

TOROMONT INDUSTRIES LTD.
AMENDED AND RESTATED STOCK OPTION PLAN (2021)

1. Purpose of the Plan

The purpose of the Plan is to encourage certain officers and other key full time employees of the Corporation and of its Affiliates to acquire an increased proprietary interest in the Corporation through share options that will align the interests of the Corporation's key personnel with shareholders and enhance the Corporation's ability to attract, retain and motivate key personnel.

2. Defined Terms

Where used herein, the following terms shall have the following meanings, respectively:

"**Affiliate**" shall have the meaning ascribed to that term by the *Securities Act* (Ontario), as such statute is amended, re-enacted or replaced from time to time;

"**Blackout Period**" means a period when the Participant is prohibited from trading in the Corporation's securities pursuant to (i) securities regulatory requirements, (ii) the Corporation's written policies then applicable, or (iii) a notice in writing to the Participant by a senior officer or director of the Corporation;

"**Board**" means the board of directors of the Corporation, unless a committee has been constituted and charged with the responsibility of administering the Plan, in which case all references to the Board shall be deemed to be references to such committee;

"**Business Day**" means any day other than a Saturday, Sunday or statutory holiday in the Province of Ontario on which the TSX is open for trading;

"**CBCA**" means the *Canada Business Corporations Act*, as such statute is amended, re-enacted or replaced from time to time;

"**Code**" has the meaning set out in Section 14;

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

"**Competitive Service**" means a Participant who, directly or indirectly, either alone or in partnership or jointly or in conjunction with any person or persons, whether as agent, consultant, shareholder or in any other manner whatsoever,

- (a) carries on or becomes engaged in, acquires or holds any interest in, or participates in or facilitates the financing, operation, management or control of any person or business which offers to its customers any product or service which competes or

may reasonably be expected to compete with the business of the Corporation or its Affiliates;

- (b) is or becomes a shareholder, owner, co-owner, partner, trustee, consultant, or advisor to any person or business, which offers to its customers any product or service which competes or may reasonably be expected to compete with the business of the Corporation or its Affiliates; or
- (c) contracts to provide services to, any person or business, where the Participant's responsibilities involve or relate primarily to the sales of any product or service which competes or may reasonably be expected to compete with the business of the Corporation or its Affiliates,

provided however, a Participant may invest in shares and other securities of a publicly traded entity, which carries on business that is competitive with the business of the Corporation or an Affiliate thereof, if the number of such securities, directly or indirectly, beneficially owned or controlled by the Participant does not exceed five percent (5%) of the issued and outstanding securities of any class of securities of such entity;

"**Control Change**" means the occurrence of any of (i) the purchase or acquisition of shares of the Corporation and/or securities ("**Convertible Securities**") convertible into or exchangeable for shares of the Corporation or carrying the right to acquire shares of the Corporation as a result of which a person, group of persons or persons acting jointly or in concert, or persons associated or affiliated within the meaning of the CBCA with any such person, group of persons or any of such persons acting jointly or in concert (excluding, for this purpose, any employee benefit or other plan of the Corporation or an Affiliate thereof) (collectively, the "**Holder**s") beneficially own or exercise control or direction over shares of the Corporation and/or Convertible Securities such that, assuming only the conversion of Convertible Securities beneficially owned by the Holders, the Holders would beneficially own shares which would entitle the holders thereof to cast more than 35% of the votes attaching to all shares in the capital of the Corporation which may be cast to elect directors of the Corporation; or (ii) Incumbent Directors ceasing to constitute a majority of the board of directors of the Corporation; or (iii) approval by the shareholders of the Corporation of an amalgamation, arrangement, merger or other consolidation of the Corporation with another corporation pursuant to which the shareholders of the Corporation immediately prior thereto do not immediately thereafter own shares of the successor or continuing corporation which would entitle them to cast more than 50% of the votes attaching to all shares in the capital of the successor or continuing corporation which may be cast to elect directors of that corporation; or (iv) a liquidation, dissolution or winding up of the Corporation or a sale, lease or other disposition of all or substantially all the assets of the Corporation other than a sale, lease or other disposition to a subsidiary of the Corporation or which does not result in a change in the ultimate shareholders of the Corporation or such subsidiary, and, for greater certainty, the transactions effected pursuant to the Plan of Arrangement shall not constitute a Control Change as defined herein;

"**Control Change Period**" means the period commencing on the date of occurrence of a Control Change and ending on the third anniversary of that date;

"Corporation" means Toromont Industries Ltd., and includes any successor corporation thereof;

"Fair Market Value" means, at any date, the volume weighted average price per share at which the Common Shares have traded on the TSX during the last five trading days prior to that date on which at least a board lot of Common Shares has so traded or, if the Common Shares are not then listed and posted for trading on the TSX, then on such stock exchange in Canada on which the Common Shares are then listed and posted for trading as may be selected for such purpose by the Board, or, if the Common Shares are not then listed and posted for trading on any stock exchange in Canada, then it shall be the fair market value per Common Share as determined by the Board applying a reasonable valuation method; and for such purposes, the volume weighted average price per share at which the Common Shares have traded on the TSX or on any other stock exchange shall be calculated by dividing (i) the aggregate sale price for all the Common Shares traded on such stock exchange during the relevant five trading days by (ii) the aggregate number of Common Shares traded on such stock exchange during the relevant five trading days;

"Full Time Employee" means a full time employee of the Corporation or an Affiliate thereof actively and continuously engaged in performing or providing services to or for the benefit of the Corporation and/or its Affiliates, and as further described in Section 8.8;

"Incentive Stock Option" means an Option that is intended to qualify as an "incentive stock option" for United States of America federal income tax purposes under the Code, which intention shall be expressed in the instrument in writing effecting the grant of such Option;

"insider" has the meaning ascribed thereto in the TSX Company Manual;

"Incumbent Director" means any member of the board of directors of the Corporation who was a member of the board of directors of the Corporation immediately prior to the occurrence of the transaction, transactions, elections or appointments giving rise to a Control Change and any successor to an Incumbent Director who was elected or appointed to succeed any Incumbent Director by the affirmative vote of the directors, including a majority of the Incumbent Directors then on the board of directors of the Corporation;

"Option" means an option to purchase Common Shares granted in accordance with the Plan by the Board to a Participant, subject to the provisions contained herein;

"Option Price" means, in respect of any particular Option, the price per share at which Common Shares may be purchased under that Option, as the same may be adjusted in accordance with Section 7 hereof;

"Participant" means an officer or other Full Time Employee of the Corporation or an Affiliate thereof to whom an Option has been granted and which Option, or a portion thereof, remains unexercised, and, for greater certainty, non-employee directors of the Corporation or an Affiliate thereof are ineligible to receive any Options;

"**Plan**" means the Stock Option Plan of the Corporation as set out herein, as the same may be amended, restated or varied from time to time;

"**Post-Blackout Period Value**" means the volume weighted average price per share at which the Common Shares have traded on the TSX during the five trading days following the day upon which the relevant Blackout Period has expired on which at least a board lot of Common Shares has so traded or, if the Common Shares are not then listed and posted for trading on the TSX, then on such stock exchange in Canada on which the Common Shares are then listed and posted for trading as may be selected for such purpose by the Board, or, if the Common Shares are not then listed and posted for trading on any stock exchange in Canada, then it shall be the fair market value per Common Share on the third trading day following the day upon which the Blackout Period has expired as determined by the Board applying a reasonable valuation method; and for such purposes, the volume weighted average price per share at which the Common Shares have traded on the TSX or on any other stock exchange shall be calculated by dividing (i) the aggregate sale price for all the Common Shares traded on such stock exchange during the relevant five trading days by (ii) the aggregate number of Common Shares traded on such stock exchange during the relevant five trading days;

"**share compensation arrangement**" means a stock option plan, stock option, stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares from treasury to any employee, officer or director of the Corporation;

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

"**TSX Company Manual**" means the Company Manual of the TSX, as amended from time to time, including such Staff Notices of the TSX from time to time which may supplement the same; and

"**U.S. Participant**" has the meaning set out in Section 14.

3. Administration of the Plan

3.1 The Plan shall be administered by the Board. The Corporation shall effect the grant of Options under the Plan, in accordance with determinations made by the Board pursuant to the provisions of the Plan, including as to:

- (a) the officers and other Full Time Employees of the Corporation and of its Affiliates to whom Options will be granted;
- (b) the number of Common Shares which shall be the subject of each Option;
- (c) the time or times when an Option becomes exercisable and, subject to Section 4.6, the duration of the exercise period; and
- (d) any and all terms and conditions in addition to (and not inconsistent with) those contained herein which are to be attached to any or all such Options (including

prescribing the form of instrument relating to the grant, exercise and other terms and conditions of Options),

by the execution and delivery of instruments in writing in such form or forms as shall have been approved by the Board.

3.2 The Board shall interpret this Plan, make all determinations and take all actions necessary or advisable for the implementation and administration of this Plan and may from time to time adopt such policies, guidelines, rules and regulations for administering the Plan as it may deem proper and in the best interests of the Corporation and may, subject to applicable law, delegate any of its powers hereunder to a committee of the Board. In such event, such committee shall exercise all of the powers delegated to it by the Board in the manner and on the terms authorized by the Board.

4. Granting of Options

4.1 The Board from time to time may grant Options to such officers and other Full Time Employees of the Corporation and of its Affiliates as the Board shall determine. Options so granted to Participants who are residents of the United States of America may be (i) Incentive Stock Options, (ii) Options that are not Incentive Stock Options or (iii) a combination of both the foregoing. Each grant of an Option shall be subject to the terms and conditions contained herein and may be subject to additional terms and conditions (not inconsistent herewith) determined by the Board from time to time.

4.2 Without limiting the generality of Section 4.1, the Board may from time to time grant Options in accordance with Section 4.1 during a Blackout Period, provided that in no event shall such Options be exercisable until after the Option Price applicable thereto is fixed by the Board in accordance with Section 4.5.

4.3 The aggregate number of Common Shares reserved by the Corporation for issuance under the Plan shall not exceed 7,000,000, subject to adjustment pursuant to Section 7, and the aggregate number of Common Shares so reserved for issuance to any one person shall not exceed 5% of the issued and outstanding Common Shares (on a non-diluted basis); provided, however, for greater certainty that in determining the number of Common Shares that are so reserved for issuance from and after February 28, 2021, the Corporation shall include all Common Shares that are reserved for issuance on the exercise of Options that are issued and outstanding at any time on or after February 28, 2021 but shall not include Common Shares issued on the exercise of Options that were exercised at any time prior to February 28, 2021 and replenished under the Plan. The aggregate number of Common Shares (i) issued to insiders, within any one-year period, or (ii) issuable to insiders, at any time, under the Plan, when combined with the aggregate number of Common Shares issued or issuable, as the case may be, under any other security based compensation arrangements established or maintained by the Corporation, shall not exceed 10% of the issued and outstanding Common Shares (such limitation is referred to herein as the "**insider participation limit**"). The Common Shares in respect of which Options are not exercised and expire, are forfeited, are cancelled or are terminated shall be available for subsequent Options. No fractional shares may be issued under the Plan. Notwithstanding anything in this section to the contrary, the aggregate number of

Common Shares actually issued by the Corporation upon the exercise of Incentive Stock Options shall not exceed 800,000 Common Shares. To the extent that any Option has terminated or expired without being fully exercised, or has been cancelled pursuant to Section 5.3 hereof, any unissued Common Shares which have been reserved to be issued upon the exercise of the Option shall become available to be issued upon the exercise of Options subsequently granted under the Plan.

4.4 The Option Price shall be fixed by the Board at the time of grant of each Option and shall be equal to the Fair Market Value at the date such Option is granted.

4.5 Notwithstanding Section 4.4, if the Board grants Options to a Participant during a Blackout Period applicable to such Participant in accordance with Section 4.2, the Option Price fixed by the Board for such Options shall be equal to the greater of (i) the Fair Market Value at the date of the grant of the Options, and (ii) the Post-Blackout Period Value following the end of such Blackout Period.

4.6 An Option must be exercised within a period of time not exceeding ten years from the date of grant of the Option (or such shorter period of time as the Board may determine and specify in connection with the grant of the Option), otherwise the Option shall expire immediately after the applicable period; provided that if the term of an Option would otherwise expire during or within ten Business Days of the expiration of a Blackout Period applicable to the holder of such Option, then the term of such Option shall be extended to the close of business on the tenth Business Day following the expiration of the Blackout Period.

4.7 The aggregate number of Options that may be granted under the Plan in any one calendar year shall not exceed 1% of the issued and outstanding shares of the Corporation as of the beginning of the year in which a grant is made.

4.8 The Corporation shall notify each Participant and the Canada Revenue Agency as soon as reasonably practicable following the grant of an Option (and in any event no later than the dates required by the *Income Tax Act* (Canada)) which Common Shares, if any, that may be issued or sold under the Option will be "non-qualified securities" within the meaning of the *Income Tax Act* (Canada).

5. Exercise of Options

5.1 Subject to the provisions of the Plan and the terms and conditions of the Option, an Option or any portion thereof may be exercised from time to time by delivery to the Corporation at its registered office of a notice in writing signed by the Participant or, in the case of the Participant's death or incapacity, the Participant's legal personal representative and addressed to the Corporation. This notice shall state the intention of the Participant, or, in the case of the Participant's death or incapacity, the Participant's legal personal representative, to exercise the Option or a portion thereof and the number of Common Shares in respect of which the Option is then being exercised, and must, subject to Section 5.3, be accompanied by payment in full of the applicable Option Price for the Common Shares which are the subject of the exercise. No financial assistance will be provided by the Corporation to a Participant in order to fund the exercise of the any Option.

5.2 Subject to Section 8, and unless otherwise determined by the Board at the time of granting an Option, a Participant:

- (a) may not exercise an Option until the first anniversary of the date of grant of the Option (the "**Date of Grant**");
- (b) may exercise the Option, in respect of not more than 20% of the number of Common Shares initially underlying the Option, during each of the four 12-month periods respectively commencing on the first through fourth anniversaries of the Date of Grant and respectively ending on the second through fifth anniversaries of the day immediately preceding the Date of Grant; provided that, notwithstanding the restriction contained in this paragraph (b) of this Section 5.2, if the number of Common Shares in respect of which the Participant exercised the Option during any such 12-month period is less than 20% of the number of Common Shares initially underlying the Option, then the Participant shall have the right, at any time and from time to time thereafter, to purchase such number of Common Shares underlying the Option which were purchasable, but not purchased, by the Participant during such 12-month period; and
- (c) may, at any time and from time to time on and after the fifth anniversary of the Date of Grant until the expiry of the Option, exercise the Option in respect of any or all the Common Shares underlying the Option which have not at that time been purchased.

5.3 Where a Participant proposes to purchase Common Shares pursuant to Options granted under this Plan (hereafter called "**Designated Options**"), the Participant or, if applicable, the Participant's legal personal representative, may instead notify the Corporation in writing that the Participant or, if applicable, the Participant's legal personal representative, elects to dispose of some or all of the Options to the Corporation (the "**Cancelled Options**"), in which event the Corporation shall pay to the Participant or, if applicable, the Participant's legal personal representative, in respect of the Cancelled Options compensation equal to the difference between the Fair Market Value of the Common Shares on the date on which such election is received by the Corporation and the Option Price specified in such Cancelled Options (as it may be adjusted under Section 7 hereof). Upon such payment being made, all Cancelled Options shall thereupon be cancelled. Notwithstanding the foregoing, the Board may, in its sole and unfettered discretion, decline to permit the cashless exercise of such Cancelled Options by the Corporation by providing written notice to that effect to the Participant or, if applicable, the Participant's legal personal representative at any time within five Business Days following the date on which the Corporation receives the notice referred to in the first sentence of this section. In the event that the Board exercises its discretion in the manner contemplated in the immediately preceding sentence, the provisions of Section 5.1 shall apply to the exercise of the applicable Options and the provisions of this section shall have no further application to such Options.

5.4 Pursuant to this Plan, the Corporation may effect any and all withholdings or deductions (including from a Participant's other income) that may be required for income tax purposes under all applicable legislation, regulation and policy. Where there are insufficient funds to satisfy the

required withholding, the Participant shall make such other arrangements with the Corporation to satisfy such withholding that is acceptable to the Corporation.

6. Non-Assignability of Options

Each Option granted to a Participant is personal to the Participant and is non-assignable and non-transferable and, except in the case of the Participant's death or incapacity, shall be exercisable only by the Participant. Without limiting the foregoing, no Option granted hereunder may be pledged, hypothecated, charged, transferred, assigned or otherwise encumbered or disposed of by the Optionee, whether voluntarily or by operation of law, otherwise than by testate succession, will or the laws of descent and distribution, and any attempt to do so will cause such Option to terminate and be null and void.

7. Adjustments

Appropriate adjustments in the number of Common Shares subject to the Plan and, with respect to Options granted or to be granted, in the respective numbers of Common Shares optioned and in the respective Option Prices, shall be made by the Board to give effect to adjustments in the number of Common Shares resulting from subdivisions, consolidations or reclassifications of the Common Shares or the payment of stock dividends by the Corporation (other than stock dividends paid in lieu of cash dividends in the ordinary course) or to give effect to reclassifications or conversions of the Common Shares or any other relevant changes in the authorized or issued capital of the Corporation or any other event in respect of which, in the opinion of the Board, such an adjustment would be necessary to preserve the Participants' rights hereunder and under the Options, in all such cases which occur subsequent to the approval of the Plan by the Board.

8. Termination of Employment

8.1 Subject to Sections 8.2, 8.3 and 8.5, all rights to purchase Common Shares pursuant to an Option shall automatically expire and terminate immediately upon the Participant holding such Option ceasing to be an officer of the Corporation or its Affiliates or an employee of the Corporation or its Affiliates, as applicable, provided that if the employment of a Participant is terminated for cause, such rights (whether or not vested or exercisable) held by that Participant shall terminate immediately upon notification being given to the Participant of such termination for cause.

8.2 If, before the expiry of an Option in accordance with the terms thereof, the Participant holding such Option shall cease to be an officer of the Corporation or its Affiliates or an employee of the Corporation or its Affiliates, as applicable, by reason of:

- (a) retirement at normal retirement age, provided the Participant does not engage in a Competitive Service at any time while any of the Participant's Options remain unexpired; or
- (b) death or permanent disability of the Participant,

then the unexercised part of such Option shall continue to vest and may be exercised in accordance with Section 5.

8.3 Subject to Section 8.5, if, before the expiry of an Option in accordance with the terms thereof, the Participant holding such Option shall:

- (a) cease to be an officer of the Corporation or its Affiliates or an employee of the Corporation or its Affiliates (as further described in Section 8.8), as applicable, for any reason whatsoever (including for greater certainty, by reason of early retirement or voluntary resignation) other than by reason of retirement at normal retirement age in accordance with Section 8.2(a), death or permanent disability in accordance with Section 8.2(b) or termination for cause in accordance with Section 8.1; or
- (b) enter into Competitive Service following the Participant's retirement at normal retirement age,

then such Option may be exercised at any time within 90 days from the date the Participant so ceases to be an officer, so ceases to be employed, or so enters into Competitive Service, as the case may be, but only to the extent that the Participant was entitled to exercise such Option as at that date. Subject to Section 8.5, any Option held by a Participant described in this Section 8.3 that is not exercisable or that is vested but remains unexercised by the applicable date shall immediately expire and is automatically cancelled.

8.4 For greater certainty, in the case of a Participant ceasing to be an officer or an employee of the Corporation or its Affiliates in the circumstances set out in Section 8.2, 8.3 or 8.5, the date the Participant ceases to be an officer or employee of the Corporation or any of its Affiliates, as the case may be, shall be considered to be the last date on which the Participant is actively performing work or such later date for exercising an Option as the notice provisions of the applicable employment standards act may require, if any, and without regard to any contractual or common law notice period that might apply to such termination or any period during which the Participant receives termination or severance pay.

8.5 If, before the expiry of an Option in accordance with the terms thereof, the employment as an officer or an employee with the Corporation or with its Affiliates of the Participant holding such Option is terminated by the Corporation or its Affiliates in circumstances where:

- (a) such termination occurs:
 - (i) subsequent to a Control Change and during the Control Change Period; or
 - (ii) prior to the date on which a Control Change occurs and it is reasonably demonstrated that such termination:
 - (A) was at the request of a third party who has taken steps reasonably calculated to effect a Control Change; or

- (B) otherwise arose in connection with or anticipation of a Control Change; and
- (iii) such termination was for any reason whatsoever other than early retirement, retirement at normal retirement age, death, permanent disability or termination for cause,

then the unexercised part of such Option shall become fully vested and may be exercised (including such part, if any, thereof which, but for this Section 8.5, would not otherwise be exercisable) at any time within 90 days of the date the Participant so ceases to be an officer or so ceases to be employed, as the case may be. Notwithstanding the foregoing provisions of this Section 8.5, the Board may, in its sole and absolute discretion, provide in the instrument in writing evidencing the grant of an Option a provision to the effect that this Section 8.5 shall not apply in respect of that Option or shall apply on such modified basis as is expressly set forth in such instrument in writing. Any Option held by a Participant described in this Section 8.5 that remains unexercised by the applicable date shall immediately expire and is automatically cancelled.

8.6 For the purposes of Sections 8.2, 8.3 and 8.5, the terms "retirement at normal retirement age" and "early retirement", when used in relation to any particular Participant, shall respectively refer to the retirement at normal retirement age and the early retirement of such Participant in accordance with the retirement policies or plans of the Corporation or any of its Affiliates which are applicable to such Participant at the relevant time.

8.7 The Plan does not confer upon a Participant any right with respect to continuation as an officer or an employee with the Corporation or any Affiliate of the Corporation, nor does it interfere in any way with the right of a Participant or the Corporation or any Affiliate of the Corporation to terminate the Participant's, appointment as an officer or employment at any time.

8.8 Options shall not be affected by any change of employment of the Participant so long as the Participant continues to be employed as a Full Time Employee by the Corporation or by any of its Affiliates, provided that if a Participant who is a Full Time Employee has such Participant's hours of work and compensation reduced by more than 40%, or as otherwise determined by the Board, such Full Time Employee shall be deemed to have ceased to be an employee of the Corporation and its Affiliates for purposes of this Section 8, as applicable.

8.9 In the event of gross negligence, intentional misconduct, illegal behaviour or fraud by the Participant, the Corporation shall have the right to cancel or reduce the number of Options granted hereunder without any payment whatsoever to the Participant in connection with such action.

9. Decisions of the Board

All decisions and interpretations of the Board respecting the Plan or any Options shall be conclusive and binding on the Corporation and the Participants and their respective legal personal representatives and on all officers and other employees of the Corporation and of its Affiliates who, under the provisions of the Plan, may be eligible to participate herein.

10. Amendment or Discontinuance of Plan

10.1 The Board may amend, suspend, discontinue or terminate the Plan and any outstanding Option granted hereunder, in whole or in part, at any time without notice to or approval by the shareholders of the Corporation (provided that, in the case of any action taken in respect of an outstanding Option, the consent of the Participant holder of such Option to such action shall be required unless the Board determines that the action would not materially and adversely affect such Participant), for any purpose whatsoever, provided that all material amendments to the Plan shall require the prior approval of the shareholders of the Corporation. Examples of the types of amendments that the Board is entitled to make without shareholder approval include the following:

- (a) amendments ensuring continuing compliance with applicable laws, regulations, requirements, rules or policies of any governmental authority or any stock exchange;
- (b) amendments of a "housekeeping" nature which include amendments to eliminate any ambiguity or correct or supplement any provision contained herein which may be incorrect or incompatible with any other provision hereof;
- (c) changing the vesting and exercise provisions of the Plan or any Option which does not entail an extension beyond the originally scheduled expiry date of that Option;
- (d) changing the termination provisions of the Plan or any Option which does not entail an extension beyond the originally scheduled expiry date of that Option; and
- (e) adding a cashless exercise feature, payable in cash or securities, which provides for a full deduction of the number of underlying Common Shares from the Plan reserve.

10.2 Notwithstanding anything contained herein to the contrary, no amendment to the Plan requiring the approval of the shareholders of the Corporation under any applicable securities laws or requirements shall become effective until such approval is obtained. In addition to the foregoing, the approval of the holders of a majority of the Common Shares present and voting in person or by proxy at a meeting of shareholders shall be required for:

- (a) any amendment to the provisions of this Section 10 which is not an amendment within the nature of Section 10.1(a) or Section 10.1(b);
- (b) any increase in the maximum number of Common Shares issuable under the Plan (other than pursuant to Section 7);
- (c) any reduction in the Option Price or extension of the period during which an Option may be exercised;
- (d) any amendment to Section 6;

- (e) any amendment to expand the eligibility criteria and limits for participation applicable to non-employee directors under the Plan; and
- (f) any amendment to remove or to exceed the insider participation limit set out in section 4.3,

provided that, in the case of an amendment referred to in Section 10.2(c), Section 10.2(e) or Section 10.2(f), insiders of the Corporation who benefit from such amendment are not eligible to vote their Common Shares in respect of the approval.

10.3 For the purposes of this Section 10, an amendment does not include an accelerated expiry of an Option by reason of the fact that a Participant ceases to be an officer or employee of the Corporation or any of its Affiliates.

10.4 The shareholders' approval of an amendment, if required pursuant to the terms hereof, shall be given by approval of the holders of a majority of the Common Shares present and voting in person or by proxy at a duly called meeting of the shareholders and shall, if and only to the extent required under applicable securities laws and stock exchange requirements, exclude the votes cast by insiders of the Corporation. Options may be granted under the Plan prior to the approval of the amendment, provided that no Common Shares may be issued pursuant to the amended terms of the Plan until the shareholders' approval of the amendment has been obtained.

11. Government Regulation

The Corporation's obligation to issue and deliver Common Shares under any Option is subject to:

- (a) the registration or other qualification of such Common Shares and the satisfaction of all requirements under applicable securities laws in respect thereof and obtaining all regulatory approvals as the Corporation shall determine to be necessary or advisable in connection with the authorization, issuance or sale of such Common Shares;
- (b) the admission of such Common Shares to listing on any stock exchange on which Common Shares may then be listed; and
- (c) the receipt from the Participant of such representations, agreements and undertakings as to future dealings in such Common Shares as the Corporation determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction or the rules of any stock exchange on which Common Shares are then listed.

In this connection, the Corporation shall, to the extent necessary, take all steps determined by the Board to be reasonable to obtain such approvals and registrations as may be necessary for the issuance of such Common Shares in compliance with applicable securities laws and for the listing of such Common Shares on any stock exchange on which Common Shares are then listed.

12. Participants' Rights

A Participant shall not have any rights as a shareholder of the Corporation in respect of any Common Shares issuable pursuant to an Option until the issuance of Common Shares upon the exercise of the Option or a portion thereof, and then only with respect to the Common Shares so issued.

13. Term of Plan

Unless:

- (a) discontinued earlier pursuant to Section 10 hereof; or
- (b) renewed or further renewed from time to time by a resolution of the Board for a period of time, not to exceed 3 years, as specified in such resolution,

the Plan shall terminate at 5:00 p.m. (Toronto, Ontario time) on April 15, 2024, or on the last day of the final renewal term, as the case may be; provided that any termination of the Plan in accordance with this Section 13 shall not alter or impair any Option previously granted.

14. U.S. Participants

This Section 14 applies to any Participant who is a citizen or permanent resident of the United States or any other person who is otherwise subject to taxation in the United States on a net basis (a "**U.S. Participant**"). It is intended that the provisions of this Plan comply with, or qualify for an exemption from, Section 409A of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), and all provisions of this Plan shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A of the Code. Notwithstanding the foregoing, the Corporation and its Affiliates make no representation regarding whether any Option issued pursuant to this Plan may be subject to Section 409A of the Code. Each U.S. Participant is solely responsible and liable for the satisfaction of any and all taxes and penalties that may be imposed on or for the account of such U.S. Participant in connection with this Plan (including any taxes and penalties under Section 409A of the Code), and the Corporation, each of affiliate of the Corporation, each shareholder of the Corporation or its affiliates, and each officer, employee or other representative of the Corporation or its affiliates, shall have no obligation to indemnify or otherwise hold such U.S. Participant harmless from any or all of such taxes or penalties.

15. Governing Law

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