

**ARITZIA INC.**

**AMENDED AND RESTATED STOCK OPTION PLAN**

**Effective as of October 3, 2016, as  
amended and restated as of July 10, 2018 and further amended as of January 8, 2019.**

**ARITZIA INC.  
STOCK OPTION PLAN**

**ARTICLE 1  
PURPOSE**

**Section 1.1 Purpose**

The purpose of this Plan is to advance the interests of the Corporation by: (i) providing Eligible Persons with additional incentives; (ii) encouraging stock ownership by such Eligible Persons; (iii) increasing the proprietary interest of Eligible Persons in the success of the Corporation; (iv) promoting growth and profitability of the Corporation; (v) encouraging Eligible Persons to take into account long-term corporate performance; (vi) rewarding Eligible Persons for sustained contributions to the Corporation and/or significant performance achievements of the Corporation; and (vii) enhancing the Corporation's ability to attract, retain and motivate Eligible Persons.

**ARTICLE 2  
INTERPRETATION**

**Section 2.1 Defined Terms**

For the purposes of this Plan, the following terms have the following meanings:

- (a) **"Affiliate"** means any person that controls or is controlled by the Corporation or that is controlled by the same person that controls the Corporation;
- (b) **"Associate"** has the meaning specified in Section 1 of the *Securities Act* (Ontario);
- (c) **"Board"** means the board of directors of the Corporation as constituted from time to time;
- (d) **"Broker"** has the meaning specified in Section 3.7(2);
- (e) **"Business Day"** means any day of the year, other than a Saturday, Sunday or any day on which Canadian chartered banks are authorized or obligated by law to close for business in Vancouver, British Columbia;
- (f) **"Cause"** means, (i) if the Participant has an employment agreement in which "cause" or "just cause" is defined, "cause" or "just cause" as defined therein; (ii) if the Participant does not have an employment agreement or the employment agreement does not contain a definition of "cause" or "just cause", as defined in the Stock Option Certificate, or (iii) in all other cases, (A) the inability of the Participant to perform his duties due to a legal impediment such as an injunction, restraining order or other type of judicial judgment, decree or order entered against the Participant; (B) any material breach by the Participant of his obligations under any code of ethics, code of business conduct or any lawful policies or procedures of the Corporation or Affiliate in effect from time to time; (C) excessive absenteeism, flagrant neglect of duties, serious misconduct, or conviction of crime or fraud; and (D) any other act or omission of the Participant which would in law permit an employer to, without notice or payment in lieu of notice, terminate the employment of an employee;
- (g) **"Change of Control Event"** means, unless the Board determines otherwise, the happening, in a single transaction or in a series of related transactions, of any of the following events:
  - (i) any transaction (other than a transaction described in clause (ii) below) pursuant to which any person or group of persons acting jointly or in concert acquires the direct or indirect beneficial ownership of securities of the Corporation representing 50% or more of the aggregate voting power of all of the Corporation's then issued and outstanding securities entitled to vote in the election of directors of the Corporation, other than any such acquisition that occurs (A) by any person or group of persons who is a Permitted Holder (as defined in the articles of the Corporation); (B) upon the exercise or settlement of options or other securities granted by the Corporation under any of the Corporation's equity incentive plans; or (C) as a result of the conversion of the multiple voting shares in the capital of the Corporation into Shares;

- (ii) there is consummated an arrangement, amalgamation, merger, consolidation or similar transaction involving (directly or indirectly) the Corporation and, immediately after the consummation of such arrangement, amalgamation, merger, consolidation or similar transaction, the shareholders of the Corporation immediately prior thereto do not beneficially own, directly or indirectly, either (A) outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving or resulting entity in such amalgamation, merger, consolidation or similar transaction or (B) more than 50% of the combined outstanding voting power of the parent of the surviving or resulting entity in such arrangement, amalgamation merger, consolidation or similar transaction, in each case in substantially the same proportions as their beneficial ownership of the outstanding voting securities of the Corporation immediately prior to such transaction;
  - (iii) the sale, lease, exchange, license or other disposition of all or substantially all of the Corporation's assets to a person other than a person that was an Affiliate of the Corporation at the time of such sale, lease, exchange, license or other disposition, other than a sale, lease, exchange, license or other disposition to an entity, more than fifty percent (50%) of the combined voting power of the voting securities of which are beneficially owned by shareholders of the Corporation in substantially the same proportions as their beneficial ownership of the outstanding voting securities of the Corporation immediately prior to such sale, lease, exchange, license or other disposition;
  - (iv) the passing of a resolution by the Board or Shareholders to substantially liquidate the assets of the Corporation or wind up the Corporation's business or significantly rearrange its affairs in one or more transactions or series of transactions or the commencement of proceedings for such a liquidation, winding-up or re-arrangement (except where such re-arrangement is part of a bona fide reorganization of the Corporation in circumstances where the business of the Corporation is continued and the shareholdings remain substantially the same following the re-arrangement); or
  - (v) individuals who, on the Effective Date, are members of the Board (the "**Incumbent Board**") cease for any reason to constitute at least a majority of the members of the Board; provided, however, that if the appointment or election (or nomination for election) of any new Board member was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member will, for purposes of this Plan, be considered as a member of the Incumbent Board.
- (h) "**Code**" means the United States Internal Revenue Code of 1986, as amended, and any applicable United States Treasury Regulations and other binding regulatory guidance thereunder;
- (i) "**Corporation**" means Aritzia Inc., a corporation existing under the laws of the province of British Columbia, and includes any successor corporation thereto;
- (j) "**Consultant**" means an individual, other than an employee, executive officer or director of the Corporation or of an Affiliate, that for a period of 12 months or more,
- (i) is engaged to provide services to the Corporation or an Affiliate, other than services provided in relation to a distribution of the Corporation's securities;
  - (ii) provides the services under a written contract with the Corporation or an Affiliate; and
  - (iii) spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or an Affiliate;
- and includes, for an individual consultant, a corporation of which the individual consultant is an employee or shareholder, and a partnership of which the individual consultant is an employee or partner;
- (a) "**Disability**" means (i) if the Participant has an employment agreement in which "disability" is defined, "disability" as defined therein; (ii) if the Participant does not have an employment agreement or the employment agreement does not contain a definition of "disability", as defined in the Stock Option Certificate, or (iii) in all other cases, the inability of a Participant to perform substantially all of such Participant's duties and responsibilities to the Corporation or any Affiliate as a result of any illness, injury, accident or condition of either a physical or

- psychological nature suffered by such Participant, with or without reasonable accommodation, for 180 consecutive days and is likely to continue, as determined by a physician reasonably selected by the Corporation or Affiliate;
- (k) **“Eligible Person”** means any director, executive officer, employee or Consultant of the Corporation or any of its Affiliates;
  - (l) **“Exercise Price”** has the meaning specified in Section 4.2;
  - (m) **“Expiry Date”** has the meaning specified in Section 4.4(1);
  - (n) **“Good Reason”** means
    - (i) a substantial diminution in the Participant’s authorities, duties, responsibilities, status (including officers, titles, and reporting requirements) from those in effect immediately prior to a Change of Control Event;
    - (ii) the Corporation requires the Participant to be based at a location in excess of one hundred (100) kilometers from the location of the Participant’s principal job location or office immediately prior to a Change of Control Event, except for required travel on Corporation business to an extent substantially consistent with the Participant’s business obligations immediately prior to a Change of Control Event;
    - (iii) a reduction in the Participant’s base salary (other than as part of a broader reduction of salaries to a number of employees of the Corporation due to financial circumstances of the Corporation), or a substantial reduction in the Participant’s target compensation under any incentive compensation plan, as in effect as of the date of a Change of Control Event;
    - (iv) the failure to increase the Participant’s base salary in a manner consistent (both as to frequency and percentage increase) with practices in effect immediately prior to the Change of Control Event or with practices implemented subsequent to the Change of Control Event with respect to similarly positioned employees; or
    - (v) the failure of the Corporation to continue in effect the Participant’s participation in the Corporation’s Share Compensation Arrangements and any employee benefit and retirement plans, policies or practices, at a level substantially similar or superior to and on a basis consistent with the relative levels of participation of other similarly-positioned employees, as existed immediately prior to a Change of Control Event.
  - (o) **“Insider”** means a “reporting insider” as defined in National Instrument 55-104 -Insider Reporting Requirements and Exemptions;
  - (p) **“Legacy Option Plan”** means the Corporation’s Second Amended and Restated 2005 Equity Incentive Plan, as amended from time to time;
  - (q) **“Market Price”** means: (i) if the Shares are listed on the Stock Exchange, the closing price for the Shares on the TSX on the last trading day before the date of grant of the Option; (ii) if the Shares are not listed on the TSX, then as calculated in paragraph (i) by reference to the price on any other stock exchange on which the Shares are listed (if more than one, then using the exchange on which a majority of Shares are traded); or (iii) if the Shares are not listed on a Stock Exchange, then the price determined by the Board using good faith discretion.
  - (r) **“Maximum Issuable”** has the meaning specified in Section 3.3(3).
  - (s) **“Option”** means an option to purchase Shares granted to an Eligible Person pursuant to the terms of this Plan;
  - (t) **“Option Period”** has the meaning specified in Section 4.4(1);
  - (u) **“Participant”** means an Eligible Person to whom Options have been granted and are outstanding;

- (v) **“Permitted Assign”** means for any director, executive officer, employee or Consultant of the Corporation or its Affiliates,
  - (i) a trustee, custodian or administrator acting on behalf of, or for the benefit of such person or a spouse of such person;
  - (ii) a wholly owned or controlled holding entity of such person or the spouse of such person;
  - (iii) an RRSP or a RRIF of such person or the spouse of such person; or
  - (iv) a spouse of such person;
- (w) **“Plan”** means this Aritzia Inc. Stock Option Plan, as it may be amended from time to time;
- (x) **“Remittance Amount”** has the meaning specified in Section 4.5;
 

“Retirement” means the cessation of the employment of a Participant with the Participating Company which is deemed to be a retirement by a resolution of the Board in its sole discretion;
- (y) **“Section 409A”** means section 409A of the Code;
- (z) **“Share”** means a subordinate voting share in the capital of the Corporation;
- (aa) **“Share Compensation Arrangement”** means any stock option, stock option plan or any other compensation or incentive mechanism of the Corporation involving the issuance or potential issuance of Shares from treasury, including without limitation this Plan;
- (bb) **“Shareholders”** means the holders of Shares;
- (cc) **“Stock Exchange”** means the Toronto Stock Exchange or, if the Shares are not listed or posted for trading on the Toronto Stock Exchange at a particular date, any other stock exchange on which the majority of the trading volume and value of the Shares are listed or posted for trading;
- (dd) **“Stock Option Certificate”** has the meaning specified in Section 4.1(1);
- (ee) **“Termination Date”** means the date on which a Participant ceases to be an Eligible Participant as a result of a termination of employment or engagement with the Corporation and/or an Affiliate for any reason, including death, Retirement, Disability, resignation, or termination with or without Cause, but not including a Participant’s absence from active employment or engagement with the Corporation and/or Affiliate during a period of authorized leave of absence. For the purposes of the Plan, a Participant’s employment with the Corporation and/or an Affiliate shall be considered to have terminated effective on the last day of the Participant’s actual and active employment with the Corporation and/or Affiliate, whether such day is selected by agreement with the individual, or unilaterally by the Participant or the Corporation or Affiliate, and whether with or without advance notice to the Participant. Without limiting the generality of the foregoing, no period of notice or payment in lieu of notice that follows the Participant’s last day of actual and active employment shall be deemed to extend the Participant’s period of employment for the purpose of determining his rights or entitlements under the Plan. The Participant shall have no entitlement to damages or other compensation arising from or related to not receiving any awards which would have vested or accrued to the Participant after the date of cessation of employment or if working notice of termination had been given. However, nothing herein is intended to limit any statutory entitlements or termination and such statutory entitlements shall, if required, apply despite this language to the contrary;
- (ff) **“U.S. Taxpayer”** means an Eligible Person whose compensation from the Corporation or any of its Affiliates is subject to Section 409A; and
- (gg) **“Withholding Obligations”** has the meaning specified in Section 3.7(1).

In this Plan, words importing the singular number include the plural and vice versa and words importing a gender include any other gender. Unless otherwise specified, all references to money amounts are to Canadian currency and all section references are to sections of this Plan.

### **ARTICLE 3 ADMINISTRATION**

#### **Section 3.1 Administration**

- (1) Subject to Section 3.2, this Plan will be administered by the Board.
- (2) Subject to the terms and conditions set forth in this Plan, the Board is authorized to provide for the granting, exercise and method of exercise of Options, all at such times and on such terms (which may vary between Options granted from time to time) as it determines. In addition, the Board has the authority to (i) construe and interpret this Plan and all certificates, agreements or other documents provided or entered into under this Plan; (ii) prescribe, amend and rescind rules and regulations relating to this Plan; and (iii) make all other determinations necessary or advisable for the administration of this Plan. All determinations and interpretations made by the Board will be binding on all Participants and on their legal, personal representatives and beneficiaries.
- (3) No member of the Board will be liable for any action or determination taken or made in good faith in the administration, interpretation, construction or application of this Plan, any Stock Option Certificate or other document or any Option granted pursuant to this Plan.

#### **Section 3.2 Delegation to Committee**

Despite Section 3.1 or any other provision contained in this Plan, the Board has the right to delegate the administration and operation of this Plan, in whole or in part, to a committee of the Board and/or to any member of the Board. In such circumstances, all references to the Board in this Plan include reference to such committee and/or member of the Board, as applicable.

#### **Section 3.3 Shares Reserved**

- (1) Subject to Section 3.3(6), the securities that may be acquired by Participants under this Plan will consist of authorized but unissued Shares.
- (2) The Corporation will at all times during the term of this Plan ensure that it is authorized to issue such number of Shares as are sufficient to satisfy the requirements of this Plan.
- (3) Subject to Section 3.3(4) the aggregate number of Shares issuable under this Plan and under all other Share Compensation Arrangements shall not exceed 10% of the total number of Shares and multiple voting shares in the capital of the Corporation issued and outstanding from time to time. Any Shares subject to an Option which has been exercised by a Participant or for any reason is cancelled or terminated without having been exercised will again be available for grants under this Plan. Fractional shares will not be issued and will be treated as specified in Section 3.9(3).
- (4) Shares underlying options issued and outstanding under the Legacy Option Plan on the Effective Date, and any issuance from treasury by the Corporation that is or was issued in reliance upon an exemption under applicable the Stock Exchange rules applicable to security based compensation arrangements used as an inducement to person(s) or company(ies) not previously employed by and not previously an Insider of the Corporation shall not be included in determining the Maximum Issuable under Section 3.3(3).
- (5) The number of Shares that may be (i) issued to Insiders within any one year period, or (ii) issuable to Insiders at any time, in each case, under this Plan alone or when combined with all other Share Compensation Arrangements, shall not exceed 10% of the total number of Shares and multiple voting shares in the capital of the Corporation issued and outstanding from time to time.
- (6) Despite the foregoing and for greater certainty, the total annual grant to any one non-employee director under all Share Compensation Arrangements shall not exceed an aggregate grant value of \$100,000 in Options and \$150,000 in equity, and

notwithstanding anything to the contrary in Section 3.4 of this Plan, shareholder approval shall be required to increase such limit.

- (7) If there is a change in the issued and outstanding Shares by reason of any stock dividend or split, recapitalization, amalgamation, consolidation, combination or exchange of shares, or other corporate change, the Board will make, with the intent that the rights of Participants under their Options are, to the extent possible, preserved despite the occurrence of such events, and subject where required to the prior approval of the Stock Exchange, appropriate substitution or adjustment in:
- (a) the number or kind of securities of the Corporation (including Shares) reserved for issuance pursuant to this Plan; and
  - (b) the number and kind of securities of the Corporation (including Shares) subject to unexercised Options granted prior to such change and in the Exercise Price of such securities,

without any change in the total price applicable to the unexercised portion of the Option but with a corresponding adjustment in the price for each Share covered by the Option; provided, however, that no substitution or adjustment will obligate the Corporation to issue or sell fractional Shares. If the Corporation is reorganized, amalgamated with another corporation or consolidated, the Board will make such provisions for the protection of the rights of Participants as the Board in its sole discretion deems appropriate.

### **Section 3.4 Amendment and Termination**

- (1) The Board may suspend or terminate this Plan at any time, or from time to time amend or revise the terms of this Plan or of any Option granted under this Plan and any Stock Option Certificate or other agreement or document relating to it, provided that no such suspension, termination, amendment or revision will be made:
- (a) except in compliance with applicable law and with the prior approval, if required, of the Stock Exchange or any other regulatory body having authority over the Corporation, this Plan or the Shareholders; and
  - (b) in the case of an amendment or revision, if it would materially adversely affect the rights of any Participant, without the consent of the Participant.
- (2) If this Plan is terminated, the provisions of this Plan and any administrative guidelines and other rules and regulations adopted by the Board and in force on the date of termination will continue in effect as long as any Option or any rights granted pursuant to this Plan remain outstanding and, despite the termination of this Plan, the Board may make such amendments to this Plan or to the terms of any outstanding Options as they would have been entitled to make if this Plan were still in effect.
- (3) Subject to any applicable rules of the Stock Exchange, the Board may from time to time, in its absolute discretion and without the approval of Shareholders, make the following amendments to this Plan or any Option:
- (a) any amendment to the vesting and assignability provisions of this Plan and any Option;
  - (b) any amendment regarding the effect of termination of a Participant's employment or engagement;
  - (c) any amendment which accelerates the date on which any Option may be exercised under this Plan;
  - (d) any amendment to the definition of an Eligible Person;
  - (e) any amendment to add provisions permitting for the granting of cash-settled awards, a form of financial assistance or clawback and any amendment to a cash-settled award, financial assistance or clawback provision which is adopted;
  - (f) any amendment necessary to comply with applicable law or the requirements of the Stock Exchange or any other regulatory body having authority over the Corporation, this Plan or the Shareholders;

- (g) any amendment of a “housekeeping” nature, including, without limitation, to clarify the meaning of an existing provision of this Plan, correct or supplement any provision of this Plan that is inconsistent with any other provision of this Plan, correct any grammatical or typographical errors or amend the definitions in this Plan regarding administration of this Plan;
  - (h) any amendment regarding the administration of this Plan; and
  - (i) any other amendment that does not require the approval of Shareholders under Section 3.4(4).
- (4) Shareholder approval is required for the following amendments to this Plan:
- (a) any increase in the maximum number of Shares that may be issuable pursuant to Options granted under this Plan as set out in Section 3.3(3);
  - (b) any reduction in the Exercise Price of an Option or extension of the Expiry Date of an Option benefitting an Insider and;
  - (c) any amendment to Section 3.4(3) and (4).

### **Section 3.5 Compliance with Legislation**

- (1) This Plan, the terms of the issue or grant of, and the grant and exercise of, any Option under this Plan, and the Corporation’s obligation to sell and deliver Shares upon the exercise of Options, is subject to all applicable federal, provincial and foreign laws, rules and regulations, the rules and regulations of the Stock Exchange and to such approvals by any regulatory or governmental agency as may, in the opinion of counsel to the Corporation, be required. The Corporation is not obliged by any provision of this Plan or the grant of any Option under this Plan to issue or sell Shares if, in the opinion of the Board, such action would constitute a violation by the Corporation or a Participant of any laws, rules and regulations or any condition of such approvals.
- (2) The Participant agrees to fully cooperate with the Corporation in doing all such things, including executing and delivering all such agreements, undertakings or other documents or furnishing all such information as is reasonably necessary to facilitate compliance by the Corporation with such laws, rule and requirements, including all tax withholding and remittance obligations.
- (3) No Option will be granted, and no Shares issued under this Plan, where such grant, issue or sale would require registration of this Plan or of Shares under the securities laws of any foreign jurisdiction, and any purported grant of any Option or purported issue of Shares under this plan in violation of this provision is void.
- (4) The Corporation has no obligation to issue any Shares pursuant to this Plan unless such Shares have been duly listed, upon official notice of issuance, with the Stock Exchange and shall be prohibited from offering to sell or selling, any Shares pursuant to an award to any U.S. taxpayer unless such Shares have been properly registered for sale pursuant to the U.S. Securities Act with the Securities and Exchange Commission or unless such shares may be offered or sold without such registration pursuant to and in compliance with the terms of an available exemption. The Corporation shall be under no obligation to register for sale under the U.S. Securities Act any of the Shares to be offered or sold under the Plan. Shares issued and sold to Participants pursuant to the exercise of Options may be subject to limitations on sale or resale under applicable securities laws. Without limiting the generality of the foregoing, the Board may cause a legend or legends to be put on any such certificates of Shares delivered under the Plan to make appropriate reference to such restrictions or may cause such Shares delivered under the Plan in book-entry form to be held subject to the Corporation’s instructions or subject to appropriate stop-transfer orders.
- (5) If Shares cannot be issued to a Participant upon the exercise of an Option due to legal or regulatory restrictions, the obligation of the Corporation to issue such Shares will terminate and any funds paid to the Corporation in connection with the exercise of such Option will be returned to the applicable Participant as soon as practicable.

### **Section 3.6 Effective Date**

This Plan will be effective as of October 3, 2016, as amended or amended and restated from time to time (the “Effective Date”).

### **Section 3.7 Tax Withholdings**

- (1) Despite any other provision contained in this Plan, in connection with the exercise of an Option by a Participant from time to time, the Corporation may withhold from any amount payable to a Participant, including the issuance of Shares to a Participant upon the exercise of such Participant’s Options, such amounts as are required by law to be withheld or deducted as a consequence of his exercise of Options or other participation in this Plan (“**Withholding Obligations**”). The Corporation has the right, in its sole discretion, to satisfy any Withholding Obligations by:
  - (a) selling or causing to be sold, on behalf of any Participant, such number of Shares issued to the Participant on the exercise of Options as is sufficient to fund the Withholding Obligations;
  - (b) retaining the amount necessary to satisfy the Withholding Obligations from any amount which would otherwise be delivered, provided or paid to the Participant by the Corporation, whether under this Plan or otherwise;
  - (c) requiring the Participant, as a condition of exercise pursuant to Section 4.4 to (i) remit the amount of any such Withholding Obligations to the Corporation in advance; (ii) reimburse the Corporation for any such Withholding Obligations; or (iii) cause a broker who sells Shares acquired by the Participant on behalf of the Participant to withhold from the proceeds realized from such sale the amount required to satisfy any such Withholding Obligation and to remit such amount directly to the Corporation; and/or
  - (d) making such other arrangements as the Corporation may reasonably require.
- (2) The sale of Shares by the Corporation, or by a broker engaged by the Corporation (the “**Broker**”), under Section 3.7(1) or under any other provision of the Plan will be made on the Stock Exchange. The Participant consents to such sale and grants to the Corporation an irrevocable power of attorney to effect the sale of such Shares on his behalf and acknowledges and agrees that (i) the number of Shares sold will be, at a minimum, sufficient to fund the Withholding Obligations net of all selling costs, which costs are the responsibility of the Participant and which the Participant hereby authorizes to be deducted from the proceeds of such sale; (ii) in effecting the sale of any such Shares, the Corporation or the Broker will exercise its sole judgment as to the timing and the manner of sale and will not be obligated to seek or obtain a minimum price; and (iii) neither the Corporation nor the Broker will be liable for any loss arising out of such sale of the Shares including any loss relating to the pricing, manner or timing of the sales or any delay in transferring any Shares to a Participant or otherwise.
- (3) The Participant further acknowledges that the sale price of the Shares will fluctuate with the market price of the Shares and no assurance can be given that any particular price will be received upon any sale.

### **Section 3.8 Non-qualified stock options; Exemption from Section 409A**

- (1) Options granted to U.S. Taxpayers are not intended to satisfy the requirements of Section 422 of the Code as “incentive stock options”. Despite any provision of the Plan to the contrary, it is intended that Options granted under the Plan to U.S. Taxpayers be exempt from Section 409A, and all provisions of the Plan will be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A.
- (2) Each U.S. Taxpayer is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or for the account of such U.S. Taxpayer in connection with the Plan (including any taxes and penalties under Section 409A), and neither the Corporation nor any Affiliate will have any obligation to indemnify or otherwise hold such U.S. Taxpayer (or any beneficiary) harmless from any or all of such taxes or penalties.

### **Section 3.9 Miscellaneous**

- (1) Nothing contained in this Plan will prevent the Board from adopting other or additional Share Compensation Arrangements or compensation arrangements, subject to any required approval.

- (2) This Plan does not grant any Participant or any employee of the Corporation or its Affiliates the right or obligation to serve or continue to serve as a Consultant, director, officer or employee, as the case may be, of the Corporation or its Affiliates. The awarding of Options to any Eligible Person is a matter to be determined solely in the discretion of the Board. This Plan will not in any way fetter, limit, obligate, restrict or constrain the Board with regard to the allotment or issue of any Shares or any other securities in the capital of the Corporation other than as specifically provided for in this Plan. The grant of an Option to, or the exercise of an Option by, a Participant under this Plan does not create the right for such Participant to receive additional grants of Options under this Plan.
- (3) No fractional Shares will be issued upon the exercise of Options granted under this Plan and, accordingly, if a Participant would become entitled to a fractional Share upon the exercise of an Option, or from an adjustment pursuant to Section 3.3(6), such Participant will only have the right to purchase the next lowest whole number of Shares, and no payment or other adjustment will be made with respect to the fractional interest so disregarded.
- (4) The Corporation makes no representation or warranty as to the future market value of the Shares or with respect to any income tax matters affecting the Participant resulting from the grant or exercise of an Option and/or transactions in the Shares. Neither the Corporation, nor any of its directors, officers, employees, Shareholders or agents will be liable for anything done or omitted to be done by such person or any other person with respect to the price, time, quantity or other conditions and circumstances of the issuance of Shares under this Plan, with respect to any fluctuations in the market price of Shares or in any other manner related to this Plan.
- (5) The Board may adopt such rules or regulations and vary the terms of this Plan and any Option issued in accordance with this Plan as it considers necessary to address tax or other requirements of any applicable non-Canadian jurisdiction, including, without limitation, Section 409A.
- (6) Participants (and their legal personal representatives) have no legal or equitable rights, claims, or interest in any specific property or assets of the Corporation or any Affiliate. No assets of the Corporation or any Affiliate will be held in any way as collateral security for the fulfillment of the obligations of the Corporation or any Affiliate under this Plan. Any and all of the Corporation's or any Affiliate's assets are, and remain, the general unpledged, unrestricted assets of the Corporation or Affiliate. The Corporation's or any Affiliate's obligation under this Plan are merely that of an unfunded and unsecured promise of the Corporation or such Affiliate to pay money in the future, and the rights of Participants (and their legal personal representatives) are no greater than those of unsecured general creditors.
- (7) For greater certainty, no amount will be paid to, or in respect of, a Participant under this Plan or pursuant to any other arrangement, and no additional Options will be granted to such Participant to compensate for a downward fluctuation in the price of the Shares, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose.
- (8) This Plan is governed by the laws of British Columbia and the federal laws of Canada applicable therein.

## **ARTICLE 4 OPTIONS**

### **Section 4.1 Grants of Options**

- (1) Options will be evidenced by a stock option certificate ("Stock Option Certificate"), which shall be in the form approved for use under this Plan from time to time.
- (2) Subject to the provisions of this Plan, the Board has the authority to determine the limitations, restrictions and conditions, if any, in addition to those set forth in Section 3.1(2) and Section 4.3, applicable to the exercise of an Option. An Eligible Person may receive Options on more than one occasion under this Plan and may receive separate Options on any one occasion.
- (3) The Board may from time to time, in its discretion, grant Options to any Eligible Person upon the terms, conditions and limitations set forth in this Plan and such other terms, conditions and limitations permitted by and not inconsistent with this Plan as the Board may determine, provided that Options granted to any Participant must be approved by the Shareholders if the rules of the Stock Exchange require such approval. Despite the foregoing, no Option will be granted where such grant is restricted pursuant to the terms of any trading policies or other restrictions imposed by the Corporation.

## **Section 4.2 Exercise Price**

An Option may be exercised at a price (the "Exercise Price") established by the Board at the time that the Option is granted, but in no event can the Exercise Price be less than the Market Price. The Exercise Price is subject to adjustment in accordance with the provisions of Section 3.3(6) hereof.

## **Section 4.3 Vesting**

Subject to Section 4.8, unless as otherwise provided in a Participant's employment agreement or Stock Option Certificate or as otherwise determined by the Board, in its sole discretion, all Options granted under this Plan will vest over a five-year period following the date of the grant, with twenty percent (20%) of the total number of Options forming part of any grant to vest on each anniversary date after the date of the grant, commencing on the first anniversary of the date of the grant. Options may be subject to additional vesting conditions as may be determined by the Board at the time of grant, including performance vesting conditions.

## **Section 4.4 Exercise of Options**

- (1) The period during which an Option may be exercised (the "Option Period") will be determined by the Board at the time the Option is granted and set out in the Stock Option Certificate in respect of such Option, provided that:
  - (a) all Options expire on the date (the "Expiry Date") set out by the Board on the date of grant and as described in the applicable Stock Option Certificate provided that no Option will be exercisable for a period exceeding ten (10) years from the date the Option is granted;
  - (b) Options may not be exercised until they have vested;
  - (c) the Option Period will be automatically reduced in accordance with Section 4.8 below upon the occurrence of any of the events referred to in such section; and
  - (d) no Option in respect of which Shareholder approval is required under the rules of the Stock Exchange will be exercisable until such time as such Option has been approved by the Shareholders.
- (2) Despite any other provision of this Plan, if the Expiry Date of an Option falls on, or within nine (9) Business Days immediately following a date upon which a Participant is prohibited from exercising an Option due to a black-out period or other trading restriction imposed by the Corporation (but, for greater certainty, not a cease trade order or other restriction imposed by any person other than the Corporation), then the Expiry Date of such Option will be automatically extended to the tenth (10th) Business Day following the date the relevant black-out period or other trading restriction imposed by the Corporation is lifted, terminated or removed (provided that, for U.S. taxpayers such extension does not violate Section 409A). Where the Expiry Date of an Option falls immediately after a black-out period or other trading restriction imposed by the Corporation, and for greater certainty, not later than ten (10) Business Days after the black-out period or other trading restriction imposed by the Corporation, then the Expiry Date of such Option will be automatically extended by such number of days equal to ten (10) days less the number of Business Days after the black-out period that the Option expires (provided that, for U.S. taxpayers such extension does not violate Section 409A).
- (3) Subject to Section 3.7 and Section 4.5, the Exercise Price of each Share purchased under an Option must be paid in full in cash or by bank draft or certified cheque at the time of such exercise, and upon receipt of payment in full, the number of Shares in respect of which the Option is exercised will be duly issued as fully paid and non-assessable.
- (4) Upon the exercise of Options pursuant to this Section 4.4, the Corporation will immediately deliver, or cause the registrar and transfer agent of the Shares to deliver, to the relevant Participant (or his legal or personal representative) or to the order thereof, the number of Shares with respect to which Options have been exercised (subject to Section 3.7).
- (5) Subject to the other provisions of this Plan and any vesting limitations imposed by the Board at the time of grant, Options may be exercised, in whole or in part, at any time or from time to time, by a Participant by written notice given to the Corporation as required by the Board from time to time.

#### **Section 4.5 Cashless Exercise**

A participant may elect, in its sole discretion, to undertake: (i) a broker assisted “cashless exercise” pursuant to which the Corporation or its designee (including third party administrators) may deliver a copy of irrevocable instructions to a Broker engaged for such purposes to sell the Shares otherwise deliverable upon the exercise of the Options and to deliver promptly to the Corporation an amount equal to the Exercise Price and all applicable required Withholding Obligations against delivery of the Shares to settle the applicable trade; or (ii) a “net exercise” procedure effected by withholding the minimum number of Shares otherwise deliverable in respect of an Option that are needed to pay for the Exercise Price and all applicable required Withholding Obligations. In all events of cashless or net exercise pursuant to this Section 4.5: (i) the participant shall comply with Section 3.7 of the Plan with regards to any applicable Withholding Obligations; and (ii) shall comply with all such other procedures and policies as the Board may prescribe or determine to be necessary or advisable from time to time including prior written consent of the Board, in connection with such exercise.

#### **Section 4.6 Change of Control**

- (1) Despite any other provision of this Plan, in the event of a Change of Control Event, all unvested Options then outstanding will be substituted by or replaced with stock options of the surviving corporation (or any affiliate thereof) or the potential successor (or any affiliate thereto) (the “continuing entity”) on the same terms and conditions as the original Options, subject to appropriate adjustments.
- (2) If within 12 months of a Change of Control Event, a Participant’s service, consulting relationship, or employment with the Corporation, an Affiliate or the continuing entity is terminated without Cause, or the Participant resigns from his employment for Good Reason, the vesting of all Options then held by such Participant (and, if applicable, the time during which such Options may be exercised) will be accelerated in full.
- (3) If, upon a Change of Control Event, the continuing entity fails to comply with Section 4.6(1) above, the vesting of all then outstanding Options (and, if applicable, the time during which such Options may be exercised) will, at the discretion of the Board, be accelerated in full.
- (4) No fractional Shares or other security will be issued upon the exercise of any Option and accordingly, if as a result of a Change of Control Event, a Participant would become entitled to a fractional Share or other security, such Participant will have the right to acquire only the next lowest whole number of Shares or other security and no payment or other adjustment will be made with respect to the fractional interest so disregarded.
- (5) Despite anything else to the contrary in this Plan, in the event of a potential Change of Control Event, the Board will have the power, in its sole discretion, to modify the terms of this Plan and/or the Options to assist the Participants in tendering to a take-over bid or other transaction leading to a Change of Control Event. For greater certainty, in the event of a take-over bid or other transaction leading to a Change of Control Event, the Board has the power, in its sole discretion, to permit Participants to conditionally exercise their Options, such conditional exercise to be conditional upon the take-up by such offeror of the Shares or other securities tendered to such take-over bid in accordance with the terms of the take-over bid (or the effectiveness of such other transaction leading to a Change of Control Event). If, however, the potential Change of Control Event referred to in this Section 4.6(5) is not completed within the time specified (as the same may be extended), then despite this Section 4.6(5) or the definition of “Change of Control Event”, (i) any conditional exercise of vested Options will be deemed to be null, void and of no effect, and such conditionally exercised Options will for all purposes be deemed not to have been exercised, and (ii) Options which vested pursuant to this Section 4.6(5) will be returned by the Participant to the Corporation and reinstated as authorized but unissued Shares and the original terms applicable to such Options will be reinstated.
- (6) If the Board has, pursuant to the provisions of Section 4.6(5), permitted the conditional exercise of Options in connection with a potential Change of Control Event, then the Board will have the power, in its sole discretion, to terminate, immediately following actual completion of such Change of Control Event and on such terms as it sees fit, any Options not exercised (including all unvested Options).

#### **Section 4.7 Transfer and Assignment**

Options are not transferable or assignable by a Participant otherwise than by will or the laws of descent and distribution, and will be exercisable only by a Participant during the lifetime of the Participant, subject to Section 4.8(1)(c), by reason of death or

Disability only by the Participant's legal representative, provided that Options may be transferred or assigned by a Participant to, or exercisable by, a Permitted Assign of Participant with the Board's prior written consent and subject to such conditions as the Board may stipulate.

#### **Section 4.8 Termination of Service**

- (1) Subject to Section 4.8(1)(a), and except as otherwise set out in a Participant's employment agreement or Stock Option Certificate or as otherwise determined by the Board, in its sole discretion:
  - (a) if a Participant ceases to be an Eligible Person as a result of his resignation from the Corporation, each unvested Option held by the Participant will automatically terminate and become void immediately upon resignation, and each vested Option will cease to be exercisable on the earlier of the original Expiry Date of the Option and thirty (30) days following the Termination Date;
  - (b) if a Participant ceases to be an Eligible Person as a result of his Retirement, each unvested Option held by such Participant will continue to vest for a period of ninety (90) days from the date of his Retirement and all vested Options, including those that vest during such ninety (90) day period held by such Participant will continue to be exercisable for a period of up to the earlier of ninety (90) days from the date of his Retirement and the original Expiry Date of the Option, and afterwards each vested Option held by such Participant will cease to be exercisable and all unvested Options will terminate and become void;
  - (c) if a Participant ceases to be an Eligible Person by reason of death or Disability, each unvested Option held by such Participant will continue to vest for a period of twelve (12) months from the date of death or Disability and all vested Options, including those that vest during such twelve (12) month period held by such Participant will continue to be exercisable for a period of up to the earlier of twelve (12) months from the date of death or Disability and the original Expiry Date of the Option, and afterwards each vested Option held by such Participant will cease to be exercisable and all unvested Options will terminate and become void;
  - (d) if a Participant ceases to be an Eligible Person as a result of such Participant's service, consulting relationship, or employment with the Corporation or an Affiliate having been terminated for Cause, each Option held by the Participant, whether vested or unvested, will automatically terminate and become void; and
  - (e) if, other than in connection with a Change of Control Event as described in Section 4.6(2) above, a Participant ceases to be an Eligible Person as a result of such Participant's service, consulting relationship, or employment with the Corporation or an Affiliate having been terminated without Cause, or the Participant resigns from his employment for Good Reason, or the Participant is no longer serving as a director of the Corporation, each unvested Option held by the Participant will automatically terminate and become void on the Termination Date and each vested Option will cease to be exercisable on the earlier of the original Expiry Date of the Option and thirty (30) days following the Termination Date.
- (2) For the purposes of this Plan, a Participant's employment with the Corporation or an Affiliate is considered to have terminated effective on the last day of the Participant's actual and active employment with the Corporation or Affiliate, whether such day is selected by agreement with the individual, unilaterally by the Corporation or Affiliate and whether with or without advance notice to the Participant. For the avoidance of doubt, no period of notice, if any, or payment instead of notice that is given or that ought to have been given under applicable law, whether by statute, imposed by a court or otherwise, in respect of such termination of employment that follows or is in respect of a period after the Participant's last day of actual and active employment will be considered as extending the Participant's period of employment for the purposes of determining his entitlement under this Plan.
- (3) The Participant shall have no entitlement to damages or other compensation arising from or related to not receiving any awards which would have vested or accrued to the Participant after the date of cessation of employment or if working notice of termination had been given.

#### **Section 4.9 Notice**

Any notice required to be given by this Plan must be in writing and be given by registered mail, prepaid postage, or delivered by courier or by facsimile transmission addressed, if to the Corporation, to the office of the Corporation in Vancouver,

British Columbia, Attention: Legal Department; or if to a Participant, to such Participant by electronic mail at his or her email address, by hand delivery or courier at his or her address as it appears on the books of the Corporation or in the event of the address of any such Participant not so appearing, then to the last known address of such Participant; or if to any other person, to the last known address of such person.

**Section 4.10 Rights of Participants**

No person entitled to exercise any Option granted under this Plan has any of the rights or privileges of a Shareholder in respect of any underlying Shares issuable upon exercise of such Option, including without limitation, the right to participate in any new issue of Shares to existing holders of Shares, until such Option has been exercised and such underlying Shares have been paid for in full and issued to such person. For greater certainty, nothing contained in this Plan nor in any Option granted in accordance with this Plan is deemed to give any Participant any interest or title in or to any Shares or any other legal or equitable right against the Corporation or any of its Affiliates whatsoever other than as set forth in this Plan and pursuant to the exercise of any Option.

**Section 4.11 Right to Issue Other Shares**

The Corporation is not by virtue of this Plan restricted in any way from declaring and paying stock dividends, issuing further Shares, or varying or amending its share capital or corporate structure.

**Section 4.12 Quotation of Shares**

So long as the Shares are listed on the Stock Exchange, the Corporation must apply to the Stock Exchange for the listing or quotation, as applicable, of the Shares issued upon the exercise of all Options granted under this Plan, however, the Corporation cannot guarantee that such Shares will be listed or quoted on the Stock Exchange.

**ARTICLE 5  
BOARD APPROVAL**

**Section 5.1 Adoption**

This Plan was initially adopted by the Board on September 26, 2016 and amended and restated effective as of July 10, 2018.