

NOTICE TO READER

At the annual and special meeting of the shareholders of Toromont Industries Ltd. (the “Company”) to be held on May 2, 2024 and any postponement or adjournment thereof (the “Meeting”), the shareholders of the Company will be asked to approve, with or without variation, an ordinary resolution authorizing the Company to amend and restate the long-term incentive plan of the Company to incorporate the terms of the Company’s existing option plan, including reallocating (but not increasing) the common shares of the Company reserved for issuance under the option plan to the long-term incentive plan and to address the participation of U.S. participants who may be awarded options under the long-term incentive plan. Such amendments, together with certain other amendments described in the Company’s Management Information Circular dated February 29, 2024 (the “Circular”) prepared in connection with the Meeting, are set out in this Amended and Restated Long-Term Incentive Plan. Further information relating to this Amended and Restated Long-Term Incentive Plan, as well as the full text of the ordinary resolution shareholders are being asked to approve, is contained in the Company’s Notice of the 2024 Annual and Special Meeting of Shareholders and Circular prepared in connection with the Meeting available under the Company’s issuer profile on SEDAR+ at www.sedarplus.com.

Attached as Appendix “A” to this Amended and Restated Long-Term Incentive Plan is a copy marked to show the changes made to the Company’s existing long-term incentive plan, which was consented to, ratified, confirmed and approved by shareholders at the Company’s annual and special meeting of shareholders held on April 28, 2022.

**TOROMONT INDUSTRIES LTD.
LONG-TERM INCENTIVE PLAN**

(Effective May 2, 2024)

**ARTICLE 1
PREAMBLE AND DEFINITIONS**

1.1 Title

The Plan herein described shall be called the “Long-Term Incentive Plan” and is referred to herein as the “Plan”.

1.2 Purposes of the Plan

The principal purposes of the Plan are as follows:

- (a) to attract, retain and motivate key personnel to contribute to the success of the Corporation;
- (b) to encourage Employees and Directors to acquire an increased proprietary interest in the Corporation;
- (c) to promote a further alignment of interests between Employees and Directors of the Corporation and its shareholders; and
- (d) to reward Employees for sustained contributions to the Corporation and/or significant performance achievements of the Corporation.

1.3 Defined Terms

Where used herein, and unless otherwise stated or the context otherwise required, the following terms shall have the following meanings and grammatical variations of those terms shall have the corresponding meanings, respectively:

“**409A Change in Control**” has the meaning set out in Section 11.6;

“**Account**” has the meaning set out in Section 2.5(b);

“**Administrator**” means such administrator as may be appointed by the Corporation from time to time to assist in the administration of the Plan, which administrator may be the Corporation, including to purchase or sell Common Shares on the open market on behalf of a Participant in connection with the settlement of the Participant’s Vested DSUs, Vested EDSUs, Vested PSUs and Vested RSUs;

“**Affiliate**” shall have the meaning ascribed to that term by the *Securities Act* (Ontario);

“**Annual Board Retainer**” means the annual cash retainer payable by the Corporation to a Director in a financial year for service on the Board or on one or more committee of the Board, and other retainers and fees (including any lead director fees), but excluding the Annual Chair Retainer and Meeting Fees;

“Annual Chair Retainer” means the annual retainer paid by the Corporation to a Director in a financial year for acting as the chair of the Board or chair of one or more committees of the Board, but excluding other retainers and fees;

“Applicable Law” means any applicable provision of law, domestic or foreign, together with all regulations, rules, policy statements, rulings, notices, orders or other instruments promulgated thereunder and any applicable rules or policies of any stock exchange;

“Award” means DSUs, EDSUs, PSUs, RSUs, or Options granted to a Participant pursuant to the terms of the Plan;

“Award Agreement” means either: (a) a written agreement entered into by the Corporation or an Affiliate of the Corporation and a Participant setting forth the terms and provisions applicable to Awards granted under the Plan; or (b) a written statement issued by the Corporation to a Participant describing the terms and provisions of such Award;

“Blackout Period” means a period when a 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;

“Bonus” means an amount in addition to base remuneration payable by the Corporation or an Affiliate to an Employee following completion of a financial year in respect of such Employee’s contribution to the operations of the Corporation for such financial year;

“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;

“Cause” means, unless otherwise specified in a Participant’s employment agreement, a determination by the Corporation that any of the following has occurred: (a) the wilful and continued failure by the Participant to substantially perform the Participant’s duties to the Corporation or an Affiliate (other than those terms of duties which follow a change (other than those clearly consistent with a promotion or any such failure resulting from a Participant’s Disability) in the Participant’s duties from those in effect immediately prior to a Change of Control) after the Corporation has given the Participant reasonable notice of such failure and a reasonable opportunity to correct it; (b) the wilful engaging by the Participant in any act or omission which is materially injurious to the Corporation or an Affiliate thereof, monetarily or otherwise; (c) the wilful engaging by the Participant in any criminal act of fraud, theft or dishonesty resulting or intended to result directly or indirectly in personal gain to the Participant at the expense of the Corporation or an Affiliate thereof; or (d) any other act or omission by the Participant that would be cause at law, and for the purposes of (a) and (b) of this definition, no act or failure to act on the Participant’s part shall be considered "wilful" unless the Corporation determines that such act or omission was done or omitted to be done by the Participant not in good faith and without reasonable belief that the Participant’s act or omission was in the best interests of the Corporation;

“CBCA” means the *Canada Business Corporations Act*;

“Change of Control” means, unless otherwise specified in a Participant’s employment agreement, the occurrence of any of the following events:

- (a) the purchase or acquisition of Common Shares and/or securities (**“Convertible Securities”**) convertible into or exchangeable for Common Shares or carrying the right to acquire Common Shares 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, the Participant and any corporation controlled (as such term is defined in the CBCA), directly or indirectly, by the Participant or any employee benefit or other plan of the Corporation or an Affiliate thereof) (collectively, the **“Holders”**) beneficially own or exercise control or direction over Common Shares and/or Convertible Securities such that, assuming only the conversion of Convertible Securities beneficially owned by the Holders, the Holders would beneficially own Common Shares which would entitle the holders thereof to cast more than 50% of the votes attaching to all Common Shares which may be cast to elect directors of the Corporation (regardless of whether a meeting has been called to elect directors);
- (b) Incumbent Directors ceasing to constitute a majority of the board of directors of the Corporation, unless such change is approved by 50% or more of the directors of the Corporation in office immediately preceding such change in circumstances where such change is to be made other than as a result of a dissident proxy solicitation, whether actual or threatened;
- (c) approval by the shareholders of the Corporation of an amalgamation, arrangement, merger, business combination, reorganization, acquisition or other consolidation involving the Corporation and another corporation or other entity pursuant to which the shareholders of the Corporation immediately prior thereto do not immediately thereafter own shares of the successor or continuing corporation or entity which would entitle them to cast more than 50% of the votes attaching to all shares in the capital of such successor or continuing corporation or entity which may be cast to elect directors of that corporation or entity (regardless of whether a meeting has been called to elect directors);
- (d) a liquidation, dissolution or winding up of the Corporation or a sale, lease, transfer or other disposition of all or substantially all the assets of the Corporation other than a sale, lease, transfer 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; or
- (e) the Board adopts a resolution to the effect that a Change of Control as defined herein has occurred or is imminent;

“Clawback Policy” has the meaning set out in Section 9.4;

“Code” means the U.S. Internal Revenue Code of 1986, as amended, and the regulations issued thereunder;

“Committee” has the meaning set out in Section 2.1;

“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 5% of the issued and outstanding securities of any class of securities of such entity;

“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 or exchanged for such shares, or as such shares, securities or other property may further be changed, reclassified, subdivided, consolidated, converted or substituted;

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

“Conversion Date” means, with respect to any calendar year, the date used to determine the Market Value of a Common Share for purposes of determining the number of DSUs to be credited in respect of that year to a Participant's Account;

“Corporation” means Toromont Industries Ltd., and includes any successor entity thereof;

“Director” means a director of the Corporation and/or one of its Affiliates other than a director who is also an Employee;

“Director Fees” means the fees paid by the Corporation and/or an Affiliate to a Director in a financial year for service on the Board, and other retainers and fees (including the Annual Board Retainer, Annual Chair Retainer and Meeting Fees) payable to an individual in their capacity as a Director;

“Director Termination Date” has the meaning set out in Section 9.2(a);

“Disability” or **“Disabled”** shall mean the Participant’s failure to substantially perform their duties for the Corporation on a full-time basis for a period of six months out of any 18-month period where such inability is a result of physical or mental illness or disability;

“DSU” means a right granted to a Participant to receive a Common Share or, in the determination of the Committee, a cash payment based on the Market Value of a Common Share on the DSU Redemption Date;

“DSU Payment Date” means: (a) December 31 of the first calendar year commencing after the DSU Settlement Date, or (b) in the case of a U.S. Participant, within 30 days after the DSU Settlement Date;

“DSU Redemption Date” means: (a) the redemption date for all or part of the Vested DSUs of the Participant determined in accordance with Section 9.2(a)(iii) of this Plan, or (b) in the case of a U.S. Participant, the DSU Settlement Date;

“DSU Settlement Date” means, with respect to a Director, the Director Termination Date and with respect to an Employee, the Termination Date;

“EDSU” means a right granted to a Participant that is an Employee to receive a Common Share or, in the determination of the Committee, a cash payment based on the Market Value of a Common Share that generally becomes vested, if at all, following a period of continuous employment and subject to the PSU Vesting Conditions or RSU Vesting Conditions, as applicable;

“EDSU Payment Date” means: (a) December 31 of the first calendar year commencing after the EDSU Settlement Date; or (b) in the case of a U.S. Participant, within 90 days after the EDSU Settlement Date;

“EDSU Redemption Date” means: (a) the redemption date for all or part of the Vested EDSUs of the Participant determined in accordance with Section 6.4(c) of this Plan, or (b) in the case of a U.S. Participant, the EDSU Settlement Date;

“EDSU Settlement Date” means the Termination Date;

“Effective Date” means May 2 2024, being the date this Plan was approved by shareholders of the Corporation;

“Election Notice-A” has the meaning set out in Section 7.1(a);

“Election Notice-B” has the meaning set out in Section 7.1(c);

“Employee” means an employee of the Corporation or an Affiliate, and includes an officer of the Corporation or an Affiliate, but excludes a director of the Corporation or an Affiliate who is not also an employee of the Corporation or an Affiliate;

“Entitlement Date” has the meaning set out in Section 7.1(c);

“Good Reason” means, unless otherwise specified in a Participant’s employment agreement, the occurrence of any of the following events:

- (a) the material reduction in the Participant's position, duties and responsibilities or the reassignment to the Participant of any duties materially inconsistent with their current position, duties, and responsibilities (other than temporarily while the Participant is Disabled or as required by Applicable Laws);
- (b) a material reduction in the Participant's annual compensation, other than a general reduction that affects all similarly situated employees in substantially the same proportions; or
- (c) any reason which would be considered to amount to constructive dismissal at common law in the Province of Ontario or any other jurisdiction of Canada;

"Grant Date" means the date a DSU, EDSU, PSU, RSU or Option is granted to a Participant under the Plan and the applicable Award Agreement;

"Incumbent Director" means any member of the Board who was a member of the board of directors of the Corporation immediately prior to the occurrence of the transaction, elections or appointments giving rise to a Change of Control 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;

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

"Market Value" at any date in respect of the Common Shares means: (a) the volume weighted average trading price of the Common Shares determined by dividing the total value of the Common Shares traded on the TSX during the last five trading days immediately preceding such date by the total volume of the Common Shares traded on the TSX during such five trading days (or, if such Common Shares are not then listed and posted for trading on the TSX, on such stock exchange on which such Common Shares are listed and posted for trading as may be selected for such purpose by the Board); or (b) in the event that such Common Shares are not listed and posted for trading on any stock exchange, the Market Value shall be the market value of such Common Shares as determined by the Board in its reasonable discretion, acting in good faith and consistent with Applicable Law (including, without limitation, Section 409A or Section 422 of the Code with respect to any U.S. Stock Option to the extent applicable to Awards granted to U.S. Participants);

"Meeting Fees" means the fees paid by the Corporation to a Director in a financial year for attendance at meetings of the Board and its committees, but excluding other retainers and fees;

"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 13.1 hereof;

"Participant" means any Employee or Director of the Corporation or any of its Affiliates who is granted Awards under the Plan;

"Payout" means, with respect to each Vested DSU, Vested EDSU, Vested PSU or Vested RSU, as applicable, the issuance of Common Shares by the Corporation, the purchase of Common Shares by the Administrator on behalf of the Corporation on the open market or, in the determination of the Committee, the payment of cash, or such other method as may be determined by the Committee, in each case, calculated in the manner set out herein and the method of such payout being subject to the determination of the Committee;

"Performance EDSU Grant" has the meaning set out in Section 6.1(a)(ii);

"Performance Multiplier" means such multiplier for performance in respect of a PSU, or an EDSU granted pursuant to a Performance EDSU Grant, as determined from time to time by the Committee and set out in a Participant's Award Agreement;

"Performance Period" means the period established by the Committee in which any PSU Vesting Conditions must be met in order for a Participant to be entitled to a Payout in exchange for the Vested PSUs, or Vested EDSUs that were granted pursuant to a Performance EDSU Grant, as applicable;

"Person" means an individual, corporation, company, cooperative, partnership, trust, unincorporated association, entity with juridical personality or governmental authority or body, and pronouns which refer to a Person shall have a similarly extended meaning;

"Post-Blackout Period Value" means with respect to an Option 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;

"Plan" means this Long-Term Equity Plan of the Corporation, as the same may be amended, restated or otherwise modified from time to time;

"Prior Stock Option Plan" means the Corporation's amended and restated stock option plan (2021), which was closed to new stock option grants by the Corporation as of the Effective Date;

"PSU" means a right granted to a Participant to receive a Common Share or, in the determination of the Committee, a cash payment based on the Market Value of a Common Share that generally becomes vested, if at all, following a period of continuous employment and subject to the PSU Vesting Conditions;

“PSU Payment Date” means: (a) no later than December 31 of the calendar year in which the PSU vests, or (b) in the case of a U.S. Participant, March 15 of the first calendar year after the PSU vests;

“PSU Vesting Conditions” means, with respect to the vesting of PSUs, or EDSUs granted pursuant to a Performance EDSU Grant, conditions relating to: (a) a Participant’s continued service with the Corporation and/or an Affiliate for a period of time; and (b) the achievement of performance criteria, determined by the Committee at the time of granting the Award;

“Redemption Notice” has the meaning set out in Section 6.4(c);

“Restricted EDSU Grant” has the meaning set out in Section 6.1(a)(i);

“Retirement” means the retirement at normal retirement age 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;

“RSU” means a right granted to a Participant to receive a Common Share or, in the determination of the Committee, a cash payment based on the Market Value of a Common Share that generally becomes vested, if at all, following a period of continuous employment and subject to the RSU Vesting Conditions;

“RSU Payment Date” means: (a) December 31 of the calendar year that includes the Vesting Date, or (b) in the case of a U.S. Participant, March 15 of the first calendar year after the RSU vests;

“RSU Vesting Conditions” means, with respect to the vesting of RSUs, conditions relating to a Participant’s continued service with the Corporation and/or an Affiliate for a period of time determined by the Committee at the time of granting the Award;

“Section 409A” means Section 409A of the Code and the regulations and guidance promulgated thereunder;

“Share Compensation Arrangement” means the Prior Stock Option Plan and the Corporation’s deferred share unit plan effective as of October 31, 2007, each as amended, restated or otherwise modified from time to time, and any other 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 or Director of the Corporation;

“Termination” means the cessation of a Participant’s active service as an Employee of the Corporation and **“Terminate”**, **“Terminates”** and **“Terminated”** shall be construed accordingly. The Corporation will have sole discretion to determine whether a Participant has ceased active service and the effective date on which the Participant ceased active service (the **“Termination Date”**), provided that, unless otherwise determined by the Corporation, active service shall be deemed to cease on the later of: (a) the date on which a Participant gives or receives notice of termination of employment, and (b) the end of the applicable statutory period of notice required under applicable minimum employment standards legislation, if any, which shall be the Participant’s Termination Date for purposes of this Plan, and for greater certainty, “Termination” and “Termination

Date” shall not be extended by any contractual or common law reasonable notice or severance periods that exceed the minimum statutory period of notice required under applicable minimum employment standards legislation;

“**TSX**” means The Toronto Stock Exchange;

“**TSX Company Manual**” means the company manual of the TSX, including such staff notices of the TSX from time to time which may supplement the same;

“**U.S. DSU**” means a DSU granted to a U.S. Participant;

“**U.S. EDSU**” means an EDSU granted to a U.S. Participant;

“**U.S. Participant**” has the meaning set out in Section 11.1;

“**U.S. 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 Section 422 of the Code, which intention shall be expressed in the instrument in writing effecting the grant of such Option;

“**Vested DSUs**” means DSUs which have vested in accordance with the Plan and the terms of the applicable Award Agreement, and includes Vested U.S. DSUs unless the context otherwise requires;

“**Vested EDSUs**” means EDSUs which have vested in accordance with the Plan and the terms of the applicable Award Agreement, and includes Vested U.S. EDSUs unless the context otherwise requires;

“**Vested PSUs**” means PSUs which have vested in accordance with the Plan and the terms of the applicable Award Agreement;

“**Vested RSUs**” means RSUs which have vested in accordance with the Plan and the terms of the applicable Award Agreement;

“**Vested U.S. DSUs**” means U.S. DSUs which have vested in accordance with the Plan and the terms of the applicable Award Agreement;

“**Vested U.S. EDSUs**” means U.S. EDSUs which have vested in accordance with the Plan and the terms of the applicable Award Agreement; and

“**Vesting Date**” means, with respect to RSUs, EDSUs and PSUs, the date or dates set forth in the Award Agreement or as otherwise determined by the Committee and, with respect to DSUs, the Grant Date or as otherwise determined by the Committee.

1.4 Interpretation

In this Plan, except as may otherwise be expressly stated herein or unless the context otherwise requires:

- (a) the division of this Plan into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan;

- (b) the terms “the Plan”, “this Plan”, hereto”, “herein”, “hereby”, “hereof” and “hereunder” and similar expressions refer to this long-term incentive plan of the Corporation in its entirety and not to any particular provision hereof;
- (c) references to “Articles”, “Sections” and “Schedules” followed by a number or letter refer to the specified Articles or Sections of or Schedules to this Plan;
- (d) words importing the singular number only shall include the plural and vice versa and words importing the use of any gender shall include all genders, including the neuter gender;
- (e) the word “including” means “including without limitation” and grammatical variations have corresponding meanings;
- (f) any reference to any agreement, contract, plan, instrument or legally binding agreement (including this Plan) means such agreement, contract, plan, instrument or legally binding agreement as the same may be amended, restated, replaced or otherwise modified from time to time in accordance with its terms;
- (g) any reference in this Plan to a statute, regulation or rule shall be construed to be a reference thereto as the same may from time to time be amended, re-enacted, restated or supplemented, and any reference to a statute shall include any regulations or rules made thereunder;
- (h) whenever the Board or a Committee is to make a determination or approval in connection with the administration of this Plan, the term “determined or approved by the Board” or “determined or approved by the Committee” (and similar grammatical variations) shall mean determined or approved in the sole and absolute discretion of the Board or the Committee, as applicable, and, if applicable, any other Person to whom the Board or the Committee has delegated its determination or approval-granting authority;
- (i) all dollar amounts refer to Canadian dollars, except where otherwise stated;
- (j) any time period within which a payment is to be made or any other action is to be taken hereunder shall be calculated excluding the day on which the period commences and including the day on which the period ends; and
- (k) whenever any payment is required to be made, action is required to be taken or period of time is to expire on a day other than a business day, such payment shall be made, action shall be taken or period shall expire on the next following business day.

ARTICLE 2 ADMINISTRATION OF THE PLAN

2.1 Administration of the Plan

The Plan shall be administered by the Human Resources and Health and Safety Committee of the Board or such other committee as the Board considers appropriate and designates from time to time (the “**Committee**”). Subject to the terms and limitations of the Plan,

the Committee shall have the authority and discretion to administer the Plan and to exercise all of the powers and authorities granted to it under this Plan or necessary or advisable in the administration of the Plan, including:

- (a) to construe and interpret the Plan and apply its provisions;
- (b) to promulgate, amend, and rescind rules and regulations relating to the administration of the Plan;
- (c) to determine those Participants to whom Awards shall be granted and when such grants are made (provided that in no event shall a Director be granted PSUs, EDSUs, RSUs, or Options);
- (d) to prescribe the terms and conditions of each Award, including, the settlement and vesting provisions;
- (e) to determine from time to time, and to specify in the applicable Award Agreement, the performance metrics and the performance period applicable to the PSUs and EDSUs (as applicable), the manner in which such performance metrics will be calculated and whether such performance metrics have been achieved and, if applicable, any peer comparison group;
- (f) subject to the approval of the Board in accordance with Section 2.3, to determine the number of Common Shares which shall be the subject of each Option and the time or times when an Option becomes exercisable and, subject to Section 8.1(f), the duration of the exercise period;
- (g) to determine the method by which an Award may be settled, cancelled, forfeited or suspended;
- (h) to determine the duration and purpose of leaves of absences that may be granted to a Participant, or changes to the nature of the employment or service of a Participant, without constituting termination of their employment for purposes of the Plan, which periods shall be no shorter than the periods generally applicable to Employees under the Corporation's employment policies;
- (i) to make decisions with respect to outstanding Awards that may become necessary upon a Change of Control or an event that triggers an adjustment to the number of outstanding Awards;
- (j) to engage or replace a trustee, custodian or administrator to administer the Plan (or a portion of the Awards); and
- (k) to make all other determinations deemed necessary or advisable for the administration of this Plan.

2.2 Criteria in Determining Grant of Awards

In determining the Participants to whom Awards may be granted and the number of Awards to be covered by each grant, the Committee may, subject to the provisions of this Plan, take into account such factors as the Committee shall determine, in its sole discretion.

2.3 Determinations and Interpretations by the Committee

(a) The determinations of the Committee shall be subject to review and approval by the Board. The Committee shall take 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 the day-to-day administration of the Plan to one or more of its members as it may deem advisable, and the Committee or any person to whom it has delegated duties as aforesaid may employ one or more Persons to render advice with respect to any responsibility the Committee or such Person may have under this Plan. All costs incurred in connection with this Plan shall be for the account of the Corporation.

(b) Subject to review and approval by the Board, all decisions and interpretations of the Committee respecting the Plan, any Award Agreements or any Awards shall be conclusive and binding on the Corporation and the Participants and their respective legal personal representatives and on all Employees and Directors who, under the provisions of the Plan, may be eligible to participate herein. No member of the Committee will be liable for any action or determination taken or not taken or made in good faith with respect to the Plan, any Award Agreements or Awards granted. Each member of the Committee shall be entitled to indemnification by the Corporation with respect to any such determination or action in the manner provided for by the Corporation and its Affiliates.

2.4 Common Shares Subject to Plan

(a) The aggregate number of Common Shares reserved by the Corporation for issuance from treasury in respect of DSUs, EDSUs, PSUs and RSU awards under the Plan shall not exceed 750,000 subject to adjustment pursuant to Section 9.3 and Section 13.1.

(b) The Prior Stock Option Plan was closed to new stock option grants by the Corporation as of the Effective Date. All new Option grants by the Corporation from and after the Effective Date shall be only made pursuant to the terms of this Plan. The aggregate number of Common Shares reserved by the Corporation for issuance from treasury in respect of Options under the Plan, when combined with the aggregate number of Common Shares issued or issuable, as the case may be, under the Prior Stock Option Plan up to the Effective Date, shall not exceed 7,000,000, subject to adjustment pursuant to Section 9.3 and Section 13.1. The aggregate number of Common Shares so reserved for issuance to any one person under the Plan (and the Prior Stock Option Plan) shall not exceed 5% of the issued and outstanding Common Shares (on a non-diluted basis). In determining the number of Common Shares that are so reserved for issuance from and after the Effective Date under this Plan, 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 the Effective Date, but shall not include Common Shares issued on the exercise of stock options or Options that were exercised under the Prior Stock Option Plan or this Plan and have been replenished under this Plan by way of approval of the shareholders of the Corporation.

(c) The aggregate number of Common Shares: (i) issued to Insiders, within any one-year period; and (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 Share Compensation Arrangements of the Corporation, shall not exceed 10% of the issued and outstanding Common Shares. If the acquisition of Common Shares by the Corporation for

cancellation should result in such tests no longer being met, this shall not constitute non-compliance with this Section 2.4 for any Awards outstanding prior to such purchase of Common Shares for cancellation.

(d) To the extent that any Award has expired, terminated or been forfeited or cancelled for any reason without the Common Shares issuable thereunder having been issued in full, any such unissued Common Shares shall become available to be issued upon the exercise of Awards subsequently granted under the Plan.

(e) No fractional Common Shares may be issued under the Plan. If a Participant would become entitled to a fractional Common Share upon a Payout, such Participant shall only have the right to receive the next lowest whole number of Common Shares and no payment or other adjustment will be made with respect to the fractional interest so disregarded.

2.5 Accounts and Recordkeeping

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

(b) The Committee and/or the Administrator shall maintain or cause to be maintained an account for each Participant (an "**Account**") to record DSUs, EDSUs, PSUs, RSUs, and Options granted to such Participant hereunder. A written statement confirming the balance in each Participant's Account shall be provided to a Participant upon request. No certificates shall be issued with respect to DSUs, EDSUs, PSUs, RSUs, or Options granted to a Participant.

(c) On the Grant Date, the Participant's Account will be credited with the DSUs, EDSUs, PSUs, RSUs and/or Options granted to the Participant on that date and set out in the applicable Award Agreement. On the Vesting Date, the Participant's Account will be credited with the Vested DSUs, Vested EDSUs, Vested PSUs and/or Vested RSUs held by the Participant on that date.

(d) Unless otherwise stated in an Award Agreement, a Participant's Account shall, unless otherwise determined by the Committee, from time to time until (i) the Vesting Date, in respect of RSUs, PSUs and EDSUs, or (ii) the DSU Settlement Date in respect of DSUs, be credited on each dividend payment date in respect of Common Shares with additional DSUs, EDSUs, PSUs and/or RSUs, the number of which shall be calculated by dividing: (i) the dividends that would have been paid to such Participant if the DSUs, EDSUs, PSUs and/or RSUs in the Account on the relevant dividend record date had been Common Shares, by (ii) the Market Value at the date of payment of such dividend; provided, however, that such dividend equivalents shall be subject to the same terms and conditions and shall be settled in the same manner and at the same time as the original Award. Any additional DSUs, EDSUs, PSUs and/or RSUs credited to the Participant's Account pursuant to this Section 2.5(d) shall have the same Vesting Dates as the DSUs, EDSUs, PSUs and/or RSUs in respect of which such additional DSUs, EDSUs, PSUs and/or RSUs are credited.

ARTICLE 3 PARTICIPANTS

3.1 Eligibility and Participation

(a) The Persons eligible to receive RSUs, EDSUs, PSUs, and Options shall be the Employees determined by the Committee from time to time. The Persons eligible to receive DSUs shall be the Employees and Directors. For greater certainty, Directors are ineligible to receive RSUs, EDSUs, PSUs, or Options unless such Person is also an Employee of the Corporation or its Affiliate.

(b) Eligibility to participate does not confer upon any Participant any right to be granted Awards pursuant to this Plan. Granting Awards to any Participant does not confer upon any Participant the right to be granted any additional Awards at any time. The extent to which any Participant is entitled to be granted Awards pursuant to this Plan will be determined by the Committee.

ARTICLE 4 RESTRICTED SHARE UNITS

4.1 Grants of Restricted Share Units

Subject to the express provisions of the Plan, the Committee may grant RSUs to such Participant or Participants in such number and at such dates and times as the Committee may determine.

4.2 Terms of Restricted Share Units

Each RSU must be confirmed by an Award Agreement that sets forth the terms, conditions and limitations for each RSU and may include the vesting and terms of the RSUs and shall contain such terms that may be considered necessary in order that the RSUs will comply with any provisions respecting RSUs in the income tax or any other Applicable Law in force in any country or jurisdiction of which the Participant may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the Corporation.

4.3 Vesting of Restricted Share Units

Unless otherwise determined by the Committee and specifically set out in the Award Agreement, and subject to the terms of this Plan and the applicable Award Agreement, a RSU granted to a Participant on any particular Grant Date shall become a Vested RSU on the Vesting Date applicable to such RSU. The Committee may, in its determination, subsequent to the Grant Date, but prior to the Vesting Date determined at the time of grant, designate an earlier date for vesting of all or any portion of the RSUs then outstanding and granted to a Participant under the Plan.

4.4 Settlement of Restricted Share Units

Subject to the provisions of this Plan, as soon as practicable following the Vesting Date and, in any event, on or before the RSU Payment Date, the Committee shall, in its determination:

- (a) provide the Participant with a Payout in such number of Common Shares issued by the Corporation or purchased by the Administrator on the open market on the Participant's behalf, equal to the number of Vested RSUs in the Participant's Account on the Vesting Date; or
- (b) pay the Participant a cash Payout calculated by multiplying A x B where A is the number of Vested RSUs in the Participant's Account on the Vesting Date and B is the Market Value of a Common Share on the Vesting Date,

in each case, subject to withholding tax and other required source deductions.

ARTICLE 5 PERFORMANCE SHARE UNITS

5.1 Grants of Performance Share Units

Subject to the express provisions of the Plan, the Committee may grant PSUs to Employees in such number and at such dates and times as the Committee may determine.

5.2 Terms of Performance Share Units

Each PSU must be confirmed by an Award Agreement that sets forth the terms, conditions and limitations for each PSU and may include the vesting and terms of the PSUs and shall contain such terms that may be considered necessary in order that the PSUs will comply with any provisions respecting PSUs in the income tax or any other Applicable Law in force in any country or jurisdiction of which the Participant may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the Corporation.

5.3 Vesting of Performance Share Units

Unless otherwise determined by the Committee and specifically set out in the Award Agreement, and subject to the terms of this Plan and the applicable Award Agreement, a PSU granted to a Participant on any particular Grant Date shall become a Vested PSU on the Vesting Date applicable to such PSU. The Committee may, in its determination, subsequent to the Grant Date, but prior to the Vesting Date determined at the time of grant, designate an earlier date for vesting of all or any portion of the PSUs then outstanding and granted to a Participant under the Plan.

5.4 Settlement of Performance Share Units

As soon as reasonably practicable following the last day of a Performance Period and, in any event, on or before the PSU Payment Date, the Committee shall determine the Performance Multiplier for such Performance Period in accordance with the specific performance metrics established at the time of grant of a PSU and any adjustments considered reasonable by the Committee as a result of any one-time or extraordinary events that occurred during the Performance Period. The determination of the Performance Multiplier by the Committee shall be conclusive and binding on the Participants. Following the determination of the Performance Multiplier for a Performance Period, the Committee shall, in its determination:

- (a) provide the Participant with a Payout no later than the PSU Payment Date in such number of Common Shares issued by the Corporation or purchased by the

Administrator on the open market on the Participant's behalf, calculated by multiplying A x B where A is the number of Vested PSUs in the Participant's Account on the Vesting Date relating to the relevant Performance Period and B is the Performance Multiplier for the Performance Period; or

- (b) pay the Participant a cash Payout no later than the PSU Payment Date calculated by multiplying A x B x C where A is the number of Vested PSUs in the Participant's Account on the Vesting Date relating to the relevant Performance Period, B is the Performance Multiplier for the Performance Period and C is the Market Value of a Common Share on the Vesting Date,

in each case, subject to withholding tax and other required source deductions.

ARTICLE 6 EXECUTIVE DEFERRED SHARE UNITS

6.1 Grants of Executive Deferred Share Units

- (a) The Committee may in its determination grant:
 - (i) EDSUs in lieu of all or any part of the RSUs, if any, that would otherwise be granted to an Employee in any financial year (a "**Restricted EDSU Grant**"); or
 - (ii) EDSUs in lieu of all or any part of the PSUs, if any, that would otherwise be granted to an Employee in any financial year (a "**Performance EDSU Grant**"),

in each case, if the Committee determines it to be necessary and desirable for purposes of assisting an Employee in satisfying their share ownership requirements pursuant to the policies of the Corporation, as amended, modified or supplemented from time to time.

(b) The Committee, in its determination, has the authority to determine whether to grant any RSUs, PSUs or EDSUs and the number of RSUs, PSUs or EDSUs to be granted. Each award of EDSUs, including the vesting conditions, shall be set out in an Award Agreement at the time of grant.

6.2 Terms of Executive Deferred Share Units

Each EDSU must be confirmed by an Award Agreement that sets forth the terms, conditions and limitations for each EDSU and may include the vesting and terms of the EDSUs and shall contain such terms that may be considered necessary in order that the EDSUs will comply with any provisions respecting EDSUs in the income tax laws or any other Applicable Law in force in any country or jurisdictions of which the Participant may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the Corporation.

6.3 Vesting of Executive Deferred Share Units

Unless otherwise determined by the Committee and set out in the Award Agreement:

- (a) an EDSU granted to a Participant pursuant to a Restricted EDSU Grant shall be subject to the RSU Vesting Conditions, which shall be set out in the Award Agreement, and shall become Vested EDSUs on the Vesting Date applicable to such EDSU but will not become payable until the EDSU Settlement Date; and
- (b) an EDSU granted to a Participant pursuant to a Performance EDSU Grant shall be subject to the PSU Vesting Conditions, which shall be set out in the Award Agreement, and shall become Vested EDSUs on the Vesting Date applicable to such EDSU but will not become payable until the EDSU Settlement Date,

provided that, in each case, the Committee may, in its determination, subsequent to the Grant Date, but prior to the Vesting Date determined at the time of grant, designate an earlier date for vesting of all or any portion of the EDSUs then outstanding and granted to a Participant under the Plan.

6.4 Settlement of Executive Deferred Share Units

(a) As soon as reasonably practicable following the last day of a Performance Period and, in any event, on or before the EDSU Redemption Date, the Committee shall determine the Performance Multiplier for such Performance Period in accordance with the specific performance metrics established at the time of grant of an EDSU granted to a Participant pursuant to a Performance EDSU Grant and any adjustments considered reasonable by the Committee as a result of any one-time or extraordinary events that occurred during the Performance Period. The determination of the Performance Multiplier by the Committee shall be conclusive and binding on the Participants.

(b) U.S. EDSUs that become vested and payable on the EDSU Settlement Date or EDSU Redemption Date shall be paid by the Corporation no later than the EDSU Payment Date.

(c) With respect to EDSUs that are not U.S. EDSUs, the Vested EDSUs credited to an Employee's Account, after applying the Performance Multiplier to those EDSUs granted pursuant to a Performance EDSU Grant, as applicable, shall be settled by the Corporation following the date of the event causing the Termination Date and the receipt of a Redemption Notice from the Participant or the appropriate legal representative or estate, as the case may be. In the case of EDSUs that are not U.S. EDSUs, such Vested EDSUs shall be redeemed by the filing of a written notice of redemption in the form of Schedule C hereto (or such other form as the Committee may determine from time to time) (the "**Redemption Notice**") by such Participant with the Corporate Secretary of the Corporation, specifying (i) either a single EDSU Redemption Date or two EDSU Redemption Dates, and (ii) the percentage of such Vested EDSUs to be redeemed on each such EDSU Redemption Date. Where a Participant provides a single EDSU Redemption Date in the Redemption Notice, but provides for less than 100% of such Participant's Vested EDSUs being redeemed on such date, such Participant must file a second Redemption Notice no later than ten (10) business days prior to the EDSU Payment Date specifying the second EDSU Redemption Date. Each EDSU Redemption Date specified in a Redemption Notice shall occur during the period commencing at least five (5) business days following the date on which such notice is filed with the Corporate Secretary of the Corporation and ending not later than December 15 of the first calendar year commencing after the EDSU Settlement Date. If no Redemption Notice, or no second Redemption Notice, as applicable, has been filed by the date that is ten (10) business days prior to December 15 of the first calendar year after the EDSU Settlement Date, then the EDSU Payment Date shall be deemed to be the

EDSU Redemption Date in respect of all of such Participant's Vested EDSUs that have not already been redeemed.

(d) Subject to the provisions of this Plan, as soon as practicable following the EDSU Redemption Date(s), and in any event no later than the EDSU Payment Date, the Committee shall, in its determination:

- (i) provide the Participant with a Payout in such number of Common Shares issued by the Corporation or purchased by the Administrator on the open market on the Participant's behalf, equal to the number of Vested EDSUs in the Participant's Account on the EDSU Redemption Date(s) (or the percentage of such Vested EDSUs specified in the applicable Redemption Notice(s)); or
- (ii) pay the Participant a cash Payout calculated by multiplying A x B where A is the number of Vested EDSUs in the Participant's Account on the EDSU Redemption Date(s) (or the percentage of such Vested EDSUs specified in the applicable Redemption Notice(s)) and B is the Market Value of a Common Share on the EDSU Redemption Date(s),

in each case, subject to withholding tax and other required source deductions.

ARTICLE 7 DEFERRED SHARE UNITS

7.1 Grants of Deferred Share Units

(a) Each Director shall have, subject to the conditions stated herein, the right to elect at any time and from time to time in accordance with this Section 7.1(a), to be credited with DSUs in lieu of all or any part of the Director Fees otherwise payable to such Director in cash. No such election shall be effective unless and until the Director in question shall have filed a notice of election in the form of Schedule A hereto (the "**Election Notice-A**") with the Corporation's Corporate Secretary, which notice, subject as hereinafter provided, may be filed at any time. Any election made by a Director (other than Director who is a U.S. Participant) shall be applicable only in respect of Director Fees not yet payable. Notwithstanding the foregoing, any election made by a Director who is a U.S. Participant must be made by December 15 of the calendar year preceding the calendar year to which such election applies. For greater certainty, the filing of an Election Notice-A does not guarantee a Director any DSUs. An Election Notice-A must be in the form determined by the Committee from time to time. The Committee, in its determination, has the authority to determine whether to grant any DSUs and the number of DSUs to be granted (provided that the percentage of DSUs granted shall be consistent with the Election Notice-A).

(b) Regardless of a Director's election under Section 7.1(a), the Committee may in its determination grant DSUs to Directors on a discretionary basis from time to time; provided that, except for (i) DSUs granted in lieu of Director Fees pursuant to Section 7.1(a), or (ii) a one-time initial grant of DSUs to a Director upon such Director joining the Board, to which the following limits shall not apply, the aggregate Market Value on the Grant Date of all Awards granted to any one Director under this Plan and the Corporation's Share Compensation Arrangements shall not exceed \$150,000 within any one financial year of the Corporation.

(c) Each Employee approved by the Committee shall have, subject to the conditions stated herein, the right to elect by December 15 of each calendar year in accordance with this Section 7.1(c) to be credited with DSUs in lieu of all or any part of any Bonus, if any, that would otherwise be payable to such Employee in cash in the immediately succeeding calendar year. No such election shall be effective unless and until the Employee in question shall have filed a notice of election in the form of Schedule B hereto (the "**Election Notice-B**") with the Corporation's Corporate Secretary, which notice, subject as hereinafter provided, shall be filed by December 15 of the calendar year preceding the calendar year to which such election applies. Any such election shall be made prior to Employee's date of entitlement (the "**Entitlement Date**") to receive payment of any Bonus and, for greater certainty, the Entitlement Date with respect to Bonuses which relate to a calendar year will always be a date which occurs after the end of the relevant calendar year. An Election Notice-B must be in the form determined by the Committee from time to time. The Committee, in its determination, has the authority to determine whether to grant any DSUs and the number of DSUs to be granted (provided that the percentage of DSUs granted shall be consistent with the Election Notice-B), and it shall determine the Conversion Date on or before the Grant Date for each award of DSUs to be credited under the Plan.

(d) Regardless of an Employee's election under Section 7.1(c), the Committee may in its determination grant DSUs to designated Employees on a discretionary basis from time to time. The Committee shall approve each Employee so eligible to receive DSUs and the number of DSUs and the date on which such DSUs may be granted and credited to such an Employee's Account. The Committee may, in its determination, attach time-based vesting conditions to any such grant of DSUs which, if not attained by the Employee prior to the Employee's Termination Date, shall result in the forfeiture of all rights, title and interests with respect to such non-vested DSUs, including any additional DSUs granted pursuant to Section 2.5(d) in respect of such non-vested DSUs. Each award of DSUs, including any related time-vesting requirements, shall be set out in an Award Agreement at the time of grant.

(e) A duly filed Election Notice-A or Election Notice-B, as applicable, shall be binding upon the Participant, who filed it, and upon the Corporation, unless and until such Participant has filed a subsequent Election Notice-A or Election Notice-B, as applicable, to terminate or change their election and such subsequent Election Notice-A or Election Notice-B, as applicable, has become effective in accordance with the Plan, provided that no Participant shall be entitled to file more than one Election Notice-A or Election Notice-B, as applicable, in any calendar year unless specifically authorized by the Committee. For greater certainty, once filed, an election under Election Notice-B is irrevocable and may not be terminated or changed for the Bonus year to which it relates.

7.2 Terms of Deferred Share Units

Each DSU must be confirmed by an Award Agreement that sets forth the terms, conditions and limitations for each DSU and shall contain such terms that may be considered necessary in order that the DSUs will comply with any provisions respecting DSUs in the income tax or any other Applicable Law in force in any country or jurisdiction of which the Participant may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the Corporation.

7.3 Vesting of Deferred Share Units

Unless stated otherwise in an Award Agreement, any DSUs will be fully vested upon being credited to a Participant's Account but will not become payable until the DSU Settlement Date.

7.4 Timing and Recording of Deferred Share Units

(a) Each Director who has filed an Election Notice-A in accordance with Section 7.1(a) shall, subject to Section 7.1(b), be credited with DSUs in respect of their Director Fees while such Election Notice-A remains in effect, quarterly in arrears on the first day of the last month of each quarter in each year, or in the case of the first three quarters of such year, on a date to be determined by the Board in the first month of the following quarter, which date shall be no later than the last day of the calendar year in which the Director Fees accrue.

(b) The number of DSUs credited at any particular time with respect to any amount in respect of which a Director shall have elected pursuant to Section 7.1(a), subject to Section 7.1(b), will be calculated by dividing such amount by the Market Value of a Common Share on the relevant quarterly payment date for such amount.

(c) Each Employee who has filed an Election Notice-B in accordance with Section 7.1(c) shall be credited with DSUs as of the Conversion Date determined by the Committee, in respect of the Bonus in each year, while such Election Notice-B remains in effect.

(d) The number of DSUs credited at any particular time with respect to any Bonus amount in respect of which an Employee shall have elected pursuant to Section 7.1(c) will be calculated by dividing such Bonus amount by the Market Value of a Common Share on the relevant Conversion Date.

(e) The number of DSUs credited at any particular time with respect to any discretionary grant of DSUs to a designated Employee pursuant to Section 7.1(d) shall be determined by the Committee based on the Market Value of a Common Share on the relevant Grant Date.

7.5 U.S. DSUs

Notwithstanding anything to the contrary, the following terms shall apply to U.S. DSUs:

- (a) U.S. DSUs shall be subject to such other terms and conditions necessary to comply with Section 409A, as determined by the Committee and set forth in an Award Agreement or an Election Notice-A or an Election Notice-B (collectively, "**Election Form**");
- (b) U.S. DSUs that become vested and payable on a DSU Settlement Date or DSU Redemption Date shall be paid in a lump sum on a DSU Payment Date;
- (c) Election Forms shall continue in effect until a written revocation or change in election is received by the Corporation, provided that such written revocation or change in election complies with Section 409A; and

- (d) except as otherwise permitted or required by Section 409A, any U.S. DSU which permits a subsequent election to delay the payment in settlement of such U.S. DSU shall comply with Section 409A and the following requirements: (i) no subsequent election may take effect until at least 12 months after the date on which the subsequent election is made; (ii) each subsequent election must result in a delay of the payment for a period of not less than five years from the date on which such payment would otherwise have been made; and (iii) no subsequent election shall be made less than 12 months before the date on which such payment would otherwise have been made.

ARTICLE 8 STOCK OPTIONS

8.1 Granting of Options

(a) The Board from time to time may grant Options to such officers and other Employees of the Corporation and of its Affiliates as the Board shall determine. Each Option grant must be accepted by a Participant by executing an Award Agreement. Options so granted to U.S. Participants may be (i) U.S. Stock Options, (ii) Options that are not U.S. 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 Committee from time to time. U.S. Stock Options shall be subject to additional terms, as set forth in Section 8.1(i).

(b) Without limiting the generality of Section 8.1(a), the Board may from time to time grant Options in accordance with Section 8.1(a) 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 Committee in accordance with Section 8.1(e).

(c) Notwithstanding anything in this Plan to the contrary, the aggregate number of Common Shares actually issued by the Corporation upon the exercise of U.S. Stock Options shall, when combined with the aggregate number of Common Shares issued or issuable upon exercise of incentive stock options under the Prior Stock Option Plan, shall not exceed 800,000 Common Shares.

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

(e) Notwithstanding Section 8.1(d), if the Board grants Options to a Participant during a Blackout Period applicable to such Participant in accordance with Section 8.1(b) Option Price fixed by the Committee for such Options shall be equal to the greater of (i) the 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.

(f) 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 as permitted by applicable law, including, with respect to Options granted to U.S. Participants, Section 409A.

(g) 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.

(h) 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).

(i) U.S. Stock Options granted under the Plan to U.S. Participants shall be subject to the following additional terms:

- (i) U.S. Stock Options shall only be granted to an employee of the Corporation or a subsidiary of the Corporation (within the meaning of Section 424(f) of the Code);
- (ii) if an Option is not specifically designated as a U.S. Stock Option, or if an Option is designated as a U.S. Stock Option but some portion or all of the Option fails to qualify as a U.S. Stock Option under Applicable Law, then the Option (or portion thereof) will be a nonqualified Option;
- (iii) to the extent that options designated as U.S. Stock Options (granted under all stock plans of the Corporation, including the Plan) become exercisable by a U.S. Participant for the first time during any calendar year for stock having a Market Value greater than \$100,000, the portion of such options which exceeds such amount shall be treated as a nonqualified Option;
- (iv) notwithstanding Section 8.1(d), (x) the Option Price per share shall be not less than the Market Value of a Common Share on the effective date of grant of the Option and (y) no U.S. Stock Option granted to a Ten Percent Owner shall have an Option Price per share less than 110% of the Market Value of a Common Share on the effective date of grant of the Option. Notwithstanding Section 8.1(f), no U.S. Stock Option granted to a Ten Percent Owner shall be exercisable after the expiration of five years after the effective date of grant of such Option. For purposes of this Section, "Ten Percent Owner" means a U.S. Participant who, at the time an Option is granted to the U.S. Participant, owns stock possessing more than 10% of the total combined voting power of all classes of stock of the Corporation within the meaning of Section 422 of the Code;
- (v) as provided by Section 422(b)(5) of the Code, and if permitted by the Plan, a U.S. Stock Option will not be transferable except by will or by the laws of descent and distribution, and will be exercisable during the lifetime of the U.S. Participant only by the U.S. Participant;

- (vi) if a U.S. Participant disposes of Common Shares acquired upon exercise of a U.S. Stock Option within two years from the Grant Date or one year after such Common Shares were acquired pursuant to exercise of such Option, the U.S. Participant shall notify the Corporation in writing of such disposition; and
- (vii) All U.S. Stock Options shall be granted, if at all, within ten years from the earlier of the date that the Plan was approved by the Board or the shareholders of the Corporation.

8.2 Exercise of Options

(a) 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, no later than the expiration of the Option's term, 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 8.2(c) be accompanied by payment in full in cash 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 any Option.

(b) Subject to Article 9, and unless otherwise determined by the Board at the time of granting an Option, a Participant's Option shall become exercisable as follows:

- (i) may not exercise an Option until the first anniversary of the Grant Date of the Option;
- (ii) 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 Grant Date and respectively ending on the second through fifth anniversaries of the day immediately preceding the Grant Date; provided that, notwithstanding the restriction contained in this paragraph (ii) of this Section 8.2(b), 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
- (iii) may, at any time and from time to time on and after the fifth anniversary of the Grant Date 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.

(c) Solely with respect to Options held by non-U.S. Participants, where such 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 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 13.1 hereof), net of applicable withholding taxes in accordance with Section 10.2. Upon such payment being made, all Cancelled Options shall thereupon be cancelled. Notwithstanding the foregoing, the Committee may, in its sole and unfettered discretion, decline to permit the cashless surrender 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 8.2(a) shall apply to the exercise of the applicable Options and the provisions of this section shall have no further application to such Options.

ARTICLE 9 TERMINATION OF RELATIONSHIP WITH PARTICIPANT

9.1 Restricted Share Units, Performance Share Units, Performance Deferred Share Units, and Options

(a) **Termination for Cause.** Unless otherwise determined by the Committee, if a Participant is Terminated with Cause, the Participant shall cease to be a Participant effective on the Participant's Termination Date and all of such Participant's PSUs, EDSUs, RSUs, and Options, whether or not vested (or exercisable), shall automatically expire or otherwise be forfeited and shall terminate immediately effective as of the Participant's Termination Date, subject to the requirements of the *Employment Standards Act* (Ontario) or any other applicable minimum employment standards legislation.

(b) **Termination by the Corporation or by Voluntary Resignation.** Subject to Section 9.3 and the minimum requirements of the *Employment Standards Act* (Ontario) or any other applicable minimum employment standards legislation, unless otherwise determined by the Committee, if a Participant Terminates prior to a Vesting Date or the expiry of an Option (in accordance with the terms of the Option) for any reason other than for Cause, death, Disability or Retirement (including, for purposes of this Section 9.1, if the Participant is Terminated without Cause or Terminates due to voluntary resignation that is not a Retirement), the Participant shall cease to be a Participant effective on the Participant's Termination Date and will not be entitled to any Payout in respect of PSUs, EDSUs and RSUs which are not Vested PSUs, Vested EDSUs and Vested RSUs, respectively, on such Termination Date. All PSUs, EDSUs and RSUs recorded in a Participant's Account that are not Vested PSUs, Vested EDSUs or Vested RSUs shall be forfeited and shall terminate immediately effective as of the Participant's Termination Date. Any Vested PSUs, Vested EDSUs, and Vested RSUs not paid out prior to Termination shall be paid out by the Corporation in accordance with their terms.

Any Option of a Participant Terminated in the circumstances set out in this Section 9.1(b) may be exercised at any time within 90 days from the Termination Date, 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 9.3, any Option held by a Participant described in this Section 9.1(b) that is not exercisable or that is vested but remains unexercised by the applicable date shall immediately expire and is automatically cancelled.

(c) **Termination of Employment due to Retirement or Disability.** Subject to Section 9.3, unless otherwise determined by the Committee, if a Participant Terminates prior to a Vesting Date or the expiry of any Option (in accordance with the terms of the Option) due to (i) Retirement, or (ii) the Disability of the Participant, the Participant shall cease to be a Participant effective on the Participant's Termination Date and the Participant's unvested PSUs, unvested EDSUs, unvested RSUs and the unexercised part of any Option (except as set out below), as applicable, will continue to vest and be paid out, in accordance with their terms or in the case of any unexpired Option, may be exercised in accordance with Section 8.2(a) provided, however, that with respect to any such Award held by a U.S. Participant, the PSU Payment Date, EDSU Payment Date and RSU Payment Date shall be the date such PSU, EDSU or RSU becomes a Vested PSU, Vested EDSU or Vested RSU, as applicable.

If a Participant holding an Option Terminates due to Retirement and enters into Competitive Service after the Participant's Termination Date, such Option may be exercised at any time within 90 days from the date the Participant enters into Competitive Service, but only to the extent that the Participant was entitled to exercise such Option as at that date. Subject to Section 9.3, any Option held by a Participant described in this Section 9.1(c) that is not exercisable or that is vested but remains unexercised by the applicable date shall immediately expire and is automatically cancelled.

If a Participant holding unvested PSUs, RSUs or EDSUs, as applicable, Terminates due to Retirement and enters into Competitive Service after the Participant's Termination Date, the Participant's unvested PSUs, RSUs or EDSUs, as applicable, shall as of the date the Participant entered into Competitive Service: (i) cease to vest; and (ii) be forfeited and terminated, subject to the minimum requirements of the *Employment Standards Act* (Ontario) or any other applicable minimum employment standards legislation.

(d) **Termination Due to Death.** Subject to Section 9.3, unless otherwise determined by the Committee, if a Participant Terminates prior to a Vesting Date or the expiry of any Option (in accordance with the terms of the Option) due to the death of the Participant, the Participant shall cease to be a Participant effective on the Participant's Termination Date and: (i) the Participant's unvested PSUs, unvested EDSUs, and unvested RSUs, as applicable, will immediately vest and become Vested PSUs, Vested EDSUs and Vested RSUs, respectively; and (ii) the unexercised part of such Participant's unexpired Option will immediately vest and may be exercised in accordance with Section 8.2(a)). As soon as practicable following the Participant's date of death, the Corporation will: (i) make a Payout to the legal representative or estate, as the case may be, of the Participant in respect of all Vested RSUs as of the Termination Date and (ii) make a Payout to the legal representative or estate, as the case may be, of the Participant in respect of all Vested PSUs and Vested EDSUs as of the Termination Date assuming a Performance Multiplier of 1.0.

(e) **U.S. Stock Options.** Notwithstanding anything to the contrary in this Section 9.1, U.S. Stock Options may only be exercised after the Termination Date as follows:

- (i) if the U.S. Participant's employment or service terminates for any reason, except Disability, death or for Cause, the U.S. Stock Option, to the extent unexercised and exercisable for vested shares on the Termination Date,

may be exercised by the Participant at any time prior to the expiration of 90 days after the Termination Date, but in any event no later than the term of the U.S. Stock Option; and

- (ii) if the U.S. Participant's employment or service terminates because of the Disability or death of the Participant, the U.S. Stock Option, to the extent unexercised and exercisable for vested shares on the Termination Date, may be exercised by the U.S. Participant (or the U.S. Participant's guardian or legal representative) at any time prior to the expiration of 12 months after the Termination Date, but in any event no later than the term of the U.S. Stock Option.

9.2 Settlement of Deferred Share Units

- (a) The following terms shall apply:
 - (i) the Vested DSUs credited to a Director's Account shall be redeemable at the option of the Participant (or where the Participant has died, the appropriate legal representative or estate, as the case may be) following the event causing the individual to no longer be a Director or an employee of the Corporation or a person related to the Corporation for the purposes of the *Income Tax Act* (Canada) (the "**Director Termination Date**");
 - (ii) the Vested DSUs credited to an Employee's Account shall be settled by the Corporation following the date of the event causing the Termination Date and the receipt of a Redemption Notice from the Participant or the appropriate legal representative or estate, as the case may be; and
 - (iii) Vested DSUs shall be redeemed by the filing of a written Redemption Notice by such Participant with the Corporate Secretary of the Corporation, specifying (i) either a single DSU Redemption Date or two DSU Redemption Dates, and (ii) the percentage of such Vested DSUs held by the Participant to be redeemed on each such DSU Redemption Date. Where a Participant provides a single DSU Redemption Date in the Redemption Notice, but provides for less than 100% of such Participant's Vested DSUs being redeemed on such date, such Participant must file a second Redemption Notice no later than ten (10) business days prior to the DSU Payment Date specifying the second DSU Redemption Date. Each DSU Redemption Date specified in a Redemption Notice shall occur during the period commencing at least five (5) business days following the date on which such notice is filed with the Corporate Secretary of the Corporation and ending not later than December 15 of the first calendar year commencing after the DSU Settlement Date. If no Redemption Notice, or no second Redemption Notice, as applicable, has been filed by the date that is ten (10) business days prior to December 15 of the first calendar year after the DSU Settlement Date, then the DSU Payment Date shall be deemed to be the DSU Redemption Date in respect of all of such Participant's Vested DSUs that have not already been redeemed.

(b) **U.S. DSUs.** The terms applicable to DSUs set out in Section 9.2(a) shall not apply to U.S. DSUs. Vested U.S. DSUs credited to a U.S. Participant's Account shall be paid on the DSU Payment Date in accordance with Section 7.5(b).

(c) Subject to the provisions of this Plan, as soon as practicable following the DSU Redemption Date(s), and in any event no later than the DSU Payment Date, the Committee shall, in its determination:

- (i) provide the Participant with a Payout in such number of Common Shares issued by the Corporation or purchased by the Administrator on the open market on the Participant's behalf, equal to the number of Vested DSUs in the Participant's Account on the DSU Redemption Date(s) (or the percentage of such Vested DSUs specified in the applicable Redemption Notice(s)); or
- (ii) pay the Participant a cash Payout calculated by multiplying A x B where A is the number of Vested DSUs in the Participant's Account on the DSU Redemption Date(s) (or the percentage of such Vested DSUs specified in the applicable Redemption Notices(s)) and B is the Market Value of a Common Share on the DSU Redemption Date(s),

in each case, subject to withholding tax and other required source deductions.

9.3 Change of Control

(a) Notwithstanding anything else contained in this Plan or an Award Agreement, in connection with a Change of Control, the Committee will provide Participants with written notice of any proposed Change of Control and will take such action as is required to ensure that, following the Change of Control, this Plan and the DSU, EDSU, PSU and RSU Awards granted hereunder are either (i) continued, as adjusted if necessary in the determination of the Committee to prevent substantial dilution or enlargement of the rights granted to or available for a Participant, or (ii) substituted for deferred share units, performance share units, executive deferred share units and restricted share units, as applicable, of the acquiring or surviving entity and that such adjustments are made to the DSUs, EDSUs, PSUs and RSUs as required to prevent substantial dilution or enlargement of the rights granted to or available for a Participant.

(b) If the DSUs, EDSUs, PSUs and RSUs are continued (with or without adjustment) or substituted following the Change of Control and a Participant, who is an Employee, is terminated by the Corporation or its Affiliates, as applicable, without Cause or the Participant resigns for Good Reason within 12 months following the occurrence of a Change of Control:

- (i) all PSUs and all EDSUs granted pursuant to a Performance EDSU Grant credited to such Participant's Account shall immediately vest and become Vested PSUs and Vested EDSUs, as applicable, on the Termination Date. As soon as practicable following the Termination Date and, in respect of a Participant who is not a U.S. Participant, before the PSU Payment Date or EDSU Payment Date, the Committee shall, at its determination:
 - (A) provide the Participant with a Payout of such number of Common Shares, issued by the Corporation (or such successor or surviving

entity) or purchased by the Administrator on the open market on the Participant's behalf, calculated by multiplying A x B where A is the number of Vested PSUs and Vested EDSUs, as applicable, in the Participant's Account on the Termination Date and B is the applicable Performance Multiplier determined by the Committee as of the Termination Date, provided that for the purposes of this Section 9.3 such Performance Multiplier shall not be less than 1.0; or

(B) pay the Participant a cash Payout calculated by multiplying A x B x C where A is the number of Vested PSUs and Vested EDSUs, as applicable, in the Participant's Account on the Termination Date, B is the applicable Performance Multiplier determined by the Committee as of the Termination Date, provided that for the purposes of this Section 9.3 such Performance Multiplier shall not be less than 1.0, and C is the Market Value of a Common Share on the Termination Date; and

(ii) all DSUs, RSUs and all EDSUs granted pursuant to a Restricted EDSU Grant credited to such Participant's Account shall immediately vest on the Termination Date. As soon as practicable following the Termination Date and, with respect to a Participant who is not a U.S. Participant, before the RSU Payment Date, DSU Payment Date or the EDSU Payment Date, as applicable), the Committee shall, at its determination:

(A) provide the Participant with a Payout of such number of Common Shares, issued by the Corporation (or such successor or surviving entity) or purchased by the Administrator on the open market on the Participant's behalf, equal to the number of Vested DSUs, Vested RSUs and Vested EDSUs, as applicable, in the Participant's Account on the Termination Date; or

(B) pay the Participant a cash Payout for the Vested DSUs, Vested RSUs and Vested EDSUs, as applicable, in the Participant's Account calculated by multiplying A x B, in each case, where A is the number of Vested DSUs, Vested RSUs and Vested EDSUs, as applicable, in the Participant's Account on the Termination Date and B is the Market Value of a Common Share on the Termination Date,

in the case of each of paragraphs (i) and (ii) above, subject to withholding tax and other required source deductions.

(c) If before the expiry of an Option (in accordance with the terms of the Option) a Participant is Terminated in circumstances where:

(i) such Termination occurs:

(A) subsequent to a Change of Control and during a Control Change Period; or

- (B) prior to the date on which the Change of Control occurs and it is reasonably demonstrated that such Termination was at the request of a third party who has taken steps reasonably calculated to effect a Change of Control; or otherwise arose in connection with or in anticipation of a Control Change; and
- (ii) such Termination was for any reason whatsoever other than early retirement, Retirement, death, 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 9.3(c), would not otherwise be exercisable) at any time within 90 days of the Participant's Termination Date (or three months from the Termination Date with respect to a U.S. Stock Option). Notwithstanding the foregoing provisions of this Section 9.3(c), the Board may, in its sole and absolute discretion, provide in the Award Agreement evidencing the grant of an Option a provision to the effect that this Section 9.3(c) 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 9.3 that remains unexercised by the applicable date shall immediately expire and is automatically cancelled.

For purposes of this Section 9.3(c), the term "early retirement", when used in relation to any particular Participant, shall refer to 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.

9.4 Clawback

Notwithstanding any other provisions in this Plan or an Award Agreement to the contrary, in the event that:

- (a) the Corporation is required to prepare an accounting restatement due to the material noncompliance of the Corporation with any financial reporting requirement under applicable securities laws, to the extent required by such laws or government regulations or other Applicable Law, or there is a similar material revision of performance indicators upon which any Award under this Plan was based; or
- (b) the Participant has engaged in serious misconduct, fraud or gross negligence, as determined by the Board in its entire discretion,
- (c) the Board may, as applicable and in its entire discretion:
 - (i) cancel, retract or reduce any unvested or vested but unpaid Awards; and
 - (ii) recover from the Participant any amounts paid as a result of the redemption of vested Awards during the 12 months preceding the date on which the Corporation is required to prepare the accounting restatement (or the date there is a material revision of performance indicators, as applicable) referred to in paragraph(a) (the "**Clawback Policy**").

By accepting an Award, the Participant is agreeing to be bound by the Clawback Policy, as in effect or as may be adopted and/or modified from time to time by the Corporation in its discretion (including, without limitation, to comply with Applicable Law or stock exchange requirements).

ARTICLE 10 TAX MATTERS

10.1 Classification of Plan

This Plan and any Award granted hereunder are intended to be excluded from the definitions of “salary deferral arrangement”, “retirement compensation arrangement” and “employee benefit plan” in subsection 248(1) of the *Income Tax Act* (Canada) and the Committee shall interpret and administer the Plan in accordance with this intention.

10.2 Withholding Taxes

(a) The Corporation may withhold from any amount payable to a Participant, either under this Plan, an Award Agreement or otherwise, such amount as may be necessary so as to ensure that the Corporation will be able to comply with the applicable provisions of any Applicable Law relating to the withholding of tax or other source deductions, including on the amount, if any, includable in the income of a Participant.

(b) The Corporation may, in its sole discretion, satisfy all or any portion of the withholding taxes obligation relating to any amount payable to a Participant by any of the following means or by a combination of such means: (i) withholding from any compensation otherwise payable to a Participant by the Corporation; (ii) causing the Participant to tender a cash payment; (iii) withholding such number of Common Shares from the Common Shares issued or otherwise issuable to a Participant in connection with an Award with a fair market value equal to the amount of such withholding taxes; or (iv) causing the Administrator to sell such number of Common Shares from the Common Shares issued or otherwise issuable to a Participant in connection with an Award with a fair market value equal to the amount of such withholding taxes in the open market; provided, however, that the number of such Common Shares so withheld or sold pursuant to paragraphs (iii) and (iv), as applicable, will not exceed the amount necessary to satisfy the Corporation’s required tax withholding obligations under Applicable Law.

(c) Unless the tax withholding obligations of the Corporation are satisfied, the Corporation shall have no obligation to deliver any Common Shares or other Payout to a Participant.

ARTICLE 11 CERTAIN RULES APPLICABLE TO U.S. PARTICIPANTS

11.1 Section 409A of the Internal Revenue Code

This Article 11 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 (a “**U.S. Participant**”). It is intended that the provisions of this Plan comply with, or qualify for an exemption from, Section 409A, 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. Notwithstanding the foregoing, the Corporation and its affiliates make no representation regarding whether any Award issued pursuant to this Plan may be subject to Section 409A. 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), and the Corporation, each 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.

11.2 Separation from Service

If the Committee determines in its sole discretion that any Award granted to a Participant who is at the time of the grant, or subsequently becomes, a U.S. Participant must comply with Section 409A, references in the Plan to Termination Date, a termination or cessation of employment or like terms shall mean, with respect to such U.S. Participant, a "separation from service" as defined under Section 409A.

11.3 Six-Month Delay

Notwithstanding anything in the Plan to the contrary, if at the time of a U.S. Participant's separation from service, the Committee determines in its sole discretion (a) that such U.S. Participant is considered to be a "specified employee" within the meaning of Section 409A and (b) that any Award of such U.S. Participant must comply with Section 409A, and such Award is payable upon the U.S. Participant's separation from service, such payment shall not commence prior to the first business day following the date which is six months after the U.S. Participant's separation from service (or if earlier than the end of the six month period, the date of the U.S. Participant's death). For the avoidance of doubt, the provisions of this Section 11.3 shall not apply to (i) any payment that becomes due on a Vesting Date that occurs prior to the U.S. Participant's separation from service, (ii) any payment that becomes due as a result of the U.S. Participant's death, and (iii) any payment with respect to an Award that qualifies for an exception to the requirements of Section 409A .

11.4 Good Reason and Disability

(a) Notwithstanding the definition of "Good Reason" in Section 1.3 of the Plan, a U.S. Participant shall not be considered to have terminated their employment for Good Reason unless the termination qualifies for the safe harbor provided in Section 1.409A-1(n)(2)(ii) of the Treasury Regulations under the Code.

(b) Notwithstanding the definition of "Disability" in Section 1.3 of the Plan, a U.S. Participant shall not be considered to be subject to a Disability unless the U.S. Participant's condition also qualifies as a "disability" within the meaning of Section 1.409A-3(i)(4)(i) of the Treasury Regulations under the Code.

11.5 Change of Control

If and to the extent that any payment would be made to a U.S. Participant pursuant to the Plan upon a Change of Control as defined in the Plan, such payment will be made to such U.S. Participant at that time only if such change of control also constitutes a "change in ownership", a "change in effective control", or a "change in the ownership of a

substantial portion of the assets of the Corporation” as defined under Section 409A and applicable regulations (a “**409A Change in Control**”). If a Change of Control as defined in the Plan is not also a 409A Change in Control, unless otherwise permitted under Section 409A, the time for the relevant payment will not be accelerated with respect to any affected U.S. Participant and will be payable pursuant to the terms of the Plan and applicable Award Agreement as if such Change of Control had not occurred.

11.6 Plan Amendments Relating to Section 409A

If the Committee determines that any amounts payable under the Plan will be taxable to a U.S. Participant under Section 409A before payment to such U.S. Participant of such amount, the Corporation may (i) adopt such amendments to the Plan and related policies and procedures with respect to U.S. Participants, including amendments with retroactive effect, that the Committee determines necessary or appropriate to preserve the intended tax treatment of the benefits provided by the Plan to a U.S. Participant, or (ii) take such other actions as the Committee determines necessary or appropriate to avoid or limit the imposition of an additional tax under Section 409A.

ARTICLE 12 TERM AND AMENDMENTS

12.1 Term

This Plan shall remain in effect until it is terminated by the Committee. Subject to Section 9.3, upon any termination of the Plan, in whole or in part, the Committee may, in its discretion, determine whether any Awards then credited to a Participant’s Account and affected by the termination shall be vested on the date of the termination of the Plan or held for the credit of such Participant and vested and settled at a later date in accordance with the terms of the Plan in effect immediately prior to the termination of the Plan. The Plan will cease to operate for all purposes when the last remaining Participant receives the final Payout or exercises the final Option in satisfaction of all Awards recorded in the Account of such Participant, or all Awards recorded in the Account of such Participant are cancelled, terminated or forfeited pursuant to the terms of the Plan.

12.2 Amendments

(a) The Committee reserves the right to amend, modify, suspend or terminate the Plan at any time if and when it is advisable in the determination of the Committee without notice to or approval by the shareholders of the Corporation, which such amendments, modifications or changes may include the following:

- (i) amendments to the Plan to ensure continuing compliance with Applicable Law;
- (ii) amendments of a “housekeeping” nature, which include amendments relating to the administration of the Plan or to eliminate any ambiguity or correct or supplement any provision herein which may be incorrect or incompatible with any other provision hereof;
- (iii) amendments necessary for Awards to qualify for favourable treatment under applicable tax laws;

- (iv) amendments to change the class of Participants eligible to participate in the Plan (other than an amendment that would allow the grant of Options, PSUs, EDSUs or RSUs to Directors);
- (v) changes to the Vesting Date of any Awards;
- (vi) changing the exercise provisions of the Plan in Section 8.2 or any Option which does not entail an extension beyond the originally scheduled expiry date of that Option;
- (vii) adding a cashless surrender feature for an Option, which may be exercised in the Participant's sole discretion, payable in cash or securities (at the Participant's sole discretion), which provides for a full deduction of the number of underlying Common Shares from the Plan reserve in respect of Options; and
- (viii) amendments to impose restrictions on the sale, transfer or other disposal of Common Shares by Participants under the Plan.

(b) Notwithstanding anything contained herein to the contrary, no amendment to the Plan requiring the approval of the shareholders of the Corporation under any Applicable Law shall become effective until such approval is obtained. Without limitation of the foregoing, the approval of a majority of the shareholders of the Corporation present in person or represented by proxy and entitled to vote at a meeting of shareholders shall be required for the following matters, to the extent required by Applicable Law:

- (i) any amendment to the provisions of Sections 12.2(a) or 12.2(b) other than an amendment within the nature of paragraphs (i)-(ii) of Section 12.2(a);
- (ii) any amendment that would allow the grant of Options, PSUs, EDSUs or RSUs to a Director;
- (iii) any amendment that would permit Awards to be transferred or assigned other than for normal estate settlement purposes;
- (iv) any amendment to remove or to exceed the Insider participation limit set out in Section 13.6;
- (v) any reduction in the Option Price or extension of the period during which an Option may be exercised; and
- (vi) any amendment to increase the maximum number of Common Shares reserved for issuance under the Plan pursuant to Section 2.4 (other than pursuant to Section 9.3 or Section 13.1),

provided that, in the case of an amendment referred to in Section 12.2(b)(ii), Section 12.2(b)(iv) or Section 12.2(b)(v), Insiders who benefit from such amendment are not eligible to vote their Common Shares in respect of the approval.

For the purposes of this Section 12.2, an amendment does not include an accelerated expiry of an Option by reason of the fact that a Participant ceases to be an Employee.

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. Awards 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.

ARTICLE 13 GENERAL

13.1 Adjustments

(a) Appropriate adjustments to the Awards and 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, in accordance with Applicable Law (including, without limitation, Section 409A and Section 424 of the Code, as applicable), in its determination, 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, conversions or exchanges of the Common Shares or any other relevant changes in the authorized or issued capital of the Corporation or any other event, including an amalgamation, arrangement, merger, business combination, reorganization, acquisition or other consolidation involving the Corporation or any of its Affiliates, 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 Award Agreements.

(b) In the event that the Corporation is not the successor or surviving entity in an amalgamation, arrangement, merger, business combination, reorganization, acquisition, consolidation or other similar transaction involving another entity, the Board shall make appropriate adjustments to the Awards in accordance with Applicable Law (including, without limitation, Section 409A and Section 424 of the Code, as applicable), and shall replace or substitute Common Shares for the securities of the surviving entity in a manner that substantially preserves the terms and conditions of this Plan and as necessary to preserve the Participants' rights hereunder and under the Award Agreements.

(c) If, in connection with a Change of Control, in the reasonable opinion of the Committee, the acquiring, surviving or successor entity cannot or it is not commercially reasonable (including due to adverse tax consequences to the Participants under applicable tax laws or Section 409A or otherwise) to continue the Plan and to continue the DSUs, EDSUs, PSUs and RSUs or to substitute and replace similar units for the DSUs, EDSUs, PSUs and RSUs on substantially the same terms and conditions as the Plan, then the Committee may, in its determination, permit and authorize the accelerated vesting and early Payout (but with respect to Awards granted to U.S. Participants, as permitted by Section 409A to the extent applicable), conditional on the completion of the Change of Control, of all or any portion of the then outstanding U.S. DSUs, U.S. EDSUs, PSUs and RSUs effective as of the completion of

such Change of Control. For purposes of such Payout, (i) the Committee will determine the Performance Multiplier in respect of the PSUs and U.S. EDSUs, and (ii) the Market Value of a Common Share will be deemed to be the price per Common Share paid in the Change of Control transaction. All U.S. DSUs, U.S. EDSUs, PSUs and RSUs which do not become Vested U.S. DSUs, Vested U.S. EDSUs, Vested PSUs or Vested RSUs in accordance with the foregoing will terminate as of the completion of the Change of Control. If the potential Change of Control referred to in this Section 13.1(c) is not completed within the time specified (as the same may be extended), then any accelerated vesting of U.S. DSUs, U.S. EDSUs, PSUs and RSUs will be deemed to be null, void and of no further effect and the original terms applicable to such Awards will be reinstated.

13.2 Government Regulation

(a) The Corporation's obligation to issue and deliver Common Shares pursuant to any Award is subject to:

- (i) 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;
- (ii) the admission of such Common Shares to listing on any stock exchange on which Common Shares may then be listed; and
- (iii) 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.

(b) 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. Applicable Laws may require the placement of certain restrictive legends upon the Common Shares and any certificate representing the Common Shares or relating to the Common Shares may bear such legends as the Corporation may consider necessary or advisable to facilitate compliance with Applicable Laws, including without limitation, legends stating that the Common Shares have not been registered under applicable securities laws and setting forth the limitations on dispositions imposed hereby.

(c) The Corporation, in its sole discretion, may postpone the issuance or delivery of Common Shares as the Committee may determine to be necessary or appropriate in order to comply with Applicable Law.

13.3 Blackout Period

In the event that any Payout is proposed to be made during a Blackout Period, such Payout shall be deferred until the business day following the expiration of the Blackout

Period to the extent permitted by Applicable Law, including Section 409A to the extent applicable. The Committee will ensure that all actions taken, and decisions made pursuant to the Plan comply with applicable securities regulatory requirements and policies of the Corporation.

13.4 Participants' Rights and Risk

(a) A Participant shall not have any rights as a shareholder of the Corporation in respect of any Common Shares issuable pursuant to an Award unless and until the issuance of Common Shares upon (i) the Payout of an Award or a portion thereof, or (ii) the exercise of an Option or a portion thereof, and then only with respect to the Common Shares so issued, if any. Participation in the Plan shall be entirely voluntary and any decision not to participate shall not affect a Participant's relationship, employment or appointment with the Corporation or an Affiliate. For greater certainty, the Plan does not confer upon a Participant any right with respect to the continuation of a relationship, employment or appointment with the Corporation or an Affiliate 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, relationship, employment or appointment at any time.

(b) The Plan offers no guarantee against the losses that may result from the market fluctuations of the Market Value of a Common Share. For greater certainty, no additional Awards shall be granted to a Participant to compensate for a downward fluctuation in the Market Value of a Common Share, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose. A Participant in the Plan agrees to accept all risks associated with a decline in the Market Value of a Common Share.

(c) The Plan shall be unfunded, and the Corporation will not secure its obligations under the Plan. To the extent any Participant holds any rights by virtue of a grant of Awards under the Plan, such rights (unless otherwise determined by Committee) shall be no greater than the rights of an unsecured creditor of the Corporation.

13.5 Award Agreements

All Award Agreements shall be deemed to incorporate the provisions of the Plan, subject to such modifications or additions as the Committee may, in its sole discretion, determine appropriate, subject to the requirements of the TSX. An Award Agreement need not be identical to other Award Agreements either in form or substance. In the event of any inconsistency between the Award Agreement and the Plan, the Plan shall be determinative.

13.6 Assignment

Each Award granted to a Participant and the right to receive a Payout (if any) 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 Award granted hereunder may be pledged, hypothecated, charged, transferred, assigned or otherwise encumbered or disposed of by the Participant, whether voluntarily or by operation of law, other than by testate succession, will or the laws of descent and distribution, and any attempt to do so will cause such Award to terminate and be null and void.

13.7 Successors and Assigns

The Plan and the Award Agreements shall be binding on all successors and assigns of the Corporation and a Participant, including, without limitation, the estate of such Participant and the executor, administrator or trustee of such estate, or any receiver or trustee in bankruptcy or representative of the Participant's creditors.

13.8 Severability

If any provision of the Plan, Award Agreement or part thereof is determined to be void or unenforceable in whole or in part, such determination shall not affect the validity or enforcement of any other provision or part thereof.

13.9 Governing Law

This Plan and all Award 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 therein.

13.10 Effective Date

This Plan is hereby established effective as of the Effective Date.

**SCHEDULE A TO LONG-TERM INCENTIVE PLAN
FOR DIRECTORS AND EMPLOYEES OF TOROMONT INDUSTRIES LTD. (THE “PLAN”)**

**ELECTION NOTICE-A
- DSUS FOR DIRECTORS¹**

Please complete one of Section 1 (Election Notice), Section 2 (Election to Change Participation) or Section 3 (Election to Terminate an Earlier Election), and return a signed and dated copy of this Election Notice-A to the Corporate Secretary of Toromont Industries Ltd. (the “Corporation”). All capitalized terms used herein but not otherwise defined have the respective meanings given to them in the Plan.

Section 1 - Election Notice

I hereby irrevocably elect to participate in the Plan on the following basis, commencing with the next quarterly payment date in the calendar year following the date of this election, unless and until the election is terminated or changed in accordance with a subsequently filed Election Notice-A and the terms of the Plan, namely, to receive in DSUs % (*please insert applicable percentage*) of the amount otherwise payable to me in cash in respect of my Annual Board Retainer and Meeting Fees and, if applicable, % (*please insert applicable percentage*) of the amount otherwise payable to me in cash in respect of my Annual Chair Retainer.

Section 2 - Election to Change Participation

I hereby irrevocably elect, notwithstanding any previous election in the form of this Election Notice-A, to change my current election with respect to my participation in the Plan, commencing with the next quarterly payment in the calendar year following the date hereof, unless and until the election is terminated or changed in accordance with a subsequently filed Election Notice-A and the terms of the Plan, namely, so as to receive in DSUs % (*please insert applicable percentage*) of the amount otherwise payable to me in cash in respect of my Annual Board Retainer and Meeting Fees and % (*please insert applicable percentage*) of the amount otherwise payable to me in cash in respect of my Annual Chair Retainer. Notwithstanding the foregoing, I understand that this election to change participation only changes my future election following the date of this election.

Section 3 - Election to Terminate an Earlier Election

I hereby irrevocably elect, by marking the box below this paragraph with an “X”, to terminate my current election under the Plan and to receive my Annual Board Retainer, Meeting Fees and any Annual Chair Retainer in cash commencing with the next quarterly payment in the calendar year following the date of this election.

YES, I WISH TO TERMINATE MY CURRENT ELECTION

¹ Any election made by a Director who is not a U.S. Participant shall be applicable only in respect of Director Fees not yet payable. Notwithstanding the foregoing, any election made by a Director who is a U.S. Participant must be made by December 15 of the calendar year preceding the calendar year to which such election applies.

Section 4 - Acknowledgements

I confirm that:

- (a) I have received and reviewed a copy of the terms of the Plan and agreed to be bound by such terms, as well as the terms of my Award Agreement.
- (b) I understand that the Committee, in its sole discretion, shall recommend the number of DSUs (if any).
- (c) I recognize that when DSUs are settled in accordance with the terms of the Plan, income tax and other withholdings will arise at that time. Upon settlement of the DSUs, the Corporation will make or arrange with me to make all appropriate withholdings as required by Applicable Law at that time.
- (d) The value of DSUs is based on the value of the Common Shares and therefore is not guaranteed.
- (e) I acknowledge and agree that, as described in greater detail in the Plan and my Award Agreement, I am not permitted to assign, pledge, charge or otherwise encumber the DSUs granted to me under the Plan.
- (f) An election filed pursuant to this Election Notice-A will not be effective unless it is filed with the Corporation's Corporate Secretary. The election form must be filed prior to the date the Director Fees to which it relates are payable. If I am a U.S. Participant, the election must be filed not later than December 15 of the calendar year preceding the calendar year to which such election applies.

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 in its entirety.

(The remainder of this page is intentionally left blank; signature page follows)

Date

(Signature of Participant)

(Name of Participant)

**SCHEDULE B TO LONG-TERM INCENTIVE PLAN
FOR DIRECTORS AND EMPLOYEES OF TOROMONT INDUSTRIES LTD. (THE “PLAN”)**

**ELECTION NOTICE-B
- DSUS FOR EMPLOYEES IN LIEU OF ALL OR ANY PART OF ANY BONUS²**

Please complete one of Section 1 (Election Notice), Section 2 (Election to Change Participation) or Section 3 (Election to Terminate an Earlier Election), and return a signed and dated copy of this Election Notice-B to the Corporate Secretary of Toromont Industries Ltd. (the “**Corporation**”). All capitalized terms used herein but not otherwise defined have the respective meanings given to them in the Plan.

Section 1 - Election Notice

I hereby irrevocably elect to participate in the Plan on the following basis, commencing with the next annual Bonus payment date in the calendar year following the date of this election, unless and until the election is terminated or changed in accordance with a subsequently filed Election Notice-B and the terms of the Plan, namely, to receive in DSUs % (*please insert applicable percentage*) of the amount otherwise payable to me in cash in respect of my Bonus (if any). For greater certainty, once filed, an election will not be terminated or changed for the Bonus year to which it relates.

Section 2 - Election to Change Participation

Subject to the limitations in Section 1 above, I hereby irrevocably elect, notwithstanding any previous election in the form of this Election Notice-B, to change my current election with respect to my participation in the Plan, commencing with the next annual Bonus payment (if any) in the calendar year following the date of this election, unless and until the election is terminated or changed in accordance with a subsequently filed Election Notice-B and the terms of the Plan, namely, so as to receive in DSUs % (*please insert applicable percentage*) of the amount otherwise payable to me in cash in respect of my Bonus (if any). Notwithstanding the foregoing, I understand that this election to change participation only changes my future election for calendar years following the date of this election.

Section 3 - Election to Termination an Earlier Election

Subject to the limitations in Section 1 above, I hereby irrevocably elect, by marking the box below this paragraph with an “X”, to terminate my current election under the Plan and to receive my Bonus (if any) in cash commencing with the next annual Bonus payment payable in the calendar year following the date of this election.

YES, I WISH TO TERMINATE MY CURRENT ELECTION

Notwithstanding the foregoing, I understand that this election to terminate my current election only terminates a future election for calendar years following the date of this election.

² **Note to Draft:** An election made by an Employee must be submitted by December 15 of the financial year preceding the financial year to which such election applies.

Section 4 - Acknowledgements

I confirm that:

- (a) I have received and reviewed a copy of the terms of the Plan and agreed to be bound by such terms, as well as the terms of my Award Agreement.
- (b) I understand that the Committee, in its sole discretion, shall recommend the number of DSUs (if any) to be granted and shall set the Conversion Date for each award of DSUs granted.
- (c) I recognize that when DSUs are settled in accordance with the terms of the Plan, income tax and other withholdings will arise at that time. Upon settlement of the DSUs, the Corporation will make or arrange with me to make all appropriate withholdings as required by Applicable Law at that time.
- (d) The value of DSUs is based on the value of the Common Shares and therefore is not guaranteed.
- (e) I acknowledge and agree that, as described in greater detail in the Plan, I am not permitted to assign, pledge, charge or otherwise encumber the DSUs granted to me under the Plan.
- (f) An election filed pursuant to this Election Notice-B will not be effective unless it is filed with the Corporation's Corporate Secretary not later than December 15 of the calendar year preceding the calendar year to which such election applies.

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 in its entirety.

(The remainder of this page is intentionally left blank; signature page follows)

Date

(Signature of Participant)

(Name of Participant)

**SCHEDULE C TO LONG-TERM INCENTIVE PLAN
FOR DIRECTORS AND EMPLOYEES OF TOROMONT INDUSTRIES LTD. (THE “PLAN”)**

REDEMPTION NOTICE

Note: This Redemption Notice is only available to Participants who are not U.S. Participants. “U.S. Participant” is defined under the Plan as a 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.

As applicable, please complete Section 1 (Notice to Redeem DSUs) and Section 2 (Notice to Redeem EDSUs) and return a signed and dated copy of this Redemption Notice to the Corporate Secretary of Toromont Industries Ltd. (the “**Corporation**”). All capitalized terms used herein but not otherwise defined have the respective meanings given to them in the Plan.

Section 1- Notice to Redeem DSUs

I hereby irrevocably notify the Corporation that I wish to redeem all the Vested DSUs that are credited to my account under the Plan on the following redemption date or dates, which dates in each case shall be at least five (5) business days following the date on which this notice is filed with the Corporate Secretary of the Corporation and ending not later than December 15 of the first calendar year commencing after the DSU Settlement Date. If I provide a single DSU Redemption Date below but indicate less than 100% of my Vested DSU’s being redeemed on such date, I agree to file a second Redemption Notice no later than ten (10) business days prior to the DSU Payment Date specifying the second DSU Redemption Date. If no second Redemption Notice, as applicable, has been filed by the date that is ten (10) business days prior to December 15 of the first calendar year after the DSU Settlement Date, then I acknowledge that the DSU Payment Date shall be deemed to be the DSU Redemption Date in respect of all of my Vested DSUs that have not already been redeemed:

Amount of DSUs (expressed as a percentage)	DSU Redemption Date
1.	
2.	

Section 2 - Notice to Redeem EDSUs

I hereby irrevocably notify the Corporation that I wish to redeem all the Vested EDSUs that are credited to my account under the Plan on the following redemption date or dates, which dates in each case shall be at least five (5) business days following the date on which this notice is filed with the Corporate Secretary of the Corporation and ending not later than December 15 of the first calendar year commencing after the EDSU Settlement Date. If I provide a single EDSU Redemption Date below but indicate less than 100% of my Vested EDSU’s being redeemed on such date, I agree to file a second Redemption Notice no later than ten (10) business days prior to the EDSU Payment Date specifying the second EDSU Redemption Date. If no second Redemption Notice, as applicable, has been filed by the date

that is ten (10) business days prior to December 15 of the first calendar year after the EDSU Settlement Date, then I acknowledge that the EDSU Payment Date shall be deemed to be the EDSU Redemption Date in respect of all of my Vested EDSUs that have not already been redeemed:

Amount of EDSUs (expressed as a percentage)	EDSU Redemption Date
1.	
2.	

Section 3 - Acknowledgments

I confirm that:

- (a) I have received and reviewed a copy of the terms of the Plan and agreed to be bound by such terms, as well as the terms of my Award Agreement;
- (b) I recognize that when DSUs and EDSUs are settled in accordance with the terms of the Plan, income tax and other withholdings will arise at that time. Upon settlement of the DSUs and EDSUs, as applicable, the Corporation will make or arrange with me to make all appropriate withholdings as required by Applicable Law at that time.
- (c) The value of DSUs and EDSUs is based on the value of the Common Shares and therefore is not guaranteed.

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 in its entirety.

(The remainder of this page is intentionally left blank; signature page follows)

Date

(Signature of Participant)

(Name of Participant)

If this Redemption Notice is signed by a beneficiary or legal representative, documents providing the authority of such signature must accompany this Redemption Notice.

APPENDIX "A"

**(REFER TO THE "NOTICE TO READER" ON THE COVER PAGE OF THIS
AMENDED AND RESTATED LONG-TERM INCENTIVE PLAN)**

See attached.

**TOROMONT INDUSTRIES LTD.
LONG-TERM INCENTIVE PLAN**

(Effective ~~April 28~~ May 2, 2022 ~~2024~~)

**ARTICLE 1
PREAMBLE AND DEFINITIONS**

1.1 Title

The Plan herein described shall be called the “Long-Term Incentive Plan”; and is referred to herein as the “Plan”.

1.2 Purposes of the Plan

The principal purposes of the Plan are as follows:

- (a) to attract, retain and motivate key personnel to contribute to the success of the Corporation;
- (b) to encourage Employees and Directors to acquire an increased proprietary interest in the Corporation;
- (c) to promote a further alignment of interests between Employees and Directors of the Corporation and its shareholders; and
- (d) to reward Employees for sustained contributions to the Corporation and/or significant performance achievements of the Corporation.

1.3 Defined Terms

Where used herein, and unless otherwise stated or the context otherwise required, the following terms shall have the following meanings and grammatical variations of those terms shall have the corresponding meanings, respectively:

“**409A Change in Control**” has the meaning set out in Section ~~40-5~~ 11.6;

“**Account**” has the meaning set out in Section 2.5(b);

“**Administrator**” means such administrator as may be appointed by the Corporation from time to time to assist in the administration of the Plan, which administrator may be the Corporation, including to purchase or sell Common Shares on the open market on behalf of a Participant in connection with the settlement of the Participant’s Vested DSUs, Vested EDSUs, Vested PSUs and Vested RSUs;

“**Affiliate**” shall have the meaning ascribed to that term by the *Securities Act* (Ontario);

“**Annual Board Retainer**” means the annual cash retainer payable by the Corporation to a Director in a financial year for service on the Board or on one or more committee of the Board, and other retainers and fees (including any lead director fees), but excluding the Annual Chair Retainer and Meeting Fees;

“Annual Chair Retainer” means the annual retainer paid by the Corporation to a Director in a financial year for acting as the chair of the Board or chair of one or more committees of the Board, but excluding other retainers and fees;

“Applicable Law” means any applicable provision of law, domestic or foreign, together with all regulations, rules, policy statements, rulings, notices, orders or other instruments promulgated thereunder and any applicable rules or policies of any stock exchange;

“Award” means DSUs, EDSUs, PSUs ~~or~~, RSUs, or Options granted to a Participant pursuant to the terms of the Plan;

“Award Agreement” means either: (a) a written agreement entered into by the Corporation or an Affiliate of the Corporation and a Participant setting forth the terms and provisions applicable to Awards granted under the Plan; or (b) a written statement issued by the Corporation to a Participant describing the terms and provisions of such Award;

“Blackout Period” means a period when a Participant is prohibited from trading in the Corporation’s securities pursuant to (i) securities regulatory requirements ~~or~~, (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;

“Bonus” means an amount in addition to base remuneration payable by the Corporation or an Affiliate to an Employee following completion of a financial year in respect of such Employee’s contribution to the operations of the Corporation for such financial year;

“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;

“Cause” means, unless otherwise specified in a Participant’s employment agreement, a determination by the Corporation that any of the following has occurred: (a) the wilful and continued failure by the Participant to substantially perform the Participant’s duties to the Corporation or an Affiliate (other than those terms of duties which follow a change (other than those clearly consistent with a promotion or any such failure resulting from a Participant’s Disability) in the Participant’s duties from those in effect immediately prior to a Change of Control) after the Corporation has given the Participant reasonable notice of such failure and a reasonable opportunity to correct it; (b) the wilful engaging by the Participant in any act or omission which is materially injurious to the Corporation or an Affiliate thereof, monetarily or otherwise; (c) the wilful engaging by the Participant in any criminal act of fraud, theft or dishonesty resulting or intended to result directly or indirectly in personal gain to the Participant at the expense of the Corporation or an Affiliate thereof; or (d) any other act or omission by the Participant that would be cause at law, and for the purposes of (a) and (b) of this definition, no act or failure to act on the Participant’s part shall be considered “wilful” unless the Corporation determines that such act or omission was done or omitted to be done by the Participant not in good faith and without reasonable belief that the Participant’s act or omission was in the best interests of the Corporation;

“**CBCA**” means the *Canada Business Corporations Act*;

“**Change of Control**” means, unless otherwise specified in a Participant’s employment agreement, the occurrence of any of the following events:

- (a) the purchase or acquisition of Common Shares and/or securities (“**Convertible Securities**”) convertible into or exchangeable for Common Shares or carrying the right to acquire Common Shares 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, the Participant and any corporation controlled (as such term is defined in the CBCA), directly or indirectly, by the Participant or any employee benefit or other plan of the Corporation or an Affiliate thereof) (collectively, the “**Holders**”) beneficially own or exercise control or direction over Common Shares and/or Convertible Securities such that, assuming only the conversion of Convertible Securities beneficially owned by the Holders, the Holders would beneficially own Common Shares which would entitle the holders thereof to cast more than 50% of the votes attaching to all Common Shares which may be cast to elect directors of the Corporation (regardless of whether a meeting has been called to elect directors);
- (b) Incumbent Directors ceasing to constitute a majority of the board of directors of the Corporation, unless such change is approved by 50% or more of the directors of the Corporation in office immediately preceding such change in circumstances where such change is to be made other than as a result of a dissident proxy solicitation, whether actual or threatened;
- (c) approval by the shareholders of the Corporation of an amalgamation, arrangement, merger, business combination, reorganization, acquisition or other consolidation involving the Corporation and another corporation or other entity pursuant to which the shareholders of the Corporation immediately prior thereto do not immediately thereafter own shares of the successor or continuing corporation or entity which would entitle them to cast more than 50% of the votes attaching to all shares in the capital of such successor or continuing corporation or entity which may be cast to elect directors of that corporation or entity (regardless of whether a meeting has been called to elect directors);
- (d) a liquidation, dissolution or winding up of the Corporation or a sale, lease, transfer or other disposition of all or substantially all the assets of the Corporation other than a sale, lease, transfer 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; or
- (e) the Board adopts a resolution to the effect that a Change of Control as defined herein has occurred or is imminent;

“**Clawback Policy**” has the meaning set out in Section [8.49.4](#);

"Code" ~~has the meaning set out in Section 10.1~~ means the U.S. Internal Revenue Code of 1986, as amended, and the regulations issued thereunder;

"Committee" has the meaning set out in Section 2.1;

"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 5% of the issued and outstanding securities of any class of securities of such entity;

"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 or exchanged for such shares, or as such shares, securities or other property may further be changed, reclassified, subdivided, consolidated, converted or substituted;

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

"Conversion Date" means, with respect to any calendar year, the date used to determine the Market Value of a Common Share for purposes of determining the number of DSUs to be credited in respect of that year to a Participant's Account;

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

"Director" means a director of the Corporation and/or one of its Affiliates other than a director who is also an Employee;

"Director Fees" means the fees paid by the Corporation and/or an Affiliate to a Director in a financial year for service on the Board, and other retainers and fees (including the

Annual Board Retainer, Annual Chair Retainer and Meeting Fees) payable to an individual in their capacity as a Director;

“**Director Termination Date**” has the meaning set out in Section ~~8.29.2~~(a);

“**Disability**” or “**Disabled**” shall mean the Participant’s failure to substantially perform their duties for the Corporation on a full-time basis for a period of six months out of any 18-month period where such inability is a result of physical or mental illness or disability;

“**DSU**” means a right granted to a Participant to receive a Common Share or, in the determination of the Committee, a cash payment based on the Market Value of a Common Share on the DSU Redemption Date;

“**DSU Payment Date**” means: (a) December 31 of the first calendar year commencing after the DSU Settlement Date, or (b) in the case of a U.S. Participant, ~~March 15 of the first calendar year commencing after the DSU Settlement Date;~~ and (b) ~~in the case of any other Participant, December 31 of the first calendar year commencing~~ within 30 days after the DSU Settlement Date;

“**DSU Redemption Date**” means: (a) ~~in the case of a U.S. Participant, the DSU Settlement Date;~~ and (b) ~~in the case of any other Participant,~~ the redemption date for all or part of the Vested DSUs of the Participant determined in accordance with Section ~~8.2(e)9.2(a)(iii)~~ of this Plan; or (b) in the case of a U.S. Participant, the DSU Settlement Date;

“**DSU Settlement Date**” means, with respect to a Director, the Director Termination Date and with respect to an Employee, the Termination Date;

“**EDSU**” means a right granted to a Participant that is an Employee to receive a Common Share or, in the determination of the Committee, a cash payment based on the Market Value of a Common Share that generally becomes vested, if at all, following a period of continuous employment and subject to the PSU Vesting Conditions or RSU Vesting Conditions, as applicable;

“**EDSU Payment Date**” means: (a) ~~in the case of a U.S. Participant, March 15~~ December 31 of the first calendar year commencing after the EDSU Settlement Date; and (b) ~~in the case of any other Participant, December 31 of the first calendar year commencing~~ or (b) in the case of a U.S. Participant, within 90 days after the EDSU Settlement Date;

“**EDSU Redemption Date**” means: (a) ~~in the case of a U.S. Participant, the EDSU Settlement Date;~~ and (b) ~~in the case of any other Participant,~~ the redemption date for all or part of the Vested EDSUs of the Participant determined in accordance with Section 6.4(~~bc~~) of this Plan; or (b) in the case of a U.S. Participant, the EDSU Settlement Date;

“**EDSU Settlement Date**” means the Termination Date;

“**Effective Date**” means ~~April 28, 2022~~ May 2 2024, being the date this Plan was approved by shareholders of the Corporation;

“**Election Notice-A**” has the meaning set out in Section 7.1(a);

“Election Notice-B” has the meaning set out in Section 7.1(c);

“Employee” ~~means an~~ ~~means an~~ employee of the Corporation or an Affiliate, and includes an officer of the Corporation or an Affiliate, but excludes a director of the Corporation or an Affiliate who is not also an employee of the Corporation or an Affiliate;

“Entitlement Date” has the meaning set out in Section 7.1(c);

“Good Reason” means, unless otherwise specified in a Participant’s employment agreement, the occurrence of any of the following events:

- (a) the material reduction in the Participant’s position, duties and responsibilities or the reassignment to the Participant of any duties materially inconsistent with their current position, duties, and responsibilities (other than temporarily while the Participant is Disabled or as required by Applicable Laws);
- (b) a material reduction in the Participant’s annual compensation, other than a general reduction that affects all similarly situated employees in substantially the same proportions; or
- (c) any reason which would be considered to amount to constructive dismissal at common law in the Province of Ontario or any other jurisdiction of Canada;

“Grant Date” means the date a DSU, EDSU, PSU, RSU or RSU Option is granted to a Participant under the Plan and the applicable Award Agreement;

“Incumbent Director” means any member of the Board who was a member of the board of directors of the Corporation immediately prior to the occurrence of the transaction, elections or appointments giving rise to a Change of Control 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;

“Insider” has the meaning ascribed thereto in the TSX Company Manual;

“Market Value” at any date in respect of the Common Shares means: (a) the volume weighted average trading price of the Common Shares determined by dividing the total value of the Common Shares traded on the TSX during the last five trading days immediately preceding such date by the total volume of the Common Shares traded on the TSX during such five trading days (or, if such Common Shares are not then listed and posted for trading on the TSX, on such stock exchange on which such Common Shares are listed and posted for trading as may be selected for such purpose by the Board); or (b) in the event that such Common Shares are not listed and posted for trading on any stock exchange, the Market Value shall be the market value of such Common Shares as determined by the Board in its reasonable discretion, acting in good faith and consistent with Applicable Law (including, without limitation, Section 409A or Section 422 of the Code with respect to any U.S. Stock Option to the extent applicable to Awards granted to U.S. Participants);

“Meeting Fees” means the fees paid by the Corporation to a Director in a financial year for attendance at meetings of the Board and its committees, but excluding other retainers and fees;

“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 13.1 hereof;

“Participant” means any Employee or Director of the Corporation or any of its Affiliates who is granted Awards under the Plan;

“Payout” means, with respect to each Vested DSU, Vested EDSU, Vested PSU or Vested RSU, as applicable, the issuance of Common Shares by the Corporation, the purchase of Common Shares by the Administrator on behalf of the Corporation on the open market or, in the determination of the Committee, the payment of cash, or such other method as may be determined by the Committee, in each case, calculated in the manner set out herein and the method of such payout being subject to the determination of the Committee;

“Performance EDSU Grant” has the meaning set out in Section 6.1(a)(ii);

“Performance Multiplier” means such multiplier for performance in respect of a PSU, or an EDSU granted pursuant to a Performance EDSU Grant, as determined from time to time by the Committee and set out in a Participant’s Award Agreement;

“Performance Period” means the period established by the Committee in which any PSU Vesting Conditions must be met in order for a Participant to be entitled to a Payout in exchange for the Vested PSUs, or Vested EDSUs that were granted pursuant to a Performance EDSU Grant, as applicable;

“Person” means an individual, corporation, company, cooperative, partnership, trust, unincorporated association, entity with juridical personality or governmental authority or body, and pronouns which refer to a Person shall have a similarly extended meaning;

“Post-Blackout Period Value” means with respect to an Option 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;

“**Plan**” means this Long-Term Equity Plan of the Corporation, as the same may be amended, restated or otherwise modified from time to time;

“**Prior Stock Option Plan**” means the Corporation’s amended and restated stock option plan (2021), which was closed to new stock option grants by the Corporation as of the Effective Date;

“**PSU**” means a right granted to a Participant to receive a Common Share or, in the determination of the Committee, a cash payment based on the Market Value of a Common Share that generally becomes vested, if at all, following a period of continuous employment and subject to the PSU Vesting Conditions;

“**PSU Payment Date**” means: (a) no later than December 31 of the calendar year in which the PSU vests, or (b) in the case of a U.S. Participant, March 15 of the first calendar year after the PSU vests; ~~and (b) in the case of any other Participant, December 31 of the calendar year that includes the last day of the Performance Period;~~

“**PSU Vesting Conditions**” means, with respect to the vesting of PSUs, or EDSUs granted pursuant to a Performance EDSU Grant, conditions relating to: (a) a Participant’s continued service with the Corporation and/or an Affiliate for a period of time; and (b) the achievement of performance criteria, determined by the Committee at the time of granting the Award;

“**Redemption Notice**” has the meaning set out in Section 6.4(~~b~~c);

“**Restricted EDSU Grant**” has the meaning set out in Section 6.1(a)(i);

“**Retirement**” means the retirement at normal retirement age 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;

“**RSU**” means a right granted to a Participant to receive a Common Share or, in the determination of the Committee, a cash payment based on the Market Value of a Common Share that generally becomes vested, if at all, following a period of continuous employment and subject to the RSU Vesting Conditions;

“**RSU Payment Date**” means: (a) December 31 of the calendar year that includes the Vesting Date, or (b) in the case of a U.S. Participant, March 15 of the first calendar year after the RSU vests; ~~and (b) in the case of any other Participant, December 31 of the calendar year that includes the Vesting Date;~~

“**RSU Vesting Conditions**” means, with respect to the vesting of RSUs, conditions relating to a Participant’s continued service with the Corporation and/or an Affiliate for a period of time determined by the Committee at the time of granting the Award;

“**Section 409A**” means Section 409A of the Code and the regulations and guidance promulgated thereunder;

"Share Compensation Arrangement" means the ~~Corporation's amended and restated stock option plan (2021)~~ [Prior Stock Option Plan](#) and the Corporation's deferred share unit plan effective as ~~at~~ of October 31, 2007, each as amended, restated or otherwise modified from time to time, and any other 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 or Director of the Corporation;

"Termination" means the cessation of a Participant's active service as an Employee of the Corporation and **"Terminate"**, **"Terminates"** and **"Terminated"** shall be construed accordingly. The Corporation will have sole discretion to determine whether a Participant has ceased active service and the effective date on which the Participant ceased active service (the **"Termination Date"**), provided that, unless otherwise determined by the Corporation, active service shall be deemed to cease on the later of: (a) the date on which a Participant gives or receives notice of termination of employment, and (b) the end of the applicable statutory period of notice required under applicable minimum employment standards legislation, if any, which shall be the Participant's Termination Date for purposes of this Plan, and for greater certainty, "Termination" and "Termination Date" shall not be extended by any contractual or common law reasonable notice or severance periods that exceed the minimum statutory period of notice required under applicable minimum employment standards legislation;

"TSX" means The Toronto Stock Exchange;

"TSX Company Manual" means the company manual of the TSX, including such staff notices of the TSX from time to time which may supplement the same;

"U.S. DSU" means a DSU granted to a U.S. Participant;

"U.S. EDSU" means an EDSU granted to a U.S. Participant;

"U.S. Participant" has the meaning set out in Section ~~40.4~~ [11.1](#);

"U.S. 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 Section 422 of the Code, which intention shall be expressed in the instrument in writing effecting the grant of such Option;

"Vested DSUs" means DSUs which have vested in accordance with the Plan and the terms of the applicable Award Agreement, and includes Vested U.S. DSUs unless the context otherwise requires;

"Vested EDSUs" means EDSUs which have vested in accordance with the Plan and the terms of the applicable Award Agreement, and includes Vested U.S. EDSUs unless the context otherwise requires;

"Vested PSUs" means PSUs which have vested in accordance with the Plan and the terms of the applicable Award Agreement;

"Vested RSUs" means RSUs which have vested in accordance with the Plan and the terms of the applicable Award Agreement;

“Vested U.S. DSUs” means U.S. DSUs which have vested in accordance with the Plan and the terms of the applicable Award Agreement;

“Vested U.S. EDSUs” means U.S. EDSUs which have vested in accordance with the Plan and the terms of the applicable Award Agreement; and

“Vesting Date” means, with respect to RSUs, EDSUs and PSUs, the date or dates set forth in the Award Agreement or as otherwise determined by the Committee and, with respect to DSUs, the Grant Date or as otherwise determined by the Committee.

1.4 Interpretation

In this Plan, except as may otherwise be expressly stated herein or unless the context otherwise requires:

- (a) the division of this Plan into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan;
- (b) the terms “the Plan”, “this Plan”, hereto”, “herein”, “hereby”, “hereof” and “hereunder” and similar expressions refer to this long-term incentive plan of the Corporation in its entirety and not to any particular provision hereof;
- (c) references to “Articles”, “Sections” and “Schedules” followed by a number or letter refer to the specified Articles or Sections of or Schedules to this Plan;
- (d) words importing the singular number only shall include the plural and vice versa and words importing the use of any gender shall include all genders, including the neuter gender;
- (e) the word “including” means “including without limitation” and grammatical variations have corresponding meanings;
- (f) any reference to any agreement, contract, plan, instrument or legally binding agreement (including this Plan) means such agreement, contract, plan, instrument or legally binding agreement as the same may be amended, restated, replaced or otherwise modified from time to time in accordance with its terms;
- (g) any reference in this Plan to a statute, regulation or rule shall be construed to be a reference thereto as the same may from time to time be amended, re-enacted, restated or supplemented, and any reference to a statute shall include any regulations or rules made thereunder;
- (h) whenever the Board or a Committee is to make a determination or approval in connection with the administration of this Plan, the term “determined or approved by the Board” or “determined or approved by the Committee” (and similar grammatical variations) shall mean determined or approved in the sole and absolute discretion of the Board or the Committee, as applicable, and, if applicable, any other Person to whom the Board or the Committee has delegated its determination or approval-granting authority;

- (i) all dollar amounts refer to Canadian dollars, except where otherwise stated;
- (j) any time period within which a payment is to be made or any other action is to be taken hereunder shall be calculated excluding the day on which the period commences and including the day on which the period ends; and
- (k) whenever any payment is required to be made, action is required to be taken or period of time is to expire on a day other than a business day, such payment shall be made, action shall be taken or period shall expire on the next following business day.

ARTICLE 2 ADMINISTRATION OF THE PLAN

2.1 Administration of the Plan

The Plan shall be administered by the Human Resources and Health and Safety Committee of the Board or such other committee as the Board considers appropriate and designates from time to time (the “**Committee**”). Subject to the terms and limitations of the Plan, the Committee shall have the authority and discretion to administer the Plan and to exercise all of the powers and authorities granted to it under this Plan or necessary or advisable in the administration of the Plan, including:

- (a) to construe and interpret the Plan and apply its provisions;
- (b) to promulgate, amend, and rescind rules and regulations relating to the administration of the Plan;
- (c) to determine those Participants to whom Awards shall be granted and when such grants are made (provided that in no event shall a Director be granted PSUs, EDSUs ~~or~~, RSUs, or Options);
- (d) to prescribe the terms and conditions of each Award, including, the settlement and vesting provisions;
- (e) to determine from time to time, and to specify in the applicable Award Agreement, the performance metrics and the performance period applicable to the PSUs and EDSUs (as applicable), the manner in which such performance metrics will be calculated and whether such performance metrics have been achieved and, if applicable, any peer comparison group;
- (f) subject to the approval of the Board in accordance with Section 2.3, to determine the number of Common Shares which shall be the subject of each Option and the time or times when an Option becomes exercisable and, subject to Section 8.1(f), the duration of the exercise period;
- (g) ~~(f)~~ to determine the method by which an Award may be settled, cancelled, forfeited or suspended;
- (h) ~~(g)~~ to determine the duration and purpose of leaves of absences that may be granted to a Participant, or changes to the nature of the employment or service of a Participant, without constituting termination of their employment for

purposes of the Plan, which periods shall be no shorter than the periods generally applicable to Employees under the Corporation's employment policies;

- (i) ~~(h)~~ to make decisions with respect to outstanding Awards that may become necessary upon a Change of Control or an event that triggers an adjustment to the number of outstanding Awards;
- (j) ~~(i)~~ to engage or replace a trustee, custodian or administrator to administer the Plan (or a portion of the Awards); and
- (k) ~~(j)~~ to make all other determinations deemed necessary or advisable for the administration of this Plan.

2.2 Criteria in Determining Grant of Awards

In determining the Participants to whom Awards may be granted and the number of Awards to be covered by each grant, the Committee may, subject to the provisions of this Plan, take into account such factors as the Committee shall determine, in its sole discretion.

2.3 Determinations and Interpretations by the Committee

(a) The determinations of the Committee shall be subject to review and approval by the Board. The Committee shall take 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 the day-to-day administration of the Plan to one or more of its members as it may deem advisable, and the Committee or any person to whom it has delegated duties as aforesaid may employ one or more Persons to render advice with respect to any responsibility the Committee or such Person may have under this Plan. All costs incurred in connection with this Plan shall be for the account of the Corporation.

(b) Subject to review and approval by the Board, all decisions and interpretations of the Committee respecting the Plan, any Award Agreements or any Awards shall be conclusive and binding on the Corporation and the Participants and their respective legal personal representatives and on all Employees and Directors who, under the provisions of the Plan, may be eligible to participate herein. No member of the Committee will be liable for any action or determination taken or not taken or made in good faith with respect to the Plan, any Award Agreements or Awards granted. Each member of the Committee shall be entitled to indemnification by the Corporation with respect to any such determination or action in the manner provided for by the Corporation and its Affiliates.

2.4 Common Shares Subject to Plan

(a) The aggregate number of Common Shares reserved by the Corporation for issuance from treasury in respect of DSUs, EDSUs, PSUs and RSU awards under the Plan shall not exceed 750,000 subject to adjustment pursuant to Section ~~8-39.3~~ and Section ~~42-413.1~~.

(b) The Prior Stock Option Plan was closed to new stock option grants by the Corporation as of the Effective Date. All new Option grants by the Corporation from and after

the Effective Date shall be only made pursuant to the terms of this Plan. The aggregate number of Common Shares reserved by the Corporation for issuance from treasury in respect of Options under the Plan, when combined with the aggregate number of Common Shares issued or issuable, as the case may be, under the Prior Stock Option Plan up to the Effective Date, shall not exceed 7,000,000, subject to adjustment pursuant to Section 9.3 and Section 13.1. The aggregate number of Common Shares so reserved for issuance to any one person under the Plan (and the Prior Stock Option Plan) shall not exceed 5% of the issued and outstanding Common Shares (on a non-diluted basis). In determining the number of Common Shares that are so reserved for issuance from and after the Effective Date under this Plan, 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 the Effective Date, but shall not include Common Shares issued on the exercise of stock options or Options that were exercised under the Prior Stock Option Plan or this Plan and have been replenished under this Plan by way of approval of the shareholders of the Corporation.

(c) ~~(b)~~ The aggregate number of Common Shares: (i) issued to Insiders, within any one-year period; and (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 Share Compensation Arrangements of the Corporation, shall not exceed 10% of the issued and outstanding Common Shares. If the acquisition of Common Shares by the Corporation for cancellation should result in such tests no longer being met, this shall not constitute non-compliance with this Section 2.4 for any Awards outstanding prior to such purchase of Common Shares for cancellation.

(d) ~~(e)~~ To the extent that any Award has expired, terminated or been forfeited or cancelled for any reason without the Common Shares issuable thereunder having been issued in full, any such unissued Common Shares shall become available to be issued upon the exercise of Awards subsequently granted under the Plan.

(e) ~~(d)~~ No fractional Common Shares may be issued under the Plan. If a Participant would become entitled to a fractional Common Share upon a Payout, such Participant shall only have the right to receive the next lowest whole number of Common Shares and no payment or other adjustment will be made with respect to the fractional interest so disregarded.

2.5 Accounts and Recordkeeping

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

(b) The Committee and/or the Administrator shall maintain or cause to be maintained an account for each Participant (an “**Account**”) to record DSUs, EDSUs, PSUs ~~and~~, RSUs, and Options granted to such Participant hereunder. A written statement confirming the balance in each Participant’s Account shall be provided to a Participant upon request. No certificates shall be issued with respect to DSUs, EDSUs, PSUs ~~or~~, RSUs, or Options granted to a Participant.

(c) On the Grant Date, the Participant’s Account will be credited with the DSUs, EDSUs, PSUs, RSUs and/or RSUsOptions granted to the Participant on that date and set out in the applicable Award Agreement. On the Vesting Date, the Participant’s Account will be

credited with the Vested DSUs, Vested EDSUs, Vested PSUs and/or Vested RSUs held by the Participant on that date.

(d) Unless otherwise stated in an Award Agreement, a Participant's Account shall, unless otherwise determined by the Committee, from time to time until (i) the Vesting Date, in respect of RSUs, PSUs and EDSUs, or (ii) the DSU Settlement Date in respect of DSUs, be credited on each dividend payment date in respect of Common Shares with additional DSUs, EDSUs, PSUs and/or RSUs, the number of which shall be calculated by dividing: (i) the dividends that would have been paid to such Participant if the DSUs, EDSUs, PSUs and/or RSUs in the Account on the relevant dividend record date had been Common Shares, by (ii) the Market Value at the date of payment of such dividend; provided, however, that such dividend equivalents shall be subject to the same terms and conditions and shall be settled in the same manner and at the same time as the original Award. Any additional DSUs, EDSUs, PSUs and/or RSUs credited to the Participant's Account pursuant to this Section 2.5(d) shall have the same Vesting Dates as the DSUs, EDSUs, PSUs and/or RSUs in respect of which such additional DSUs, EDSUs, PSUs and/or RSUs are credited.

ARTICLE 3 PARTICIPANTS

3.1 Eligibility and Participation

(a) The Persons eligible to receive RSUs, EDSUs ~~and~~, PSUs, and Options shall be the Employees determined by the Committee from time to time. The Persons eligible to receive DSUs shall be the Employees and Directors. For greater certainty, Directors are ineligible to receive RSUs, EDSUs ~~or~~, PSUs, or Options unless such Person is also an Employee of the Corporation or its Affiliate.

(b) Eligibility to participate does not confer upon any Participant any right to be granted Awards pursuant to this Plan. Granting Awards to any Participant does not confer upon any Participant the right to be granted any additional Awards at any time. The extent to which any Participant is entitled to be granted Awards pursuant to this Plan will be determined by the Committee.

ARTICLE 4 RESTRICTED SHARE UNITS

4.1 Grants of Restricted Share Units

Subject to the express provisions of the Plan, the Committee may grant RSUs to such Participant or Participants in such number and at such dates and times as the Committee may determine.

4.2 Terms of Restricted Share Units

Each RSU must be confirmed by an Award Agreement that sets forth the terms, conditions and limitations for each RSU and may include the vesting and terms of the RSUs and shall contain such terms that may be considered necessary in order that the RSUs will comply with any provisions respecting RSUs in the income tax or any other Applicable Law in

force in any country or jurisdiction of which the Participant may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the Corporation.

4.3 Vesting of Restricted Share Units

Unless otherwise determined by the Committee and specifically set out in the Award Agreement, and subject to the terms of this Plan and the applicable Award Agreement, a RSU granted to a Participant on any particular Grant Date shall become a Vested RSU on the Vesting Date applicable to such RSU. The Committee may, in its determination, subsequent to the Grant Date, but prior to the Vesting Date determined at the time of grant, designate an earlier date for vesting of all or any portion of the RSUs then outstanding and granted to a Participant under the Plan.

4.4 Settlement of Restricted Share Units

Subject to the provisions of this Plan, as soon as practicable following the Vesting Date and, in any event, on or before the RSU Payment Date, the Committee shall, in its determination:

- (a) provide the Participant with a Payout in such number of Common Shares issued by the Corporation or purchased by the Administrator on the open market on the Participant's behalf, equal to the number of Vested RSUs in the Participant's Account on the Vesting Date; or
- (b) pay the Participant a cash Payout calculated by multiplying $A \times B$ where A is the number of Vested RSUs in the Participant's Account on the Vesting Date and B is the Market Value of a Common Share on the Vesting Date,

in each case, subject to withholding tax and other required source deductions.

ARTICLE 5 PERFORMANCE SHARE UNITS

5.1 Grants of Performance Share Units

Subject to the express provisions of the Plan, the Committee may grant PSUs to Employees in such number and at such dates and times as the Committee may determine.

5.2 Terms of Performance Share Units

Each PSU must be confirmed by an Award Agreement that sets forth the terms, conditions and limitations for each PSU and may include the vesting and terms of the PSUs and shall contain such terms that may be considered necessary in order that the PSUs will comply with any provisions respecting PSUs in the income tax or any other Applicable Law in force in any country or jurisdiction of which the Participant may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the Corporation.

5.3 Vesting of Performance Share Units

Unless otherwise determined by the Committee and specifically set out in the Award Agreement, and subject to the terms of this Plan and the applicable Award Agreement, a PSU granted to a Participant on any particular Grant Date shall become a Vested PSU on the

Vesting Date applicable to such PSU. The Committee may, in its determination, subsequent to the Grant Date, but prior to the Vesting Date determined at the time of grant, designate an earlier date for vesting of all or any portion of the PSUs then outstanding and granted to a Participant under the Plan.

5.4 Settlement of Performance Share Units

As soon as reasonably practicable following the last day of a Performance Period and, in any event, on or before the PSU Payment Date, the Committee shall determine the Performance Multiplier for such Performance Period in accordance with the specific performance metrics established at the time of grant of a PSU and any adjustments considered reasonable by the Committee as a result of any one-time or extraordinary events that occurred during the Performance Period. The determination of the Performance Multiplier by the Committee shall be conclusive and binding on the Participants. Following the determination of the Performance Multiplier for a Performance Period, the Committee shall, in its determination:

- (a) provide the Participant with a Payout no later than the PSU Payment Date in such number of Common Shares issued by the Corporation or purchased by the Administrator on the open market on the Participant's behalf, calculated by multiplying $A \times B$ where A is the number of Vested PSUs in the Participant's Account on the Vesting Date relating to the relevant Performance Period and B is the Performance Multiplier for the Performance Period; or
- (b) pay the Participant a cash Payout no later than the PSU Payment Date calculated by multiplying $A \times B \times C$ where A is the number of Vested PSUs in the Participant's Account on the Vesting Date relating to the relevant Performance Period, B is the Performance Multiplier for the Performance Period and C is the Market Value of a Common Share on the Vesting Date,

in each case, subject to withholding tax and other required source deductions.

ARTICLE 6 EXECUTIVE DEFERRED SHARE UNITS

6.1 Grants of Executive Deferred Share Units

- (a) The Committee may in its determination grant:
 - (i) EDSUs in lieu of all or any part of the RSUs, if any, that would otherwise be granted to an Employee in any financial year (a "**Restricted EDSU Grant**"); or
 - (ii) EDSUs in lieu of all or any part of the PSUs, if any, that would otherwise be granted to an Employee in any financial year (a "**Performance EDSU Grant**"),

in each case, if the Committee determines it to be necessary and desirable for purposes of assisting an Employee in satisfying their share ownership requirements pursuant to the policies of the Corporation, as amended, modified or supplemented from time to time.

- (b) The Committee, in its determination, has the authority to determine whether to grant any RSUs, PSUs or EDSUs and the number of RSUs, PSUs or EDSUs to be granted.

Each award of EDSUs, including the vesting conditions, shall be set out in an Award Agreement at the time of grant.

6.2 Terms of Executive Deferred Share Units

Each EDSU must be confirmed by an Award Agreement that sets forth the terms, conditions and limitations for each EDSU and may include the vesting and terms of the EDSUs and shall contain such terms that may be considered necessary in order that the EDSUs will comply with any provisions respecting EDSUs in the income tax laws or any other Applicable Law in force in any country or jurisdictions of which the Participant may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the Corporation.

6.3 Vesting of Executive Deferred Share Units

Unless otherwise determined by the Committee and set out in the Award Agreement:

(a) ~~(i)~~ an EDSU granted to a Participant pursuant to a Restricted EDSU Grant shall be subject to the RSU Vesting Conditions, which shall be set out in the Award Agreement, and shall become Vested EDSUs on the Vesting Date applicable to such EDSU but will not become payable until the EDSU Settlement Date; and

(b) ~~(ii)~~ an EDSU granted to a Participant pursuant to a Performance EDSU Grant shall be subject to the PSU Vesting Conditions, which shall be set out in the Award Agreement, and shall become Vested EDSUs on the Vesting Date applicable to such EDSU but will not become payable until the EDSU Settlement Date,

provided that, in each case, the Committee may, in its determination, subsequent to the Grant Date, but prior to the Vesting Date determined at the time of grant, designate an earlier date for vesting of all or any portion of the EDSUs then outstanding and granted to a Participant under the Plan.

6.4 Settlement of Executive Deferred Share Units

(a) As soon as reasonably practicable following the last day of a Performance Period and, in any event, on or before the EDSU Redemption Date, the Committee shall determine the Performance Multiplier for such Performance Period in accordance with the specific performance metrics established at the time of grant of an EDSU granted to a Participant pursuant to a Performance EDSU Grant and any adjustments considered reasonable by the Committee as a result of any one-time or extraordinary events that occurred during the Performance Period. The determination of the Performance Multiplier by the Committee shall be conclusive and binding on the Participants.

(b) U.S. EDSUs that become vested and payable on the EDSU Settlement Date or EDSU Redemption Date shall be paid by the Corporation no later than the EDSU Payment Date.

(c) ~~(b) The~~ With respect to EDSUs that are not U.S. EDSUs, the Vested EDSUs credited to an Employee's Account, after applying the Performance Multiplier to those EDSUs

granted pursuant to a Performance EDSU Grant, as applicable, shall be settled by the Corporation following the date of the event causing the Termination Date and, ~~in the case of EDSUs that are not U.S. EDSUs,~~ the receipt of a Redemption Notice from the Participant or the appropriate legal representative or estate, as the case may be. In the case of EDSUs that are not U.S. EDSUs, such Vested EDSUs shall be redeemed by the filing of a written notice of redemption in the form of Schedule C hereto (or such other form as the Committee may determine from time to time) (the “**Redemption Notice**”) by such Participant with the Corporate Secretary of the Corporation, specifying (i) either a single EDSU Redemption Date or two EDSU Redemption Dates, and (ii) the percentage of such Vested EDSUs to be redeemed on each such EDSU Redemption Date. Where a Participant provides a single EDSU Redemption Date in the Redemption Notice, but provides for less than 100% of such Participant’s Vested EDSUs being redeemed on such date, such Participant must file a second Redemption Notice no later than ten (10) business days prior to the EDSU Payment Date specifying the second EDSU Redemption Date. Each EDSU Redemption Date specified in a Redemption Notice shall occur during the period commencing at least five (5) business days following the date on which such notice is filed with the Corporate Secretary of the Corporation and ending not later than December 15 of the first calendar year commencing after the EDSU Settlement Date. If no Redemption Notice, or no second Redemption Notice, as applicable, has been filed by the date that is ten (10) business days prior to December 15 of the first calendar year after the EDSU Settlement Date, then the EDSU Payment Date shall be deemed to be the EDSU Redemption Date in respect of all of such Participant’s Vested EDSUs that have not already been redeemed.

(d) ~~(e)~~ Subject to the provisions of this Plan, as soon as practicable following the EDSU Redemption Date(s), and in any event no later than the EDSU Payment Date, the Committee shall, in its determination:

- (i) provide the Participant with a Payout in such number of Common Shares issued by the Corporation or purchased by the Administrator on the open market on the Participant’s behalf, equal to the number of Vested EDSUs in the Participant’s Account on the EDSU Redemption Date(s) (or the percentage of such Vested EDSUs specified in the applicable Redemption Notice(s)); or
- (ii) pay the Participant a cash Payout calculated by multiplying A x B where A is the number of Vested EDSUs in the Participant’s Account on the EDSU Redemption Date(s) (or the percentage of such Vested EDSUs specified in the applicable Redemption Notice(s)) and B is the Market Value of a Common Share on the EDSU Redemption Date(s),

in each case, subject to withholding tax and other required source deductions.

ARTICLE 7 DEFERRED SHARE UNITS

7.1 Grants of Deferred Share Units

(a) Each Director shall have, subject to the conditions stated herein, the right to elect at any time and from time to time in accordance with this Section 7.1(a), to be credited with DSUs in lieu of all or any part of the Director Fees otherwise payable to such Director in cash. No such election shall be effective unless and until the Director in question shall have

filed a notice of election in the form of Schedule A hereto (the “**Election Notice-A**”) with the Corporation’s Corporate Secretary, which notice, subject as hereinafter provided, may be filed at any time. Any election made by a Director (other than Director who is a U.S. Participant) shall be applicable only in respect of Director Fees not yet payable. Notwithstanding the foregoing, any election made by ~~Directors that are a~~ Director who is a U.S. ~~Participants~~ Participant must be made by December ~~3+15~~ 15 of the ~~financial~~ calendar year preceding the ~~financial~~ calendar year to which such election applies. For greater certainty, the filing of an Election Notice-A does not guarantee a Director any DSUs. An Election Notice-A must be in the form determined by the Committee from time to time. The Committee, in its determination, has the authority to determine whether to grant any DSUs and the number of DSUs to be granted (provided that the percentage of DSUs granted shall be consistent with the Election Notice-A).

(b) Regardless of a Director’s election under Section 7.1(a), the Committee may in its determination grant DSUs to Directors on a discretionary basis from time to time; provided that, except for (i) DSUs granted in lieu of Director Fees pursuant to Section 7.1(a), or (ii) a one-time initial grant of DSUs to a Director upon such Director joining the Board, to which the following limits shall not apply, the aggregate ~~fair market value~~ Market Value on the Grant Date of all Awards granted to any one Director under this Plan and the Corporation’s Share Compensation Arrangements shall not exceed \$150,000 within any one financial year of the Corporation.

(c) Each Employee approved by the Committee shall have, subject to the conditions stated herein, the right to elect by December 15 of each ~~financial~~ calendar year in accordance with this Section 7.1(c) to be credited with DSUs in lieu of all or any part of any Bonus, if any, that would otherwise be payable to such Employee in cash in the immediately succeeding ~~financial~~ calendar year. No such election shall be effective unless and until the Employee in question shall have filed a notice of election in the form of Schedule B hereto (the “**Election Notice-B**”) with the Corporation’s Corporate Secretary, which notice, subject as hereinafter provided, shall be filed by December 15 of the ~~financial~~ calendar year preceding the ~~financial~~ calendar year to which such election applies. Any such election shall be made prior to Employee’s date of entitlement (the “**Entitlement Date**”) to receive payment of any Bonus and, for greater certainty, the Entitlement Date with respect to Bonuses which relate to a ~~financial~~ calendar year will always be a date which occurs after the end of the relevant ~~financial~~ calendar year. An Election Notice-B must be in the form determined by the Committee from time to time. The Committee, in its determination, has the authority to determine whether to grant any DSUs and the number of DSUs to be granted (provided that the percentage of DSUs granted shall be consistent with the Election Notice-B), and it shall determine the Conversion Date on or before the Grant Date for each award of DSUs to be credited under the Plan.

(d) Regardless of an Employee’s election under Section 7.1(c), the Committee may in its determination grant DSUs to designated Employees on a discretionary basis from time to time. The Committee shall approve each Employee so eligible to receive DSUs and the number of DSUs and the date on which such DSUs may be granted and credited to such an Employee’s Account. The Committee may, in its determination, attach time-based vesting conditions to any such grant of DSUs which, if not attained by the Employee prior to the Employee’s Termination Date, shall result in the forfeiture of all rights, title and interests with respect to such non-vested DSUs, including any additional DSUs granted pursuant to Section 2.5(d) in respect of such non-vested DSUs. Each award of DSUs, including any related time-vesting requirements, shall be set out in an Award Agreement at the time of grant.

(e) A duly filed Election Notice-A or Election Notice-B, as applicable, shall be binding upon the Participant, who filed it, and upon the Corporation, unless and until such Participant has filed a subsequent Election Notice-A or Election Notice-B, as applicable, to terminate or change their election and such subsequent Election Notice-A or Election Notice-B, as applicable, has become effective in accordance with the Plan, provided that no Participant shall be entitled to file more than one Election Notice-A or Election Notice-B, as applicable, in any calendar year unless specifically authorized by the Committee. For greater certainty, once filed, an election under Election Notice-B is irrevocable and may not be terminated or changed for the Bonus year to which it relates.

7.2 Terms of Deferred Share Units

Each DSU must be confirmed by an Award Agreement that sets forth the terms, conditions and limitations for each DSU and shall contain such terms that may be considered necessary in order that the DSUs will comply with any provisions respecting DSUs in the income tax or any other Applicable Law in force in any country or jurisdiction of which the Participant may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the Corporation.

7.3 Vesting of Deferred Share Units

Unless stated otherwise in an Award Agreement, any DSUs will be fully vested upon being credited to a Participant's Account but will not become payable until the DSU Settlement Date.

7.4 Timing and Recording of Deferred Share Units

(a) Each Director who has filed an Election Notice-A in accordance with Section 7.1(a) shall, subject to Section 7.1(b), be credited with DSUs in respect of their Director Fees, ~~quarterly in arrears on the last~~ while such Election Notice-A remains in effect, quarterly in arrears on the first day of the last month of each quarter in each year, ~~while such Election Notice-A remains in effect~~ or in the case of the first three quarters of such year, on a date to be determined by the Board in the first month of the following quarter, which date shall be no later than the last day of the calendar year in which the Director Fees accrue.

(b) The number of DSUs credited at any particular time with respect to any amount in respect of which a Director shall have elected pursuant to Section 7.1(a), subject to Section 7.1(b), will be calculated by dividing such amount by the Market ~~Price~~PriceValue of a Common Share on the relevant quarterly payment date for such amount.

(c) Each Employee who has filed an Election Notice-B in accordance with Section 7.1(c) shall be credited with DSUs as of the Conversion Date determined by the Committee, in respect of the Bonus in each year, while such Election Notice-B remains in effect.

(d) The number of DSUs credited at any particular time with respect to any Bonus amount in respect of which an Employee shall have elected pursuant to Section 7.1(c) will be calculated by dividing such Bonus amount by the Market ~~Price~~PriceValue of a Common Share on the relevant Conversion Date.

(e) The number of DSUs credited at any particular time with respect to any discretionary grant of DSUs to a designated Employee pursuant to Section 7.1(d) shall be

determined by the Committee based on the Market ~~Price~~Value of a Common Share on the relevant Grant Date.

7.5 U.S. DSUs

DSUs: Notwithstanding anything to the contrary, the following terms shall apply to U.S.

- (a) U.S. DSUs shall be subject to such other terms and conditions necessary to comply with Section 409A, as determined by the Committee and set forth in an Award Agreement or an Election Notice-A or an Election Notice-B (collectively, "Election Form");
- (b) U.S. DSUs that become vested and payable on a DSU Settlement Date or DSU Redemption Date shall be paid in a lump sum on a DSU Payment Date;
- (c) Election Forms shall continue in effect until a written revocation or change in election is received by the Corporation, provided that such written revocation or change in election complies with Section 409A; and
- (d) except as otherwise permitted or required by Section 409A, any U.S. DSU which permits a subsequent election to delay the payment in settlement of such U.S. DSU shall comply with Section 409A and the following requirements: (i) no subsequent election may take effect until at least 12 months after the date on which the subsequent election is made; (ii) each subsequent election must result in a delay of the payment for a period of not less than five years from the date on which such payment would otherwise have been made; and (iii) no subsequent election shall be made less than 12 months before the date on which such payment would otherwise have been made.

ARTICLE 8 STOCK OPTIONS

8.1 Granting of Options

(a) The Board from time to time may grant Options to such officers and other Employees of the Corporation and of its Affiliates as the Board shall determine. Each Option grant must be accepted by a Participant by executing an Award Agreement. Options so granted to U.S. Participants may be (i) U.S. Stock Options, (ii) Options that are not U.S. 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 Committee from time to time. U.S. Stock Options shall be subject to additional terms, as set forth in Section 8.1(i).

(b) Without limiting the generality of Section 8.1(a), the Board may from time to time grant Options in accordance with Section 8.1(a) 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 Committee in accordance with Section 8.1(e).

(c) Notwithstanding anything in this Plan to the contrary, the aggregate number of Common Shares actually issued by the Corporation upon the exercise of U.S. Stock Options

shall, when combined with the aggregate number of Common Shares issued or issuable upon exercise of incentive stock options under the Prior Stock Option Plan, shall not exceed 800,000 Common Shares.

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

(e) Notwithstanding Section 8.1(d), if the Board grants Options to a Participant during a Blackout Period applicable to such Participant in accordance with Section 8.1(b) Option Price fixed by the Committee for such Options shall be equal to the greater of (i) the 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.

(f) 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 as permitted by applicable law, including, with respect to Options granted to U.S. Participants, Section 409A.

(g) 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.

(h) 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).

(i) U.S. Stock Options granted under the Plan to U.S. Participants shall be subject to the following additional terms:

- (i) U.S. Stock Options shall only be granted to an employee of the Corporation or a subsidiary of the Corporation (within the meaning of Section 424(f) of the Code);
- (ii) if an Option is not specifically designated as a U.S. Stock Option, or if an Option is designated as a U.S. Stock Option but some portion or all of the Option fails to qualify as a U.S. Stock Option under Applicable Law, then the Option (or portion thereof) will be a nonqualified Option;
- (iii) to the extent that options designated as U.S. Stock Options (granted under all stock plans of the Corporation, including the Plan) become exercisable by a U.S. Participant for the first time during any calendar year for stock having a Market Value greater than \$100,000, the portion of such options which exceeds such amount shall be treated as a nonqualified Option;

- (iv) notwithstanding Section 8.1(d), (x) the Option Price per share shall be not less than the Market Value of a Common Share on the effective date of grant of the Option and (y) no U.S. Stock Option granted to a Ten Percent Owner shall have an Option Price per share less than 110% of the Market Value of a Common Share on the effective date of grant of the Option. Notwithstanding Section 8.1(f), no U.S. Stock Option granted to a Ten Percent Owner shall be exercisable after the expiration of five years after the effective date of grant of such Option. For purposes of this Section, "Ten Percent Owner" means a U.S. Participant who, at the time an Option is granted to the U.S. Participant, owns stock possessing more than 10% of the total combined voting power of all classes of stock of the Corporation within the meaning of Section 422 of the Code;
- (v) as provided by Section 422(b)(5) of the Code, and if permitted by the Plan, a U.S. Stock Option will not be transferable except by will or by the laws of descent and distribution, and will be exercisable during the lifetime of the U.S. Participant only by the U.S. Participant;
- (vi) if a U.S. Participant disposes of Common Shares acquired upon exercise of a U.S. Stock Option within two years from the Grant Date or one year after such Common Shares were acquired pursuant to exercise of such Option, the U.S. Participant shall notify the Corporation in writing of such disposition; and
- (vii) All U.S. Stock Options shall be granted, if at all, within ten years from the earlier of the date that the Plan was approved by the Board or the shareholders of the Corporation.

8.2 Exercise of Options

(a) 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, no later than the expiration of the Option's term, 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 8.2(c) be accompanied by payment in full in cash 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 any Option.

(b) Subject to Article 9, and unless otherwise determined by the Board at the time of granting an Option, a Participant's Option shall become exercisable as follows:

- (i) may not exercise an Option until the first anniversary of the Grant Date of the Option;
- (ii) 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 Grant Date and respectively ending on the second through fifth anniversaries of the day immediately preceding the Grant Date; provided that, notwithstanding the restriction contained in this paragraph (ii) of this Section 8.2(b), 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

(iii) may, at any time and from time to time on and after the fifth anniversary of the Grant Date 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.

(c) Solely with respect to Options held by non-U.S. Participants, where such 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 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 13.1 hereof), net of applicable withholding taxes in accordance with Section 10.2. Upon such payment being made, all Cancelled Options shall thereupon be cancelled. Notwithstanding the foregoing, the Committee may, in its sole and unfettered discretion, decline to permit the cashless surrender 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 8.2(a) shall apply to the exercise of the applicable Options and the provisions of this section shall have no further application to such Options.

ARTICLE 9~~Article 8~~

TERMINATION OF RELATIONSHIP WITH PARTICIPANT

9.1 ~~8.1~~ **Restricted Share Units, Performance Share Units** ~~and~~, **Performance Deferred Share Units**, and Options

(a) **Termination for Cause.** Unless otherwise determined by the Committee, if a Participant is Terminated with Cause, the Participant shall cease to be a Participant effective on the Participant's Termination Date and all of such Participant's PSUs, EDSUs ~~and~~, RSUs, and Options, whether or not vested (or exercisable), shall automatically expire or otherwise be forfeited and shall terminate immediately effective as of the Participant's Termination Date, subject to the requirements of the *Employment Standards Act* (Ontario) or any other applicable minimum employment standards legislation.

(b) **Termination by the Corporation or by Voluntary Resignation.** Subject to Section ~~8.39.3~~ and the minimum requirements of the *Employment Standards Act (Ontario)* or any other applicable minimum employment standards legislation, unless otherwise determined by the Committee, if a Participant Terminates prior to a Vesting Date or the expiry of an Option (in accordance with the terms of the Option) for any reason other than for Cause, death, Disability or Retirement (including, for purposes of this Section ~~8.49.1~~, if the Participant is Terminated without Cause or Terminates due to voluntary resignation that is not a Retirement), the Participant shall cease to be a Participant effective on the Participant's Termination Date and will not be entitled to any Payout in respect of PSUs, EDSUs and RSUs which are not Vested PSUs, Vested EDSUs and Vested RSUs, respectively, on such Termination Date. All PSUs, EDSUs and RSUs recorded in a Participant's Account that are not Vested PSUs, Vested EDSUs or Vested RSUs shall be forfeited and shall terminate immediately effective as of the Participant's Termination Date. Any Vested PSUs, Vested EDSUs, and Vested RSUs not paid out prior to Termination shall be paid out by the Corporation in accordance with their terms.

Any Option of a Participant Terminated in the circumstances set out in this Section 9.1(b) may be exercised at any time within 90 days from the Termination Date, 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 9.3, any Option held by a Participant described in this Section 9.1(b) that is not exercisable or that is vested but remains unexercised by the applicable date shall immediately expire and is automatically cancelled.

(c) **Termination of Employment due to Retirement or Disability.** Subject to Section ~~8.39.3~~, unless otherwise determined by the Committee, if a Participant Terminates prior to a Vesting Date or the expiry of any Option (in accordance with the terms of the Option) due to ~~(i)~~ Retirement, or ~~(ii)~~ the Disability of the Participant, the Participant shall cease to be a Participant effective on the Participant's Termination Date and the Participant's unvested PSUs, unvested EDSUs ~~and~~, unvested RSUs and the unexercised part of any Option (except as set out below), as applicable, will continue to vest and be paid out, in accordance with their terms or in the case of any unexpired Option, may be exercised in accordance with Section 8.2(a)) provided, however, that with respect to any such Award held by a U.S. Participant, the PSU Payment Date, EDSU Payment Date and RSU Payment Date shall be the date such PSU, EDSU or RSU becomes a Vested PSU, Vested EDSU or Vested RSU, as applicable.

If a Participant holding an Option Terminates due to Retirement and enters into Competitive Service after the Participant's Termination Date, such Option may be exercised at any time within 90 days from the date the Participant enters into Competitive Service, but only to the extent that the Participant was entitled to exercise such Option as at that date. Subject to Section 9.3, any Option held by a Participant described in this Section 9.1(c) that is not exercisable or that is vested but remains unexercised by the applicable date shall immediately expire and is automatically cancelled.

If a Participant holding unvested PSUs, RSUs or EDSUs, as applicable, Terminates due to Retirement and enters into Competitive Service after the Participant's Termination Date, the Participant's unvested PSUs, RSUs or EDSUs, as applicable, shall as of the date the Participant entered into Competitive Service: (i) cease to vest; and (ii) be forfeited and terminated, subject to the minimum requirements of the *Employment Standards Act (Ontario)* or any other applicable minimum employment standards legislation.

(d) **Termination Due to Death.** Subject to Section ~~8.39.3~~, unless otherwise determined by the Committee, if a Participant Terminates prior to a Vesting Date or the expiry

of any Option (in accordance with the terms of the Option) due to the death of the Participant, the Participant shall cease to be a Participant effective on the Participant's Termination Date and: (i) the Participant's unvested PSUs, unvested EDSUs, and unvested RSUs, as applicable, will immediately vest and become Vested PSUs, Vested EDSUs and Vested RSUs, respectively; and (ii) the unexercised part of such Participant's unexpired Option will immediately vest and may be exercised in accordance with Section 8.2(a)). As soon as practicable ~~thereafter~~following the Participant's date of death, the Corporation will: ~~(i)~~(i) make a Payout to the legal representative or estate, as the case may be, of the Participant in respect of all Vested RSUs as of the Termination Date; and ~~(ii)~~(ii) make a Payout to the legal representative or estate, as the case may be, of the Participant in respect of all Vested PSUs and Vested EDSUs as of the Termination Date assuming a Performance Multiplier of 1.0.

(e) U.S. Stock Options. Notwithstanding anything to the contrary in this Section 9.1, U.S. Stock Options may only be exercised after the Termination Date as follows:

- (i) if the U.S. Participant's employment or service terminates for any reason, except Disability, death or for Cause, the U.S. Stock Option, to the extent unexercised and exercisable for vested shares on the Termination Date, may be exercised by the Participant at any time prior to the expiration of 90 days after the Termination Date, but in any event no later than the term of the U.S. Stock Option; and
- (ii) if the U.S. Participant's employment or service terminates because of the Disability or death of the Participant, the U.S. Stock Option, to the extent unexercised and exercisable for vested shares on the Termination Date, may be exercised by the U.S. Participant (or the U.S. Participant's guardian or legal representative) at any time prior to the expiration of 12 months after the Termination Date, but in any event no later than the term of the U.S. Stock Option.

9.2 ~~8.2~~ Settlement of Deferred Share Units

(a) The following terms shall apply:

- (i) the Vested DSUs credited to a Director's Account shall be redeemable at the option of the Participant (or where the Participant has died, the appropriate legal representative or estate, as the case may be) following the event causing the individual to no longer be a Director or an employee of the Corporation or a person related to the Corporation for the purposes of the *Income Tax Act* (Canada) (the "**Director Termination Date**")~~;~~;
- (ii) ~~(b) The~~the Vested DSUs credited to an Employee's Account shall be settled by the Corporation following the date of the event causing the Termination Date and, ~~in the case of DSUs that are not U.S. DSUs,~~ the receipt of a Redemption Notice from the Participant or the appropriate legal representative or estate, as the case may be; and
- (iii) ~~(c) In the case of Vested DSUs that are not Vested U.S. DSUs, such~~ Vested DSUs shall be redeemed by the filing of a written Redemption Notice by such Participant with the Corporate Secretary of the

Corporation, specifying (i) either a single DSU Redemption Date or two DSU Redemption Dates, and (ii) the percentage of such Vested DSUs held by the Participant to be redeemed on each such DSU Redemption Date. Where a Participant provides a single DSU Redemption Date in the Redemption Notice, but provides for less than 100% of such Participant's Vested DSUs being redeemed on such date, such Participant must file a second Redemption Notice no later than ten (10) business days prior to the DSU Payment Date specifying the second DSU Redemption Date. Each DSU Redemption Date specified in a Redemption Notice shall occur during the period commencing at least five (5) business days following the date on which such notice is filed with the Corporate Secretary of the Corporation and ending not later than December 15 of the first calendar year commencing after the DSU Settlement Date. If no Redemption Notice, or no second Redemption Notice, as applicable, has been filed by the date that is ten (10) business days prior to December 15 of the first calendar year after the DSU Settlement Date, then the DSU Payment Date shall be deemed to be the DSU Redemption Date in respect of all of such Participant's Vested DSUs that have not already been redeemed.

(b) **U.S. DSUs.** The terms applicable to DSUs set out in Section 9.2(a) shall not apply to U.S. DSUs. Vested U.S. DSUs credited to a U.S. Participant's Account shall be paid on the DSU Payment Date in accordance with Section 7.5(b).

(c) ~~(d)~~ Subject to the provisions of this Plan, as soon as practicable following the DSU Redemption Date(s), and in any event no later than the DSU Payment Date, the Committee shall, in its determination:

- (i) provide the Participant with a Payout in such number of Common Shares issued by the Corporation or purchased by the Administrator on the open market on the Participant's behalf, equal to the number of Vested DSUs in the Participant's Account on the DSU Redemption Date(s) (or the percentage of such Vested DSUs specified in the applicable Redemption Notice(s)); or
- (ii) pay the Participant a cash Payout calculated by multiplying A x B where A is the number of Vested DSUs in the Participant's Account on the DSU Redemption Date(s) (or the percentage of such Vested DSUs specified in the applicable Redemption Notices(s)) and B is the Market Value of a Common Share on the DSU Redemption Date(s),

in each case, subject to withholding tax and other required source deductions.

9.3 ~~8.3~~ **Change of Control**

(a) Notwithstanding anything else contained in this Plan or an Award Agreement, in connection with a Change of Control, the Committee will provide Participants with written notice of any proposed Change of Control and will take such action as is required to ensure that, following the Change of Control, this Plan and the DSU, EDSU, PSU and RSU Awards granted hereunder are either (i) continued, as adjusted if necessary in the determination of the Committee to prevent substantial dilution or enlargement of the rights granted to or available for

a Participant, or (ii) substituted for deferred share units, performance share units, executive deferred share units and restricted share units, as applicable, of the acquiring or surviving entity and that such adjustments are made to the DSUs, EDSUs, PSUs and RSUs as required to prevent substantial dilution or enlargement of the rights granted to or available for a Participant.

(b) If the DSUs, EDSUs, PSUs and RSUs are continued (with or without adjustment) or substituted following the Change of Control and a Participant, who is an Employee, is terminated by the Corporation or its Affiliates, as applicable, without Cause or the Participant resigns for Good Reason within 12 months following the occurrence of a Change of Control:

- (i) all PSUs and all EDSUs granted pursuant to a Performance EDSU Grant credited to such Participant's Account shall immediately vest and become Vested PSUs and Vested EDSUs, as applicable, on the Termination Date. As soon as practicable following the Termination Date and, in respect of a Participant who is not a U.S. Participant, before the PSU Payment Date or EDSU Payment Date, ~~as applicable~~, the Committee shall, at its determination:
 - (A) provide the Participant with a Payout of such number of Common Shares, issued by the Corporation (or such successor or surviving entity) or purchased by the Administrator on the open market on the Participant's behalf, calculated by multiplying A x B where A is the number of Vested PSUs and Vested EDSUs, as applicable, in the Participant's Account on the Termination Date and B is the applicable Performance Multiplier determined by the Committee as of the Termination Date, provided that for the purposes of this Section 8.39.3 such Performance Multiplier shall not be less than 1.0; or
 - (B) pay the Participant a cash Payout calculated by multiplying A x B x C where A is the number of Vested PSUs and Vested EDSUs, as applicable, in the Participant's Account on the Termination Date, B is the applicable Performance Multiplier determined by the Committee as of the Termination Date, provided that for the purposes of this Section 8.39.3 such Performance Multiplier shall not be less than 1.0, and C is the Market Value of a Common Share on the Termination Date; and
- (ii) all DSUs, RSUs and all EDSUs granted pursuant to a Restricted EDSU Grant credited to such Participant's Account shall immediately vest ~~and become payable~~ on the Termination Date. As soon as practicable following the Termination Date and, with respect to a Participant who is not a U.S. Participant, before the RSU Payment Date, DSU Payment Date or the EDSU Payment Date, as applicable), the Committee shall, at its determination:
 - (A) provide the Participant with a Payout of such number of Common Shares, issued by the Corporation (or such successor or surviving entity) or purchased by the Administrator on the open market on the Participant's behalf, equal to the number of Vested DSUs,

Vested RSUs and Vested EDSUs, as applicable, in the Participant's Account on the Termination Date; or

- (B) pay the Participant a cash Payout for the Vested DSUs, Vested RSUs and Vested EDSUs, as applicable, in the Participant's Account calculated by multiplying A x B, in each case, where A is the number of Vested DSUs, Vested RSUs and Vested EDSUs, as applicable, in the Participant's Account on the Termination Date and B is the Market Value of a Common Share on the Termination Date,

in the case of each of paragraphs (i) and (ii) above, subject to withholding tax and other required source deductions.

(c) If before the expiry of an Option (in accordance with the terms of the Option) a Participant is Terminated in circumstances where:

- (i) such Termination occurs:
 - (A) subsequent to a Change of Control and during a Control Change Period; or
 - (B) prior to the date on which the Change of Control occurs and it is reasonably demonstrated that such Termination was at the request of a third party who has taken steps reasonably calculated to effect a Change of Control; or otherwise arose in connection with or in anticipation of a Control Change; and
- (ii) such Termination was for any reason whatsoever other than early retirement, Retirement, death, 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 9.3(c), would not otherwise be exercisable) at any time within 90 days of the Participant's Termination Date (or three months from the Termination Date with respect to a U.S. Stock Option). Notwithstanding the foregoing provisions of this Section 9.3(c), the Board may, in its sole and absolute discretion, provide in the Award Agreement evidencing the grant of an Option a provision to the effect that this Section 9.3(c) 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 9.3 that remains unexercised by the applicable date shall immediately expire and is automatically cancelled.

For purposes of this Section 9.3(c), the term "early retirement", when used in relation to any particular Participant, shall refer to 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.

9.4 ~~8.4~~ **Clawback**

Notwithstanding any other provisions in this Plan ~~and~~ an Award Agreement to the contrary, in the event that:

- (a) the Corporation is required to prepare an accounting restatement due to the material noncompliance of the Corporation with any financial reporting requirement under applicable securities laws, to the extent required by such laws or ~~permitted by government regulations or other~~ Applicable Law ~~and/or the policies of the Corporation, as amended, modified or supplemented from time to time,~~ there is a similar material revision of performance indicators upon which any Award under this Plan was based; or
- (b) the Participant has engaged in serious misconduct, fraud or gross negligence, as determined by the Board, in its ~~determination~~entire discretion,
- (c) the Board may ~~cancel any Award or require a Participant to reimburse the Corporation for any Award received under the Plan (the "Clawback Policy"). In addition, a Participant may be required to repay to the Corporation previously paid compensation, whether provided pursuant to the Plan or an Award Agreement, in accordance with the Clawback Policy.~~, as applicable and in its entire discretion:
 - (i) cancel, retract or reduce any unvested or vested but unpaid Awards; and
 - (ii) recover from the Participant any amounts paid as a result of the redemption of vested Awards during the 12 months preceding the date on which the Corporation is required to prepare the accounting restatement (or the date there is a material revision of performance indicators, as applicable) referred to in paragraph(a) (the "Clawback Policy").

By accepting an Award, the Participant is agreeing to be bound by the Clawback Policy, as in effect or as may be adopted and/or modified from time to time by the Corporation in its discretion (including, without limitation, to comply with Applicable Law or stock exchange requirements).

ARTICLE 10~~Article 9~~
TAX MATTERS

10.1 ~~9.1~~ **Classification of Plan**

This Plan and any Award granted hereunder are intended to be excluded from the definitions of "salary deferral arrangement", "retirement compensation arrangement" and "employee benefit plan" in subsection 248(1) of the *Income Tax Act* (Canada) and the Committee shall interpret and administer the Plan in accordance with this intention.

10.2 ~~9.2~~ **Withholding Taxes**

(a) The Corporation may withhold from any amount payable to a Participant, either under this Plan, an Award Agreement or otherwise, such amount as may be necessary so as to ensure that the Corporation will be able to comply with the applicable provisions of any

Applicable Law relating to the withholding of tax or other source deductions, including on the amount, if any, includable in the income of a Participant.

(b) The Corporation may, in its sole discretion, satisfy all or any portion of the withholding taxes obligation relating to any amount payable to a Participant by any of the following means or by a combination of such means: (i) withholding from any compensation otherwise payable to a Participant by the Corporation; (ii) causing the Participant to tender a cash payment; (iii) withholding such number of Common Shares from the Common Shares issued or otherwise issuable to a Participant in connection with an Award with a fair market value equal to the amount of such withholding taxes; or (iv) causing the Administrator to sell such number of Common Shares from the Common Shares issued or otherwise issuable to a Participant in connection with an Award with a fair market value equal to the amount of such withholding taxes in the open market; provided, however, that the number of such Common Shares so withheld or sold pursuant to paragraphs (iii) and (iv), as applicable, will not exceed the amount necessary to satisfy the Corporation's required tax withholding obligations under Applicable Law.

(c) Unless the tax withholding obligations of the Corporation are satisfied, the Corporation shall have no obligation to deliver any Common Shares or other Payout to a Participant.

~~ARTICLE 11~~ **Article 10**
CERTAIN RULES APPLICABLE TO U.S. PARTICIPANTS

11.1 ~~10.1~~ **Section 409A of the Internal Revenue Code**

This Article ~~10~~11 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~~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~~Section 409A ~~of the Code~~. Notwithstanding the foregoing, the Corporation and its affiliates make no representation regarding whether any Award issued pursuant to this Plan may be subject to ~~section~~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~~Section 409A ~~of the Code~~), and the Corporation, each 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.

11.2 ~~10.2~~ **Separation from Service**

If the Committee determines in its sole discretion that any Award granted to a Participant who is at the time of the grant, or subsequently becomes, a U.S. Participant must comply with ~~section~~Section 409A ~~of the Code~~, references in the Plan to Termination Date, a termination or cessation of employment or like terms shall mean, with respect to such U.S. Participant, a "separation from service" as defined under ~~section~~Section 409A ~~of the Code~~.

11.3 ~~10.3~~ **Six-Month Delay**

Notwithstanding anything in the Plan to the contrary, if at the time of a U.S. Participant's separation from service, the Committee determines in its sole discretion (a) that such U.S. Participant is considered to be a "specified employee" within the meaning of ~~section~~Section 409A-~~of the Code~~ and (b) that any Award of such U.S. Participant must comply with ~~section~~Section 409A-~~of the Code~~, and such Award is payable upon the U.S. Participant's separation from service, such payment shall not commence prior to the first business day following the date which is six months after the U.S. Participant's separation from service (or if earlier than the end of the six month period, the date of the U.S. Participant's death). For the avoidance of doubt, the provisions of this Section ~~10.3~~11.3 shall not apply to (i) any payment that becomes due on a Vesting Date that occurs prior to the U.S. Participant's separation from service, (ii) any payment that becomes due as a result of the U.S. Participant's death, and (iii) any payment with respect to an Award that qualifies for an exception to the requirements of ~~section~~Section 409A ~~of the Code~~.

11.4 ~~10.4~~ **Good Reason and Disability**

(a) Notwithstanding the definition of "Good Reason" in Section 1.3 of the Plan, a U.S. Participant shall not be considered to have terminated their employment for Good Reason unless the termination qualifies for the safe harbor provided in ~~section~~Section 1.409A-1(n)(2)(ii) of the Treasury Regulations under the Code.

(b) Notwithstanding the definition of "Disability" in Section 1.3 of the Plan, a U.S. Participant shall not be considered to be subject to a Disability unless the U.S. Participant's condition also qualifies as a "disability" within the meaning of Section 1.409A-3(i)(4)(i) of the Treasury Regulations under the Code.

11.5 ~~10.4~~ **Change of Control**

If and to the extent that any payment would be made to a U.S. Participant pursuant to the Plan upon a Change of Control as defined in the Plan, such payment will be made to such U.S. Participant at that time only if such change of control also constitutes a "change in ownership", a "change in effective control", or a "change in the ownership of a substantial portion of the assets of the Corporation" as defined under ~~section~~Section 409A ~~of the Code~~ and applicable regulations (a "409A Change in Control"). If a Change of Control as defined in the Plan is not also a 409A Change in Control, unless otherwise permitted under ~~section~~ Section 409A-~~of the Code~~, the time for the relevant payment will not be accelerated with respect to any affected U.S. Participant and will be payable pursuant to the terms of the Plan and applicable Award Agreement as if such Change of Control had not occurred.

11.6 ~~10.5~~ **Plan Amendments Relating to Section 409A**

If the Committee determines that any amounts payable under the Plan will be taxable to a U.S. Participant under ~~section~~Section 409A-~~of the Code~~ before payment to such U.S. Participant of such amount, the Corporation may (i) adopt such amendments to the Plan and related policies and procedures with respect to U.S. Participants, including amendments with retroactive effect, that the Committee determines necessary or appropriate to preserve the intended tax treatment of the benefits provided by the Plan to a U.S. Participant, or (ii) take such other actions as the Committee determines necessary or appropriate to avoid or limit the imposition of an additional tax under ~~section~~Section 409A-~~of the Code~~.

~~Article 11~~
ARTICLE 12
TERM AND AMENDMENTS

12.1 ~~11.1~~ **Term**

This Plan shall remain in effect until it is terminated by the Committee. Subject to Section ~~8.39.3~~, upon any termination of the Plan, in whole or in part, the Committee may, in its discretion, determine whether any Awards then credited to a Participant's Account and affected by the termination shall be vested on the date of the termination of the Plan or held for the credit of such Participant and vested and settled at a later date in accordance with the terms of the Plan in effect immediately prior to the termination of the Plan. The Plan will cease to operate for all purposes when the last remaining Participant receives the final Payout or exercises the final Option in satisfaction of all Awards recorded in the Account of such Participant, or all Awards recorded in the Account of such Participant are cancelled, terminated or forfeited pursuant to the terms of the Plan.

12.2 ~~11.2~~ **Amendments**

(a) The Committee reserves the right to amend, modify, suspend or terminate the Plan at any time if and when it is advisable in the determination of the Committee without notice to or approval by the shareholders of the Corporation, which such amendments, modifications or changes may include the following:

- (i) amendments to the Plan to ensure continuing compliance with Applicable Law;
- (ii) amendments of a "housekeeping" nature, which include amendments relating to the administration of the Plan or to eliminate any ambiguity or correct or supplement any provision herein which may be incorrect or incompatible with any other provision hereof;
- (iii) amendments necessary for Awards to qualify for favourable treatment under applicable tax laws;
- (iv) amendments to change the class of Participants eligible to participate in the Plan (other than an amendment that would allow the grant of Options, PSUs, EDSUs or RSUs to Directors);
- (v) changes to the Vesting Date of any Awards;
- (vi) [changing the exercise provisions of the Plan in Section 8.2 or any Option which does not entail an extension beyond the originally scheduled expiry date of that Option;](#)
- (vii) [adding a cashless surrender feature for an Option, which may be exercised in the Participant's sole discretion, payable in cash or securities \(at the Participant's sole discretion\), which provides for a full deduction of the number of underlying Common Shares from the Plan reserve in respect of Options;](#) and

(viii) ~~(vi)~~ amendments to impose restrictions on the sale, transfer or other disposal of Common Shares by Participants under the Plan.

(b) Notwithstanding anything contained herein to the contrary, no amendment to the Plan requiring the approval of the shareholders of the Corporation under any Applicable Law shall become effective until such approval is obtained. Without limitation of the foregoing, the approval of a majority of the shareholders of the Corporation present in person or represented by proxy and entitled to vote at a meeting of shareholders shall be required for the following matters, to the extent required by Applicable Law:

- (i) any amendment to the provisions of Sections ~~11.2~~12.2(a) or ~~11.2~~12.2(b) other than an amendment within the nature of paragraphs (i)-(ii) of Section ~~11.2~~12.2(a);
- (ii) any amendment that would allow the grant of Options, PSUs, EDSUs or RSUs to a Director;
- (iii) any amendment that would permit Awards to be transferred or assigned other than for normal estate settlement purposes;
- (iv) any amendment to remove or to exceed the Insider participation limit set out in Section 13.6;
- (v) any reduction in the Option Price or extension of the period during which an Option may be exercised; and
- (vi) ~~(iv)~~ any amendment to increase the maximum number of Common Shares reserved for issuance under the Plan pursuant to Section 2.4 (other than pursuant to Section ~~8.3~~9.3 or Section ~~12.4~~13.1).

provided that, in the case of an amendment referred to in Section 12.2(b)(ii), Section 12.2(b)(iv) or Section 12.2(b)(v), Insiders who benefit from such amendment are not eligible to vote their Common Shares in respect of the approval.

For the purposes of this Section 12.2, an amendment does not include an accelerated expiry of an Option by reason of the fact that a Participant ceases to be an Employee.

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. Awards 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.

ARTICLE 13~~Article 12~~
GENERAL

13.1 ~~12.1~~ **Adjustments**

(a) Appropriate adjustments to the Awards and 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, in accordance with Applicable Law (including, without limitation, Section 409A and Section 424 of the Code, as applicable), in its determination, 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, conversions or exchanges of the Common Shares or any other relevant changes in the authorized or issued capital of the Corporation or any other event, including an amalgamation, arrangement, merger, business combination, reorganization, acquisition or other consolidation involving the Corporation or any of its Affiliates, 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 Award Agreements.

(b) In the event that the Corporation is not the successor or surviving entity in an amalgamation, arrangement, merger, business combination, reorganization, acquisition, consolidation or other similar transaction involving another entity, the Board shall make appropriate adjustments to the Awards in accordance with Applicable Law (including, without limitation, Section 409A and Section 424 of the Code, as applicable), and shall replace or substitute Common Shares for the securities of the surviving entity in a manner that substantially preserves the terms and conditions of this Plan and as necessary to preserve the Participants' rights hereunder and under the Award Agreements.

(c) If, in connection with a Change of Control, in the reasonable opinion of the Committee, the acquiring, surviving or successor entity cannot or it is not commercially reasonable (including due to adverse tax consequences to the Participants under applicable tax laws or Section 409A ~~of the Code~~ or otherwise) to continue the Plan and to continue the DSUs, EDSUs, PSUs and RSUs or to substitute and replace similar units for the DSUs, EDSUs, PSUs and RSUs on substantially the same terms and conditions as the Plan, then the Committee may, in its determination, permit and authorize the accelerated vesting and early Payout (but with respect to Awards granted to U.S. Participants, as permitted by Section 409A to the extent applicable), conditional on the completion of the Change of Control, of all or any portion of the then outstanding U.S. DSUs, U.S. EDSUs, PSUs and RSUs effective as of the completion of such Change of Control. For purposes of such Payout, (i) the Committee will determine the Performance Multiplier in respect of the PSUs and U.S. EDSUs, and (ii) the Market ~~Price~~Value of a Common Share will be deemed to be the price per Common Share paid in the Change of Control transaction. All U.S. DSUs, U.S. EDSUs, PSUs and RSUs which do not become Vested U.S. DSUs, Vested U.S. EDSUs, Vested PSUs or Vested RSUs in accordance with the foregoing will terminate as of the completion of the Change of Control. If the potential Change of Control referred to in this Section ~~12.1~~13.1(c) is not completed within the time specified (as the same may be extended), then any accelerated vesting of U.S. DSUs, U.S. EDSUs, PSUs and RSUs will be deemed to be null, void and of no further effect and the original terms applicable to such Awards will be reinstated.

13.2 ~~12.2~~ **Government Regulation**

(a) The Corporation's obligation to issue and deliver Common Shares pursuant to any Award is subject to:

- (i) 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;
- (ii) the admission of such Common Shares to listing on any stock exchange on which Common Shares may then be listed; and
- (iii) 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.

(b) 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. Applicable Laws may require the placement of certain restrictive legends upon the Common Shares and any certificate representing the Common Shares or relating to the Common Shares may bear such legends as the Corporation may consider necessary or advisable to facilitate compliance with Applicable Laws, including without limitation, legends stating that the Common Shares have not been registered under applicable securities laws and setting forth the limitations on dispositions imposed hereby.

(c) The Corporation, in its sole discretion, may postpone the issuance or delivery of Common Shares as the Committee may determine to be necessary or appropriate in order to comply with Applicable Law.

13.3 ~~12.3~~ **Blackout Period**

In the event that any Payout is proposed to be made during a Blackout Period, such Payout shall be deferred until the business day following the expiration of the Blackout Period to the extent permitted by Applicable Law, including Section 409A to the extent applicable. The Committee will ensure that all actions taken, and decisions made pursuant to the Plan comply with applicable securities regulatory requirements and policies of the Corporation.

13.4 ~~12.4~~ **Participants' Rights and Risk**

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

Participation in the Plan shall be entirely voluntary and any decision not to participate shall not affect a Participant's relationship, employment or appointment with the Corporation or an Affiliate. For greater certainty, the Plan does not confer upon a Participant any right with respect to the continuation of a relationship, employment or appointment with the Corporation or an Affiliate 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, relationship, employment or appointment at any time.

(b) The Plan offers no guarantee against the losses that may result from the market fluctuations of the Market Value of a Common Share. For greater certainty, no additional Awards shall be granted to a Participant to compensate for a downward fluctuation in the Market Value of a Common Share, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose. A Participant in the Plan agrees to accept all risks associated with a decline in the Market Value of a Common Share.

(c) The Plan shall be unfunded, and the Corporation will not secure its obligations under the Plan. To the extent any Participant holds any rights by virtue of a grant of Awards under the Plan, such rights (unless otherwise determined by Committee) shall be no greater than the rights of an unsecured creditor of the Corporation.

13.5 ~~12.5~~ Award Agreements

All Award Agreements shall be deemed to incorporate the provisions of the Plan, subject to such modifications or additions as the Committee may, in its sole discretion, determine appropriate, subject to the requirements of the TSX. An Award Agreement need not be identical to other Award Agreements either in form or substance. In the event of any inconsistency between the Award Agreement and the Plan, the Plan shall be determinative.

13.6 ~~12.6~~ Assignment

Each Award granted to a Participant and the right to receive a Payout (if any) 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 Award granted hereunder may be pledged, hypothecated, charged, transferred, assigned or otherwise encumbered or disposed of by the Participant, whether voluntarily or by operation of law, other than by testate succession, will or the laws of descent and distribution, and any attempt to do so will cause such Award to terminate and be null and void.

13.7 ~~12.7~~ Successors and Assigns

The Plan and the Award Agreements shall be binding on all successors and assigns of the Corporation and a Participant, including, without limitation, the estate of such Participant and the executor, administrator or trustee of such estate, or any receiver or trustee in bankruptcy or representative of the Participant's creditors.

| 13.8 ~~12.8~~ **Severability**

| If any provision of the Plan, Award Agreement or part thereof is determined to be
| void or unenforceable in whole or in part, such determination shall not affect the validity or
| enforcement of any other provision or part thereof.

| 13.9 ~~12.9~~ **Governing Law**

| This Plan and all Award 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 therein.

| 13.10 ~~12.10~~ **Effective Date**

| This Plan is hereby established effective as of the Effective Date.

**SCHEDULE A TO LONG-TERM INCENTIVE PLAN
FOR DIRECTORS AND EMPLOYEES OF TOROMONT INDUSTRIES LTD. (THE “PLAN”)**

**ELECTION NOTICE-A
- DSUS FOR DIRECTORS¹**

Please complete one of Section 1 (Election Notice), Section 2 (Election to Change Participation) or Section 3 (Election to Terminate an Earlier Election), and return a signed and dated copy of this Election Notice-A to the Corporate Secretary of Toromont Industries Ltd. (the “Corporation”). All capitalized terms used herein but not otherwise defined have the respective meanings given to them in the Plan.

Section 1~~Section 1~~ — - Election Notice

I hereby irrevocably elect to participate in the Plan on the following basis, commencing with the next quarterly payment date in the calendar year following the date ~~hereof~~of this election, unless and until the election is terminated or changed in accordance with a subsequently filed Election Notice-A and the terms of the Plan, namely, to receive in DSUs % *(please insert applicable percentage)* of the amount otherwise payable to me in cash in respect of my Annual Board Retainer and Meeting Fees and, if applicable, % *(please insert applicable percentage)* of the amount otherwise payable to me in cash in respect of my Annual Chair Retainer.

Section 2~~Section 2~~ — - Election to Change Participation

I hereby irrevocably elect, notwithstanding any previous election in the form of this Election Notice-A, to change my current election with respect to my participation in the Plan, commencing with the next quarterly payment in the calendar year following the date hereof, unless and until the election is terminated or changed in accordance with a subsequently filed Election Notice-A and the terms of the Plan, namely, so as to receive in DSUs % *(please insert applicable percentage)* of the amount otherwise payable to me in cash in respect of my Annual Board Retainer and Meeting Fees and % *(please insert applicable percentage)* of the amount otherwise payable to me in cash in respect of my Annual Chair Retainer. Notwithstanding the foregoing, I understand that this election to change participation only changes my future election following the date of this election.

Section 3~~Section 3~~ — - Election to Terminate an Earlier Election

I hereby irrevocably elect, by marking the box below this paragraph with an “X”, to terminate my current election under the Plan and to receive my Annual Board Retainer, Meeting Fees and any Annual Chair Retainer in cash commencing with the next quarterly payment in the calendar year following the date ~~hereof~~of this election.

YES, I WISH TO TERMINATE MY ~~MOST RECENT~~CURRENT ELECTION

¹ **Note to Draft:** ~~An~~Any election made by ~~Directors that are U.S. Participants~~a Director who is a not a U.S. Participant shall be applicable only in respect of Director Fees not yet payable. Notwithstanding the foregoing, any election made by a Director who is a U.S. Participant must be made by December ~~31~~15 of the ~~financial~~calendar year preceding the ~~financial~~calendar year to which such election applies.

Section 4~~Section 4~~ — - **Acknowledgements**

I confirm that:

- (a) I have received and reviewed a copy of the terms of the Plan and agreed to be bound by such terms, as well as the terms of my Award Agreement.
- (b) I understand that the Committee, in its sole discretion, shall recommend the number of DSUs (if any).
- (c) I recognize that when DSUs are settled in accordance with the terms of the Plan, income tax and other withholdings will arise at that time. Upon settlement of the DSUs, the Corporation will make or arrange with me to make all appropriate withholdings as required by Applicable Law at that time.
- (d) The value of DSUs is based on the value of the Common Shares and therefore is not guaranteed.
- (e) I acknowledge and agree that, as described in greater detail in the Plan and my Award Agreement, I am not permitted to assign, pledge, charge or otherwise encumber the DSUs granted to me under the Plan.
- (f) An election filed pursuant to this Election Notice-A will not be effective unless it is filed with the Corporation's Corporate Secretary ~~and, in the case of U.S. Participants,~~ The election form must be filed prior to the date the Director Fees to which it relates are payable. If I am a U.S. Participant, the election must be filed not later than December ~~31~~15 of the ~~financial~~calendar year preceding the ~~financial~~calendar year to which such election applies.

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 in its entirety.

(The remainder of this page is intentionally left blank; signature page follows)

Date

(Signature of Participant)

(Name of Participant)

**SCHEDULE B TO LONG-TERM INCENTIVE PLAN
FOR DIRECTORS AND EMPLOYEES OF TOROMONT INDUSTRIES LTD. (THE “PLAN”)**

**ELECTION NOTICE-B
- DSUS FOR EMPLOYEES IN LIEU OF ALL OR ANY PART OF ANY BONUS²**

Please complete one of Section 1 (Election Notice), Section 2 (Election to Change Participation) or Section 3 (Election to Terminate an Earlier Election), and return a signed and dated copy of this Election Notice-B to the Corporate Secretary of Toromont Industries Ltd. (the “**Corporation**”). All capitalized terms used herein but not otherwise defined have the respective meanings given to them in the Plan.

Section 1~~Section 1~~ — **Election Notice**

I hereby irrevocably elect to participate in the Plan on the following basis, commencing with the next annual Bonus payment date in the calendar year following the date ~~hereof~~of this election, unless and until the election is terminated or changed in accordance with a subsequently filed Election Notice-B and the terms of the Plan, namely, to receive in DSUs % (*please insert applicable percentage*) of the amount otherwise payable to me in cash in respect of my Bonus (if any). For greater certainty, once filed, an election will not be terminated or changed for the Bonus year to which it relates.

Section 2~~Section 2~~ — **Election to Change Participation**

Subject to the limitations in Section 1 above, I hereby irrevocably elect, notwithstanding any previous election in the form of this Election Notice-B, to change my current election with respect to my participation in the Plan, commencing with the next annual Bonus payment (if any) in the calendar year following the date ~~hereof~~of this election, unless and until the election is terminated or changed in accordance with a subsequently filed Election Notice-B and the terms of the Plan, namely, so as to receive in DSUs % (*please insert applicable percentage*) of the amount otherwise payable to me in cash in respect of my Bonus (if any). Notwithstanding the foregoing, I understand that this election to change participation only changes my future election for calendar years following the date of this election.

Section 3~~Section 3~~ — **Election to Termination an Earlier Election**

Subject to the limitations in Section 1 above, I hereby irrevocably elect, by marking the box below this paragraph with an “X”, to terminate my current election under the Plan and to receive my Bonus (if any) in cash commencing with the next annual Bonus payment payable in the calendar year following the date ~~hereof~~of this election.

YES, I WISH TO TERMINATE MY ~~MOST RECENT~~
~~ELECTION~~CURRENTELECTION

² **Note to Draft:** An election made by an Employee must be submitted by December 15 of the financial year preceding the financial year to which such election applies.

Section 4

Notwithstanding the foregoing, I understand that this election to terminate my current election only terminates a future election for calendar years following the date of this election.

Section 4 - Acknowledgements

I confirm that:

- (a) I have received and reviewed a copy of the terms of the Plan and agreed to be bound by such terms, as well as the terms of my Award Agreement.
- (b) I understand that the Committee, in its sole discretion, shall recommend the number of DSUs (if any) to be granted and shall set the Conversion Date for each award of DSUs granted.
- (c) I recognize that when DSUs are settled in accordance with the terms of the Plan, income tax and other withholdings will arise at that time. Upon settlement of the DSUs, the Corporation will make or arrange with me to make all appropriate withholdings as required by Applicable Law at that time.
- (d) The value of DSUs is based on the value of the Common Shares and therefore is not guaranteed.
- (e) I acknowledge and agree that, as described in greater detail in the Plan, I am not permitted to assign, pledge, charge or otherwise encumber the DSUs granted to me under the Plan.
- (f) An election filed pursuant to this Election Notice-B will not be effective unless it is filed with the Corporation's Corporate Secretary not later than December 15 of the ~~financial~~calendar year preceding the ~~financial~~calendar year to which such election applies.

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 in its entirety.

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Date

(Signature of Participant)

(Name of Participant)

**SCHEDULE C TO LONG-TERM INCENTIVE PLAN
FOR DIRECTORS AND EMPLOYEES OF TOROMONT INDUSTRIES LTD. (THE “PLAN”)**

REDEMPTION NOTICE

Note: This Redemption Notice is only available to Participants who are not U.S. Participants. “U.S. Participant” is defined under the Plan as a 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.

As applicable, please complete Section 1 (Notice to Redeem DSUs) and Section 2 (Notice to Redeem EDSUs) and return a signed and dated copy of this Redemption Notice to the Corporate Secretary of Toromont Industries Ltd. (the “**Corporation**”). All capitalized terms used herein but not otherwise defined have the respective meanings given to them in the Plan.

Section 1~~Section 1~~ — Notice to Redeem DSUs

I hereby irrevocably notify the Corporation that I wish to redeem all the Vested DSUs that are credited to my account under the Plan on the following redemption date or dates, which dates in each case shall be at least five (5) business days following the date on which this notice is filed with the Corporate Secretary of the Corporation and ending not later than December 15 of the first calendar year commencing after the DSU Settlement Date. If I provide a single DSU Redemption Date below, but indicate less than 100% of my Vested DSU's being redeemed on such date, I agree to file a second Redemption Notice no later than ten (10) business days prior to the DSU Payment Date specifying the second DSU Redemption Date. If no second Redemption Notice, as applicable, has been filed by the date that is ten (10) business days prior to December 15 of the first calendar year after the DSU Settlement Date, then I acknowledge that the DSU Payment Date shall be deemed to be the DSU Redemption Date in respect of all of my Vested DSUs that have not already been redeemed:

Amount of DSUs (expressed as a percentage)	DSU Redemption Date
1.	
2.	

Section 2~~Section 2~~ — Notice to Redeem EDSUs

I hereby irrevocably notify the Corporation that I wish to redeem all the Vested EDSUs that are credited to my account under the Plan on the following redemption date or dates, which dates in each case shall be at least five (5) business days following the date on which this notice is filed with the Corporate Secretary of the Corporation and ending not later than December 15 of the first calendar year commencing after the EDSU Settlement Date. If I provide a single EDSU Redemption Date below, but indicate less than 100% of my Vested EDSU's being redeemed on such date, I agree to file a second Redemption Notice no later than ten (10) business days prior to the EDSU Payment Date specifying the second EDSU Redemption Date. If no second Redemption Notice, as applicable, has been filed by the date

that is ten (10) business days prior to December 15 of the first calendar year after the EDSU Settlement Date, then I acknowledge that the EDSU Payment Date shall be deemed to be the EDSU Redemption Date in respect of all of my Vested EDSUs that have not already been redeemed:

Amount of EDSUs (expressed as a percentage)	EDSU Redemption Date
1.	
2.	

Section 3~~Section 3~~ - Acknowledgments

I confirm that:

- (a) I have received and reviewed a copy of the terms of the Plan and agreed to be bound by such terms, as well as the terms of my Award Agreement;
- (b) I recognize that when DSUs and EDSUs are settled in accordance with the terms of the Plan, income tax and other withholdings will arise at that time. Upon settlement of the DSUs and EDSUs, as applicable, the Corporation will make or arrange with me to make all appropriate withholdings as required by Applicable Law at that time.
- (c) The value of DSUs and EDSUs is based on the value of the Common Shares and therefore is not guaranteed.

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 in its entirety.

(The remainder of this page is intentionally left blank; signature page follows)

Date

(Signature of Participant)

(Name of Participant)

If this Redemption Notice is signed by a beneficiary or legal representative, documents providing the authority of such signature must accompany this Redemption Notice.