrevocable basis, to receive all (but not less than all) of such Eligible Director's Meeting Fees which would otherwise be payable to the Eligible Director as compensation for services to be performed after the date of the election in the form of Deferred Share Units, by completing and delivering to the Company an initial written election, in the form of the Participation and Election Agreement, on or before the date that, subject to Section 6.2(e), is 10 Business Days after the Effective Date. Such Election shall set out whether the Eligible Director wishes his or her Meeting Fees to be satisfied in the form of Deferred Share Units (or to be paid in cash), for the remaining quarters of the calendar year in which this Plan becomes effective and for subsequent years unless the Eligible Director amends his or her election under Section 6.2(d). No election may be made in respect of the calendar year in which this Plan becomes effective for an Eligible Director's DSU Eligible Retainer.

- (c) In respect of the calendar year in which an Eligible Director is first elected or appointed to the Board, the Eligible Director may elect, on an irrevocable basis, to receive all (but not less than all) of such Eligible Director's Meeting Fees that would otherwise be payable to the Eligible Director as compensation for services to be performed after the date of the election in the form of Deferred Share Units, by completing and delivering to the Company an initial written election on or before the date that, subject to Section 6.2(e), is the later of: (i) 10 Business Days after the date on which the Eligible Director is first elected or appointed to the Board; and (ii) the last Business Day of the month in which the Eligible Director is first elected or appointed to the Board. Such Election shall set out whether the Eligible Director wishes his or her Meeting Fees to be satisfied in the form of Deferred Share Units (or to be paid in cash), for the remaining months of the calendar year after the Eligible Director makes the Election and for subsequent years unless the Eligible Director amends his or her election under Section 6.2(d). No election may be made in respect of the calendar year in which an Eligible Director is first elected or appointed to the Board for an Eligible Director's DSU Eligible Retainer.
- (d) Subject to Section 6.2(e), an Eligible Director may initiate or change their elections made in accordance with Sections 6.1(a), 6.1(b) or 6.1(c) for any subsequent calendar year by completing and delivering to the Corporation a new written election no later than December 31 of the calendar year immediately preceding the calendar year to which the DSU Eligible Retainer and/or Meeting Fees relate. For greater certainty, once an election is made in respect of a particular calendar year, it shall be irrevocable in respect of that year.
- (e) Notwithstanding anything in Sections 6.2(a), 6.2(b), 6.2(c) or 6.2(d), an election may not be made during a Quarterly Blackout Period or a Prescribed Blackout Period. In the event that an election would otherwise be required to be made within a Quarterly Blackout Period or a Prescribed Blackout Period, the deadline for the making of such election will be extended to the tenth Exchange Business Day following the expiry of the Quarterly Blackout Period or Prescribed Blackout Period, as the case may be; provided that all elections must be made no later than December 31 and, if the Quarterly Blackout Period or Prescribed Blackout Period continues to and includes December 31 of a calendar year, no election may be made or amended, as applicable, in respect of the subsequent calendar year.
- (f) An Eligible Director's latest election received by the Corporation under Sections 6.2(a), 6.2(b), 6.2(c) or 6.2(d), shall be irrevocable and shall continue to apply with respect to both his or her DSU Eligible Retainer and Meeting Fees for the calendar year following that in respect of which the election was made and for any subsequent calendar year unless the Eligible Director amends his or her election under Section 6.2(d).
- (g) Where there is no election that complies with Sections 6.2(a), 6.2(b), 6.2(c) or 6.2(d), as applicable, in effect for an Eligible Director for a calendar year, such Eligible Director shall be deemed to have elected to receive both his or her DSU Eligible Retainer and Meeting Fees for the applicable year in cash.

## ARTICLE 7 ACCOUNTS AND REORGANIZATIONS

### 7.1 Records and Accounts

- (a) The Committee shall keep or cause to be kept such records and accounts as may be necessary or appropriate in connection with the administration of the Plan and the discharge of its duties, which records shall, absent manifest error, be considered conclusively determinative of all information contained therein.

- (b) The Corporation shall maintain in its books an account for each Eligible Director (an "**Account**") recording at all times the number of Deferred Share Units standing to the credit of such Eligible Director.

## 7.2 Vesting of Deferred Share Units

- (a) Deferred Share Units granted under Article 5 or Article 6 shall be fully vested upon being credited to an Eligible Director's Account and the Eligible Director's entitlement to payment of such Deferred Share Units at his or her Termination Date shall not thereafter be subject to satisfaction of any requirements as to any minimum period of membership on the Board.
- (b) All Deferred Share Units that have not vested prior to the Eligible Directors' Termination Date will terminate and be of no further force and effect.

## 7.3 Adjustments and Reorganizations

In the event of any subdivision, consolidation or distribution of Shares to the shareholders of the Corporation (excluding by way of dividend payment in the ordinary course or a distribution of Shares under any compensation arrangement of the Corporation or any of its subsidiaries or other affiliates controlled by the Corporation, that contemplates the issuance of Shares from treasury), or upon a capital reorganization, reclassification, exchange, or other change with respect to the Shares, or a consolidation, amalgamation, arrangement or other form of business combination of the Corporation with another Person, or a sale, lease or exchange of all or substantially all of the property of the Corporation or other distribution of the Corporation's assets to shareholders (other than by way of dividend payment in the ordinary course), then the Account of each Eligible Director and the Deferred Share Units outstanding under the Plan shall be adjusted in such manner, if any, as the Board and the Committee deem appropriate in order to preserve, proportionally, the interests of the Eligible Directors under the Plan, provided that the dollar value of Deferred Share Units credited to an Eligible Director's Account immediately after such an adjustment shall not exceed the dollar value of the Deferred Share Units in such Eligible Director's Account immediately prior thereto and provided further that the value of Deferred Share Units shall always depend on the fair market value of Shares (or shares of a Related Company). All adjustments under this Section 7.3 shall, at all times, be in compliance with the provisions of paragraph 6801(d) of the regulations to the Tax Act.

## 7.4 Dividend Equivalents

If determined by the Board in its sole discretion and set out in the applicable Participation and Election Agreement or Award Agreement, on the payment date for cash dividends paid on Shares (the "**Dividend Payment Date**"), the Account of each Eligible Director shall be credited with additional Deferred Share Units in respect of Deferred Share Units credited to the Eligible Director's Account as of the record date for payment of such dividends (the "**Dividend Record Date**"). The number of such additional Deferred Share Units to be credited to the Eligible Director's Account will be calculated (to two decimal places) by dividing the total amount of the dividends that would have been paid to such Eligible Director if the Deferred Share Units in the Eligible Director's Account (including fractions thereof), as of the Dividend Record Date, were Shares, by the Fair Market Value on the Dividend Payment Date. However, no Deferred Share Units will be credited to an Eligible Director's Account in respect of dividends paid on Shares where the Dividend Record Date relating to such dividends falls after such Eligible Director's Termination Date. Any Deferred Share Units granted pursuant to this Section 7.4 shall have the same vesting conditions as the underlying Deferred Share Units in the Eligible Director's Account.

**ARTICLE 8**  
**REDEMPTION AND PAYMENT OF DEFERRED SHARE UNITS**

**8.1 Redemption of Deferred Share Units**

- (a) Subject to the remainder of this Section 8.1, on a date to be determined by the Board, in its sole discretion, after the Eligible Director's Termination Date (the "**Redemption Date**"), the vested Deferred Share Units credited to the Eligible Director's Account shall be redeemed and shall be paid by the Corporation to the Eligible Director (or if the Eligible Director has died, to the Eligible Director's Beneficiary) in the form of a lump sum cash payment, less Applicable Withholding Taxes, as soon as practicable after such Redemption Date, provided that in any event such payment shall be made no later than December 31 of the first (1<sup>st</sup>) calendar year commencing immediately after the Eligible Director's Termination Date. The Fair Market Value of the Deferred Share Units for the purposes of this Article 8, shall be determined as of the Redemption Date. Each Deferred Share Unit so redeemed shall entitle the Eligible Director to receive the Fair Market Value in cash in an amount that is rounded down to the nearest cent, less any Applicable Withholding Taxes as deducted, withheld and/or remitted in accordance with Section 2.2(c).
  - (b) In the event that any Redemption Date is after the date on which the Shares ceased to be traded on the Exchange, provided such cessation in trading is not reasonably expected to be temporary (the "**Cease Trade Date**"), the value of the Deferred Share Units redeemed by or in respect of the Eligible Director pursuant to Section 8.1(a) shall be determined in accordance with the following:
    - (i) where the Eligible Director's Termination Date is before or not more than 365 days after the last Trading Day before the Cease Trade Date, the value of each Deferred Share Unit credited to the Eligible Director's Account at his or her Redemption Date shall be equal to the Fair Market Value on the last Trading Day before the Cease Trade Date; and
    - (ii) where the Eligible Director's Termination Date is after the date that is 365 days after the last Trading Day before the Cease Trade Date, the value of each Deferred Share Unit credited to the Eligible Director's Account at his or her Redemption Date shall be based on the fair market value of a common share of the Corporation or of a Related Company at his or her Redemption Date as determined on a reasonable and equitable basis by the Board after receiving the advice of one or more independent firms of investment bankers of national repute.
- The value of an Eligible Director's Deferred Share Units determined in accordance with subparagraph (i) or (ii) of this Section 8.1(b), as applicable, shall be paid to the Eligible Director (or, if the Eligible Director has died, to his or her Beneficiary) in the form of a lump sum cash payment, less Applicable Withholding Taxes, as soon as practicable after the Eligible Director's Redemption Date, provided that, in any event, such payment date shall be no later than December 31 of the first (1<sup>st</sup>) calendar year commencing immediately after the Eligible Director's Termination Date.
- (c) Upon payment of any amount pursuant to this Section 8.1 in satisfaction of Deferred Share Units credited to the Account of an Eligible Director, the particular Deferred Share Units in respect of which such payment was made shall be cancelled and no further payments shall be made from the Plan in relation to such Deferred Share Units.
  - (d) Notwithstanding any other provision of the Plan, all amounts payable to, or in respect of, an Eligible Director hereunder shall be paid on or before December 31 of the 1<sup>st</sup> calendar year commencing immediately after the Eligible Director's Termination Date.

- (e) Subject to the remainder of Section 8.1 and the receipt of all necessary shareholder approvals as required under the rules, regulations and policies of the Exchange and any other stock exchange on which Shares are listed or traded, the Corporation may, in its sole discretion and in lieu of the cash payment by the Corporation contemplated above, as soon as practicable after the Redemption Date, and at all times subject to Section 8.1(d):
- (i) issue (or, subject to the consent of the Board which may be withheld in its sole discretion, cause to be issued) to the Eligible Director, the number of whole Shares that is equal to, or is a proportion of (determined in the sole discretion of the Corporation), the number of whole vested Deferred Share Units credited in the Eligible Director's Account on the Redemption Date (less any amounts in respect of any Applicable Withholding Taxes and other source deductions required to be withheld by the Corporation); or
  - (ii) through a broker designated by the applicable Eligible Director, which broker shall deal at arm's length with and independent of the Corporation and the Eligible Director and act as agent of the Eligible Director (the "**Designated Broker**"), acquire on behalf of such Eligible Director, the number of whole Shares that is equal to, or is a proportion of (determined in the sole discretion of the Corporation), the number of whole vested Deferred Share Units credited in the Eligible Director's Account on the Redemption Date (less any amounts in respect of any applicable taxes and other source deductions required to be withheld by the Corporation). If the Corporation elects to arrange for the purchase of Shares by a Designated Broker on behalf of the Eligible Director, the Corporation shall contribute to the Designated Broker an amount of cash sufficient, together with any reasonable brokerage fees or commission fees related thereto, to purchase the whole number of Shares to which the Eligible Director is entitled and the Designated Broker shall, as soon as practicable thereafter, purchase those Shares, on behalf of such Eligible Participant, on the Exchange (or other stock exchange on which the Shares are listed or traded).
- If, after issuance of Shares in accordance with paragraph (i) above, or the purchase of Shares by the Designated Broker in accordance with paragraph (ii) above, an amount remains payable in respect of the vested Deferred Share Units credited to the Eligible Director, the Corporation shall pay such remaining amount in cash (net of any Applicable Withholding Taxes and other source deductions required to be withheld by the Corporation) to the Eligible Director.
- (f) Subject to Section 8.1(d), in the event that a Eligible Director's Redemption Date as determined pursuant to Section 8.1(a) would otherwise fall between the record date for a dividend on the Shares and the related dividend payment date, then notwithstanding Section 8.1(a), the Redemption Date shall be the day immediately following the date of payment of such dividend for purposes of recording in the Account of the Eligible Director amounts referred to in Section 7.4, and making the calculation of the Fair Market Value of the vested Deferred Share Units contemplated by Section 8.1(a). Subject to Section 8.1(d), in the event that the Corporation is unable, by an Eligible Director's Redemption Date, to compute the Fair Market Value of the vested Deferred Share Units recorded in such Eligible Director's Account by reason of the fact that any data required in order to compute the Fair Market Value of a Share has not been made available to the Corporation, then the Redemption Date shall be the next following trading day on which such data is made available to the Corporation.
- (g) If the number of outstanding Shares is increased or decreased as a result of a subdivision, consolidation, reclassification or recapitalization and not as a result of the issuance of Shares for additional consideration or by way of a dividend in the ordinary course, the Board shall, subject to TSX approval, make appropriate adjustments to the number of Deferred Share Units outstanding under the Plan provided that the dollar value of Deferred Share Units credited to a Eligible Director's Account immediately after such an adjustment shall not exceed the dollar value of the Deferred

Share Units credited to such Eligible Director's Account immediately prior thereto. Any determinations by the Board as to the adjustments shall be made in its sole discretion and all such adjustments shall be conclusive and binding for all purposes under the Plan.

## **ARTICLE 9 AMENDMENT**

### **9.1 Amendment and Termination**

Subject to this Article 9, the Plan may be amended, suspended or terminated at any time by the Board in whole or in part, provided that no amendment shall be made which would cause the Plan, or any Deferred Share Units granted hereunder, to cease to comply with the requirements of paragraph 6801(d) of the regulations to the Tax Act or any successor provision thereto. Upon termination of the Plan, subject to a resolution of the Board to the contrary, all unvested Deferred Share Units shall remain outstanding and in effect and continue to vest and be paid out in accordance with the terms of the Plan existing at the time of its termination and the applicable Award Agreement, provided that no further Deferred Share Units will be credited to the Account of any Eligible Director (except in accordance with Sections 7.4). The Plan will terminate on the date upon which no further Units remain outstanding.

### **9.2 Permitted Amendments**

Subject to the policies, rules and regulations of any lawful authority having jurisdiction over the Corporation (including any exchange on which the Shares are then listed and posted for trading), the Board may at any time, without further action by, or approval of, the holders of Shares, amend the Plan or any Deferred Share Unit granted under the Plan in such respects as it may consider advisable and, without limiting the generality of the foregoing, it may do so to:

- (a) ensure that Deferred Share Units granted under the Plan will comply with any provisions respecting deferred share units or other security based compensation arrangements in the Tax Act or other laws in force in any country or jurisdiction of which an Eligible Director to whom a Deferred Share Unit has been granted may from time to time perform services or be resident;
- (b) cure any ambiguity, error or omission in the Plan or Deferred Share Unit or to correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan;
- (c) comply with applicable law or the requirements of any stock exchange on which the shares are listed;
- (d) amend the provisions of the Plan respecting administration or eligibility for participation under the Plan;
- (e) make amendments of a "housekeeping" nature;
- (f) change the terms and conditions on which Deferred Share Units may be or have been granted pursuant to the Plan, including a change to, or acceleration of, the vesting provisions of Deferred Share Units (provided that no extension to the term benefiting an insider is permissible);
- (g) amend the treatment of Deferred Share Units on ceasing to be an officer or employee; and
- (h) change the termination provisions of Deferred Share Units or the Plan.

Any such amendments shall, if made, become effective on the date selected by the Board. The Board may not, however, without the consent of the Participants, or as otherwise required by law, alter or impair any of the rights or obligations under any Units theretofore granted.

### **9.3 Amendments with Shareholder Approval**

Notwithstanding Section 9.2, the approval of the holders of Shares will be required in order to:

- (a) increase the maximum number of Shares issuable pursuant to the Plan, as provided for in Section 2.3;
- (b) amend the determination of Fair Market Value under the Plan in respect of any Deferred Share Unit;
- (c) modify or amend the provisions of the Plan in any manner which would permit Deferred Share Units, including those previously granted, to be transferable or assignable, other than for normal estate settlement purposes;
- (d) add to the categories of Eligible Directors under the Plan;
- (e) remove or amend the Insider Participation Restrictions;
- (f) change the termination provisions of Units or the Plan which would result in an extension beyond the original expiry date of a Unit held by an insider;
- (g) amend this Section 9.3; or
- (h) make any other amendment to the Plan where Shareholder approval is required by the TSX.

### **9.4 No Rights in Respect of Reorganization**

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

### **9.5 Amendments Required by Law**

Notwithstanding the provisions of this Section 9, should changes be required to the Plan by any securities commission, stock exchange or other governmental or regulatory body of any jurisdiction to which the Plan or the Corporation now is or hereafter becomes subject, such changes shall be made to the Plan as are necessary to conform with such requirements and, if such changes are approved by the Board, the Plan, as amended, shall be filed with the records of the Corporation and shall remain in full force and effect in its amended form as of and from the date of its adoption by the Board.

## **ARTICLE 10 GENERAL**

### **10.1 Compliance with Applicable Law**

The Corporation's issuance of any Deferred Share Units and the Corporation's obligation to make any payments hereunder is subject to compliance with Applicable Law. As a condition of participating in the Plan, each Eligible Director agrees to comply with all such Applicable Law and agrees to furnish to the Corporation all information and undertakings as may be required to permit compliance with such Applicable Law.

## **10.2 Reorganization of the Corporation**

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

## **10.3 Assignment**

- (a) Rights and obligations under the Plan may be assigned by the Corporation to a corporate successor in the business of the Corporation, any corporation resulting from any amalgamation, reorganization, combination, merger or arrangement of the Corporation, or any corporation acquiring all or substantially all of the assets or business of the Corporation.
- (b) In no event may the rights or interests of an Eligible Director under the Plan be assigned, encumbered, pledged, transferred or alienated in any way, except to the extent that certain rights may pass to a Beneficiary upon death of an Eligible Director pursuant to the terms of the Plan.

## **10.4 Units Non-Transferable**

Deferred Share Units are non-transferable. Certificates representing Deferred Share Units will not be issued by the Corporation.

## **10.5 Designation of Beneficiary**

Subject to the requirements of Applicable Law, an Eligible Director shall designate in writing a person who is a dependant or relation of the Eligible Director as a beneficiary to receive any benefits that are payable under the Plan upon the death of such Eligible Director. The Eligible Director may, subject to Applicable Law, change such designation from time to time. Such designation or change shall be in the form of Schedule "A", or in such other form as may be determined by the Corporation from time to time. The initial designation of each Eligible Director shall be executed and filed with the Committee: (a) in the case of an existing director, within thirty (30) days following the effective date of this Plan; or (b) in the case of a new director, within thirty (30) days after the Eligible Director's appointment to the Board. Changes to such designation may be filed from time to time thereafter, subject to Applicable Law.

## **10.6 Death of Eligible Director**

In the event of an Eligible Director's death, any and all Deferred Share Units then credited to the Eligible Director's Account shall become payable to the Eligible Director's Beneficiary in accordance with Article 8 and, for greater certainty, the date of death shall be deemed to be the Eligible Director's Termination Date.

## **10.7 No Additional Rights**

An Eligible Director shall not have the right or be entitled to exercise any voting rights, receive dividends (excluding dividend equivalents as determined pursuant to Section 7.4 hereof) or have or be entitled to any other rights as a holder of Shares in respect of any Deferred Share Units, except that any Deferred Share Units shall be counted as Shares solely in respect of measuring compliance with the Corporation's minimum share ownership guidelines.

**10.8 Unfunded and Unsecured Plan**

Unless otherwise determined by the Board, the Plan shall be unfunded and the Corporation will not secure its obligations under the Plan. To the extent any Eligible Director or his or her Beneficiary holds any rights by virtue of a grant of Deferred Share Units under the Plan, such rights (unless otherwise determined by the Board) shall be no greater than the rights of an unsecured creditor of the Corporation.

**10.9 Market Fluctuations**

- (a) No amount will be paid to, or in respect of, an Eligible Director under the Plan or otherwise, to compensate for a downward fluctuation in the price of Shares, nor will any other form of benefit be conferred upon, or in respect of, an Eligible Director (or a person with whom the Eligible Director does not deal at arm's length within the meaning of the Tax Act) for such purpose.
- (b) The Corporation makes no representations or warranties to Eligible Directors with respect to the Plan or the Deferred Share Units whatsoever. In seeking the benefits of participation in the Plan, an Eligible Director agrees to exclusively accept all risks associated with a decline in the Fair Market Value of Shares and all other risks associated with the holding of Deferred Share Units.

**10.10 Currency**

All payments and benefits under the Plan shall be determined and paid in the lawful currency of Canada.

**10.11 Governing Law**

The Plan shall be governed by, and interpreted in accordance with, the laws of the Province of Saskatchewan and the laws of Canada applicable therein, without regard to principles of conflict of laws.

**SCHEDULE "A"**

**Star Diamond Corporation  
Deferred Share Unit Plan**

**Beneficiary Designation**

To: Compensation and Corporate Governance Committee

I, \_\_\_\_\_, being a participant in the Star Diamond Corporation Deferred Share Unit Plan (the "**Plan**") hereby designate the following individual as my Beneficiary for purposes of the Plan:

Name of Beneficiary: \_\_\_\_\_ (please print)

Address of Beneficiary: \_\_\_\_\_  
\_\_\_\_\_

This designation revokes any previous Beneficiary designation made by me under the Plan. Under the terms of the Plan and subject to Applicable Law, I reserve the right to revoke this designation and to designate another individual as my Beneficiary.

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

Name: \_\_\_\_\_ (please print)

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

*Choosing your Beneficiary is an important decision and this is an important document. We recommend that you consider your options carefully and that you seek appropriate advice before completing it if you require clarification.*

*All capitalized terms used in this Beneficiary Designation shall have the same meaning as in the Plan unless otherwise defined herein.*

## SCHEDULE "B"

### Star Diamond Corporation Deferred Share Unit Plan (the "Plan")

#### Participation and Election Agreement

I hereby confirm that, as of the date written below, I am a non-employee member of the Board of Directors of Star Diamond Corporation (the "**Corporation**") and acknowledge that I: (i) may be granted Deferred Share Units under Article 4 of the Plan; (ii) have been or will be granted Deferred Share Units under 5 of the Plan; and (iii) may elect herein to have all (but not less than all) of my DSU Eligible Retainer and/or Meeting Fees for the next calendar year satisfied in the form of Deferred Share Units under Article 6 of the Plan, subject to and in accordance with the terms of the Plan.

The terms and conditions of the Plan are hereby incorporated by reference as terms and conditions of this Participation and Election Agreement and all capitalized terms used herein, unless expressly defined in a different manner, have the meanings ascribed thereto in the Plan.

I hereby acknowledge and confirm that:

1. One hundred percent (100%) of my Automatic DSU Retainer will be satisfied by the crediting to my Account of Deferred Share Units.
2. **[select option which is applicable]**

I elect to receive my DSU Eligible Retainer for the calendar year commencing January 1, [\_\_\_\_\_] as:

\_\_\_\_ 100% in Deferred Share Units; or

\_\_\_\_ 100% in cash

3. **[select option which is applicable]**

I elect to receive my Meeting Fees for the calendar year commencing January 1, [\_\_\_\_\_] as:

\_\_\_\_ 100% in Deferred Share Units; or

\_\_\_\_ 100% in cash

4. I have received and reviewed a copy of the Plan and agree to be bound by the terms and conditions of the Plan. In the event of any conflict between the terms of the Plan and this Participation and Election Agreement, the terms of the Plan will prevail and govern.
5. I understand that 100% of the Automatic DSU Retainer shall be credited to my Account on the first Business Day of the applicable calendar year, with the number of Deferred Share Units calculated in accordance with the provisions of the Plan.
6. I understand that if I elect to receive the Eligible DSU Retainer and/or Meeting Fees in the form of Deferred Share Units, such Deferred Share Units shall be credited to my Account in quarterly instalments on the final Business Day of each Quarter, with the number of Deferred Share Units calculated in accordance with the provisions of the Plan.
7. I understand that any elections I make herein with respect to my DSU Eligible Retainer and/or Meeting Fees shall be effective only with respect to compensation paid for services performed after

this Participation and Election Agreement is filed, and shall be irrevocable in respect of the calendar year it is made for and shall remain in effect until modified or revoked by the filing of a new election form in accordance with the terms of the Plan.

8. I understand that all discretionary grants of Deferred Share Units pursuant to Article 4 of the Plan will be evidenced by an Award Agreement and will be subject to the applicable provisions of the Plan and will contain such provisions as are required by this Plan and any other provisions that the Board may direct. The form of Award Agreement is attached hereto as Appendix "A".
9. I understand that I will not be able to cause the Corporation to redeem Deferred Share Units granted under the Plan until I am no longer either a director or an employee of the Corporation or of an Affiliate.
10. I recognize that when Deferred Share Units credited pursuant to the Plan are redeemed in accordance with the terms of the Plan after I am no longer either a director or employee of the Corporation or an Affiliate, income tax and other withholdings as required will arise at that time. Upon redemption of the Deferred Share Units, the Corporation or an Affiliate, as applicable, will make all appropriate withholdings as required by law at that time. Neither the Corporation nor any Affiliate has provided me with any tax advice with respect to the Plan and I acknowledge that I should confirm the tax treatment with my own advisor(s).
11. The value of Deferred Share Units is based on the value of the Shares of the Corporation from time to time and therefore is not guaranteed.
12. No funds will be set aside to guarantee the payment of Deferred Share Units. Future payment of Deferred Share Units will remain an unfunded and unsecured liability recorded on the books of the Corporation.
13. I understand that all distributions in respect of any Deferred Share Units in my Account will be in the form of cash.
14. As a participant in the Plan, I am required to provide the Corporation with all information (including personal information) required to administer and operate the Plan and I hereby consent to the collection and use of all such information by the Corporation and the Committee. I understand that the Corporation may from time to time transfer or provide access to such information to (i) third party service providers for purposes of the administration of the Plan and, (ii) its Affiliates for purposes of preparing financial statements or other necessary reports and facilitating payment or reimbursement of Plan expense, and that such Persons will be provided with such information for such purposes only. I also understand that the Corporation may from time to time disclose personal information about me in response to regulatory filings or other requirements for the information by a governmental authority or regulatory body, or for the purpose of complying with a subpoena, warrant or other order by a court, Person or body having jurisdiction over the Corporation to compel production of the information.

*The foregoing is only a brief outline of certain key provisions of the Plan. For more complete information, reference should be made to the Plan text. In the event of any conflict between the terms of the Plan and this Participation and Election Agreement, the terms of the Plan will prevail and govern.*

\_\_\_\_\_  
Date

\_\_\_\_\_  
(Name of Director) [Please Print]

\_\_\_\_\_  
(Signature of Director)

**APPENDIX "A"**

**AWARD AGREEMENT**

Star Diamond Corporation ("Star") hereby grants the following Deferred Share Units to the Eligible Director named below in accordance with and subject to the terms, conditions and restrictions of this Agreement, together with the provisions of the Deferred Share Unit Plan (the "Plan") of Star dated May 6, 2015, as amended March 29, 2018:

Name of Eligible Director: \_\_\_\_\_

Total Number of Deferred Share Units: \_\_\_\_\_

Date of Grant: \_\_\_\_\_

Vesting Dates:

Deferred Share Units	Vesting Date
[● of the total number granted]	[● year from the Date of Grant]
[● of the total number granted]	[● years from the Date of Grant]
[● of the total number granted]	[● years from the Date of Grant]

**[Note: Insert performance criteria to vesting, if any.]**

All Deferred Share Units that have not vested by the date that is [three] years from the Date of Grant shall terminate and be of no further force or effect.

1. The terms and conditions of the Plan, and the Participation and Election Agreement executed by the Eligible Director named below, are hereby incorporated by reference as terms and conditions of this Award Agreement and all capitalized terms used herein, unless expressly defined in a different manner, have the meanings set out in the Plan.
2. In the event an Eligible Director ceases to be a director of Star, all Deferred Share Units granted hereunder that have not vested will terminate and be of no further force and effect.
3. The determination by Star of any question which may arise as to the interpretation or implementation of the Plan or any of the Deferred Share Units granted hereunder shall be final and binding on the Eligible Director and other persons claiming or deriving rights through him or her.
4. Star's issuance of any Deferred Share Units or the obligation to make any payments under the Plan is subject to compliance with Applicable Law. As a condition of participating in the Plan, the Eligible Director agrees to comply with all such Applicable Law and agrees to furnish to Star all information and undertakings as may be required to permit compliance with such Applicable Law.
5. Neither the Plan nor any action taken thereunder shall interfere with the right of the shareholders of Star to remove an Eligible Director from the Board.
6. This Award Agreement and the rights of all parties and the construction of each and every provision hereof and of the Plan and any Deferred Share Units granted hereunder shall be construed according to the laws of the Province of Saskatchewan and the federal laws of Canada applicable therein, excluding reference to conflicts of laws principles.

DATED effective the \_\_\_\_ day of \_\_\_\_\_, 20\_\_

**STAR DIAMOND CORPORATION**

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

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

**ACKNOWLEDGEMENT OF PARTICIPANT**

I have read the foregoing Award Agreement and a copy of the Plan which has been provided to me and hereby accept the Deferred Share Units in accordance with and subject to the terms and conditions of this Award Agreement and the Plan. I agree to be bound by the terms and conditions of this Award Agreement and the Plan governing the award.

\_\_\_\_\_  
Date

\_\_\_\_\_  
(Name of Director) [Please Print]

\_\_\_\_\_  
(Signature of Director)

# **STAR DIAMOND CORPORATION**

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## **PERFORMANCE SHARE UNIT AND RESTRICTED SHARE UNIT PLAN**

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April 1, 2024

This plan was originally approved by the board of directors of the Corporation on May 6, 2015, an amendment to this plan was approved by the board of directors of the Corporation on March 29, 2018 and this plan was further approved without amendment by the board of directors of the Corporation on March 30, 2021 and April 1, 2024. This plan shall continue in effect from April 1, 2024, subject to the approval of this plan by the shareholders of the Corporation and the Toronto Stock Exchange.

## STAR DIAMOND CORPORATION

### PERFORMANCE SHARE UNIT AND RESTRICTED SHARE UNIT PLAN

#### 1. Purpose

- 1.1 The purpose of the Plan is to advance the interests of Star Diamond by: (a) increasing the proprietary interests of Participants in the Corporation; (b) aligning the interests of Participants with the interests of the shareholders of the Corporation generally; (c) encouraging Participants to remain associated with Star Diamond; and (d) furnishing Participants with an additional incentive in their efforts on behalf of Star Diamond. The Plan governs all Performance Share Units and Restricted Share Units granted from and after the date hereof.

#### 2. Plan Definitions and Interpretations

- 2.1 In this Plan, the following terms have the following meanings:

"# of PSUs Credited" has the meaning set out in Section 6.3;

"Account" means a Performance Share Unit Account or a Restricted Share Unit Account, as applicable;

"Applicable Law" means any applicable provision of law, domestic or foreign, including *The Securities Act, 1988* (Saskatchewan), as amended, together with all regulations, rules, policy statements, rulings, notices, orders or other instruments promulgated thereunder and any applicable provisions of Stock Exchange Rules;

"Award Agreement" means a signed, written agreement between a Participant and the Corporation, in one of the forms attached hereto as Schedule "A" or Schedule "B" or in such other form or forms as may be approved from time to time by the Board, evidencing the terms and conditions under which an award of Performance Share Units and/or Restricted Share Units has been granted under the Plan;

"Beneficiary" means, subject to Applicable Law, any Person designated by a Participant by written instrument filed with the Corporation in such form as may be approved from time to time by the Board, to receive any amount payable under the Plan in the event of a Participant's death or, failing any such effective designation, the Participant's estate;

"Board" means the board of directors of the Corporation, on the recommendation of the Compensation and Corporate Governance Committee ("Committee"), and, to the extent the board of directors delegates authority to administer the Plan to the Committee, references to the "Board" shall include the Committee;

"Board Meeting Date" means the first meeting of the Board in each year at which compensation matters are considered.

"Business Day" means a day on which there is trading on the TSX (or, if the Shares are not then listed and posted for trading on the TSX, such other stock exchange on which the Shares are then

listed and posted for trading), and if none, a day that is not a Saturday or Sunday or a national legal holiday in Canada;

**"Change of Control"** means or shall be deemed to have occurred upon:

- (a) the acceptance by the shareholders of the Corporation, representing in the aggregate more than thirty-five percent (35%) of all issued and outstanding Shares, of any offer, whether by way of a take-over bid or otherwise, for any or all of the Shares;
- (b) the acquisition hereafter, by whatever means (including, without limitation, by way of an arrangement, merger or amalgamation), by a Person (or two or more acting jointly or in concert), directly or indirectly, of the beneficial ownership of Shares or rights to acquire Shares, together with such Person's then owned Shares and rights to acquire Shares, if any, representing more than thirty five percent (35%) in aggregate of all issued and outstanding Shares (except where such acquisition is part of a *bona fide* reorganization of the Corporation in circumstances where the affairs of the Corporation are continued, directly or indirectly, and where the shareholdings remain substantially the same following the reorganization as existed prior to the re-arrangement);
- (c) the passing of a resolution by the Corporation or the shareholders of the Corporation to substantially liquidate the assets or wind-up or significantly rearrange the affairs of the Corporation in one or more transactions or series of transactions (including by way of an arrangement, merger or amalgamation) or the commencement of proceedings for such a liquidation, winding-up or re-arrangement (except where such resolution relates to a liquidation, winding-up or re-arrangement as part of a *bona fide* re-organization of the Corporation in circumstances where the affairs of the Corporation are continued, directly or indirectly, and where the shareholdings remain substantially the same following the reorganization as existed prior to the re-arrangement);
- (d) the sale by the Corporation of all or substantially all of its assets (other than to an affiliate of the Corporation in circumstances where the affairs of the Corporation is continued, directly or indirectly, and where the shareholdings of the Corporation remain substantially the same following the sale as existed prior to the sale);
- (e) Persons who were proposed as nominees (but not including nominees under a shareholder proposal) to become directors, of the Corporation immediately prior to a meeting of the shareholders of the Corporation involving a contest for, or an item of business relating to the election of directors of the Corporation, not constituting a majority of the directors of the Corporation following such election; or
- (f) any other event which in the opinion of the Board reasonably constitutes a change of control of the Corporation;

**"Continuing Entity"** has the meaning set out in Section 15.1;

**"Control Period"** means the period commencing on the date of the Change of Control and ending one (1) year after the date of the Change of Control;

**"Corporation"** means Star Diamond Corporation and its successors and assigns;

**"Date of Grant"** of a Unit means the date a Unit is granted to a Participant under the Plan, as evidenced by an Award Agreement, and, in respect of Units credited to a Participant pursuant to Sections 5.2 and 9.2, means the date on which the original Units, in respect of which the additional Units are attributable, were granted to a Participant under the Plan;

**"Designated Broker"** has the meaning ascribed thereto in Section 7.1(b);

**"Employer"** means with respect to a Participant, the entity in Star Diamond that employs the Participant or that employed the Participant immediately prior to his or her Termination Date;

**"FMV"** or **"FMV of a Performance Share Unit"** or **"FMV of a Restricted Share Unit"** or terms of similar meaning, means, subject to Sections 14.2 and 15.3, on any particular date, shall mean the five-day volume weighted average trading price of the Shares, calculated by dividing the total value by the total volume of Shares traded for the five trading days immediately preceding the relevant date; provided, however, that if the Shares are not then listed and posted for trading on the TSX, then the FMV shall mean the weighted average trading price of a Share on such stock exchange in Canada or the United States on which the Shares are then listed and posted for trading during the last five trading days prior to that particular date (and, if in United States dollars, converted to Canadian dollars using the Noon Buying Rate) or, if the Shares are not then listed and posted for trading on any stock exchange in Canada or the United States, then the FMV shall mean the fair market value per Share (in Canadian dollars) as determined by the Board in its sole discretion;

**"Insider"** has the meaning given to such term in the policies and notices of the TSX;

**"ITA"** means the *Income Tax Act* (Canada), R.S.C. (5<sup>th</sup> Supp.), c. 1, including the regulations promulgated thereunder, as amended from time to time;

**"Leave of Absence"** means any period during which, pursuant to the prior written approval of the Participant's Employer or by reason of disability, the Participant is considered to be on an approved leave of absence or on disability and does not provide any services to his or her Employer or any other entity in Star Diamond;

**"Noon Buying Rate"** means the noon buying rate for the applicable currency published by the Bank of Canada on the relevant date;

**"Participant"** means a permanent employee (including officers but excluding directors) of Star Diamond who has been designated by the Corporation for participation in the Plan and who has agreed to participate in the Plan on such terms as may be specified and to whom Performance Share Units and/or Restricted Share Units have or will be granted hereunder;

**"Participant Information"** has the meaning set out in Section 21.4(b);

**"Payout Percentage"** has the meaning set out in Section 6.3;

**"Performance Peer Group"** means the group of Persons in respect of which a TSR will be computed for the purposes of determining the TSR Percentile, and which shall be determined by the Board and, if applicable, shall be specified in the applicable Award Agreement evidencing the grant of a Performance Share Unit hereunder;

**"Performance Share Unit"** or **"PSU"** means a unit designated as a Performance Share Unit and credited by means of an entry on the books of the Corporation to a Participant pursuant to the Plan,

representing the right to receive a cash payment therefor equal to the FMV of a Share calculated at the date of such payment, or its equivalent in fully-paid Shares at the time, in the manner, and subject to the terms, set forth in the Plan;

**"Performance Share Unit Account"** has the meaning set out in Section 5.1;

**"Performance Share Unit Entitlement Date"** has the meaning set out in Section 7.1(a);

**"Permitted Reorganization"** means a reorganization of Star Diamond in circumstances where the shareholdings or ultimate ownership remains substantially the same upon the completion of the reorganization;

**"Person"** means any individual, sole proprietorship, partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, agency and, where the context requires, any of the foregoing when they are acting as trustee, executor, administrator or other legal representative;

**"Plan"** means this Performance Share Unit and Restricted Share Unit Plan, as the same may be amended or varied from time to time;

**"PSU Performance Period"** for a Performance Share Unit means, unless otherwise specified in the applicable Award Agreement, the period extending from January 1 of the calendar year containing the Date of Grant to October 1 of the third calendar year commencing after the calendar year containing the Date of Grant, provided, in all circumstances, that no PSU Performance Period shall extend beyond November 30 of the third calendar year commencing after the Service Year in respect of which the Performance Share Unit was granted;

**"PSU Vesting Date"** has the meaning set out in Section 6.2;

**"Restricted Share Unit"** or **"RSU"** means a unit designated as a Restricted Share Unit and credited by means of an entry on the books of the Corporation to a Participant pursuant to the Plan, representing the right to receive a cash payment therefor equal to the FMV of a Share calculated at the date of such payment, or its equivalent in fully-paid Shares, at the time, in the manner, and subject to the terms, set forth in the Plan;

**"Restricted Share Unit Account"** has the meaning set out in Section 9.1;

**"Restricted Share Unit Entitlement Date"** has the meaning set out in Section 11.1(a);

**"RSU First Tranche"** has the meaning set out in Section 10.1;

**"RSU First Vesting Date"** has the meaning set out in Section 10.1;

**"RSU Second Tranche"** has the meaning set out in Section 10.1;

**"RSU Second Vesting Date"** has the meaning set out in Section 10.1;

**"RSU Third Tranche"** has the meaning set out in Section 10.1;

**"RSU Third Vesting Date"** has the meaning set out in Section 10.1;

**"Security-Based Compensation Arrangements"** has the meaning given to such term in the TSX Company Manual;

**"Service Year"** has the meaning set out in Section 3.3;

**"Shares"** means the common shares in the capital of the Corporation as presently constituted or any securities into which such common shares are changed, reclassified, subdivided, consolidated or converted or which are substituted for such common shares or as such common shares may be further changed, reclassified, subdivided, consolidated, converted or substituted;

**"Star Diamond"** means Star Diamond Corporation and its subsidiaries, successors and assigns;

**"Stock Exchange Rules"** means the applicable rules of any stock exchange upon which Shares are listed, as amended;

**"Substitution Event"** means a Change of Control pursuant to which the Shares are converted into, or exchanged for, other property, whether in the form of securities of another Person, cash or otherwise;

**"Termination Date"** of a Participant means, where the Participant's employment with Star Diamond has been terminated, the Participant's last day of active employment with Star Diamond, regardless of the reason for the termination of employment;

**"TSR"** means the total shareholder return of the Corporation and each Person in the Performance Peer Group, calculated in the manner determined by the Board, based on the appreciation in the price of the applicable securities on the TSX, as specified in the Award Agreement, during the PSU Performance Period, plus the value of any distributions or dividends on such securities during the PSU Performance Period (which shall be deemed to have been reinvested in additional securities effective on the distribution or dividend date based on the closing price of such securities for purpose of measuring TSR);

**"TSR Percentile"** means, in any given year during the PSU Performance Period, the Corporation's percentile rank, as determined by the Board, of the TSR for the Shares relative to the TSR for each Person in the Performance Peer Group in the same year;

**"TSR Percentile Payout Percentage"** has the meaning set out in Table A of Section 6.3;

**"TSX"** means The Toronto Stock Exchange;

**"Units"** mean Performance Share Units and/or Restricted Share Units, as applicable;

**"Vested Performance Share Units"** has the meaning set out in Section 6.4;

**"Vested Restricted Share Units"** has the meaning set out in Section 10.2; and

**"Vested Units"** mean Vested Performance Share Units and/or Vested Restricted Share Units, as applicable.

- 2.2 In the Plan, unless the context requires otherwise, words importing the singular number may be construed to extend to and include the plural number, and words importing the plural number may be construed to extend to and include the singular number.

2.3 The following Schedules are attached to the Plan and are incorporated by reference:

Schedule "A" – Award Agreement for Performance Share Units

Schedule "B" – Award Agreement for Restricted Share Units

3. **Grant of Units**

3.1 Subject to the terms of the Plan, the Board may make grants of Performance Share Units and Restricted Share Units to Participants in such number, at such times and on such terms and conditions, as the Board may, in its sole discretion, determine.

3.2 Upon the grant of a Performance Share Unit or a Restricted Share Unit, the Corporation shall provide an Award Agreement to each applicable Participant in the Plan setting out the awards of Units to such Participant at such time; provided, however, that no Units will be granted after November 30 of a given calendar year.

3.3 For greater certainty, notwithstanding any other provision herein, unless otherwise provided in the applicable Award Agreement, the granting or crediting of Units to any Participant under the Plan pursuant to Sections 3.2, 5.2, 9.2 or otherwise in any calendar year shall be awarded solely in respect of performance of such Participant in the same calendar year (the "**Service Year**"). In all cases, the Units shall be in addition to, and not in substitution for or in lieu of, ordinary salary and wages received by such Participant in respect of his or her services to his or her Employer.

3.4 All grants of Performance Share Units and/or Restricted Share Units under the Plan will be evidenced by Award Agreements. Award Agreements will be subject to the applicable provisions of the Plan and will contain such provisions as are required by the Plan and any other provisions that the Board may direct. Any one executive officer of the Corporation is authorized and empowered to execute and deliver, for and on behalf of the Corporation, an Award Agreement to each Participant who is granted Performance Share Units and/or Restricted Share Units pursuant to the Plan; provided, however, that an executive officer may not sign an Award Agreement under which he or she is the Participant.

4. **Forfeited Units**

4.1 For greater certainty, no Participant shall have any entitlement to receive any payment (in cash, Shares, or other property) in respect of any Units which have been forfeited under the Plan, by way of damages, payment in lieu or otherwise.

5. **Performance Share Unit Grants and Accounts**

5.1 An Account, to be known as a "**Performance Share Unit Account**", shall be maintained by the Corporation for each Participant who is granted Performance Share Units. On each Date of Grant, the Account will be credited with the Performance Share Units granted to a Participant on that date.

5.2 Unless otherwise determined by the Board and provided in an Award Agreement, a Participant's Performance Share Unit Account shall from time to time, during the period commencing on the Date of Grant and ending on the Participant's Performance Share Unit Entitlement Date, be credited, as a bonus for services rendered in the particular calendar year, with additional Performance Share Units, the number of which shall be (rounded to two decimal places) equal to the quotient determined by dividing: one hundred percent (100%) of the dividends declared by the Corporation and that would have been paid to the Participant if the Performance Share Units in his

or her Performance Share Unit Account on the relevant record date for dividends on the Shares had been Shares (excluding ordinary-course dividends paid in the form of additional Shares) by the FMV of a Performance Share Unit on the payment date of such dividends. No Performance Share Units will be credited to a Participant's Performance Share Unit Account in respect of dividends paid on a record date which falls after such Participant's Termination Date. The proportion of Performance Share Units credited to a Participant's Performance Share Unit Account pursuant to this Section 5.2 relating to existing Vested Performance Share Units shall also be Vested Performance Share Units. The proportion of Performance Share Units credited to a Participant's Performance Share Unit Account pursuant to this Section 5.2 relating to existing Performance Share Units that have not yet become Vested Performance Share Units shall vest in the same manner as the existing unvested Performance Share Units.

6. **Vesting**

6.1 The Board shall designate, at the time of grant or credit of Performance Share Units, the date or dates on which all or portion of the Performance Share Units shall vest (including any additional Performance Share Units credited to a Participant's Performance Share Unit Account under Section 5.2) and any performance conditions to such vesting (which may include, without limitation, conditions related to business objectives of Star Diamond, personal performance objectives, TSR and such other terms or conditions as the Board may determine) provided that if no conditions to such vesting are designated at the time of grant then such PSUs shall vest conditional upon the Corporation achieving TSR as set forth in Section 6.3 below; provided that no such vesting condition shall extend beyond November 30 of the third calendar year following the Service Year in respect of which the Performance Share Units were granted and provided further that all vesting conditions shall be such that the Performance Share Units continuously comply with the exception to the definition of "salary deferral arrangement" contained in paragraph (k) of subsection 248(1) of the Tax Act or any successor provision thereto. Any conditions to such vesting shall be set out in the applicable Award Agreement.

6.2 Without limiting the Board's discretion pursuant to Section 6.1, the Board may decide that the "**PSU Vesting Date**" for Performance Share Units credited to a Participant's Performance Share Unit Account shall be the later of: (i) the third anniversary of the Date of Grant; and (ii) the Board Meeting Date occurring after the end of the PSU Performance Period for the PSUs; provided that no such vesting condition shall extend beyond November 30 of the third calendar year following the Service Year in respect of which the Performance Share Units were granted and provided further that all vesting conditions shall be such that the Performance Share Units continuously comply with the exception to the definition of "salary deferral arrangement" contained in paragraph (k) of subsection 248(1) of the Tax Act or any successor provision thereto.

6.3 Without limiting the Board's discretion pursuant to Section 6.1, the Board may designate that the vesting of PSUs shall be as set forth below, and if not otherwise provided in the applicable Award Agreement, the following shall apply.

As of the PSU Vesting Date, a number of Performance Share Units (ranging from 0% and 200% of the Performance Share Units originally credited to the Participant's Performance Share Unit Account) shall vest in accordance with the following formula for each year in the PSU Performance Period:

$$(\# \text{ of Vested PSUs}) = (\text{Payout Percentage}) \times \frac{(\# \text{ of PSUs Credited})}{(\# \text{ of years in PSU Performance Period})}$$

Where such formula is used, "**# of PSUs Credited**" means the number of PSUs granted to a Participant as specified in the applicable Award Agreement plus any additional PSUs credited to the Participant's Performance Share Unit Account pursuant to Section 5.2, and unless otherwise provided in the applicable Award Agreement, or determined by the Board on or prior to the Board Meeting Date, the "**Payout Percentage**" for any given year shall be equal to the TSR Percentile Payout Percentage in such year as set forth in Table A below.

**Table A**

<b>Performance Level</b>	<b>Corporation's TSR Percentile During Applicable Year</b>	<b>TSR Percentile Payout Percentage</b>
Maximum	Corporation is ranked at or above 90 <sup>th</sup> percentile	200%
Target	Corporation is ranked at 50 <sup>th</sup> percentile	100%
Threshold	Corporation is ranked at 35 <sup>th</sup> percentile	40%
Below Threshold	Corporation is ranked below 35 <sup>th</sup> percentile	0%

If the Corporation's TSR Percentile in any given year during the PSU Performance Period is between the Threshold Performance Level and the Target Performance Level or between the Target Performance Level and the Maximum Performance Level, the Payout Percentage for such year shall be determined by the Board in its sole discretion, acting reasonably, having regard, if determined applicable by the Board, to principles of linear interpolation.

Should the Corporation's TSR Percentile in any given year be below the Target Performance Level, then any Performance Share Units which do not become Vested Performance Share Units as a result (but only up to 100% of the Performance Share Units allocated to such year) shall become Vested Performance Share Units if the Corporation's TSR Percentile during any following year (if applicable) in the PSU Performance Period is at or greater than the Target Performance Level, on a proportional basis such that if TSR exceeds the Target Performance Level by the amount by which TSR was below the Target Performance Level in the given year, then a number of PSUs may vest such that 100% of the PSUs for the given year shall have vested. Notwithstanding the forgoing, any Performance Share Unit which does not become a Vested Performance Share Unit on the PSU Vesting Date shall be terminated and forfeited as of such date.

- 6.4 All Performance Share Units recorded in a Participant's Performance Share Unit Account which have vested in accordance with Sections 6.2, 6.3, 6.6, 8.2, 8.3, 14.1 and/or 15.2, and are not forfeited hereunder by the Participant on his or her Termination Date, together with any additional Performance Share Units credited to such Participant's Performance Share Unit Account under Section 5.2 hereof after such Participant's Termination Date, including in all cases any fractional Performance Share Units rounded to the nearest 0.01 of a Performance Share Unit, are referred to herein as "**Vested Performance Share Units**".
- 6.5 For greater certainty, no Participant nor any Beneficiary or other Person claiming through a Participant shall be entitled to any benefit hereunder in respect of any Performance Share Units that are not Vested Performance Share Units.
- 6.6 Notwithstanding anything else herein contained, the Board may, in its discretion, at any time permit the acceleration of vesting of any or all Performance Share Units, all in the manner and on the terms as may be authorized by the Board.

7. **Redemption of Performance Share Units**

- 7.1 (a) Subject to the remainder of this Article 7, on a date to be determined by the Board, in its sole discretion, following the day on which any Performance Share Units become Vested Performance Share Units which date, notwithstanding anything else herein contained, shall be on or before that date which is three years following the end of the Service Year in respect of which the Performance Share Units were granted (the "**Performance Share Unit Entitlement Date**"), such Vested Performance Share Units shall be redeemed and paid by the Participant's Employer to the Participant or the Participant's Beneficiary, as applicable. The FMV of the Vested Performance Share Units, determined as of the PSU Vesting Date, so redeemed shall, subject to Section 7.1(b) and after deduction of any applicable taxes and other source deductions required to be withheld by the Employer, be paid in cash.
- (b) Subject to the remainder of this Article 7 and the receipt of all necessary shareholder approvals as required under the rules, regulations and policies of the TSX and any other stock exchange on which Shares are listed or traded, the Employer may, in its sole discretion and in lieu of the cash payment by the Employer contemplated in Section 7.1(a) above, as soon as practicable after the Performance Share Unit Entitlement Date:
- (i) issue (or, subject to the consent of the Board which may be withheld in its sole discretion, cause to be issued) to the Participant or the Participant's Beneficiary, as applicable, the number of whole Shares that is equal to, or is a proportion of (determined in the sole discretion of the Corporation), the number of whole Vested Performance Share Units recorded in the Participant's Performance Share Unit Account on the Performance Share Unit Entitlement Date (less any amounts in respect of any applicable taxes and other source deductions required to be withheld by the Employer); or
- (ii) through a broker designated by the applicable Participant, which broker shall deal at arm's length with and independent of the Corporation and the Employer and act as agent of the Participant (the "**Designated Broker**"), acquire on behalf of such Participant or the Participant's Beneficiary, as applicable, the number of whole Shares that is equal to, or is a proportion of (determined in the sole discretion of the Corporation), the number of whole Vested Performance Share Units recorded in the Participant's Performance Share Unit Account on the Performance Share Unit Entitlement Date (less any amounts in respect of any applicable taxes and other source deductions required to be withheld by the Employer). If the Employer elects to arrange for the purchase of Shares by a Designated Broker on behalf of the Participant, the Employer shall contribute to the Designated Broker an amount of cash sufficient, together with any reasonable brokerage fees or commission fees related thereto, to purchase the whole number of Shares to which the Participant is entitled and the Designated Broker shall, as soon as practicable thereafter, purchase those Shares, on behalf of such Participant, on the TSX (or other stock exchange on which the Shares are listed or traded).

If, after issuance of Shares in accordance with paragraph (i) above, or the purchase of Shares by the Designated Broker in accordance with paragraph (ii) above, an amount remains payable in respect of the Vested Performance Share Units credited to the Participant, the Employer shall pay such remaining amount in cash (net of any applicable taxes and other source deductions required to be withheld by the Employer) to the Participant or the Participant's Beneficiary, as applicable.

- (c) Subject to Section 7.2, in the event that a Participant's Performance Share Unit Entitlement Date as determined pursuant to Section 7.1(a) would otherwise fall between the record date for a dividend on the Shares and the related dividend payment date, then notwithstanding Section 7.1(a), the Performance Share Unit Entitlement Date shall be the day immediately following the date of payment of such dividend for purposes of recording in the Performance Share Unit Account of the Participant amounts referred to in Section 5.2, and making the calculation of the FMV of the Vested Performance Share Units contemplated by Section 7.1(a). Subject to Section 7.2, in the event that the Corporation or Employer is unable, by a Participant's Performance Share Unit Entitlement Date, to compute the FMV of the Vested Performance Share Units recorded in such Participant's Performance Share Unit Account by reason of the fact that any data required in order to compute the FMV of a Share has not been made available to the Corporation or Employer, then the Performance Share Unit Entitlement Date shall be the next following trading day on which such data is made available to the Corporation or Employer.
- 7.2 Notwithstanding any other provision of the Plan, all amounts payable (whether in cash, Shares or other property) to, or in respect of, a Participant under this Article 7 shall be paid (or issued, as applicable) within three years following the end of the Service Year in respect of which the Performance Share Units were granted.
8. **Termination of Employment or Leave of Absence**
- 8.1 Subject to Section 8.2 and the provisions of any applicable Award Agreement, upon the Participant terminating employment with Star Diamond for any reason including, without limitation, due to involuntary termination with or without cause or voluntary termination by the Participant, all Performance Share Units previously credited to such Participant's Performance Share Unit Account which did not become Vested Performance Share Units on or prior to the Participant's Termination Date shall be terminated and forfeited as of the Participant's Termination Date. Notwithstanding the foregoing, the Board may, in its sole discretion, after considering all of the circumstances of such termination and the performance conditions of such PSUs, determined to vest all or any portion (including, for greater certainty, zero PSUs) of the aggregate number of PSUs in such Participant's Performance Share Unit Account, including, without limitation, proportional vesting as set forth in Section 8.2 and, in such event, any Performance Share Units which the Board determines are not Vested Performance Share Units shall be terminated and forfeited.
- 8.2 Upon the Participant terminating employment with Star Diamond by reason of the death of the Participant, any Performance Share Units previously credited to such Participant's Performance Share Unit Account which did not become Vested Performance Share Units on or prior to the Participant's Termination Date shall continue to vest in accordance with their terms and pursuant to Section 6.3 (as applicable) but only a *pro rata* proportion of such Performance Share Units that would otherwise vest in accordance with their terms shall become Vested Performance Share Units based on the number of days between the Date of Grant of such Performance Share Units and the Participant's Termination Date versus the number of days in the entire PSU Performance Period for such Performance Share Units. Any Performance Share Units which do not become Vested Performance Share Units as previously stated shall be terminated and forfeited. Any Vested Performance Share Units shall be redeemed in accordance with Article 7 hereof.
- 8.3 For the period during which a Participant is on a Leave of Absence, any Performance Share Units previously credited to such Participant's Performance Share Unit Account which did not become Vested Performance Share Units on or prior to the date the Participant commenced the Leave of

Absence shall continue to vest in accordance with their terms and pursuant to Section 6.3 (as applicable) but only a *pro rata* proportion of the aggregate number of Performance Share Units credited to the Participant's Performance Share Unit Account that would otherwise vest in accordance with their terms shall become Vested Performance Share Units based on the number of days during which the Participant provided services to the Employer and was not on a Leave of Absence during the PSU Performance Period for such Performance Share Units versus the number of days in the entire PSU Performance Period for such Performance Share Units. Any Performance Share Units which do not become Vested Performance Share Units as previously stated shall be terminated and forfeited. Notwithstanding the foregoing, the Board may, in its sole discretion, after considering all the circumstances of such Leave of Absence and the performance conditions of such PSUs, determine to vest all or any portion (including, for greater certainty, zero PSUs) of the PSUs in such Participant's Performance Share Unit Account, and in such event, any Performance Share Units which the Board determines are not Vested Performance Share Units shall be terminated and forfeited.

- 8.4 Where a Participant forfeits any Performance Share Units pursuant to Sections 8.1, 8.2, or 8.3, such Participant shall also forfeit all of his right, title and interest with respect to additional Performance Share Units credited to his or her Performance Share Unit Account under Section 5.2 to the extent that they are directly or indirectly attributable, as determined by the Board, to Performance Share Units forfeited by such Participant as above.
- 8.5 Subject to Sections 8.1, 8.2 and 8.3, if the relationship of the Participant with Star Diamond is terminated for any reason, whether or not such termination is with or without notice, adequate notice or legal notice or is with or without legal or just cause, the Participant's rights shall be strictly limited to those provided for in this Section 8.1, 8.2 and 8.3, or as otherwise provided in the applicable Award Agreement between the Participant and the Corporation. Unless otherwise specifically provided in writing, the Participant shall have no claim to, or in respect of, any PSUs which may have or would have vested had due notice of termination of employment been given nor shall the Participant have any entitlement to damages or other compensation or any claim for wrongful termination or dismissal in respect of any PSUs or loss of profit or opportunity which may have or would have vested or accrued to the Participant if such wrongful termination or dismissal had not occurred or if due notice of termination had been given. This provision shall be without prejudice to the Participant's rights to seek compensation for lost employment income or lost employment benefits (other than those accruing under or in respect of the Plan or any PSU) in the event of any alleged wrongful termination or dismissal.

9. **Restricted Share Unit Grants and Accounts**

- 9.1 An Account, to be known as a "**Restricted Share Unit Account**", shall be maintained by the Corporation for each Participant who is granted Restricted Share Units. On each Date of Grant, the Account will be credited with the Restricted Share Units granted to a Participant on that date.
- 9.2 Unless otherwise determined by the Board and provided in an Award Agreement, a Participant's Restricted Share Unit Account shall from time to time, during the period commencing on the Date of Grant and ending on the Participant's Restricted Share Unit Entitlement Date, be credited, as an additional bonus for services rendered in the particular calendar year, with additional Restricted Share Units, the number of which shall be (rounded to two decimal places) equal to the quotient determined by dividing: one hundred percent (100%) of the dividends declared by the Corporation and that would have been paid to the Participant if the Restricted Share Units in his or her Restricted Share Unit Account on the relevant record date for dividends on the Shares had been Shares (excluding ordinary-course dividends paid in the form of additional Shares) by the FMV of a

Restricted Share Unit on the payment date of such dividends. No Restricted Share Units will be credited to a Participant's Restricted Share Unit Account in respect of dividends paid on a record date which falls after such Participant's Termination Date. The proportion of Restricted Share Units credited to a Participant's Restricted Share Unit Account pursuant to this Section 9.2 relating to existing Vested Restricted Share Units shall also be Vested Restricted Share Units. The proportion of Restricted Share Units credited to a Participant's Restricted Share Unit Account pursuant to this Section 9.2 relating to existing Restricted Share Units that have not yet become Vested Restricted Share Units shall vest in the same manner as the existing unvested Restricted Share Units.

10. **Vesting**

10.1 The Board shall designate, at the time of grant or credit of Restricted Share Units, the number of Restricted Share Units that constitute the RSU First Tranche, the RSU Second Tranche and the RSU Third Tranche, the date or dates on which all or portion of the Restricted Share Units shall vest (including any additional Restricted Share Units credited to a Participant's Restricted Share Unit Account under Section 9.2) and any conditions to such vesting, provided that no such vesting conditions shall extend beyond November 30 of the third calendar year following the Service Year in respect of which the Restricted Share Units were granted and provided further that all vesting conditions shall be such that the Restricted Share Units continuously comply with the exception to the definition of "salary deferral arrangement" contained in paragraph (k) of subsection 248(1) of the Tax Act or any successor provision thereto. Any conditions to such vesting shall be set out in the applicable Award Agreement. Unless otherwise provided in the applicable Award Agreement, all Restricted Share Units shall vest as follows:

- (a) 1/3 of the Restricted Share Units shall constitute the "**RSU First Tranche**" and shall vest on the first anniversary of the Date of Grant (the "**RSU First Vesting Date**");
- (b) an additional 1/3 of the Restricted Share Units shall constitute the "**RSU Second Tranche**" and shall vest on the second anniversary of the Date of Grant (the "**RSU Second Vesting Date**"); and
- (c) the final 1/3 of the Restricted Share Units shall constitute the "**RSU Third Tranche**" and shall vest on the third anniversary of the Date of Grant (the "**RSU Third Vesting Date**").

10.2 All Restricted Share Units recorded in a Participant's Restricted Share Unit Account which have vested in accordance with Sections 10.1, 10.4, 12.2, 12.3, 14.1 and/or 15.2, and are not forfeited hereunder by the Participant on his or her Termination Date, together with any additional Restricted Share Units credited to such Participant's Restricted Share Unit Account under Section 9.2 after such Participant's Termination Date, including in all cases any fractional Restricted Share Units rounded to the nearest 0.01 of a Restricted Share Unit, are referred to herein as "**Vested Restricted Share Units**".

10.3 For greater certainty, no Participant nor any Beneficiary or other Person claiming through a Participant shall be entitled to any benefit hereunder in respect of any Restricted Share Units that are not Vested Restricted Share Units.

10.4 Notwithstanding anything else herein contained, the Corporation may, in its discretion, at any time permit the acceleration of vesting of any or all Restricted Share Units, all in the manner and on the terms as may be authorized by the Board.

11. **Redemption of Restricted Share Units**

- 11.1 (a) Subject to the remainder of this Article 11, on a date to be determined by the Board, in its sole discretion, following the day on which any Restricted Share Units become Vested Restricted Share Units which date, notwithstanding anything else herein contained, shall be on or before that date which is three years following the end of the Service Year in respect of which such Restricted Share Units were granted (the "**Restricted Share Unit Entitlement Date**"), such Vested Restricted Share Units shall be redeemed and paid by the Participant's Employer to the Participant or the Participant's Beneficiary, as applicable. The FMV of the Vested Restricted Share Units, determined as of the Restricted Share Unit Entitlement Date, so redeemed shall, subject to Section 11.1(b) and after deduction of any applicable taxes and other source deductions required to be withheld by the Employer, be paid in cash.
- (b) Subject to the remainder of this Article 11 and the receipt of all necessary shareholder approvals as required under the rules, regulations and policies of the TSX and any other stock exchange on which Shares are listed or traded, the Employer may, in its sole discretion and in lieu of the cash payment by the Employer contemplated in Section 11.1(a) above, as soon as practicable after the Restricted Share Unit Entitlement Date;
- (i) issue (or, subject to the consent of the Corporation and the Board which may be withheld in its sole discretion, cause to be issued) to the Participant or the Participant's Beneficiary, as applicable, the number of whole Shares that is equal to, or is a proportion of (determined in the sole discretion of the Corporation), the number of whole Vested Restricted Share Units recorded in the Participant's Restricted Share Unit Account on the Restricted Share Unit Entitlement Date (less any amounts in respect of any applicable taxes and other source deductions required to be withheld by the Employer); or
- (ii) through a Designated Broker, acquire on behalf of such Participant or the Participant's Beneficiary, as applicable, the number of whole Shares that is equal to, or is a proportion of (determined in the sole discretion of the Corporation), the number of whole Vested Restricted Share Units recorded in the Participant's Restricted Share Unit Account on the Restricted Share Unit Entitlement Date (less any amounts in respect of any applicable taxes and other source deductions required to be withheld by the Employer). If the Employer elects to arrange for the purchase of Shares by a Designated Broker on behalf of the Participant, the Employer shall contribute to the Designated Broker an amount of cash sufficient, together with any reasonable brokerage fees or commission fees related thereto, to purchase the whole number of Shares to which the Participant is entitled and the Designated Broker shall, as soon as practicable thereafter, purchase those Shares, on behalf of such Participant, on the TSX (or other stock exchange on which the Shares are listed or traded).

If, after issuance of Shares in accordance with paragraph (i) above, or the purchase of Shares by the Designated Broker in accordance with paragraph (ii) above, an amount remains payable in respect of the Vested Restricted Share Units credited to the Participant, the Employer shall pay such remaining amount in cash (net of any applicable taxes and other source deductions required to be withheld by the Employer) to the Participant or the Participant's Beneficiary, as applicable.

- (c) Subject to Section 11.2, in the event that a Participant's Restricted Share Unit Entitlement Date as determined pursuant to Section 11.1(a) would otherwise fall between the record date for a dividend on the Shares and the related dividend payment date, then notwithstanding Section 11.1(a), the Restricted Share Unit Entitlement Date shall be the day immediately following the date of payment of such dividend for purposes of recording in the Restricted Share Unit Account of the Participant amounts referred to in Section 9.2, and making the calculation of the FMV of a Participant's Vested Restricted Share Units contemplated by Section 11.1(a). Subject to Section 11.2, in the event that the Corporation or Employer is unable, by a Participant's Restricted Share Unit Entitlement Date, to compute the FMV of the Vested Restricted Share Units recorded in such Participant's Restricted Share Unit Account by reason of the fact that any data required in order to compute the FMV of a Share has not been made available to the Corporation or Employer, then the Restricted Share Unit Entitlement Date shall be the next following trading day on which such data is made available to the Corporation or Employer.
- 11.2 Notwithstanding any other provision of the Plan, all amounts payable (whether in cash, Shares or other property) to, or in respect of, a Participant under this Article 11 shall be paid (as issued, as applicable) within three years following the end of the Service Year in respect of which the Restricted Share Units were granted.
12. **Termination of Employment or Leave of Absence**
- 12.1 Subject to Section 12.2 and the provisions of any applicable Award Agreement, upon the Participant terminating employment with Star Diamond for any reason including, without limitation, due to involuntary termination with or without cause or voluntary termination by the Participant, all Restricted Share Units previously credited to such Participant's Restricted Share Unit Account which did not become Vested Restricted Share Units on or prior to the Participant's Termination Date shall be terminated and forfeited as of the Participant's Termination Date. Notwithstanding the foregoing, the Board may, in its sole discretion, after considering all of the circumstances of such termination, determine to vest all or any portion (including, for greater certainty, zero RSUs) of the aggregate number of RSUs in such Participant's Restricted Share Unit account, including without limitation, proportional vesting as set forth in Section 12.2 and in such event, any Restricted Share Units which the Board determines are not Vested Performance Share Units shall be terminated and forfeited.
- 12.2 Upon the Participant terminating employment with Star Diamond by reason of the death of the Participant, a number of Restricted Share Units previously credited to such Participant's Restricted Share Unit Account which did not become Vested Restricted Share Units on or prior to the Participant's Termination Date shall vest on such Termination Date in accordance with the following:
- (a) Where the Participant's Termination Date is prior to the RSU First Vesting Date, a *pro rata* proportion of such Restricted Share Units shall become Vested Restricted Share Units based on the number of days between the Date of Grant and the Participant's Termination Date versus the number of days between the Date of Grant and the date all of the Restricted Share Units would, in the absence of this Section 12.2(a), become Vested Restricted Share Units;
  - (b) Where the Participant's Termination Date is on or after the RSU First Vesting Date but prior to the RSU Second Vesting Date, a *pro rata* proportion of such Restricted Share Units shall become Vested Restricted Share Units based on the number of days between the RSU

First Vesting Date and the Participant's Termination Date versus the number of days between the RSU First Vesting Date and the date all of the Restricted Share Units would, in the absence of this Section 12.2(b), become Vested Restricted Share Units; and

- (c) Where the Participant's Termination Date is on or after the RSU Second Vesting Date but prior to the RSU Third Vesting Date, a *pro rata* proportion of such Restricted Share Units shall become Vested Restricted Share Units based on the number of days between the RSU Second Vesting Date and the Participant's Termination Date versus the number of days between the RSU Second Vesting Date and the RSU Third Vesting Date.

Any Restricted Share Units which do not become Vested Restricted Share Units as previously stated shall be terminated and forfeited. Any Vested Restricted Share Units shall be redeemed in accordance with Article 11 hereof.

12.3 For the period during which a Participant is on a Leave of Absence, any Restricted Share Units previously credited to such Participant's Restricted Share Unit Account which did not become Vested Restricted Share Units on or prior to the date the Participant commenced the Leave of Absence shall continue to vest in accordance with their terms and pursuant to Section 10.1 but:

- (a) Where the Participant is on a Leave of Absence at any time prior to the RSU First Vesting Date, a *pro rata* proportion of such Restricted Share Units shall become Vested Restricted Share Units based on the number of days during which the Participant provided services to the Employer and was not on a Leave of Absence between the Date of Grant and the RSU First Vesting Date versus the number of days between the Date of Grant and the RSU First Vesting Date;
- (b) Where the Participant is on a Leave of Absence at any time between the RSU First Vesting Date and the RSU Second Vesting Date, a *pro rata* proportion of such Restricted Share Units shall become Vested Restricted Share Units based on the number of days during which the Participant provided services to the Employer and was not on a Leave of Absence between the RSU First Vesting Date and the RSU Second Vesting Date versus the number of days between the RSU First Vesting Date and the RSU Second Vesting Date; and
- (c) Where the Participant is on a Leave of Absence at any time between the RSU Second Vesting Date and the RSU Third Vesting Date, a *pro rata* proportion of such Restricted Share Units shall become Vested Restricted Share Units based on the number of days during which the Participant provided services to the Employer and was not on a Leave of Absence between the RSU Second Vesting Date and the RSU Third Vesting Date versus the number of days between the RSU Second Vesting Date and the RSU Third Vesting Date.

Any Restricted Share Units which do not become Vested Restricted Share Units as previously stated shall be terminated and forfeited. Notwithstanding the foregoing, the Board may, in its sole discretion, after considering all the circumstances of such Leave of Absence, determine to vest all or any portion (including, for greater certainty, zero RSUs) of the RSUs in such Participant's Restricted Share Unit Account and in such event, any Restricted Share Units which the Board determines are not Vested Performance Share Units shall be terminated and forfeited..

12.4 Where a Participant forfeits any Restricted Share Units pursuant to Sections 12.1, 12.2 or 12.3, such Participant shall also forfeit all of his right, title and interest with respect to additional Restricted Share Units credited to his Restricted Share Unit Account pursuant to Section 9.2 to the

extent that they are directly or indirectly attributable, as determined by the Board, to Restricted Share Units forfeited by such Participant as above.

- 12.5 Subject to Sections 12.1, 12.2 and 12.3 above, if the relationship of the Participant with Star Diamond is terminated for any reason, whether or not such termination is with or without notice, adequate notice or legal notice or is with or without legal or just cause, the Participant's rights shall be strictly limited to those provided for in this Sections 12.1, 12.2 and 12.3 above, or as otherwise provided in the applicable Award Agreement between the Participant and the Corporation. Unless otherwise specifically provided in writing, the Participant shall have no claim to, or in respect of, any RSUs which may have or would have vested had due notice of termination of employment been given nor shall the Participant have any entitlement to damages or other compensation or any claim for wrongful termination or dismissal in respect of any RSUs or loss of profit or opportunity which may have or would have vested or accrued to the Participant if such wrongful termination or dismissal had not occurred or if due notice of termination had been given. This provision shall be without prejudice to the Participant's rights to seek compensation for lost employment income or lost employment benefits (other than those accruing under or in respect of the Plan or any RSU) in the event of any alleged wrongful termination or dismissal

13. **Shares Subject to the Plan**

- 13.1 This Section 13.1 applies to any securities that may be acquired by Participants on or subsequent to any Performance Share Unit Entitlement Date pursuant to Section 7.1(b) or Restricted Share Unit Entitlement Date pursuant to Section 11.1(b) that consist(s) of authorized but unissued Shares. Subject to adjustment for any subdivision, consolidation, reclassification or recapitalization of Shares as contemplated by, and in accordance with, Article 16:

- (a) the number of Shares reserved for issuance from treasury pursuant to the Units credited under the Plan shall, in the aggregate, equal ten percent (10%) of the number of Shares then issued and outstanding, less the number of Shares issuable pursuant to all other Security-Based Compensation Arrangements of Star Diamond;
- (b) the aggregate number of Shares issuable from treasury to any one Participant under the Plan and all other Security-Based Compensation Arrangements of Star Diamond shall not exceed five percent (5%) of the issued and outstanding Shares;
- (c) the aggregate number of Shares issuable from treasury to Insiders under the Plan and all other Security-Based Compensation Arrangements of Star Diamond shall not exceed ten percent (10%) of the issued and outstanding Shares;
- (d) during any one-year period, the aggregate number of Shares issued from treasury to Insiders under the Plan and all other Security-Based Compensation Arrangements of Star Diamond shall not exceed ten percent (10%) of the issued and outstanding Shares;
- (e) this Section 13.1 and the Corporation's or any Employer's right to elect under Section 7.1(b) and 11.1(b) to satisfy Units by the issuance of Shares from treasury will be effective only upon receipt, from time to time, of all necessary approvals of the Plan, as amended from time to time, as required by the rules, regulations and policies of the TSX and any other stock exchange on which Shares are listed or traded;
- (f) if any Unit granted under the Plan shall expire, terminate or be cancelled for any reason (including, without limitation, the satisfaction of the Unit by means of a cash payment)

without being paid out or settled in the form of Shares issued from treasury, any unissued Shares to which such Units relate shall be available for the purposes of the granting of further Units under the Plan or other securities pursuant to all other applicable Security-Based Compensation Arrangements of Star Diamond. If any rights to acquire Shares granted under any other Security-Based Compensation Arrangements of a member of Star Diamond shall be exercised, or shall expire or terminate for any reason without having been exercised in full, any such Shares to which such security relates shall be available for the purposes of the granting of further Units under the Plan;

- (g) for greater clarity but without restriction to the foregoing, any and all increases in the issued and outstanding Shares shall result in an increase in the available number of Shares reserved for issuance from treasury pursuant to the Units credited under the Plan, and any Shares issued in accordance with Section 7.1(b) or 11.1(b) will allow for corresponding additional Shares reserved for issuance from treasury pursuant to the Units credited under the Plan;

Collectively, the restrictions referred to in Sections 13.1(c) and (d) are referred to as the "**Insider Participation Restrictions**".

#### 14. **Change of Control**

14.1 If, before the vesting of a Unit in accordance with the terms thereof:

- (a) a Change of Control shall occur; and
- (b) the Participant's Termination Date occurs by reason of termination:
  - (i) by the Employer or by the entity that has entered into a valid and binding agreement with the Corporation and/or other members of Star Diamond to effect the Change of Control at any time after such agreement is entered into or during the Control Period and such termination was for any reason other than for cause; or
  - (ii) by the Participant as a constructive dismissal, provided the act giving rise to the constructive dismissal occurs during the Control Period;

then, unless otherwise determined by the Board prior to the Change of Control:

- (c) at the time a Change of Control occurs, a *pro rata* proportion of the Performance Share Units credited to a Participant's Performance Share Unit Account which did not become Vested Performance Share Units on or prior to the date the Change of Control occurred shall vest in accordance with the terms thereof and, if applicable, the provisions of Section 6.3, on the basis that the PSU Vesting Date was the date of the Change of Control and the PSU Performance Period ended on the date of the Change of Control, based on the period of time between the Date of Grant and the Change of Control versus the period of time in the original PSU Performance Period; and
- (d) at the time a Change of Control occurs, a *pro rata* proportion of the Restricted Share Units credited to a Participant's Restricted Share Unit Account which did not become Vested Restricted Share Units on or prior to the date the Change of Control occurred shall vest, based on the period of time between the Date of Grant and the Change of Control versus

the period of time between the Date of Grant and the date on which each tranche of the Restricted Share Units, in the absence of this Section 14.1(d), would have become Vested Restricted Share Units;

provided, however, that such vesting of Units shall, unless otherwise determined in advance by the Board, be effective as of the date of the Change of Control and shall be conditional on the consummation of such Change of Control. Any Units that have been credited to an Account of a Participant to whom this Section 14.1 applies and which do not become Vested Units pursuant to this Section 14.1 shall be terminated and forfeited.

- 14.2 Notwithstanding any other provision of the Plan, in the event that Performance Share Units and Restricted Share Units become Vested Units, as contemplated in this Article 14, the Board may by resolution determine that the "FMV" with respect to such Units shall be the price per Share offered or provided for in the change of control transaction.

15. **Substitution Event or Permitted Reorganization**

- 15.1 Upon the occurrence of a Substitution Event or a Permitted Reorganization, the surviving or acquiring entity (the "**Continuing Entity**") shall, to the extent commercially reasonable, take all necessary steps to continue the Plan and to continue the Units granted hereunder or to substitute or replace similar Units measurable in value to the securities in the Continuing Entity for the Units outstanding under the Plan on substantially the same terms and conditions as the Plan. Any such adjustment, substitution or replacement shall, at all times, be such that the Plan and any Units granted hereunder continuously comply with the exception to the definition of "salary deferral arrangement" contained in paragraph (k) of subsection 248(1) of the Tax Act or any successor provision thereto.

- 15.2 In the event that:

- (a) the Continuing Entity does not (or, upon the occurrence of the Substitution Event or Permitted Reorganization, will not) comply with the provisions of Section 15.1;
- (b) the Board determines, acting reasonably, that compliance with Section 15.1 is not practicable;
- (c) the Board determines, acting reasonably, that compliance with Section 15.1 would give rise to adverse tax results, under the ITA, to holders of Units; or
- (d) the securities of the Continuing Entity are not (or, upon the occurrence of the Substitution Event or Permitted Reorganization, will not be) listed and posted for trading on a recognizable stock exchange;

then, unless otherwise determined by the Board prior to the date of the Substitution Event or Permitted Reorganization, as applicable, upon such Substitution Event or Permitted Reorganization, a *pro rata* proportion of the Performance Share Units credited to a Participant's Performance Share Unit Account which did not become Vested Performance Share Units on or prior to the date of the Substitution Event or Permitted Reorganization and a *pro rata* proportion of the Restricted Share Units credited to a Participant's Restricted Share Unit Account which did not become Vested Restricted Share Units on or prior to the date of the Substitution Event or Permitted Reorganization shall vest in accordance with the provisions of Section 14.1, on the basis that the references to "Change of Control" in Section 14.1 shall be read as "Substitution Event or

Permitted Reorganization, as applicable" and the provisions of Clause 14.1(b) shall not apply. Any Units that have been credited to an Account of a Participant to whom this Section 15.2 applies and which do not become Vested Units pursuant to this Section 15.2 shall be terminated and forfeited.

- 15.3 Notwithstanding any other provision of the Plan, in the event that Performance Share Units and Restricted Share Units become Vested Units, as contemplated in this Article 15, the Board may by resolution determine that the "FMV" with respect to such Units shall be the price per Share offered or provided for in the Substitution Event or Permitted Reorganization, as applicable.

16. **Changes in Capital**

- 16.1 If the number of outstanding Shares is increased or decreased as a result of a subdivision, consolidation, reclassification or recapitalization and not as a result of the issuance of Shares for additional consideration or by way of a dividend in the ordinary course, the Board shall, subject to TSX approval, make appropriate adjustments to the number of Units outstanding under the Plan provided that the dollar value of Units credited to a Participant's Account immediately after such an adjustment shall not exceed the dollar value of the Units credited to such Participant's Account immediately prior thereto. Any determinations by the Board as to the adjustments shall be made in its sole discretion and all such adjustments shall be conclusive and binding for all purposes under the Plan.

17. **Administration**

- 17.1 The Plan shall be administered by the Board in accordance with its provisions. All costs and expenses of administering the Plan will be paid by Star Diamond. The Board may, from time to time, establish administrative rules and regulations and prescribe forms or documents relating to the operation of the Plan as it may deem necessary to implement or further the purpose of the Plan and amend or repeal such rules and regulations or forms or documents. In administering the Plan, the Board may seek recommendations from the Chairman or from the Chief Executive Officer of the Corporation. The Board may also delegate to any director, officer or employee of the Corporation such duties and powers relating to the Plan as it may see fit. The Corporation may also appoint or engage a trustee, custodian or administrator to administer or implement the Plan.
- 17.2 The Corporation shall keep or cause to be kept such records and accounts as may be necessary or appropriate in connection with the administration of the Plan and the discharge of its duties. At such times as the Board shall determine, the Corporation shall furnish the Participant with a statement setting forth the details of his or her Units including Date of Grant and the Vested Units held by each Participant.
- (a) Any payment, notice, statement, certificate or other instrument required or permitted to be given to a Participant or any Person claiming or deriving any rights through him or her shall be given by:
- (i) delivering it personally to the Participant or to the Person claiming or deriving rights through him or her, as the case may be;
  - (ii) other than in the case of a payment, sending it to the Participant via facsimile or similar means of electronic transmission to the facsimile or e-mail address which is maintained for the Participant in the Corporation's personnel records; or

- (iii) mailing it postage paid (provided that the postal service is then in operation) or delivering it to the address which is maintained for the Participant in the Corporation's personnel records.
- (b) Any payment, notice, statement, certificate or other instrument required or permitted to be given to the Corporation shall be given by mailing it postage paid (provided that the postal service is then in operation), delivering it to the Corporation at its principal address, or (other than in the case of a payment) sending it by means of facsimile or similar means of electronic transmission, to the attention of the Corporation.
- (c) Any payment, notice, statement, certificate or other instrument referred to in Section 17.2(a) or 17.2(b), if delivered, shall be deemed to have been given or delivered on the date on which it was delivered, if mailed (provided that the postal service is then in operation), shall be deemed to have been given or delivered on the second Business Day following the date on which it was mailed and if by facsimile or similar means of electronic transmission, on the next Business Day following transmission.

18. **Currency**

- 18.1 All payments and benefits under the Plan shall be determined and paid in the lawful currency of Canada.

19. **Beneficiaries and Claims for Benefits**

- 19.1 Subject to the requirements of Applicable Law, a Participant shall designate in writing a Beneficiary to receive any benefits that are payable under the Plan upon the death of such Participant. The Participant may, subject to Applicable Law, change such designation from time to time. Such designation or change shall be in such form and executed and filed in such manner as the Board may from time to time determine.

20. **Amendment and Termination**

- 20.1 Subject to this Article 20, the Plan may be amended, suspended or terminated at any time by the Board in whole or in part, provided that no amendment shall be made which would cause the Plan, or any Units granted hereunder, to cease to comply with paragraph (k) of the definition of "salary deferral arrangement" in subsection 248(1) of the Tax Act or any successor provision thereto. Upon termination of the Plan, subject to a resolution of the Board to the contrary, all unvested Units shall remain outstanding and in effect and continue to vest and be paid out in accordance with the terms of the Plan existing at the time of its termination and the applicable Award Agreement, provided that no further Units will be credited to the Account of any Participant (except in accordance with Sections 5.2 and 9.2). The Plan will terminate on the date upon which no further Units remain outstanding.
- 20.2 Subject to the policies, rules and regulations of any lawful authority having jurisdiction over the Corporation (including any exchange on which the Shares are then listed and posted for trading), the Board may at any time, without further action by, or approval of, the holders of Shares, amend the Plan or any Unit granted under the Plan in such respects as it may consider advisable and, without limiting the generality of the foregoing, it may do so to:
- (a) ensure that Units granted under the Plan will comply with any provisions respecting performance share units, restricted share units or other security based compensation

arrangements in the Tax Act or other laws in force in any country or jurisdiction of which a Participant to whom a Unit has been granted may from time to time perform services or be resident;

- (b) cure any ambiguity, error or omission in the Plan or Unit or to correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan;
- (c) comply with applicable law or the requirements of any stock exchange on which the shares are listed;
- (d) amend the provisions of the Plan respecting administration or eligibility for participation under the Plan;
- (e) make amendments of a "housekeeping" nature;
- (f) change the terms and conditions on which Units may be or have been granted pursuant to the Plan, including a change to, or acceleration of, the vesting provisions of Units (provided that no extension to the term benefiting an insider is permissible);
- (g) amend the treatment of Units on ceasing to be an officer or employee; and
- (h) change the termination provisions of Units or the Plan.

Any such amendments shall, if made, become effective on the date selected by the Board. The Board may not, however, without the consent of the Participants, or as otherwise required by law, alter or impair any of the rights or obligations under any Units theretofore granted.

20.3 Notwithstanding Section 20.2, the approval of the holders of Shares will be required in order to:

- (a) increase the maximum number of Shares issuable pursuant to the Plan, as provided for in Section 13;
- (b) amend the determination of FMV under the Plan in respect of any Unit;
- (c) modify or amend the provisions of the Plan in any manner which would permit Units, including those previously granted, to be transferable or assignable, other than for normal estate settlement purposes;
- (d) add to the categories of eligible Participants under the Plan;
- (e) remove or amend the Insider Participation Restrictions;
- (f) change the termination provisions of Units or the Plan which would result in an extension beyond the original expiry date of a Unit held by an insider;
- (g) amend this Section 20.3; or
- (h) make any other amendment to the Plan where Shareholder approval is required by the TSX.

20.4 The existence of any Units shall not affect in any way the right or power of the Corporation or its shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Corporation's capital structure or its business, or to create or issue any bonds, debentures,

shares or other securities of the Corporation or to amend or modify the rights and conditions attaching thereto or to effect the dissolution or liquidation of the Corporation, or any amalgamation, combination, merger or consolidation involving the Corporation or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

- 20.5 Notwithstanding the provisions of this Section 20, should changes be required to the Plan by any securities commission, stock exchange or other governmental or regulatory body of any jurisdiction to which the Plan or the Corporation now is or hereafter becomes subject, such changes shall be made to the Plan as are necessary to conform with such requirements and, if such changes are approved by the Board, the Plan, as amended, shall be filed with the records of the Corporation and shall remain in full force and effect in its amended form as of and from the date of its adoption by the Board.

21. **General**

- 21.1 The transfer of an employee within Star Diamond shall not be considered a termination of employment for the purposes of the Plan, so long as such Participant continues to be an officer or employee of an entity in Star Diamond.
- 21.2 The determination by the Board of any question which may arise as to the interpretation or implementation of the Plan or any of the Units granted hereunder shall be final and binding on all Participants and other Persons claiming or deriving rights through any of them.
- 21.3 The Plan shall enure to the benefit of and be binding upon Star Diamond and their successors and assigns. The interest of any Participant under the Plan or in any Unit shall not be transferable or alienable by him or her either by pledge, assignment or in any other manner whatever, otherwise than by testamentary disposition or in accordance with the laws governing the devolution of property in the event of death; and after his or her lifetime shall enure to the benefit of and be binding upon the Participant's Beneficiary.
- 21.4 (a) The Corporation's grant of any Units or any obligation of Star Diamond to make any payments hereunder (whether in cash, Shares or other property) is subject to compliance with Applicable Law applicable thereto.
- (b) As a condition of participating in the Plan, each Participant agrees to comply with all such Applicable Law and agrees to furnish to Star Diamond all information and undertakings as may be required to permit compliance with such Applicable Law. Each Participant shall provide the Board with all information (including personal information) the Board requires in order to administer the Plan (the "**Participant Information**").
- (c) The Board may from time to time transfer or provide access to Participant Information to a third party service provider for purposes of the administration of the Plan provided that such service providers will be provided with such information for the sole purpose of providing services to the Board in connection with the operation and administration of the Plan. The Board may also transfer and provide access to Participant Information to the Employers for purposes of preparing financial statements or other necessary reports and facilitating payment or reimbursement of Plan expenses. By participating in the Plan, each Participant acknowledges that Participant Information may be so provided and agrees and consents to its provision on the terms set forth herein. The Corporation shall not disclose Participant Information except (i) as contemplated above in this Section 21.4(c), (ii) in

response to regulatory filings or other requirements for the information by a governmental authority or regulatory body, or (iii) for the purpose of complying with a subpoena, warrant or other order by a court, Person or body having jurisdiction over the Corporation to compel production of the information.

- 21.5 (a) Neither the Corporation nor any Employer shall be liable for any tax imposed on any Participant or any Beneficiary as a result of the crediting, holding or redemption of Units or amounts paid or credited to such Participant (or Beneficiary) under the Plan. It is the responsibility of the Participant (or Beneficiary) to complete and file any tax returns which may be required under any applicable tax laws within the period prescribed by such laws.
- (b) The Corporation and any Employer may withhold from any amount payable to a Participant (whether in Shares or cash or other property), either under the Plan, or otherwise, such amount as may be necessary so as to ensure that the Corporation or Employer will be able to comply with the applicable provisions of any federal, provincial or local law relating to the withholding of tax or other required deductions, including on the amount, if any, includable in the income of a Participant. For greater certainty, the Corporation or any Employer shall have the right, in its discretion, to satisfy any such liability for withholding or other required deduction amounts by: (i) making additional withholdings on cash remuneration paid to the Participant in the calendar year as that containing the vesting of a PSU or RSU; (ii) retaining any Shares or any amount payable, which would otherwise be issued or delivered, provided or paid to a Participant hereunder; and/or (iii) requiring a Participant, as a condition to the vesting on an RSU or PSU, to pay or reimburse the Corporation or Employer for any such withholding or other required deduction amounts related to the RSU or PSU.
- 21.6 A Participant shall not have the right or be entitled to exercise any voting rights, receive dividends or have or be entitled to any other rights as a shareholder of the Corporation in respect of any Units.
- 21.7 Neither the designation of an employee as a Participant nor the grant of any Units to any Participant entitles any Participant to any additional grant, as the case may be, of any Units under the Plan. Neither the Plan nor any action taken thereunder shall interfere with the right of the Employer of a Participant to terminate a Participant's employment at any time. Neither any period of notice, if any, nor any payment in lieu thereof, upon termination of employment shall be considered as extending the period of employment for the purposes of the Plan.
- 21.8 Participation in the Plan shall be entirely voluntary and any decision not to participate shall not affect any employee's employment with Star Diamond.
- 21.9 The Plan shall be an unfunded obligation of Star Diamond. Neither the establishment of the Plan nor the grant of any Units or the setting aside of any funds or Shares by the Corporation or any Employer (if, in its sole discretion, it chooses to do so) shall be deemed to create a trust. Legal and equitable title to any funds set aside for the purposes of the Plan shall remain in the Corporation or the Employer and no Participant shall have any security or other interest in such funds. Any funds so set aside shall remain subject to the claims of creditors of the Corporation or Employer present or future. Amounts payable to any Participant under the Plan shall be a general, unsecured obligation of the Corporation. The right of the Participant or Beneficiary to receive payment pursuant to the Plan shall be no greater than the right of other unsecured creditors of the Corporation.

- 21.10 The Plan is established under the laws of the Province of Saskatchewan and the rights of all parties and the construction of each and every provision of the Plan and any Units granted hereunder shall be construed according to the laws of the Province of Saskatchewan.
- 21.11 The Plan is effective May 6, 2015, as amended March 29, 2018.

**STAR DIAMOND CORPORATION**

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

**SCHEDULE "A"**

**Star Diamond Corporation  
Performance Share Unit and Restricted Share Unit Plan (the "Plan")**

**Award Agreement for Performance Share Units**

Star Diamond Corporation (the "**Corporation**") hereby grants the following award to the Participant named below in accordance with and subject to the terms, conditions and restrictions of this Award Agreement ("**Award Agreement**"), together with the provisions of the Plan:

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

Address of Participant: \_\_\_\_\_

\_\_\_\_\_

Number of Performance Share Units: \_\_\_\_\_

Date of Grant: \_\_\_\_\_

Service Year: \_\_\_\_\_

PSU Performance Period: \_\_\_\_\_, 2\_\_\_\_ to \_\_\_\_\_, 2\_\_\_\_

PSU Vesting Date: \_\_\_\_\_

Unless provided elsewhere in this Award Agreement, vesting of the Performance Share Units granted hereunder shall be in accordance with Section 6.3 and the other provisions of the Plan. For these purposes:

- Performance Peer Group: \_\_\_\_\_

OR

The performance criteria for the Performance Share Units shall be as follows: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Other Terms and Conditions: \_\_\_\_\_

The terms and conditions of the Plan are hereby incorporated by reference as terms and conditions of this Award Agreement and all capitalized terms used herein, unless expressly defined in a different manner, have the meanings ascribed thereto in the Plan.

Participation in the Plan is voluntary and is not a condition of employment with Star Diamond. No Participant shall have any claim or right to be granted Performance Share Units pursuant to the Plan.

Neither the Corporation nor any Employer (which for the purposes of this Award Agreement includes their respective directors, officers and employees) shall have any liability for: (i) the income or other tax consequences to Participants arising from participation in the Plan; (ii) any change in the value of the Shares; or (iii) any delays or errors in the administration of the Plan, except where such Person has acted with willful misconduct. Participants should consult their own tax and business advisors as Star Diamond is not providing any such advice to any Participant.

Please acknowledge receipt of this Award Agreement and your agreement to be bound by its terms (and the terms and conditions set out in the Plan) by signing the acknowledgement below. Please make a copy of this Award Agreement for your records and return your original signed Award Agreement to the attention of \_\_\_\_\_ within thirty (30) days of your receipt of this Award Agreement.

***If you fail to complete and return this Award Agreement within thirty (30) days of your receipt of the Award Agreement, the Corporation reserves the right to revoke the crediting of Performance Share Units to you.***

Thank you for your contribution to the Corporation.

**STAR DIAMOND CORPORATION**

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

## ACKNOWLEDGEMENT

The undersigned Participant acknowledges that:

1. I have had the opportunity to review a copy of the Plan and agree to be bound by it and the terms of this Award Agreement. In the event of any conflict between the terms of the Plan and this Award Agreement, the terms of the Plan will govern and prevail.
2. I have not been induced to enter into this Award Agreement by expectation of employment or continued employment with Star Diamond.
3. I will be liable for income tax and other applicable taxes or social security contributions when payment is made to me under the Plan in respect of Units credited to my Account, in accordance with the terms of the Plan. **I should confirm the tax treatment with my own tax advisor.**
4. The value of a Unit is based on the trading price of a Share and is thus not guaranteed. The eventual cash value of a Unit on the applicable payment date may be higher or lower than the value of the Unit at the time it was allocated to my Account in the Plan.
5. Except as otherwise provided in the Plan, if my employment with Star Diamond is terminated, I will forfeit all unvested Units in my Account at the time.
6. Any lump sum payment in cash owing to me pursuant to the Plan, less applicable withholding taxes, or evidence of ownership of Shares in accordance with Section 7.1(b) of the Plan (as applicable), will be forwarded to me at the address above, by registered mail, and in the case of cash, shall be in the form of a cheque from the Employer.
7. I shall have no entitlement to receive payment in respect of any Units that are forfeited pursuant to the terms of the Plan whether by way of damages or otherwise.
8. No funds will be set aside to guarantee payment of the Units and that future payments of Units will remain an unfunded and unsecured liability recorded on the books of the Corporation and/or Employer.
9. I am required to provide the Corporation with all information (including personal information) the Board requires to administer the Plan and I hereby consent to the collection of all such information by the Corporation. I understand that the Corporation may from time to time transfer or provide access to such information to third party service providers for purposes of the administration of the Plan and that such service providers will be provided with such information for the sole purpose of providing such services to the Corporation. I acknowledge that withdrawal of the consent at any time may result in a delay in the administration of the Plan or in the inability of the Corporation or Employer to deliver a lump-sum cash or share payment corresponding to the number of my Units to me under the Plan.

\_\_\_\_\_  
Date

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

\_\_\_\_\_  
Name of Participant [Please Print]

**SCHEDULE "B"**

**Star Diamond Corporation  
Performance Share Unit and Restricted Share Unit Plan (the "Plan")**

**Award Agreement for Restricted Share Units**

Star Diamond Corporation (the "**Corporation**") hereby grants the following award to the Participant named below in accordance with and subject to the terms, conditions and restrictions of this Award Agreement ("**Award Agreement**"), together with the provisions of the Plan:

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

Address of Participant: \_\_\_\_\_

Number of Restricted Share Units: \_\_\_\_\_

- RSU First Tranche: \_\_\_\_\_
- RSU Second Tranche: \_\_\_\_\_
- RSU Third Tranche: \_\_\_\_\_

Date of Grant: \_\_\_\_\_

Service Year: \_\_\_\_\_

Vesting Conditions:

- RSU First Vesting Date: \_\_\_\_\_
- RSU Second Vesting Date: \_\_\_\_\_
- RSU Third Vesting Date: \_\_\_\_\_

Other Terms and Conditions: \_\_\_\_\_

The terms and conditions of the Plan are hereby incorporated by reference as terms and conditions of this Award Agreement and all capitalized terms used herein, unless expressly defined in a different manner, have the meanings ascribed thereto in the Plan.

Participation in the Plan is voluntary and is not a condition of employment with Star Diamond. No Participant shall have any claim or right to be granted Restricted Share Units pursuant to the Plan.

Neither the Corporation nor any Employer (which for the purposes of this Award Agreement includes their respective directors, officers and employees) shall have any liability for: (i) the income or other tax consequences to Participants arising from participation in the Plan; (ii) any change in the value of the Shares; or (iii) any delays or errors in the administration of the Plan, except where such Person has acted

with willful misconduct. Participants should consult their own tax and business advisors as Star Diamond is not providing any such advice to any Participant.

Please acknowledge receipt of this Award Agreement and your agreement to be bound by its terms (and the terms and conditions set out in the Plan) by signing the acknowledgement below. Please make a copy of this Award Agreement for your records and return your original signed Award Agreement to the attention of \_\_\_\_\_ within thirty (30) days of your receipt of this Award Agreement.

***If you fail to complete and return this Award Agreement within thirty (30) days of your receipt of the Award Agreement, the Corporation reserves the right to revoke the crediting of Restricted Share Units to you.***

Thank you for your contribution to the Corporation.

**STAR DIAMOND CORPORATION**

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

**ACKNOWLEDGEMENT**

The undersigned Participant acknowledges that:

1. I have had the opportunity to review a copy of the Plan and agree to be bound by it and the terms of this Award Agreement. In the event of any conflict between the terms of the Plan and this Award Agreement, the terms of the Plan will govern and prevail.
2. I have not been induced to enter into this Award Agreement by expectation of employment or continued employment with Star Diamond.
3. I will be liable for income tax and other applicable taxes or social security contributions when payment is made to me under the Plan in respect of Units credited to my Account, in accordance with the terms of the Plan. **I should confirm the tax treatment with my own tax advisor.**
4. The value of a Unit is based on the trading price of a Share and is thus not guaranteed. The eventual cash value of a Unit on the applicable payment date may be higher or lower than the value of the Unit at the time it was allocated to my Account in the Plan.
5. Except as otherwise provided in the Plan, if my employment with Star Diamond is terminated, I will forfeit all unvested Units in my Account at the time.
6. Any lump sum payment in cash owing to me pursuant to the Plan, less applicable withholding taxes, or evidence of ownership of Shares in accordance with Section 11.1(b) of the Plan (as applicable), will be forwarded to me at the address above, by registered mail, and in the case of cash, shall be in the form of a cheque from the Employer.
7. I shall have no entitlement to receive payment in respect of any Units that are forfeited pursuant to the terms of the Plan whether by way of damages or otherwise.
8. No funds will be set aside to guarantee payment of the Units and that future payments of Units will remain an unfunded and unsecured liability recorded on the books of the Corporation and/or Employer.
9. I am required to provide the Corporation with all information (including personal information) the Board requires to administer the Plan and I hereby consent to the collection of all such information by the Corporation. I understand that the Corporation may from time to time transfer or provide access to such information to third party service providers for purposes of the administration of the Plan and that such service providers will be provided with such information for the sole purpose of providing such services to the Corporation. I acknowledge that withdrawal of the consent at any time may result in a delay in the administration of the Plan or in the inability of the Corporation or Employer to deliver a lump-sum cash or share payment corresponding to the number of my Units to me under the Plan.

\_\_\_\_\_   
Date

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

\_\_\_\_\_   
Name of Participant **[Please Print]**

# **STAR DIAMOND CORPORATION**

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## **STOCK OPTION PLAN**

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April 1, 2024

This plan was originally approved by the board of directors of the Corporation on June 8, 2015, amendments to this plan were approved by the board of directors of the Corporation on May 3, 2017 and April 1, 2024, and this plan was further approved without amendment by the board of directors of the Corporation on March 30, 2021. This plan shall continue in effect from April 1, 2024, subject to the approval of this plan by the shareholders of the Corporation and the Toronto Stock Exchange.

## STAR DIAMOND CORPORATION

### STOCK OPTION PLAN

Amended and Restated as of May 6, 2015, May 3, 2017 and April 1, 2024

#### 1. **The Plan**

The stock option plan dated February 2, 2005, as amended on October 17, 2005 and May 30, 2007, pursuant to which options to purchase common shares in the capital of Star Diamond Corporation (the "Corporation") may be granted to the directors, officers, employees and Service Providers of the Corporation is hereby amended and restated as of May 6, 2015 on the terms and conditions set forth herein (the "Plan"), as further amended May 3, 2017 and April 1, 2024.

#### 2. **Purpose**

The purpose of this Plan is to advance the interests of the Corporation by encouraging the directors, officers, employees and Service Providers of the Corporation and its affiliates to acquire Shares, thereby: (i) increasing the proprietary interests of such persons in the Corporation; (ii) aligning the interests of such persons with the interests of the Corporation's shareholders generally; (iii) encouraging such persons to remain associated with the Corporation and (iv) furnishing such persons with an additional incentive in their efforts on behalf of the Corporation.

#### 3. **Definitions**

When used in this Plan, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the respective meanings ascribed to them as follows:

- (a) "affiliates" has the same meaning as "affiliates companies" as found in the OSA and also includes those issuers that are similarly related, whether or not any of the issuers are corporation, companies, partnerships, limited partnerships, trusts, income trusts or investment trusts or any other organized entity issuing securities;
- (b) "associate" has the same meaning as found in the OSA;
- (c) "Black Out Extension Period" has the meaning ascribed to that term in Section 14;
- (d) "Board" or "Board of Directors" means the board of directors of the Corporation.
- (e) "Change of Control" has the meaning ascribed to that term in Section 17;
- (f) "Executive Officer" means an individual who is:
  - (i) a chair of the Corporation;
  - (ii) a vice-chair of the Corporation;
  - (iii) the president of the Corporation;
  - (iv) a vice-president of the Corporation in charge of a principal business unit, division or function including sales, finance or production;
  - (v) an officer of the Corporation or any of its subsidiary entities who performs a policy-making function in respect of any entity; or
  - (vi) any other individual who performs a policy-making function in respect of the Corporation.

But excluding an individual who acts as the chair or vice-chair of the Board on a part-time basis.

- (g) "Insider" has the same meaning as found in the OSA and also includes associates and affiliates of the insider; and "issuance to insiders" includes direct and indirect issuances to insiders;
- (h) "Market Price" means at any date when the Market Price of the Shares is to be determined, the closing price of the Shares on the trading day immediately prior to such date on the Stock Exchange, or if the shares are not listed on any stock exchange, the Market Price shall be determined solely by the Board, acting reasonably and in good faith;
- (i) "Option" means an option granted by the Corporation to a Participant entitling such Participant to acquire for a specified term a designated number of Shares from treasury at a price determined by the Board, subject to the provisions of this Plan.
- (j) "Option Period" means the period during which a Participant may exercise an Option;
- (k) "Outside Director" means a director who is not an Executive Officer or employee of the Corporation;
- (l) "OSA" means the Securities Act of the Province of Ontario as amended from time to time, the regulations and policies thereunder and any replacement legislation;
- (m) "Participant" has the meaning ascribed to that term in Section 7;
- (n) "Security Based Compensation Arrangement" means any compensation or incentive arrangement which involves the issuance or potential issuance of securities of the Corporation from treasury, including a share purchase from treasury which is financially assisted by the Corporation by way of loan, guarantee or otherwise;
- (o) "Service Provider" means a person or company engaged by the Corporation or its affiliates to provide services for an initial, renewable or extended period of twelve months or more;
- (p) "Shares" means the common shares of the Corporation and any shares or securities of the Corporation into which such common shares are changed, converted, subdivided, consolidated or reclassified;
- (q) "Stock Exchange" means the principal stock exchange on which the Shares are traded which, at the date hereof, is the Toronto Stock Exchange;
- (r) "Termination" has the meaning ascribed to that term in Section 12;

#### 4. **Administration**

- (a) This Plan shall be administered by the Board.
- (b) Subject to the terms and conditions set forth herein, the Board is authorized to provide for the granting, exercise and method of exercise of Options, all on such terms (which may vary between Options granted from time to time) as it shall determine. In addition, but subject to Section 19, the Board shall have the authority to: (i) construe and interpret this Plan and all option agreements entered into hereunder; (ii) prescribe, amend and rescind rules and regulations relating to this Plan and (iii) make all other determinations necessary or advisable for the administration of this Plan. All determinations and interpretations made by the Board shall be binding on all Participants and on their legal personal representatives and beneficiaries.
- (c) Notwithstanding the foregoing or any other provision contained herein, the Board shall have the right to delegate the administration and operation of this Plan, in whole or in part, to a committee of the Board or to the President or any other officer of the Corporation. Whenever used herein, the term "Board" shall be deemed to include any committee or officer to which the Board has, fully or partially, delegated responsibility and/or authority relating to the Plan or the administration and operation of this Plan pursuant to this Section 4.

- (d) Options shall be evidenced by (i) an agreement, signed on behalf of the Corporation and by the person to whom an Option is granted, which agreement shall be in such form as the Board shall approve, or (ii) a written notice or other instrument, signed by the Corporation, setting forth the material attributes of the Options.

5. **Shares Subject to Plan**

- (a) Subject to Section 16, the securities that may be acquired by Participants upon the exercise of Options shall be deemed to be fully authorized and issued Shares of the Corporation. Whenever used herein, the term "Shares" shall be deemed to include any other securities that may be acquired by a Participant upon the exercise of an Option the terms of which have been modified in accordance with Section 16.
- (b) The number of Shares reserved for issuance from treasury under this Plan shall, in the aggregate, equal ten percent (10%) of the number of Shares then issued and outstanding, less the number of Shares issuable pursuant to all other Security-Based Compensation Arrangements of the Corporation (subject to adjustment as provided in Section 16). This prescribed maximum may be subsequently increased to any other specified amount provided the change is approved in accordance with Section 19.
- (c) If any Option granted under this Plan shall be exercised, or shall expire or terminate for any reason without having been exercised in full, any Shares to which such Option relates shall be available for the purposes of the granting of Options under this Plan.

6. **Maintenance of Sufficient Shares**

The Corporation shall at all times during the term of this Plan ensure that the number of Shares it is authorized to issue shall be sufficient to satisfy the Corporation's obligations under all outstanding Options granted pursuant to this Plan.

7. **Eligibility and Participation**

- (a) The Board may, in its discretion, select any of the following persons to participate in this Plan:
  - (i) directors of the Corporation or its affiliates;
  - (ii) officers of the Corporation or its affiliates;
  - (iii) employees of the Corporation or its affiliates; and
  - (iv) Service Providers;

(any such person having been selected for participation in this Plan by the Board is herein referred to as a "Participant").

- (b) The Board may from time to time, in its discretion, grant an Option to any Participant, upon such terms, conditions and limitations as the Board may determine, including the terms, conditions and limitations set forth herein.
- (c) Prospective directors, officers, employees and Service Providers of the Corporation or its affiliates shall also be eligible to be granted Options, provided that such Options so granted may not be exercised by such parties until they become directors, officers, employees or Service Providers of the Corporation or its affiliates, as the case may be.

8. **Exercise Price**

The Board shall, at the time an Option is granted under this Plan, fix the exercise price at which Shares may be acquired upon the exercise of such Option provided that such exercise price shall not be less than the Market Price.

9. **Limits on Optioned Shares**

The number of Shares that may be acquired under an Option granted to a Participant shall be determined by the Board as at the time the Option is granted, provided that:

- (a) the number of Shares issuable to Insiders, at any time, under all Security Based Compensation Arrangements, cannot exceed 10% of the issued and outstanding Shares;
- (b) the number of Shares issued to Insiders, within any one-year period, under all Security Based Compensation Arrangements, cannot exceed 10% of the issued and outstanding Shares;
- (c) the number of Shares issuable to Outside Directors, at any time, under all Security Based Compensation Arrangements, cannot exceed 1.0% of the issued and outstanding Shares; and
- (d) the aggregate value of all grants of Options to any Outside Director shall not exceed \$100,000 in any one year.

10. **Term**

The Option Period shall be determined by the Board at the time the Option is granted, subject to any vesting limitations which may be imposed by the Board in its sole unfettered discretion at the time such Option is granted and subject to Sections 12, 13, 14, and 17, provided that:

- (a) no Option shall be exercisable for a period exceeding ten (10) years from the date the Option is granted;
- (b) no Option in respect of which shareholder approval is required pursuant to Section 19 or under the rules of the Stock Exchange shall be exercisable until such time as the Option has been approved by the shareholders of the Corporation;
- (c) the Board may, subject to the receipt of any necessary regulatory approvals, in its sole discretion, accelerate the time at which any Option may be exercised, in whole or in part; and
- (d) any Options granted to any Participant must expire within the period specified in Section 12 or Section 13, as applicable, after the Participant ceases to be a Participant.

11. **Method of Exercise of Option**

- (a) Except as set forth in Sections 11 and 12 below or as otherwise determined by the Board, no Option may be exercised unless the holder of such Option is, at the time the Option is exercised, a director, officer, employee or Service Provider of the Corporation or its affiliates.
- (b) Options that are otherwise exercisable in accordance with the terms thereof may be exercised in whole or in part from time to time.
- (c) Any Participant (or his legal personal representative) wishing to exercise an Option shall deliver to the Corporation, at its principal office in the City of Saskatoon, Saskatchewan:
  - (i) a written notice expressing the intention of such Participant (or his legal personal representative) to exercise his Option and specifying the number of Shares in respect of which the Option is exercised; and

(ii) a certified cheque or bank draft payable to the Corporation, representing the full purchase price of the Shares in respect of which the Option is exercised.

(d) Upon the exercise of an Option as aforesaid, the Corporation shall use reasonable efforts to forthwith deliver, or cause the registrar and transfer agent of the Shares to deliver, to the relevant Participant (or his legal personal representative) or to the order thereof, a certificate representing the aggregate number of fully paid and non-assessable Shares in respect of which the Option has been duly exercised.

## 12. **Ceasing to be a Director, Officer, Employee or Service Provider**

If any Participant shall cease to hold the position or positions of director, officer, employee or Service Provider of the Corporation or its affiliates (a "Termination") for any reason other than death, permanent disability or termination for cause, such Participant's Options will terminate at 4:00 p.m. (Saskatoon time) on the earlier of the date of the expiration of the Option Period and 90 days after the effective date of Termination. If a Termination occurs as a result of a dismissal or termination by the Corporation or its affiliates for cause, all Options held by such Participant shall immediately terminate and be null and void on the effective date of the Termination. For the purposes of this Section, the effective date of a Termination which has resulted from a dismissal or termination by the Corporation or its affiliates, with or without cause, shall be the date that the Corporation or its affiliate specifies as the date of Termination in its notice of dismissal or termination to such person.

Notwithstanding the foregoing provisions of this section 12 and subject to section 19 below and any applicable regulatory approvals, the Board may, in its discretion, provide for the extension of the exercisability of an Option for any period that is not beyond the applicable expiration date thereof, or accelerate the vesting or exercisability of an Option.

Neither the selection of any person as a Participant nor the granting of an Option to any Participant under this Plan shall: (i) confer upon such Participant any right to continue as a director, officer, employee or Service Provider of the Corporation or its affiliate, as the case may be; or (ii) be construed as a guarantee that the Participant will continue as a director, officer, employee or Service Provider of the Corporation or its affiliate, as the case may be.

## 13. **Death or Permanent Disability of a Participant**

In the event of the death or permanent disability (being a physical or mental incapacity of a nature which the Board determines prevents or would prevent the Participant from satisfactorily performing the substantial and material duties of his or her position with the Corporation or its affiliate) of a Participant, any Option previously granted to him or her shall expire on the earlier of the date of expiration of the Option Period and three years (in the case of directors) or one year (in the case of all other Participants) after the date of death or permanent disability of such Participant, and may be exercised only:

- (a) by the person or persons to whom the Participant's rights under the Option shall pass by the Participant's will or applicable law; and
- (b) to the extent that such Participant was entitled to exercise the Option as at the date of his or her death or permanent disability.

## 14. **Expiration of Option During Black Out Period**

Should the expiration date for an Option fall within a period during which a Participant cannot trade Shares pursuant to the Corporation's policy respecting restrictions on trading which affect the Participant and which is in effect at that time (which, for greater certainty, does not include the period during which a cease trade order is in effect to which the Corporation or that Participant is subject) (a "Black Out Period") or within nine days following the expiration of a Black Out Period, such expiration date shall be automatically extended without any further act or formality to that date which the tenth day after the end of the Black Out Period (the "Black Out Extension Period"). The Black Out Extension Period may not be extended by the Board except in accordance with Section 19.

15. **Rights of Participants**

No person entitled to exercise any Option granted under this Plan shall have any of the rights or privileges of a shareholder of the Corporation in respect of any Shares issuable upon exercise of such Option until such Shares have been paid for in full and issued to such person.

16. **Adjustments**

- (a) *Subdivisions and Redivisions:* In the event of any subdivision or redivision of the Shares at any time while any Option is outstanding into a greater number of Shares, the Corporation shall thereafter deliver at the time of exercise of any Option, in lieu of the number of Shares in respect of which such Option is then being exercised, such greater number of Shares as would result from said subdivision or redivision had such Option been exercised before such subdivision or redivision, without the Participant making any additional payment or giving any other consideration therefore.
- (b) *Consolidations:* In the event of any consolidation of the Shares at any time while any Option is outstanding into a lesser number of Shares, the Corporation shall thereafter deliver, and the Participant shall accept, at the time of exercise of any Option, in lieu of the number of Shares in respect of which such Option is then being exercised, such lesser number of Shares as would result from such consolidation had such Option been exercised before such consolidation.
- (c) *Reclassifications/Changes:* In the event of any reclassification or change of the Shares at any time while any Option is outstanding, the Corporation shall thereafter deliver, and the Participant shall accept, at the time of exercise of any Option hereunder the number of securities of the Corporation of the appropriate class or classes resulting from said reclassification or change as the Participant would have been entitled to receive in respect of the number of Shares in respect of which such Option is then being exercised had such Option been exercised before such reclassification or change.
- (d) *Other Capital Reorganizations:* In the event of any capital reorganization of the Corporation at any time while any Option is outstanding, not otherwise covered in this Section 16 or a consolidation, amalgamation, merger or arrangement with or into any other entity, or the sale of the properties and assets as or substantially as an entirety to any other entity, or the sale or exchange of all of the Shares to another entity for cash or securities (which events are collectively referred to as a "Capital Reorganization") the Participant, if he has not exercised his Option prior to the effective date of such Capital Reorganization, upon the exercise of such Option thereafter, shall be entitled to receive and shall accept in lieu of the number of Shares then subscribed for by him but for the same aggregate consideration payable therefor, the number of other securities or property of the entity resulting from such Capital Reorganization that the Participant would have been entitled to receive on such Capital Reorganization, if, on the record date or the effective date thereof, he had been the registered holder of the number of Shares so subscribed for.
- (e) Adjustments under this Section 16 shall be made by the Board, whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional Shares shall be issued upon the exercise of an Option following the making of any such adjustment.

17. **Change of Control**

Notwithstanding the provisions of section 10 or any vesting restrictions otherwise applicable to the relevant Options, in the event of a sale by the Corporation of all or substantially all of its assets or in the event of a Change of Control of the Corporation, each Participant shall be entitled to exercise, in whole or in part, all the Options held by such Participant which would otherwise not be exercisable due to vesting restrictions, until the earlier of the date of expiration of the Option Period and 90 days after the date of such sale or Change of Control.

For the purpose of this Plan, "Change of Control" of the Corporation means and shall be deemed to have occurred upon:

- (a) the acceptance by the holders of Shares of the Corporation, representing in the aggregate more than 50 percent of all issued Shares of the Corporation, of any offer, whether by way of a takeover bid or otherwise, for all or any of the outstanding Shares of the Corporation; or
- (b) the acquisition, by whatever means, by a person (or two or more persons who, in such acquisition, have acted jointly or in concert or intend to exercise jointly or in concert any voting rights attaching to the Shares acquired), directly or indirectly, of beneficial ownership of such number of Shares or rights to Shares of the Corporation, which together with such person's then owned Shares and rights to Shares, if any, represent (assuming the full exercise of such rights to voting securities) more than 50 percent of the combined voting rights of the Corporation's then outstanding Shares; or
- (c) the entering into of any agreement by the Corporation to merge, consolidate, amalgamate, initiate an arrangement or be absorbed by or into another corporation; or
- (d) the passing of a resolution by the Board or shareholders of the Corporation to substantially liquidate the assets or wind-up the Corporation's business or significantly rearrange its affairs in one or more transactions or series of transactions or the commencement of proceedings for such a liquidation, winding-up or re-arrangement (except where such re-arrangement is part of a bona fide reorganization of the Corporation in circumstances where the business of the Corporation is continued and where the shareholdings remain substantially the same following the re-arrangement); or
- (e) individuals who were members of the Board of the Corporation immediately prior to a meeting of the shareholders of the Corporation involving a contest for, or an item of business relating to, the election of directors, not constituting a majority of the Board following such election.

18. **Options Not Transferable**

No Options, or any benefits or rights relating thereto, can be sold, transferred or assigned, whether for consideration or otherwise, unless specifically provided herein. During the lifetime of a Participant, any Options granted hereunder may only be exercised by the Participant and in the event of the death or permanent disability of a Participant, by the person or persons to whom the Participant's rights under the Option pass by the Participant's will or applicable law.

19. **Amendment and Termination of Plan**

The Board may amend, suspend or terminate this Plan, or any portion thereof, at any time, subject to those provisions of applicable law (including, without limitation, the rules, regulations and policies of the Stock Exchange), if any, that require the approval of shareholders or any governmental or regulatory body. Except as expressly set forth herein, however, no Option previously granted can be amended or altered to the detriment the Participant holding the Option without the consent of such Participant. Without limiting the generality of the foregoing:

- (a) the Board may make the following types of amendments to the Plan without seeking shareholder approval:
  - (i) amendments of "housekeeping" or ministerial nature including, without limiting the generality of the foregoing, any amendment for the purpose of curing any ambiguity, error or omission in the Plan or to correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan;
  - (ii) amendments necessary to comply with the provisions of applicable law (including, without limitation, the rules, regulations and policies of the Stock Exchange);
  - (iii) amendments respecting the administration of the Plan;
  - (iv) any amendment to the vesting provisions of the Plan or any Option;

- (v) any amendment to the termination provisions of the Plan or any Option provided any such amendment does not entail an extension of the expiry date beyond the original expiry date of the Option;
  - (vi) amendments necessary to suspend or terminate the Plan; and
  - (vii) any other amendment, whether fundamental or otherwise, not requiring shareholder approval under applicable law (including, without limitation, the rules, regulations and policies of the Stock Exchange) or under Section 19(b).
- (b) Shareholder approval will be required for the following types of amendments:
- (i) amendments to the number of Shares issuable under the Plan, as provided in Section 5;
  - (ii) any amendment to Section 14 of the Plan that increases the length of the Black Out Extension Period;
  - (iii) any amendment which would result in the exercise price for any Option granted under the Plan being lower than the Market Price of the Shares at the time the Option is granted;
  - (iv) any amendment which reduces the exercise price or purchase price of an Option;
  - (v) any amendment extending the term of an Option beyond its original expiry date except as otherwise permitted by Section 14;
  - (vi) the addition of any form of financial assistance by the Corporation for the acquisition by Participants of Shares under the Plan, and the subsequent amendment of any such provision;
  - (vii) any amendment to Section 7 which would have the potential of broadening or increasing Insider participation;
  - (viii) any amendment to Section 9 which would increase or eliminate the limits set out therein;
  - (ix) any amendment to the amendment procedures contained in this Section 19;
  - (x) any amendment to Section 18 which would allow Options to be transferred or assigned other than for normal estate settlement purposes; and
  - (xi) amendments required to be approved by shareholders under applicable law (including, without limitation, the rules, regulations and policies of the Stock Exchange).

For the purposes of paragraphs 19(b) (iv) and (v), a cancellation of an Option and the grant of a new Option to the same holder shall be considered an amendment to the original Option if the option price or term of the new Option are different than those specified in the original Option.

In the event of any conflict between subsections (a) and (b) of Section 19, the latter shall prevail to the extent of any conflict.

## 20. **Necessary Approvals**

The obligation of the Corporation to issue and deliver Shares in accordance with this Plan and Options granted hereunder is subject to applicable securities legislation and to the receipt of any approvals that may be required from any regulatory authority or the Stock Exchange having jurisdiction over the securities of the Corporation. If Shares cannot be issued to a Participant upon the exercise of an Option for any reason whatsoever, the obligation of the Corporation to issue such Shares shall terminate and any funds paid to the Corporation in connection with the exercise of such Option will be returned to the relevant Participant as soon as practicable.

21. **Stock Exchange Rules**

This Plan and any option agreements entered into hereunder shall comply with the requirements from time to time of the Stock Exchange.

22. **Right to Issue Other Shares**

The Corporation shall not by virtue of this Plan be in any way restricted from declaring and paying stock dividends, issuing further Shares, varying or amending its share capital or corporate structure or conducting its business in any way whatsoever and no adjustments shall be made to the Options from any such actions except as specifically provided for in Section 16.

23. **Notice**

Any notice required to be given by this Plan shall be in writing and shall be given by registered mail, postage prepaid or delivered by courier or by facsimile transmission addressed, if to the Corporation, at its principal address in Saskatoon, Saskatchewan (Attention: The President); or if to a Participant, to such Participant at his address as it appears on the books of the Corporation, or in the event of the address of any such Participant not so appearing, then to the last known address of such Participant; or if to any other person, to the last known address of such person.

24. **Gender**

Whenever used herein words importing the masculine gender shall include the feminine and neuter genders and vice versa.

25. **Interpretation**

This Plan will be governed by and construed in accordance with the laws of the Province of Saskatchewan.