



**CEMATRIX CORPORATION**

**ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON DECEMBER 8, 2021**

**NOTICE OF MEETING AND  
MANAGEMENT INFORMATION CIRCULAR**

**DATED: OCTOBER 26, 2021**

**TO BE HELD AT  
CEMATRIX CORPORATION**

**9727 – 40<sup>th</sup> Street S.E.**

**Calgary, Alberta**

**T2C 2P4**

*THIS NOTICE OF MEETING AND MANAGEMENT INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE DIRECTORS OF CEMATRIX CORPORATION OF PROXIES TO BE VOTED AT THE ANNUAL GENERAL MEETING OF SHAREHOLDERS OF CEMATRIX CORPORATION TO BE HELD ON DECEMBER 8, 2021.*

**CEMATRIX CORPORATION**  
**NOTICE OF ANNUAL GENERAL MEETING OF HOLDERS OF COMMON SHARES**

Notice is hereby given that the annual meeting (the “**Meeting**”) of the holders (“**Shareholders**”) of common shares (“**Common Shares**”) of CEMATRIX CORPORATION (the “**Corporation**”) will be held at the offices of the Corporation, 9727 – 40<sup>th</sup> St. S.E., Calgary, Alberta, T2C 2P4 at 10:00 a.m. (Mountain Standard Time), on December 8, 2021 for the following purposes:

1. To receive and consider the audited financial statements of the Corporation for the financial year ended December 31, 2020 and the report of its auditors;
2. To fix the board of directors of the Corporation (the “**Board**”) to be elected at the Meeting at seven (7) members and to elect the Board of the Corporation for the ensuing year and to elect the directors of the Corporation;
3. To consider and, if thought appropriate, to pass, with or without variation, an ordinary resolution approving the reappointment of MNP LLP, Chartered Accountants, as the Corporation’s auditor for the ensuing year and to authorize the Board to fix the auditor’s remuneration;
4. To consider, and if thought appropriate, to approve, with or without variation, an ordinary resolution, as more particularly set forth in the accompanying circular (the “**Circular**”) relating to the renewal and adoption of the Equity Incentive Plan of the Corporation; and
5. To transact any such other business as may properly be brought before the Meeting or any adjournment thereof.

The directors of the Corporation have fixed October 26, 2021 (the “**Record Date**”) as the record date for the determination of Shareholders entitled to receive notice of the Meeting.

Shareholders as of the Record Date are entitled to vote their Common Shares except to the extent that they have transferred the ownership of any of his or her Common Shares after the Record Date. The transferee of those Common Shares must produce properly endorsed share certificates or otherwise establish that he or she owns the Common Shares and requests, not later than 10 days before the date of the Meeting, to be included in the list of Shareholders eligible to vote at the Meeting, in which case such transferee will be entitled to vote those Common Shares at the Meeting.

**DATED** at Calgary, Alberta, October 26, 2021.

**By Order of the Board of Directors**

***Signed “Minaz Lalani”***

**Minaz Lalani**  
**Chairman of the Board**

**A registered Shareholder may attend the Meeting in person or may be represented by proxy. Due to the unprecedented public health impact of the coronavirus disease ("COVID-19") and the restrictions on mass gatherings implemented by the Government of Alberta, Shareholders and guests are strongly encouraged not to attend the meeting in person. All Shareholders are encouraged to vote in advance of the meeting by mail, in the manner set out in the meeting materials that have been sent to Shareholders. Additional attendance requirements may be added based on the changing nature of the public health advisories related to COVID-19. In the event that more people choose to attend in person than the government-imposed restrictions on mass gatherings, the meeting, by necessity, will be rescheduled to a later date.** To be effective, the enclosed proxy must be mailed so as to reach or be deposited with Computershare Trust Company of Canada, 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, not later than 48 hours (excluding Saturdays, Sundays and statutory holidays) prior to the time set for the Meeting or any adjournment thereof.

The persons named in the enclosed form of proxy (the "**Management Designees**") are members of the Corporation's management. **Each Shareholder has the right to appoint a proxyholder other than such persons, who need not be a Shareholder, to attend and to act for him or her and on his or her behalf at the Meeting.** To exercise such right, the names of the Management Designees should be crossed out and the name of the Shareholder's appointee should be legibly printed in the blank space provided.

**The instrument appointing the proxy shall be in writing and shall be executed by the Shareholder or his or her attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized.**

A live audio of the meeting will be available by conference call by dialing 1-844-511-2074 and using the participant code 720-803-646 to listen to the meeting via conference call.

## CEMATRIX CORPORATION

### INFORMATION CIRCULAR (as at October 26, 2021)

#### FOR THE ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON DECEMBER 8, 2021

#### GENERAL PROXY INFORMATION

##### PURPOSE OF SOLICITATION

This Circular is furnished in connection with the solicitation of proxies by the management of Cematrix Corporation (the “**Corporation**”) for use at the annual and special meeting of the common shareholders of the Corporation (the “**Meeting**”), to be held at the offices of the Corporation, 9727 – 40<sup>th</sup> St. S.E., Calgary, Alberta, T2C 2P4 at 10:00 a.m. (Mountain Standard Time), on December 8, 2021, or at any adjournment for the purposes set out in the accompanying notice of meeting (the “**Notice**”).

The solicitation of proxies will be conducted primarily by mail and the cost of the solicitation will be borne by the Corporation. **The Corporation may retain other persons, entities or companies to solicit proxies on its behalf which may be by phone, email, fax or in person.**

##### APPOINTMENT AND REVOCATION OF PROXIES

**Shareholders have the right to appoint a nominee (who need not be a shareholder) to represent them at the Meeting other than the persons designated in the enclosed form of proxy, and may do so by inserting the name of the appointed representative in the blank space provided in the form of proxy.**

A form of proxy will not be valid for the Meeting or any adjournment unless it is completed by the shareholder or by his attorney authorized in writing and must be delivered by mail to Computershare Trust Company of Canada, 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, not later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) before the Meeting or any adjournment thereof.

In addition to revocation in any other manner permitted by law, a shareholder who has given a proxy may revoke it as to any matter upon which a vote has not already been cast pursuant to the authority conferred by the proxy. A proxy may be revoked by either executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the shareholder or by his authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by depositing the proxy bearing a later date with Computershare Trust Company of Canada, 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, at any time up to and including the last business day preceding the date of the Meeting or any adjournment at which the proxy is to be used, or by depositing the revocation of proxy with the chairman of such Meeting on the day of the Meeting, or any adjournment of the Meeting.

##### VOTING OF PROXIES

The persons named in the enclosed form of proxy are directors and/or officers of the Corporation and have indicated their willingness to represent as proxy the shareholder who appoints them. Each shareholder may instruct his proxy how to vote his shares by completing the proxy form.

The person indicated in the accompanying proxy shall vote the shares in respect of which they are appointed in accordance with the direction of the shareholder appointing them. **In the absence of such direction, the Management Designees named in the accompanying proxy will vote such shares in favour of the matters on which the Shareholder is entitled to vote as specified in the Notice, and more specifically in favour of:**

1. **the election of the persons proposed to be nominated by management as directors;**
2. **the appointment of MNP LLP, as auditors of the Corporation; and**

### 3. the approval of the Corporation's Equity Incentive Plan.

all as more specifically described in this Information Circular.

**THE ENCLOSED FORM OF PROXY CONFERS DISCRETIONARY AUTHORITY UPON THE PERSON INDICATED IN THE PROXY WITH RESPECT TO AMENDMENTS OR VARIATIONS TO MATTERS IDENTIFIED IN THE NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS AND WITH RESPECT TO OTHER MATTERS WHICH MAY PROPERLY COME BEFORE THE MEETING.** At the time of printing of the Information Circular, the management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice and the Information Circular. If any matters which are not now known to the directors and senior officers of the Corporation should properly come before the Meeting, the persons named in the accompanying form of proxy will vote on such matters in accordance with their best judgment.

#### **ADVICE TO BENEFICIAL SHAREHOLDERS**

**The information set forth in this section is of significant importance to many shareholders of the Corporation, as a substantial number of shareholders do not hold Common Shares in their own name.**

Shareholders who do not hold their Common Shares in their own name (referred to in this Information Circular as "**Beneficial Shareholders**") should note that only proxies deposited by shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If shares are listed in an account statement provided to a shareholder by a broker, then, in almost all cases, those shares will not be registered in the shareholder's name on the records of the Corporation. Such shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). Shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, a broker and its agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person.**

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their shares are voted at the Meeting. The majority of the brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. ("**Broadridge**"). Broadridge typically uses its own form of proxy, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to either return the proxy forms to Broadridge or alternatively provide voting instructions by utilizing an internet on-line or automated telephone system. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder receiving a proxy from Broadridge cannot use that proxy to vote Common Shares directly at the Meeting. The proxy must be returned to Broadridge well in advance of the Meeting in order to have the Common Shares voted.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his broker (or an agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the registered shareholder and vote the Common Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered shareholder, should enter their own names in the blank space on the instrument of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

All references to shareholders in this Information Circular, the accompanying instrument of proxy and Notice are to shareholders of record unless specifically stated otherwise.

#### **RECORD DATE AND VOTING COMMON SHARES**

Only the Common Shares are entitled to vote at the Meeting. As of the date of this Information Circular, 133,749,938 Common Shares without nominal or par value are issued and outstanding. Each Common Share entitles the holder to

one vote on all matters to come before the Meeting. No group of shareholders has a right to elect a specified number of directors, nor is there cumulative or similar voting rights attached to the Common Shares of the Corporation.

The record date for determining the Shareholders entitled to receive notice of, attend and vote at the Meeting was fixed by the board of directors of the Corporation (the “**Board**”) as October 26, 2021 (the “**Record Date**”). A shareholder of record as of the Record Date is entitled to vote his Common Shares except to the extent that he has transferred the ownership of any of his shares after the Record Date, and the transferee of those shares produces properly endorsed share certificates or otherwise establishes that he owns the shares, and demands, not later than 10 days before the Meeting, that his name be included in the shareholder list before the Meeting, in which case the transferee is entitled to vote his shares at the Meeting.

## **PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING**

### **FINANCIAL STATEMENTS**

The Board of Directors of the Corporation has approved all of the information in the audited financial statements of the Corporation for the year ended December 31, 2020 and the report of the Auditor thereon, all of which may be reviewed on SEDAR at [www.sedar.com](http://www.sedar.com) or the Corporation's website [www.cematrix.com](http://www.cematrix.com).

### **ELECTION OF BOARD OF DIRECTORS**

The following table sets forth the name of the seven persons proposed to be nominated for election as a director of the Corporation, all positions and offices in the Corporation presently held by them, their municipality of residence, principal occupation at the present and during the preceding five years, the period during which they have served on the Board, and the number and percentage of Common Shares that the nominee has advised are beneficially owned by the nominee, directly or indirectly, or over which control or direction is exercised, as of the date hereof.

**Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote for the election of the persons named in the following table to the Board.** The Board does not contemplate that any of such nominees will be unable to serve as directors. Each director elected will hold office until the next annual meeting of the Shareholders or until his successor is duly elected.

Name and Municipality of Residence	Principal Occupation for Past Five Years	Office Held and Date Appointed	Voting Shares Beneficially Owned or over which Control or Direction is Exercised <sup>(1)</sup>
<b>Jeffrey Kendrick</b> <sup>(2)(3)</sup> Calgary, Alberta	President and Chief Executive Officer of the Corporation since June 19, 2008	President, Chief Executive Officer and Director  (June 18, 2008)	3,005,749  (2.2%)
<b>Robert L. Benson</b> <sup>(3)(4)</sup> Victoria, British Columbia	Retired in 2007; prior thereto, Vice President and Chief Operating Officer of Kemex Limited, an engineering company that focused on design engineering of process facilities in the oil and gas field, from 2005 to 2007.	Director  (July 28, 2008)	85,000  (0.1%)
<b>Steve Bjornson</b> <sup>(2)</sup> Calgary, Alberta	Independent businessman; prior thereto, Chief Financial Officer of Valeura Energy Inc. from June 29, 2010 to January 8, 2020, a Calgary based company engaged in the exploitation, development and production of petroleum and natural gas, both domestically and internationally.	Director  (July 28, 2008)	25,000  (<0.1%)
<b>Patrick N. Breen, Q.C.</b> <sup>(3)</sup> Calgary, Alberta	Lawyer with Miller Thompson LLP since March 2019. Lawyer with McLeod Law LLP from May 1996 to March, 2019.	Director  (July 28, 2008)	150,000  (0.1%)

Name and Municipality of Residence	Principal Occupation for Past Five Years	Office Held and Date Appointed	Voting Shares Beneficially Owned or over which Control or Direction is Exercised <sup>(1)</sup>
<b>Minaz Lalani</b> <sup>(2)(4)</sup> Calgary, Alberta	Executive Chairman of Besurance Corporation, which is involved with the design and implementation of risk sharing solutions since July 2013. Also Managing Principal and consulting actuary at Lalani Consulting Group, an actuarial and risk consulting firm since February 2010.	Director (March 16, 2010)	657,571 (0.5%)
<b>Anna-Maria Cuglietta</b> <sup>(4)</sup> Calgary, Alberta	Executive level Human Resources officer. Previously Vice President of Human Resources at Stuart Olson, which is a large construction company since 2018. Prior to Senior Director of Human Resources at Stuart Olson.	Director (April 26, 2021)	0 (0.0%)
<b>John M. Kim</b> <sup>(2)</sup> Toronto, Ontario	Director, WELL Health Technologies Corp and Director, EMEGE Commerce.; Independent businessman advising a number or technology start-ups; Portfolio Manager, Aventine Management Group; Portfolio Manager, Aston Hill Financial	Director (October 1, 2021)	150,000 (0.1%)

**Notes:**

- (1) The information as to shares beneficially owned, directly or indirectly, or over which control or discretion is exercised, is based upon information furnished to the Corporation by the respective directors as at the date hereof and calculated using 133,749,938 total Common Shares issued and outstanding.
- (2) Member of the Audit Committee.
- (3) Member of the Corporate Governance Committee.
- (4) Member of the Compensation Committee.

**Corporate Cease Trade Orders or Bankruptcies**

None of those persons who are proposed directors of the Corporation are, or have been within the past ten years, a director, trustee, chief executive officer or chief financial officer of any entity, including the Corporation that, while such person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the entity access to any exemption under securities legislation for a period of more than 30 consecutive days, or after such persons ceased to be a director, trustee, chief executive officer or chief financial officer of the entity, were the subject of a cease trade or similar order or an order that denied the entity access to any exemption under securities legislation, for a period of more than 30 consecutive days, which resulted from an event that occurred while acting in such capacity.

In addition, none of those persons who are proposed directors of the Corporation was, or have been within the past ten years, a director, trustee or executive officer of any entity, including the Corporation, that, while such person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

**Penalties or Sanctions**

None of those persons who are proposed directors of the Corporation (or any personal holding companies) have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable Shareholder in deciding whether to vote for a proposed director.

**Personal Bankruptcies**

No proposed director of the Corporation, or a personal holding company of any such person has, within the past ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject

to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such person.

## **REAPPOINTMENT OF AUDITOR**

The Board proposes to reappoint MNP LLP, Chartered Accountants, as the auditor of the Corporation. MNP LLP, Chartered Accountants, has served as the auditor of the Corporation since April 14, 2005.

**In the absence of contrary directions, the Management Designees intend to vote proxies in the accompanying form in favour of the ordinary resolution, which reappoints MNP LLP, Chartered Accountants, as the auditor of the Corporation for the ensuing year and which authorizes the Board to fix the auditor's remuneration.**

## **RE-APPROVAL OF OMNIBUS EQUITY INCENTIVE COMPENSATION PLAN**

The Board approved the Equity Incentive Plan on October 9, 2020, and the Corporation received Disinterested Shareholder Approval for the Equity Incentive Plan at the Annual and Special Meeting of Shareholders held on December 9, 2020. There are no changes currently contemplated to the Equity Incentive Plan. Pursuant to the policies of the Exchange, the Equity Incentive Plan must be approved annually by a majority of the votes cast by shareholders, excluding votes attached to the shares beneficially owned by Insiders (as such term is defined in Policy 1.1 – Interpretation of the Corporate Finance Manual of the Exchange) to whom restricted share units ("RSUs") may be granted under the Equity Incentive Plan and their associates and affiliates ("**Disinterested Shareholders**").

The Equity Incentive Plan includes a rolling stock option plan that provides for the grant of stock options ("**Stock Options**"), and RSUs. Under the Equity Incentive Plan, these awards are available to employees, employees of a person or company which provides management services to the Corporation, consultants, and directors of the Corporation (collectively, "**Eligible Persons**"). A "Participant" is an Eligible Person to whom a stock award has been granted under the Equity Incentive Plan. The maximum number of Common Shares which may be reserved and set aside for issuance upon the grant of awards under the Equity Incentive Plan will be 10% of the Corporation's issued and outstanding share capital at the time of any grant, inclusive of a maximum of 6,456,673 Common Shares issuable pursuant to RSUs issued under the Equity Incentive Plan. The Equity Incentive Plan is a "rolling" maximum option plan, and any increase or decrease or reduction in the number of outstanding Common Shares will result in an increase or decrease, respectively, in the number of Common Shares that are available to be issued under the Equity Incentive Plan.

The maximum number of Common Shares reserved for issue pursuant to stock awards granted to Participants who are insiders of the Corporation in any 12-month period may not exceed, in the aggregate, 10% of the number of Common Shares then outstanding, unless disinterested shareholder approval is received in accordance with the policies of the Exchange. The maximum number of Common Shares reserved for issue to any one Participant upon the exercise of options in any 12-month period may not exceed 5% of the number of Common Shares then outstanding, unless disinterested shareholder approval is received therefor in accordance with the policies of the Exchange. Notwithstanding the foregoing, the maximum number of Common Shares reserved for issue to any one consultant upon the exercise of stock option grants in any 12-month period shall not exceed 2% of the number of Common Shares then outstanding. The maximum number of Common Shares reserved for issue to all persons conducting Investor Relations Activities (as such term is defined in the policies of the Exchange) upon the exercise of stock options in any 12-month period shall not exceed, in the aggregate, 2% of the number of Common Shares then outstanding. For greater certainty, persons conducting Investor Relations Activities may not be granted RSUs.

The RSUs are subject to such restrictions as the Board may impose and which comply with the requirements of the Exchange, which restrictions may lapse separately or in combination at such time or times, in such instalments or otherwise as the Board determines. The Board is authorized to grant RSUs, in the form of Common Shares, to Eligible Persons, subject to the terms and conditions of the Equity Incentive Plan and any requirements of the Exchange. Under the Equity Incentive Plan, a fixed number of RSUs in the form of Common Shares are reserved for issuance, which, in combination with the aggregate number of Common Shares issuable under the Equity Incentive Plan shall not exceed 10% of the total number of issued and outstanding Common Shares at the time of any grant.

The Equity Incentive Plan is administered by the Board, which has the authority to delegate administration of the plan to one or more of its committees. All employee stock option awards will be governed by a stock option agreement and vest in accordance with the vesting schedule set forth in such stock option agreement. The Board may choose to accelerate the vesting schedule upon a change of control. The exercise price for incentive and non-statutory stock



options granted under the Equity Incentive Plan shall not be less than the Discounted Market Price (as defined in the policies of the Exchange), or such other price as permitted pursuant to a waiver obtained from the Exchange, of Common Shares on the effective date of grant of the option; provided however, that no incentive stock option granted to a participant holding 10% or more of the Common Shares shall have an exercise price per Common Share that is less than one hundred ten percent (110%) of the fair market value of a Common Share on the effective date of grant of the option. The term of each option shall be fixed by the Board, but no option shall be exercisable more than ten years after the date the option is granted. In the case of an incentive stock option that is granted to a participant who, on the grant date, owns 10% of the voting power of all classes of the Common Shares, the term of such option shall be no more than ten years from the date of grant.

All Stock Options and RSUs are non-assignable and non-transferable. The Equity Incentive Plan provides that, during the lifetime of a participant, an option shall be exercisable only by a participant or a participant's guardian or legal representative. Neither Stock Options nor RSUs shall be subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance, or garnishment by creditors of a participant or a participant's beneficiary, except transfer by will or by the laws of descent and distribution.

Stock Options and RSUs will be evidenced by award agreements that set forth the terms, conditions and limitations for each option and RSU which may include, without limitation, the term of an option and the provisions applicable in the event employment or service terminates.

The Board may, at any time, amend, suspend or terminate the Equity Incentive Plan and the administrator may, at any time, amend or cancel any outstanding Stock Options or RSUs. To the extent required under the rules of any securities exchange or market system on which the Common Shares are listed, amendments to the Equity Incentive Plan shall be subject to approval by the Corporation's shareholders entitled to vote at a meeting of shareholders

At the Meeting, Disinterested Shareholders will be asked to consider and, if deemed advisable, approve the following resolutions:

**"BE IT RESOLVED THAT:**

1. the Equity Incentive Plan of the Corporation, approved by the Board and in substantially the form attached as Schedule "B" to the Information Circular of the Corporation dated October 26, 2021 is hereby approved;
2. the Corporation is hereby authorized to issue awards under the Equity Incentive Plan to acquire up to 10% of the issued and outstanding Common Shares in the capital of the Corporation, inclusive of a maximum of 6,456,673 Common Shares reserved for issuance upon the exercise of RSU awards granted pursuant to the Equity Incentive Plan, subject in each case to compliance with the policies of the TSX Venture Exchange;
3. the issued and outstanding compensation securities shall be continued under and governed by the Equity Incentive Plan;
4. the Board is hereby authorized to make any changes to the Equity Incentive Plan: (a) as may be required by the TSX Venture Exchange; or (b) that are consistent with the requirements of the TSX Venture Exchange as may be determined from time to time by the Board; and
5. any one director or officer of the Corporation be and is hereby authorized, for and on behalf of the Corporation, to execute and deliver all documents and do all things as such person may determine to be necessary or advisable to give effect to this resolution, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination."

In order for the resolution to be passed, approval by the majority of the Common Shares voted in respect thereof at the Meeting by Disinterested Shareholders is required. The Board unanimously recommends that shareholders vote FOR the Equity Incentive Plan resolution.

**OTHER BUSINESS**

The Corporation’s management is not aware of any other matters to come before the Meeting other than those set out in the Notice. If other matters come before the Meeting, it is the intention of the Management Designees to vote the same in accordance with their best judgment in such matters.

**APPROVAL AND CERTIFICATION**

The contents and the sending of the Notice and this Information Circular have been approved by the Board of Directors of the Corporation.

**DATED** this 26<sup>h</sup> day of October, 2021.

**ON BEHALF OF THE BOARD OF DIRECTORS  
OF CEMATRIX CORPORATION**

Per: **Signed “Minaz Lalani”**  
Minaz Lalani  
Chairman of the Board

## **PRINCIPAL SHAREHOLDERS**

To the knowledge of the Board, as at the date of this Information Circular, no person beneficially owns, or controls or directs, directly or indirectly, more than 10% of the voting rights attached to all of the issued and outstanding Common Shares

## **COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS**

### *Overview*

The Corporation has a compensation committee (the "**Compensation Committee**") that is responsible for setting the overall compensation strategy of the Corporation and evaluating and making recommendations to the Board for the compensation of directors and senior officers and is comprised solely of independent directors.

In developing the compensation strategy, the Compensation Committee considers the stage of development of the Corporation, the small number of executive officers, the external market for similar positions and the financial performance of the Corporation. These factors influence both the elements of compensation and the sophistication of the manner of their determination. In addition, the Corporation relies on the flexibility of the executive officers in relation to their receipt of compensation.

### *Objectives of Compensation Program*

It is the objective of the Corporation's compensation program to attract and retain highly qualified executives and to link incentive compensation to performance and shareholder value. In evaluating the annual performance of the executive officers, the Compensation Committee considers quantitative objectives including relative shareholder value as well as qualitative aspects of the individual's performance and achievements.

### *Role of the Executive Officers in the Compensation Process*

The Compensation Committee will receive and review any recommendations of the President and Chief Executive Officer relating to the general compensation structure and programs for the Corporation and the salary and benefit levels of executive officers.

### *Elements of the Compensation Program*

The Corporation's compensation comprises: (i) base salary and benefits, (ii) an annual incentive plan, and (iii) incentive stock options under the stock option plan of the Corporation. Each component of the executive compensation program is addressed below.

### *Base Salaries and Benefits*

Salaries for the executive officers are reviewed annually based on corporate and personal performance and on individual levels of responsibility. Salaries for the executive officers are not determined based on a specific formula. The Compensation Committee submits its recommendation to the Board as to the salary of the President and Chief Executive Officer, the Chief Financial Officer and Corporate Secretary and the Vice-President of Sales & General Manager. The Compensation Committee considers and, if thought appropriate, approves salaries recommended by the President and Chief Executive Officer for the other executive officers of the Corporation. Base salaries are established to be competitive in order to attract and retain highly qualified executives.

Other components of compensation may include personal benefits as determined by the Compensation Committee that are consistent with the overall compensation strategy. There is no formula for how personal benefits are utilized in the total compensation package. The Corporation does not provide any pension or retirement benefits to its executive officers.

### *Annual Incentive Plan*

Individual payments from the annual incentive plan to individual employees, including the executive officers, is determined by the President and Chief Executive Officer, based on the achievement of quantitative results of the

Corporation and on quantitative and qualitative performance of each individual. The President and Chief Executive Officer's recommendations for the allocation of the annual incentive plan to individuals are presented to the Compensation Committee and the Board for approval. There is no formula for determining the individual payment. The annual incentive plan rewards employees, including the executive officers, for delivering annual shareholder value. It was put in place in order to attract and retain highly qualified executives. Incentive plan awards of \$nil were made during the financial year ended December 31, 2020.

#### *Omnibus Equity Incentive Compensation Plan*

The Compensation Committee administers the omnibus equity incentive compensation plan of the Corporation (the "**Equity Incentive Plan**"). The Plan is designed to provide a long-term incentive that is linked to shareholder value. The Compensation Committee determines the appropriate number of options or RSUs ("**Award**") to be granted to each executive officer based on the level of responsibility and experience in the position. The Compensation Committee regularly reviews and where appropriate adjusts the Award granted to individuals and determines the vesting provisions of such Awards. The Compensation Committee sets the number of Awards granted as appropriate to design and attract and retain qualified and talented employees. The Compensation Committee also takes into account the Corporation's contractual obligations and the award history for all participants in the Equity Incentive Plan.

The Plan provides that up to 10% of the issued and outstanding Common Shares may be reserved for issuance thereunder. The exercise price of each security granted shall be determined by the Board, subject to applicable TSX Venture Exchange Inc. (the "**Exchange**") approval, at the time any security is granted. In no event shall such exercise price be lower than the exercise price permitted by the Exchange. Once the exercise price has been determined by the Board, accepted by the Exchange and the option has been granted, the exercise price of an security may be reduced upon receipt of Board approval, provided that in the case of options held by insiders of the Corporation (as defined in the policies of the Exchange), the exercise price of an option may be reduced if disinterested shareholder approval is obtained. The number of Shares subject to an option granted to any one person shall be determined by the Board, but no one person shall be granted an Award which exceeds the maximum number permitted by the Exchange. In addition, no single person may be granted Awards where the resulting number of Common Shares granted would equal more than 5% of the issued Common Shares in any twelve-month period unless the Corporation has obtained disinterested shareholder approval in respect of such grant and meets applicable Exchange requirements. Awards shall not be granted if the result would be the issuance of more than 2% of the issued Common Shares in any twelve-month period to any one consultant of the Corporation (or any of its subsidiaries). Awards shall not be granted if the result would be the issuance of more than 2% of the issued Common Shares in any twelve-month period to persons employed to provide investor relation activities. Awards granted to consultants performing investor relations activities will contain vesting provisions such that vesting occurs over at least 12 months with no more than ¼ of the options vesting in any 3-month period. For greater certainty, persons conducting Investor Relations Activities may not be granted RSUs. The maximum term of an option may not exceed ten years.

### Summary Compensation Table

The following table provides compensation information for the financial years of the Corporation ended December 31, 2020 and 2019 for Jeffrey Kendrick, the President and Chief Executive Officer of the Corporation, Randy Boomhour, Chief Financial Officer and Corporate Secretary of the Corporation, Stephen Bent, Vice-President of Sales & General Manager, Jordan Weiner, President of MixOnSite USA, Inc. and Pat Stephens (collectively, the “**Named Executive Officers**”) and the directors of the Corporation. Other than the Named Executive Officers, there were no other executive officers of the Corporation at the end of the most recently completed financial year whose total compensation exceeded \$150,000 per year. Employees based in the USA are paid in US dollars and converted here at the average exchange rate for the year of 1.3412 for 2020 and 1.3268 for 2019.

Table of compensation excluding compensation securities							
Name and Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites(\$)	Value of all other compensation (\$)	Total compensation (\$)
<b>EXECUTIVE OFFICERS</b>							
<b>Jeffrey Kendrick</b> <sup>(1)</sup> President, Chief Executive Officer and Director	2020	175,000	Nil	Nil	12,000	Nil	187,000
	2019	154,729	25,000	Nil	9,500	Nil	189,229
<b>Randy Boomhour</b> <sup>(2)</sup> Chief Financial Officer	2020	13,077	Nil	Nil	Nil	Nil	13,077
	2019	N/A	N/A	N/A	N/A	N/A	N/A
<b>James Chong</b> <sup>(3)</sup> Chief Financial Officer	2020	140,000	Nil	Nil	Nil	16,154	156,154
	2019	140,000	Nil	Nil	Nil	Nil	140,000
<b>Stephen Bent</b> Vice-President and General Manager	2020	146,320	Nil	Nil	9,000	Nil	155,320
	2019	137,807	Nil	Nil	9,000	Nil	146,807
<b>Jordan Weiner</b> <sup>(4)</sup> President of MixOnSite USA, Inc.	2020	341,748	15,759	Nil	12,083	Nil	369,590
	2019	331,700	83,505	Nil	11,953	Nil	427,158
<b>Pat Stephens</b> <sup>(5)</sup> President of Pacific International Grout Co.	2020	341,748	Nil	Nil	Nil	Nil	341,748
	2019	82,925	Nil	Nil	Nil	Nil	82,925
<b>BOARD OF DIRECTORS</b>							
<b>Robert L. Benson</b> Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
<b>Steve Bjornson</b> Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
<b>Patrick N. Breen</b> Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil

<b>Dan Koyich</b> <sup>(6)</sup>	2020	Nil	Nil	Nil	Nil	Nil	Nil
Director	2019	Nil	Nil	Nil	Nil	Nil	Nil
<b>Minaz Lalani</b>	2020	Nil	Nil	Nil	Nil	Nil	Nil
Director	2019	Nil	Nil	Nil	Nil	Nil	Nil
<b>Edward Weiner</b> <sup>(7)</sup>	2020	26,824	Nil	Nil	Nil	Nil	26,824
Director	2019	26,536	Nil	Nil	Nil	Nil	26,536
<b>Anna Cuglietta</b> <sup>(8)</sup>	2020	NA	NA	NA	NA	NA	NA
Director	2019	NA	NA	NA	NA	NA	NA
<b>John M. Kim</b> <sup>(9)</sup>	2020	NA	NA	NA	NA	NA	NA
Director	2019	NA	NA	NA	NA	NA	NA

**Notes:**

- (1) All compensation received by Jeffrey Kendrick were earned in his capacity as President and Chief Executive Officer of the Corporation. He received no compensation for acting as a director. Mr. Kendrick's base salary was increased to \$253,000 effective April 1, 2021.
- (2) Randy Boomhour started with the Corporation on December 9, 2020 as Chief Financial Officer and Corporate Secretary. Mr. Boomhour's annualized base salary is \$212,500.
- (3) James Chong's employment with the Corporation was terminated on December 9, 2020. The value of all other compensation represents the payout of vacation upon termination.
- (4) Jordan Weiner joined the Corporation on May 31, 2019 as President of MixOnSite USA, Inc.
- (5) Pat Stephens started with the Corporation on Oct 1, 2020 as President of Pacific International Grout Co.
- (6) Dan Koyich resigned from the Board effective September 30, 2021.
- (7) Mr. Weiner ceased to be a Board member upon his death in May 2020. The compensation earned by Mr. Weiner was in his role as a consultant to the Corporation.
- (8) Ms. Cuglietta joined the Board on April 21, 2021
- (9) Mr. Kin joined the Board on October 1, 2021

**Stock options and other compensation securities**

The following are stock options, or other compensation securities, granted or issued to each director and Named Executive Officer by the Corporation in the most recently completed financial year.

Compensation Securities							
Name and Position	Type of compensation security	Number of compensation securities number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
<b>Randy Boomhour</b> Chief Financial Officer	Stock options	250,000 0.2%	December 29, 2020	\$0.59	\$0.59	\$0.72	December 29, 2025

### Exercise of Compensation Securities by Directors and Named Executive Officers

The following are stock options, or other compensation securities, exercised by each director and Named Executive Officer by the Corporation in the most recently completed financial year.

Compensation Securities							
Name and Position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

### Stock Option Plans and other Incentive Plans

Shareholders of the Corporation last approved a “rolling” stock option plan on December 4, 2019, being the “Plan”, pursuant to which up to a maximum of 10% of the outstanding Common Shares as of the date of grant are reserved for the grant and issuance of incentive stock options. Under the Equity Incentive Plan, the exercise price of an option may not be set at less than the minimum price permitted by the TSX-V, and the options may be exercisable for a period of up to 10 years. The aggregate number of options granted to any one individual during any twelve-month period may not exceed 5% of the issued shares of the Corporation, or 2% in the case of consultants and investor relations representatives. For further particulars regarding the Equity Incentive Plan, see “*Compensation Discussion and Analysis - Stock Option Plan*”, above.

As at the date of this Information Circular, the Corporation had issued 210,526 RSUs to acquire a total of 210,526 Common Shares to employees of the Corporation. As of the date of this Information Circular, the Corporation was authorized to issue 6,456,673 RSUs, leaving a maximum number of 6,246,147 RSUs available for issuances under the equity incentive plan.

As at the date of this Information Circular, the Corporation had issued 3,575,000 stock options to acquire a total of 3,575,000 Common Shares to directors, officers, employees and consultants of the Corporation. As of the date of this Information Circular, the Corporation was authorized to issue options covering up to ten (10%) percent of its then outstanding Common Shares, or 13,374,994 shares, leaving a maximum number of 9,589,468 Common Shares available for issuances under the equity incentive plan.

### Employment, consulting and management agreements

The Corporation, through its wholly owned subsidiary CEMATRIX Canada Inc. (“**CEMATRIX Canada**”), has employment agreements with each of its Named Executive Officers which provide for the salary compensation indicated above. Other than as set forth below, the Corporation has no contract, agreement, plan or arrangement that provides for payments to a Named Executive Officer or a director at, following, or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Corporation or a change in a Named Executive Officer’s or director’s responsibilities.

Pursuant to the employment agreements (the “**Employment Agreements**”) between CEMATRIX Canada and Jeffrey Kendrick and Stephen Bent, both dated May 17, 2001, CEMATRIX Canada agreed to engage both Mr. Kendrick and Mr. Bent upon the following terms and conditions related to their termination and a change in control of the Corporation:

- (a) CEMATRIX Canada agreed to give both Mr. Kendrick and Mr. Bent one year’s notice in the event that the Employment Agreements are terminated by CEMATRIX Canada, subject to certain exceptions, including cause, fraud dishonesty or other misconduct, death or incapacity or inability to conduct duties for a period in excess of three months; and

- (b) CEMATRIX Canada agreed to give both Mr. Kendrick and Mr. Bent two year’s notice in the event that the Employment Agreements are terminated by CEMATRIX Canada upon the happening of a “change of control”.
- (c) Pursuant to the employment agreement between CEMATRIX Canada and Randy Boomhour dated December 9, 2020, CEMATRIX Canada agreed to a payment of twelve (12) months gross annual base salary in the event of a termination of employment (except for cause) or change or control.
- (d) Pursuant to the employment agreement between MixOnSite USA, Inc. and Jordan Weiner dated May 31, 2018, the Company agreed to engage Mr. Weiner for a period of 3 years to May 31, 2021. During this term, Mr. Weiner is entitled to a base salary of \$250,000 USD and a 10% bonus of the pre-tax income of MixOnSite USA, Inc.

Pursuant to the employment agreement between Pacific International Grout Co. and Pat Stephens dated October 1, 2019, the Company agreed to engage Mr. Stephens for a period of 4 years to October 1, 2023. During this term, Mr. Stephens is entitled to a base salary of \$250,000 USD and an earnout equal to 65% of the EBTIDA in excess of five hundred thousand US dollars (\$500,000 USD) in each 12 month period following October 1, 2019 of Pacific International Grout Co.

Estimated Incremental Payments as of December 31, 2020

The following table sets forth the estimated incremental payments that would have been required to have been made to the Named Executive Officers or directors had either a Named Executive Officer or director been terminated without cause or following a change of control, in each case had such events occurred on December 31, 2020.

Name	Base Salary (\$)	Option Plan (\$) <sup>(1)</sup>	Total (\$)
<b>Jeffrey Kendrick,</b> President and Chief Executive Officer	Without Cause: 175,000 Change of Control: 350,000	175,000	Without Cause: 350,000 Change of Control: 525,000
<b>Randy Boomhour,</b> Chief Financial Officer	212,500	Nil	212,500
<b>Stephen Bent</b> Vice President and General Manager	Without Cause: 150,000 Change of Control: 300,000	122,500	Without Cause: 272,500 Change of Control: 525,000
<b>Jordan Weiner (2)</b> President of MixOnSite USA, Inc.	335,300	58,500	393,800
<b>Pat Stephens (2)</b> President of Pacific International Grout Co.	335,300	78,000	413,300

Notes:

- (1) Pursuant to the stock option agreements between the Corporation and employees, in the event of a change of control of the Corporation, any options not vested on the date of the change in control shall vest immediately. The value of the in-the-money options is determined based on the number of options outstanding as of December 31, 2020 and the difference between the exercise price of the options and the closing market price of the Exchange as at that date. The closing market price at December 31, 2020, the last trading day of the year on the Exchange, was \$0.59.
- (2) Mr Weiner and Mr Stephens base salaries are paid in US dollars. Amounts in this chart are converted from US dollars to Canadian dollars using the average exchange rate for 2020 of 1.3412.



### Pension Plan Benefits

The Corporation currently has no defined benefit, pension, retirement, deferred compensation or actuarial plans for its Named Executive Officers or directors of the Corporation.

### Securities Authorized for Issuance Under Equity Compensation Plans

The following table sets forth the Corporation's compensation plans under which equity securities are authorized for issuance as at December 31, 2019.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights</b>	<b>Weighted average exercise price of outstanding options, warrants and rights</b>	<b>Number of securities remaining available for future issuance under equity compensation plans</b>
RSUs under equity compensation plans approved by Shareholders (1)	210,526	N/A	6,246,147
Stock options under equity compensation plans approved by Shareholders (1)	3,575,000	0.35	9,589,468
Equity compensation plans not approved by Shareholders	N/A	N/A	N/A
Total	3,785,526	0.35	9,589,468

The Corporation's maximum number of securities (RSUs and Stock Options combined) available for issue under the Equity Compensation plan is 10% of the issued and outstanding common shares of the company or 13,374,994 (10% of 133,749,938).

## AUDIT COMMITTEE

The audit committee of the Corporation (the “Audit Committee”) currently consists of Mr. Steve Bjornson (Chairman), Mr. Minaz Lalani, and Mr. John Kim. The general function of the Audit Committee is to review the overall audit plan and the Corporation’s system of internal controls, to review the results of the external audit and to resolve any potential dispute with the Corporation’s auditors.

### 1. The Audit Committee’s Charter

A copy of the Audit Committee Charter is included as Schedule “A” to the Corporation’s Information Circular for its 2020 annual and general meeting, a copy of which is available on [www.sedar.com](http://www.sedar.com) and [www.cematrix.com](http://www.cematrix.com). The Corporation will provide a copy of the Audit Committee Charter to a shareholder upon request at no charge to the shareholder.

### 2. Composition of the Audit Committee

The following are the members of the Audit Committee:

Name	Independent/ Not Independent <sup>(1)</sup>	Financially Literate/Not Financially Literate <sup>(1)</sup>	Relevant Education and Experience
Steve Bjornson (Chair)	Independent	Financially Literate	Mr. Bjornson is a Chartered Professional Accountant (“CPA”).
Minaz Lalani	Independent	Financially Literate	Mr. Lalani is an actuary and he has the educational background and consulting experience to understand financial statements
John M. Kim	Independent	Financially Literate	Mr. Kim is a Chartered Financial Analyst (“CFA”) and a member of multiple public company audit committees.

#### Note:

- (1) As defined by National Instrument 52-110 – Audit Committees (“NI 52-110”)

### 3. Relevant Education and Experience

See above table under “Composition of Audit Committee”.

### 4. Audit Committee Oversight

At no time since the commencement of the Corporation’s most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by the Board.

### 5. Reliance on Certain Exemptions

At no time since the commencement of the Corporation’s most recently completed financial year has the Corporation relied on the exemption in Section 2.4 of NI 52-110 (De Minimis Non-audit Services), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

### 6. Pre-Approved Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services, all as more particularly described in the Audit Committee’s Charter under the heading “External Auditors”.

### 7. External Auditor Service Fees (By Category)

The aggregate fees billed by the Corporation’s external auditors in each of the last three fiscal years for audit fees are approximately as follows:

Financial Year Ending	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
2020	\$221,000	\$4,000	\$110,000	\$41,000
2019	\$200,000	\$32,500	\$68,800	\$4,000
2018	\$120,000	\$140,500	\$13,500	\$11,400

## 8. Exemption

The Corporation is relying on the exemption provided in Section 6.1 of NI 52-110.

## CORPORATE GOVERNANCE

National Policy 58-201 - *Corporate Governance Guidelines* and National Instrument 58-101 - *Disclosure of Corporate Governance Practices*, which came into force on June 30, 2005, set out a series of guidelines for effective corporate governance. The guidelines address matters such as the composition and independence of corporate boards, the functions to be performed by boards and their committees, and the effectiveness and education of board members. Each reporting issuer, such as the Corporation, must disclose on an annual basis and in prescribed form, the corporate governance practices that it has adopted. The following is the Corporation’s required annual disclosure of its corporate governance practices in accordance with Form 58-101F2 - Corporate Governance Disclosure.

1. **Board of directors** - The Board considers that Robert L. Benson, Steve Bjornson, Patrick Norman Breen, Anna-Maria Cuglietta, John M. Kim, and Minaz Lalani are independent according to the definition of “independence” set out in NI 52-110 as it applies to the Board. Jeffrey Kendrick is not independent as he is a member of the Corporation’s management.

The Board facilitates its exercise of independent supervision over management by having at least half of the Board members consist of individuals who are independent of the Corporation.

2. **Directorships** – None of the Corporation’s directors and proposed nominees for directors are also directors of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction.
3. **Orientation and Continuing Education** - The Board has delegated the responsibility for providing an orientation to new directors and continuing education to existing directors to one representative of the Board. The information is normally provided to directors in an informal meeting with senior management present. The Corporation does not provide an official orientation or training program for its new directors for the time being. However, the new directors have the opportunity to become familiar with the Corporation by meeting with the other members of the Board and the officers. In addition, the new directors are invited to meet with the Corporation’s legal counsel in order to better know what their legal responsibilities are.
4. **Ethical Business Conduct** - The Board has adopted a Whistleblower Policy, whereby complaints will be received by an independent member of the Audit Committee.
5. **Nomination of directors** - A nomination committee will be created if it is determined by the Board that one is needed.
6. **Compensation** - The Compensation Committee consists of Robert Benson, Anna Cuglietta and Minaz Lalani and is responsible for determining and approving compensation for directors and officers. All of the members of the Compensation Committee are independent. The members of the Compensation Committee collectively have over 50 years’ experience with public companies and related executive compensation matters. More information pertaining to compensation can be found under the heading “*Compensation of Directors & Executive Officers*”.
7. **Other Board Committees** - The only standing committees of the Board are the Compensation Committee, the Audit Committee and the Corporate Governance Committee. The general function of the Compensation

Committee is described above. The general function of the Audit Committee is to review the overall audit plan and the Corporation's system of internal controls, to review the results of the external audit and to resolve any potential dispute with the Corporation's auditors. The general function of the Corporate Governance Committee is to review securities laws governing corporate disclosure and corporate governance guidelines established by the stock exchange or stock exchanges upon which the Common Shares are listed (the "**Guidelines**"), upon the recommendation of the President and Chief Executive Officer of the Corporation, to determine and establish policies and programs for the Corporation in order to ensure compliance with the Guidelines, and to monitor compliance and consider additions to or amendments to the Corporation's corporate governance policies.

8. **Assessments** - Currently the Board takes responsibility for monitoring and assessing its effectiveness as a whole, and the performance of its committees and individual directors, including reviewing both the Board and its committees' decision-making processes and the quality of information provided by management. At present, the Board does not have a formal process for assessing the effectiveness of the Board, its committees and individual directors, these matters are dealt with on a case by case basis at the Board level.

#### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Except as disclosed below, no director, executive officer, employee, former director, former executive officer or former employee of the Corporation or its subsidiaries, or any associate or affiliate of the foregoing, has been indebted to the Corporation since the beginning of the most recently completed financial year, nor have any of the persons described in the preceding sentence have, since the beginning of the most recently completed financial year, been indebted to another entity to which the indebtedness was the subject of a guarantee, "support agreement", letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

For the purposes of the above, "support agreement" includes, but is not limited to, an agreement to provide assistance in the maintenance or servicing of any indebtedness and an agreement to provide compensation for the purpose of maintaining or servicing any indebtedness of the borrower.

AGGREGATE INDEBTEDNESS (\$)		
Purpose	To the Corporation or its Subsidiaries as of the Record Date (\$)	To Another Entity as of the Record Date (\$)
Share Purchases	\$0	\$0
Other	\$0	\$0

INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND CONSULTANTS UNDER (1) SECURITIES PURCHASE AND OTHER PROGRAMS AS OF THE RECORD DATE						
Name and Principal Position	Involvement of Company or Subsidiary	Largest Amount Outstanding During the Year Ended December 31, 2020 (\$)	Amount Outstanding as at the Record Date (\$)	Financially Assisted Securities Purchases During the Year Ended December 31, 2020 (#)	Security for Indebtedness	Amount Forgiven During the Year Ended December 31, 2020 (\$)
<b>Securities Purchase Programs</b>						
	Nil	Nil	Nil	Nil	Nil	Nil
<b>Other Programs</b>						
	Nil	Nil	Nil	Nil	Nil	Nil

Pursuant to loan agreements (“**Common Share Loan Agreements**”) dated December 29, 1999, CEMATRIX (Canada) Inc. (“**CEMATRIX Canada**”) loaned Craig Hannah \$33,750 to purchase common shares (“**Canada Common Shares**”) of CEMATRIX Canada. The Common Share Loan Agreements were non-interest bearing and the amounts thereunder were to be repaid at the demand of CEMATRIX Canada, but in no case any later than December 31, 2006. On December 31, 2006, the terms of the Common Share Loan Agreements were revised to provide that the monies owing thereunder were to be paid on demand of CEMATRIX Canada without a set date of repayment. The Canada Common Shares were exchanged on April 11, 2006, when the Corporation, which was then a capital pool company, as such term is defined in the policies of the Exchange, by way of a “three cornered amalgamation” (the “**Acquisition**”), acquired the Canada Common Shares on a one for one basis, for Common Shares.

Pursuant to loan agreements (the “**Additional Loan Agreements**”), dated December 31, 2000, CEMATRIX Canada loaned Craig Hannah \$9,062.50 to purchase preferred shares (“**Preferred Shares**”) of CEMATRIX Canada. The Loan Agreements were non-interest bearing and the amounts thereunder were to be repaid on demand of CEMATRIX Canada, but in no case later than December 31, 2007. The Preferred Shares were converted to Canada Common Shares, prior to the Acquisition. The Canada Common Shares were then exchanged on April 11, 2006, pursuant to the Acquisition, on a one for one basis, for Common Shares.

Effective December 31, 2007, Mr. Hannah entered into loan agreements (the “**New Loan Agreements**”), which confirmed and restated the terms of the Common Share Loan Agreements and the Additional Loan Agreements. Pursuant to the New Loan Agreements, Mr. Hannah agreed that all of the moneys owed to CEMATRIX Canada, being \$42,812.50, would now be interest free and payable on demand as CEMATRIX Canada may direct following thirty (30) days written notice.

Effective October 10, 2014, Mr. Hannah entered into loan amending agreements (the “**New Loan Amending Agreements**”), which amended the terms of the Common Share Loan Agreements, the Additional Loan Agreements and the New Loan Agreements. Pursuant to the New Loan Amending Agreements, Mr. Hannah agreed to repay the outstanding loans in five equal yearly instalments, with the first such instalment due on December 31, 2015. The amendments contained in the New Loan Amending Agreements also introduced interest on any portion of an instalment then outstanding at the Bank of Canada prime rate plus two percent (2%) and a trigger, wherein, CEMATRIX Canada has the option to make any of the unpaid balance of the loan immediately due and payable in the event of a default on an instalment payment.

Mr. Craig Hannah, who is not an employee of the CEMATRIX Canada or Cematrix Corporation, has only made 2 of the required 5 annual payments. The Board of Directors of CEMATRIX Canada and Cematrix Corporation, pursuant to the loan agreement, did not demand repayment but effective January 1, 2019 imposed interest on the outstanding repayment at the Bank of Canada prime rate plus two percent (2%) until the repayment is made.

No demand for repayment under the Common Share Loan Agreements, Additional Loan Agreements, New Loan Agreements and the Loan Amending Agreements has been made by the Corporation. During the year, the Corporation determined that the loan was uncollectable and as a result, wrote off the balance to zero.

## **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Other than as set forth herein, the Corporation is not aware of any material interest, direct or indirect, of any “informed person” of the Corporation, any proposed director of the Corporation or any associate or affiliate of any “informed person”, in any transaction since the commencement of the Corporation’s most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation.

For the purposes of the above, “informed person” means: (a) a director or executive officer of the Corporation; (b) a director, executive officer or trustee of a person or company that is itself an informed person; (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Corporation or who exercises control or direction over voting securities of the Corporation or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the Corporation other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Corporation after having purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

## **INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON**

Other than as set forth herein, the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person who:

- (a) has acted as a director or executive officer of the Corporation or a subsidiary of the Corporation since the beginning of the Corporation's most recently completed financial year;
- (b) is a proposed nominee for election as a director of the Corporation; or
- (c) is an associate or affiliate of any of the persons listed directly above in (i) and (ii),

in any matter to be acted upon at the Meeting other than the election of directors or the appointment of the auditor.

## **MANAGEMENT CONTRACTS**

Other than set forth herein, no management functions of the Corporation are, to any substantial degree, performed by a person or company other than the directors, directors or senior officers of the Corporation.

## **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is available on the System for Electronic Document Analysis and Retrieval (SEDAR) at [www.sedar.com](http://www.sedar.com). Financial information relating to the Corporation is provided in the Corporation's financial statements and management's discussion and analysis for the year ended December 31, 2019 available on SEDAR. A Shareholder may contact the Corporation at 9727 – 40<sup>th</sup> Street S.E., Calgary, Alberta T2C 2P4 Attention: Chief Financial Officer, to obtain a copy of the Corporation's most recent financial statements and management's discussion and analysis.

## Schedule "A"

### AUDIT COMMITTEE CHARTER

#### CEMATRIX CORPORATION

##### Purpose

1. The purpose of the Audit Committee is to:
  - (a) review and recommend to the Board for acceptance, prior to their public release, all material financial information required to be gathered and disclosed by the Corporation;
  - (b) oversee management designed and implemented accounting systems and internal controls; and
  - (c) recommend, engage, supervise, arrange for the compensation and ensure the independence of the external auditor to the Corporation.

##### Composition

2. The Audit Committee will be comprised of at least three members of the Board each of at least one of whom shall be independent as those terms are defined in National Instrument 52-110 – Audit Committees.
3. All members of the Committee shall be financially literate as those terms are defined in National Instrument 52-110 - *Audit Committees* and possess:
  - (a) an understanding of the accounting principles used by the Corporation to prepare its financial statements;
  - (b) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
  - (c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements, or experience actively supervising one or more individuals engaged in such activities; and
  - (d) an understanding of internal controls and procedures for financial reporting.

##### Meetings

4. The Audit Committee is required to meet in person, or by telephone conference call, at least once each quarter and as often thereafter as required to discharge the duties of the Audit Committee.
5. The Chair of the Audit Committee appointed by the Board will, in consultation with the members, determine the schedule, time and place of meetings, and in consultation with management and the external auditor, establish the agenda for meetings.
6. A quorum for a meeting of the Audit Committee shall be a majority of members present in person or by telephone conference call.
7. Notice of the time and place of every meeting shall be given in writing, by email or facsimile to each member of the Audit Committee at least 24 hours prior to the time fixed for such meeting, provided that a member may in any manner waive a notice of meeting.

##### Responsibilities

8. The Audit Committee is responsible to:

- (a) independently or together with the Board, investigate fraud, illegal acts and conflicts of interest and respond to existing and potential conflicts;
- (b) discuss issues of its choosing with the external auditor, management and corporate counsel;
- (c) establish procedures for the confidential anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters;
- (d) establish procedures for the receipt and treatment of complaints received by the Corporation regarding accounting, internal accounting controls and auditing matters and the retention (for at least 7 years) of copies of concerns and evidence of investigations; and
- (e) make inquiries of the external auditor and legal counsel to the Corporation regarding potential claims, assessments, contingent liabilities, and legal and regulatory matters that may have a material impact on the financial statements of the Corporation.

#### External Auditors

9. To preserve the independence of the external auditor responsible for preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, the Audit Committee is responsible to:
  - (a) recommend to the Board the external auditor to be nominated;
  - (b) recommend to the Board the external auditor's compensation;
  - (c) evaluate the external auditor's qualifications, performance and independence including by annually reviewing:
    - (i) a report of the auditor describing its internal quality-control procedures;
    - (ii) material issues raised by its most recent internal quality-control review; and
    - (iii) the results of any inquiry or investigation by government or professional authorities of the auditor within the last five years;
  - (d) review the experience and qualifications of the senior members of the external auditors, ensure that the lead audit partner is replaced periodically in accordance with applicable law, and that the audit firm continues to be independent;
  - (e) review and pre-approve any engagements for non-audit services to be provided by the external auditor and its affiliates in light of the estimated fees and impact on the external auditor's independence;
  - (f) review with management and with the external auditor:
    - (i) any proposed changes in major accounting policies;
    - (ii) the presentation and impact of significant risks and uncertainties; and
    - (iii) key estimates and judgments of management that may be material to financial reporting; and
  - (g) review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and most recent former external auditor of the Corporation in compliance with the requirements set out in section 2.4 of Multilateral Instrument 52-110.
10. The Audit Committee is required to:



- (a) maintain direct communications with the internal and external auditors;
- (b) discuss and review specific issues with the external auditor;
- (c) oversee the work of the external auditor;
- (d) resolve any disagreements between management and the external auditor;
- (e) meet with the external auditor at least annually in the absence of management;
- (f) ensure that the external auditor is answerable to the Audit Committee, as representatives of the shareholders, rather than to the executive officers and management;
- (g) pre-approve all audit services;
- (h) meet with the external auditor prior to the audit to review the scope and general extent of the external auditor's annual audit including planning and staffing the audit and the factors considered in determining the audit scope, including risk factors;
- (i) upon completion of the annual audit and prior to public disclosure, review the following with the CEO, CFO and executive officers:
  - (i) annual financial statements, footnotes and management discussion and analysis of financial condition and results of operations;
  - (ii) significant accounting judgements and reporting principles, practices and procedures applied in preparing the financial statements, including newly adopted accounting policies and the reasons for their adoption;
  - (iii) results of the combined audit of the financial statements and internal controls over financial reporting;
  - (iv) significant changes to the audit plan, if any, and any disputes or difficulties with management encountered during the audit, including any disagreements which, if not resolved, would have caused the external auditor to issue a non-standard report on the Corporation's financial statements; and
  - (v) co-operation received by the external auditor during its audit including access to all requested records, data and information.

Accounting Systems, Internal Controls and Procedures

11. The Audit Committee will:

- (a) be satisfied and obtain reasonable assurances from management and the external auditors that:
  - (i) accounting systems are reliable;
  - (ii) prescribed internal controls are effective; and
  - (iii) adequate procedures are in place for the review of the disclosure of financial information extracted or derived from the Corporation's financial statements;
- (b) periodically assess the adequacy of accounting systems, internal controls and procedures for the review of disclosure of financial information;
- (c) direct the external auditor's examinations to particular issues;

- (d) review control weaknesses identified by the external auditor and management's response; and
- (e) review with the external auditor its view of the qualifications and performance of the key financial and accounting executives.

### Reporting

- 12. The Audit Committee is responsible, following each meeting, to report to the Board regarding its activities, findings, recommendations, any issues that arise with respect to the quality or integrity of the Corporation's financial statements, compliance with applicable law, the performance and independence of the external auditor and the effectiveness of the internal audit function.
- 13. The Audit Committee is responsible for reviewing and recommending their approval to the Board, prior to their distribution, of all:
  - (a) interim and annual financial statements and notes thereto;
  - (b) managements' discussion and analysis of financial condition and results of operations;
  - (c) relevant sections of the annual report, annual information form and management information circular containing financial information;
  - (d) forecasted financial information and forward looking statements;
  - (e) press releases and other documents in which financial statements, earnings forecasts, results of operations or other financial information is disclosed; and
  - (f) disclosure of the selection of accounting policies (and changes thereto), major accounting judgments, accruals and estimates.
- 14. The Audit Committee will annually, prior to public disclosure of its annual financial statements, ensure that the external auditor has current participant status with, and is in compliance with any restriction or sanction imposed by the Canadian Public Accountability Board.
- 15. The Audit Committee will prepare any reports required to be prepared by the Committee under applicable law including quarterly reports regarding ongoing investigations made pursuant to the Corporation's Whistleblower Policy.

### Governance

- 16. The Audit Committee is responsible to annually review and in its discretion make recommendations to the Board regarding changes to its Mandate and the position description of its Chair.

### Materials

- 17. The Audit Committee has access to all books, records, facilities and personnel of the Corporation necessary for the discharge of its duties.

### Advisors

- 18. The Audit Committee has the power, at the expense of the Corporation, to retain, instruct, compensate and terminate independent advisors to assist the Audit Committee in the discharge of its duties.

Adopted and approved by the Board: April 24, 2006

## Schedule "B"

### 2020 OMNIBUS EQUITY INCENTIVE COMPENSATION PLAN

#### ARTICLE 1 ESTABLISHMENT, PURPOSE AND DURATION

##### 1.1 Establishment of the Plan.

The following is the omnibus equity incentive compensation plan of **CEMATRIX CORPORATION** (the "**Corporation**") pursuant to which stock-based compensation Awards (as defined below) may be granted to eligible Participants (as defined below). The name of the plan is the 2020 Omnibus Equity Incentive Compensation Plan (the "**Plan**").

The Plan permits the grant of Options, and Restricted Share Units (as such terms are defined below). The Plan was approved by the Board (as defined below) on October 9, 2020 and will be effective as of the date the Plan is approved by shareholders of the Corporation being December 9, 2020 (the "**Effective Date**").

Disinterested shareholder approval, as required by the policies of the TSXV, shall be obtained for adoption of the Plan as well as for any amendments to the Plan.

##### 1.2 Purpose of the Plan.

The purposes of the Plan are to: (i) provide the Corporation with a mechanism to attract, retain and motivate highly qualified directors, officers, employees and consultants, (ii) align the interests of Participants with that of other shareholders of the Corporation generally, and (iii) enable and encourage Participants to participate in the long-term growth of the Corporation through the acquisition of Shares (as defined below) as long-term investments.

##### 1.3 Successor Plan.

The Plan shall in respect of Options (as defined below) serve as the successor to the Corporation's existing stock option plan (the "**Predecessor Plan**"), and no further awards shall be made under the Predecessor Plan from and after the Effective Date of the Plan.

#### ARTICLE 2 DEFINITIONS

Whenever used in the Plan, the following terms shall have the respective meanings set forth below, unless the context clearly requires otherwise, and when such meaning is intended, such term shall be capitalized.

"**Affiliate**" means any corporation, partnership or other entity (i) in which the Corporation, directly or indirectly, has majority ownership interest or (ii) which the Corporation controls. For the purposes of this definition, the Corporation is deemed to "control" such corporation, partnership or other entity if the Corporation possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such corporation, partnership or other entity, whether through the ownership of voting securities, by contract or otherwise, and includes a corporation which is considered to be a subsidiary for purposes of consolidation under International Financial Reporting Standards.

"**ASA**" means the *Securities Act* (Alberta), as it may be amended from time to time.

"**Award**" means, individually or collectively, a grant under the Plan of Options or Restricted Share Units, in each case subject to the terms of the Plan.

"**Award Agreement**" means either (i) 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 (ii) a written statement issued by the Corporation or an Affiliate of the Corporation to a Participant describing the terms and provisions of such Award. All Award Agreements shall be deemed to incorporate the provisions of the Plan.

An Award Agreement need not be identical to other Award Agreements either in form or substance.

**"Blackout Period"** means a period of time during which the Participant cannot sell Shares, due to applicable law or policies of the Corporation in respect of insider trading.

**"Board"** or **"Board of Directors"** means the Board of Directors of the Corporation as may be constituted from time to time.

**"Cause"** means (i) if the Participant has a written agreement pursuant to which he or she offers his or her services to the Corporation and the term "cause" is defined in such agreement, "cause" as defined in such agreement; or otherwise (ii) (A) the inability of the Participant to perform his or her 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) the failure of the Participant to follow the Corporation's reasonable instructions with respect to the performance of his or her duties; (C) any material breach by the Participant of his or her obligations under any code of ethics, any other code of business conduct or any lawful policies or procedures of the Corporation; (D) excessive absenteeism, flagrant neglect of duties, serious misconduct, or conviction of crime or fraud; and (E) 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.

**"Change of Control"** means the occurrence of any one or more of the following events: i. a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Corporation as a result of which the holders of Shares prior to the completion of the transaction hold or beneficially own, directly or indirectly, less than 50% of the outstanding Voting Securities of the successor corporation after completion of the transaction; ii. the sale, lease, exchange or other disposition, in a single transaction or a series of related transactions, of all or substantially all of the assets of the Corporation and/or any of its subsidiaries to any other person or entity, other than a disposition to a wholly-owned subsidiary in the course of a reorganization of the assets of the Corporation and its subsidiaries; iii. a resolution is adopted to windup, dissolve or liquidate the Corporation; iv. an acquisition by any person, entity or group of persons or entities acting jointly or in concert of beneficial ownership of more than 50% of the Shares; or v. the Board adopts a resolution to the effect that a Change of Control as defined herein has occurred or is imminent.

**"Committee"** means the Board of Directors or if so delegated in whole or in part by the Board, the Compensation Committee of the Board of Directors, or any other duly authorized committee of the Board appointed by the Board to administer the Plan.

**"Company"** means CEMATRIX CORPORATION

**"Consultant"** has the meaning set out in Policy 4.4 of the TSXV or such replacement definition for so long as the Shares are listed on the TSXV, and if the Shares are not so listed, shall have the meaning, if any, that applies to a listing of the Shares on such other exchange as the Shares are then listed on.

**"Director"** means any individual who is a member of the Board of Directors of the Corporation.

**"Disability"** means the disability of the Participant which would entitle the Participant to receive disability benefits pursuant to the long-term disability plan of the Corporation (if one exists) then covering the Participant, provided that the Board may, in its sole discretion, determine that, notwithstanding the provisions of any such long-term disability plan, the Participant is permanently disabled for the purposes of the Plan.

**"Dividend Equivalent"** means a right with respect to an Award to receive cash, Shares or other property equal in value and form to dividends declared by the Board and paid with respect to outstanding Shares. Dividend Equivalents shall not apply to an Award unless specifically provided for in the Award Agreement, and if specifically provided for in the Award Agreement shall be subject to such terms and conditions set forth in the Award Agreement as the Committee shall determine.

**"Employee"** means any employee or officer of the Corporation or an Affiliate of the Corporation. Directors who are not otherwise employed by the Corporation or an Affiliate of the Corporation shall not be considered Employees under the Plan.

**"FMV"** means, unless otherwise required by any applicable accounting standard for the Corporation's desired accounting for Awards or by the rules of the TSXV, a price that is determined by the Committee, provided that such price cannot be less than the last closing price of the Shares on the TSXV less any discount permitted by the rules or policies of the TSXV.

**"Good Reason"** a resignation or Retirement following a Change of Control shall be considered to be for good reason if any of the following occur without the consent of the Participant: i. A substantial and detrimental alteration of his or her position or title or in the nature or status of his or her responsibilities from those in effect immediately prior to the Change of Control; ii. A reduction of 10% or more of his or her base salary or target bonus and cancellation of applicable compensation plans and the failure to replace those plans with substantially comparable plans; iii. The failure to continue to provide employment benefits and perquisites comparable to those enjoyed immediately prior to the Change of Control; or iv. The Participant being relocated to an office or location that is 50 kilometres or more from the current location where he or she is employed.

**"Insider"** shall have the meaning ascribed thereto in Section 1(aa) of the ASA.

**"ITA"** means the *Income Tax Act* (Canada), as it may be amended from time to time.

**"Management Company Employees"** means the employees of a person or company which provides management services to the Corporation or its affiliates.

**"Non-Employee Director"** means a Director who is not an Employee.

**"Notice Period"** means any period of contractual notice or reasonable notice that the Corporation or an Affiliate of the Corporation may be required at law, by contract or otherwise agrees to provide to a Participant upon termination of employment, whether or not the Corporation or Affiliate elects to pay severance in lieu of providing notice to the Participant, provided that where a Participant's employment contract provides for an increased severance or termination payment in the event of termination following a Change of Control, the Notice Period for the purposes of the Plan shall be the Notice Period under such contract applicable to a termination which does not follow a Change of Control.

**"Option"** means the conditional right to purchase Shares at a stated Option Price for a specified period of time subject to the terms of the Plan.

**"Option Price"** means the price at which a Share may be purchased by a Participant pursuant to an Option, as determined by the Committee.

**"Participant"** means an Employee, Non-Employee Director, Management Company Employee or Consultant who has been selected to receive an Award, or who has an outstanding Award granted under the Plan or the Predecessor Plan.

**"Period of Restriction"** means the period when an Award of Restricted Share Units is subject to forfeiture based on the passage of time, the achievement of performance criteria, and/or upon the occurrence of other events as determined by the Committee, in its discretion.

**"Person"** shall have the meaning ascribed to such term in Section 1(mm) of the ASA.

**"Restricted Share Unit"** or **"RSU"** means an Award denominated in units which may be subject to a Period of Restriction, with a right to receive Shares upon settlement of the Award, granted under Article 7 and subject to the terms of the Plan.

**"Retirement"** or **"Retire"** means a Participant's permanent withdrawal from employment or office with the Corporation or an Affiliate of the Corporation on terms and conditions accepted and determined by the Board.

**"Shares"** means common shares of the Corporation.

**"Termination Date"** means the date on which a Participant ceases to be eligible to participate under the Plan as a result of a termination of employment, officer position, ceasing to provide management services, board service or consulting arrangement with the Corporation or any Affiliate of the Corporation for any reason, including death, Retirement, resignation or termination with or without Cause. For the purposes of the Plan, a Participant's employment, officer position, ceasing to provide management services, board service or consulting arrangement with the Corporation or an Affiliate of the Corporation shall be considered to have terminated effective on the last day of the Participant's actual and active employment, officer position, ceasing to provide management services or board or

consulting service with the Corporation or the Affiliate whether such day is selected by agreement with the individual, unilaterally by the Corporation or the Affiliate and whether with or without advance notice to the Participant. For the avoidance of doubt, no period of notice or pay in lieu of notice that is given or that ought to have been given under applicable law 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 shall be considered as extending the Participant's period of employment for the purposes of determining his or her entitlement under the Plan.

"**TSXV**" means the TSX Venture Exchange and at any time the Shares are not listed and posted for trading on the TSXV, shall be deemed to mean such other stock exchange or trading platform upon which the Shares trade and which has been designated by the Committee.

"**U.S. Participants**" means those Participants that are United States taxpayers.

"**Voting Securities**" shall mean any securities of the Corporation ordinarily carrying the right to vote at elections of directors and any securities immediately convertible into or exchangeable for such securities.

### **ARTICLE 3 ADMINISTRATION**

#### **3.1 General.**

The Committee shall be responsible for administering the Plan. The Committee may employ attorneys, consultants, accountants, agents and other individuals, any of whom may be an Employee, and the Committee, the Corporation, and its officers and Directors shall be entitled to rely upon the advice, opinions or valuations of any such persons. All actions taken and all interpretations and determinations made by the Committee shall be final, conclusive and binding upon the Participants, the Corporation, and all other interested parties. No member of the Committee will be liable for any action or determination taken or made in good faith with respect to the Plan or Awards granted hereunder. 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 subsidiaries.

#### **3.2 Authority of the Committee.**

The Committee shall have full and exclusive discretionary power to interpret the terms and the intent of the Plan and any Award Agreement or other agreement ancillary to or in connection with the Plan, to determine eligibility for Awards, and to adopt such rules, regulations and guidelines for administering the Plan as the Committee may deem necessary or proper. Such authority shall include, but not be limited to, selecting Award recipients, establishing all Award terms and conditions, including grant, exercise price, issue price and vesting terms, whether Awards payout in cash or Shares where applicable, determining any performance goals applicable to Awards and whether such performance goals have been achieved, and, subject to Article 11, adopting modifications and amendments to the Plan or any Award Agreement, including, without limitation, any that are necessary or appropriate to comply with the laws or compensation practices of the jurisdictions in which the Corporation and its Affiliates operate.

#### **3.3 Delegation.**

The Committee may delegate to one or more of its members any of the Committee's administrative duties or powers as it may deem advisable; provided, however, that any such delegation must be permitted under applicable corporate law.

### **ARTICLE 4 SHARES SUBJECT TO THE PLAN AND MAXIMUM AWARDS**

#### **4.1 Maximum Number of Shares Available for Awards.**

The maximum number of Shares issuable pursuant to Awards issued under the Plan shall be equal to 10% of the then outstanding Shares on a rolling basis for Awards of Options but shall not apply to Awards of RSU's. A maximum of 6,467,923 Shares shall be issuable pursuant to RSU's issued under the Plan. To the extent that an Award lapses, is exercised, vests (in relation to RSU's) or the rights of its Participant terminate or are paid out in cash, if applicable

(except in the case of Options which cannot be paid out in cash), any Shares subject to such Award shall again be available for the grant of an Award.

#### **4.2 Award Grants to Individuals.**

The maximum number of Shares for which Awards may be issued to any one Participant in any 12-month period shall not exceed 5% of the outstanding Shares, calculated on the date an Award is granted to the Participant, unless the Corporation obtains disinterested shareholder approval as required by the policies of the TSXV.

The maximum number of Shares for which Awards may be issued to any Consultant in a 12-month period or persons (in the aggregate) shall not exceed 2% of the outstanding Shares, calculated on the date an Award is granted to the Consultant or any such person, as applicable.

The maximum number of Shares for which Options may be issued to all Participants (in the aggregate) retained to provide Investor Relations Activities (as defined by the TSXV) shall not exceed 2% of the outstanding Shares in any 12-month period, calculated on the date an Award is granted to the Consultant or any such person, and in no event shall a Participant retained to provide Investor Relations Activities be granted Awards other than Options.

#### **4.3 Award Grants to Insiders.**

Unless disinterested shareholder approval, as required by the policies of the TSXV, is obtained: (i) the maximum number of Shares for which Awards may be issued to Insiders (as a group) at any point in time shall not exceed 10% of the outstanding Shares and (ii) the aggregate number of Awards granted to Insiders (as a group), within any 12-month period, shall not exceed 10% of the outstanding Shares, calculated at the date an Award is granted to any Insider.

#### **4.4 Adjustments in Authorized Shares.**

In the event of any corporate event or transaction (collectively, a "Corporate Reorganization") (including, but not limited to, a change in the Shares of the Corporation or the capitalization of the Corporation) such as a merger, arrangement, amalgamation, consolidation, reorganization, recapitalization, separation, stock dividend, extraordinary dividend, stock split, reverse stock split, split up, spinoff or other distribution of stock or property of the Corporation, combination of securities, exchange of securities, dividend in kind, or other like change in capital structure or distribution (other than normal cash dividends) to shareholders of the Corporation, or any similar corporate event or transaction, the Committee shall make or provide for such adjustments or substitutions, as applicable, in the number and kind of Shares that may be issued under the Plan, the number and kind of Shares subject to outstanding Awards, the Option Price, the limit on issuing Awards other than Options granted with an Option Price equal to at least the FMV of a Share on the date of grant, and any other value determinations applicable to outstanding Awards or to the Plan, as are equitably necessary to prevent dilution or enlargement of Participants' rights under the Plan that otherwise would result from such corporate event or transaction. In connection with a Corporate Reorganization, the Committee shall have the discretion to permit a holder of Options to purchase (at the times, for the consideration, and subject to the terms and conditions set out in the Plan and the applicable Award Agreement) and the holder will then accept on the exercise of such Option, in lieu of the Shares that such holder would otherwise have been entitled to purchase, the kind and amount of shares or other securities or property that such holder would have been entitled to receive as a result of the Corporate Reorganization if, on the effective date thereof, that holder had owned all Shares that were subject to the Option.

Such adjustments shall be made automatically, without the necessity of Committee action, on the customary arithmetical basis in the case of any stock split, including a stock split effected by means of a stock dividend, and in the case of any other dividend paid in Shares.

The Committee shall also make appropriate adjustments in the terms of any Awards under the Plan as are equitably necessary to reflect such Corporate Reorganization and may modify any other terms of outstanding Awards. The determination of the Committee as to the foregoing adjustments, if any, shall be conclusive and binding on Participants under the Plan.

Subject to the provisions of Article 11 and any applicable law or regulatory requirement, without affecting the number of Shares reserved or available hereunder, the Committee may authorize the issuance, assumption, substitution or conversion of Awards under the Plan in connection with any Corporate Reorganization, upon such terms and

conditions as it may deem appropriate. Additionally, the Committee may amend the Plan, or adopt supplements to the Plan, in such manner as it deems appropriate to provide for such issuance, assumption, substitution or conversion as provided in the previous sentence.

## **ARTICLE 5 ELIGIBILITY AND PARTICIPATION**

### **5.1 Eligibility.**

Awards under the Plan shall be granted only to bona fide Employees, Management Company Employees, Non-Employee Directors and Consultants of the Corporation or its Affiliates.

### **5.2 Actual Participation.**

Subject to the provisions of the Plan, the Committee may, from time to time, in its sole discretion select from among eligible: Employees; Management Company Employees, Non-Employee Directors and Consultants of the Corporation or its Affiliates, to whom Awards shall be granted under the Plan, and shall determine in its discretion the nature, terms, conditions and amount of each Award.

## **ARTICLE 6 STOCK OPTIONS**

### **6.1 Grant of Options.**

Subject to the terms and provisions of the Plan, Options may be granted to Participants in such number, and upon such terms, and at any time and from time to time as shall be determined by the Committee in its discretion.

### **6.2 Award Agreement.**

Each Option grant shall be evidenced by an Award Agreement that shall specify the Option Price, the duration of the Option, the number of Shares to which the Option pertains, the conditions, if any, upon which an Option shall become vested and exercisable, and any such other provisions as the Committee shall determine.

### **6.3 Option Price.**

The Option Price for each grant of an Option under the Plan shall be determined by the Committee and shall be specified in the Award Agreement. The Option Price for an Option shall be not less than the FMV of the Shares on the date of grant.

### **6.4 Vesting of Options.**

Subject to any vesting restrictions imposed by the TSXV, the Committee may, in its sole discretion, determine the time during which Options shall vest and the method of vesting, or that no vesting restriction shall exist. The vesting period shall be specified in the Award Agreement.

### **6.5 Duration of Options.**

Subject to the provisions in section 6.9, each Option granted to a Participant shall expire at such time as the Committee shall determine at the time of grant. Notwithstanding the preceding and subject to section 6.6, no Option period shall exceed the maximum term permitted by the TSXV being 10 years from the date of grant.

### **6.6 Blackout Periods.**

If the date on which an Option is scheduled to expire occurs during, or within 10 business days after the last day of a Black Out Period applicable to such Participant, then the expiry date for such Option shall be extended to the last day of such 10 business day period.



## **6.7 Exercise of Options.**

Options granted under this Article 6 shall be exercisable at such times and on the occurrence of such events, and be subject to such restrictions and conditions, as the Committee shall in each instance approve, which need not be the same for each grant or for each Participant.

## **6.8 Payment.**

Options granted under this Article 6 shall be exercised by the delivery of a notice of exercise to the Corporation or an agent designated by the Corporation in a form specified or accepted by the Committee, or by complying with any alternative procedures which may be authorized by the Committee, setting forth the number of Shares with respect to which the Option is to be exercised, accompanied by full payment of the Option Price.

The Option Price upon exercise of any Option shall be payable to the Corporation in full in cash, certified cheque or wire transfer (plus applicable taxes thereon in accordance with Article 12 herein).

As soon as practicable after receipt of a notification of exercise and full payment of the Option Price, the Shares in respect of which the Option has been exercised shall be issued as fully-paid and non-assessable common shares of the Corporation. As of the business day the Corporation receives such notice and such payment, the Participant (or the person claiming through a Participant, as the case may be) shall be entitled to be entered on the share register of the Corporation as the holder of the number of Shares in respect of which the Option was exercised and to receive as promptly as possible thereafter, but in any event, on or before the fifteenth day of the third month of the year following the year in which the Option was exercised, a certificate or evidence of book entry representing the said number of Shares. The Company shall cause to be delivered to or to the direction of the Participant Share certificates or evidence of book entry Shares in an appropriate amount based upon the number of Shares purchased under the Option(s).

## **6.9 Death, Disability, Retirement and Termination or Resignation of Employment.**

If the Award Agreement does not specify the effect of a termination or resignation of employment then the following default rules will apply:

- a. Death: If a Participant dies while an Employee, Director of, or Consultant to, the Corporation or an Affiliate of the Corporation: (i) all unvested Options as at the date of death shall automatically and immediately vest; and (ii) all vested Options (including those that vested pursuant to paragraph (i) above) shall continue to be subject to the Plan and exercisable for a period of 12 months after such death and then only by the person or persons to whom the Participant's rights under the Option shall pass by the Participant's will or the laws of descent and distribution and if and to the extent that such Participant was entitled to exercise the Option at the date of his death. Any Options that have not been exercised within 12 months after the date of death shall automatically and immediately expire and be forfeited on such date.
- b. Disability: If a Participant ceases to be eligible to be a Participant under the Plan as a result of their Disability then such Participant may exercise his Option to the extent that the Participant was entitled to exercise it at the Termination Date in accordance with the terms of the Plan for a period of 90 days after the Termination Date, provided that any Options that have not been exercised within 90 days after the Termination Date shall automatically and immediately expire and be forfeited on such date.
- c. Retirement: If a Participant Retires then such Participant may exercise his Option to the extent that the Participant was entitled to exercise it at the Termination Date in accordance with the terms of the Plan for a period of 90 days after the Termination Date, provided that any Options that have

not been exercised within 90 days after the Termination Date shall automatically and immediately expire and be forfeited on such date.

- d. Termination for Cause: If a Participant ceases to be eligible to be a Participant under the Plan as a result of their termination for Cause, then all Options, whether vested or not, as at the Termination Date shall automatically and immediately expire and be forfeited.
- e. Termination without Cause or Voluntary Resignation: If a Participant ceases to be eligible to be a Participant under the Plan for any reason, other than as set out in Sections 6.9(a) to and including 6.9(d), then, unless otherwise determined by the Board in its sole discretion, as of the Termination Date: (i) all unvested Options shall automatically and immediately expire and be forfeited, and (ii) all vested Options shall continue to be subject to the Plan and exercisable for a period of 90 days after the Termination Date, provided that any Options that have not been exercised within 90 days after the Termination Date shall automatically and immediately expire and be forfeited on such date.

Notwithstanding anything contained herein, if the Participant was engaged in Investor Relations Activities and such Participant ceases to be eligible to be a Participant under the Plan for any reason, then, unless otherwise determined by the Board in its sole discretion, as of the Termination Date: (i) all unvested Options shall automatically and immediately expire and be forfeited, and (ii) all vested Options shall continue to be subject to the Plan and exercisable for a period of 30 days after the Termination Date, provided that any Options that have not been exercised within 30 days after the Termination Date shall automatically and immediately expire and be forfeited on such date.

#### **6.10 Nontransferability of Options.**

An Option granted under this Article 6 may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution. Further, all Options granted to a Participant under this Article 6 shall be exercisable during such Participant's lifetime only by such Participant.

### **ARTICLE 7 RESTRICTED SHARE UNITS**

#### **7.1 Grant of Restricted Share Units.**

Subject to the terms and conditions of the Plan, the Committee, at any time and from time to time, may grant Restricted Share Units to Participants in such amounts and upon such terms as the Committee shall determine.

All Restricted Share Units shall be dealt with by the Committee in accordance with Policy 4.4 – Incentive Stock Options of the Corporate Finance Manual of the TSXV.

#### **7.2 Restricted Share Unit Agreement.**

Each Restricted Share Unit grant shall be evidenced by an Award Agreement that shall specify the Period(s) of Restriction, the number of Restricted Share Units granted, the settlement date for Restricted Share Units, the number of Shares issuable upon vesting and any such other provisions as the Committee shall determine, provided that unless otherwise determined by the Committee or as set out in any Award Agreement, no Restricted Share Unit shall vest later than three years after the date of grant. The Committee shall impose, in the Award Agreement at the time of grant, such other conditions and/or restrictions on any Restricted Share Units granted pursuant to the Plan as it may deem advisable, including, without limitation, restrictions based upon the achievement of specific performance criteria, time-based restrictions on vesting following the attainment of the performance criteria, time-based restrictions, restrictions under applicable laws or under the requirements of the TSXV.

#### **7.3 Vesting of Restricted Share Units.**

Unless otherwise specified in an Award Agreement, and subject to any provisions of the Plan or the applicable Award Agreement relating to acceleration of vesting of Restricted Share Units, the Committee may, in its sole discretion, determine the time during which Restricted Share Units shall vest and the method of vesting, or that no vesting restriction shall exist.

#### **7.4 Black Out Periods.**

If the date on which a Restricted Share Unit is scheduled to expire occurs during, or within 10 business days after the last day of a Black Out Period applicable to such Participant, then the expiry date for such Award shall be extended to the last day of such 10 business day period.

#### **7.5 Non-transferability of Restricted Share Units.**

The Restricted Share Units granted herein may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated until the date of settlement through delivery or other payment, or upon earlier satisfaction of any other conditions, as specified by the Committee in its sole discretion and set forth in the Award Agreement at the time of grant or thereafter by the Committee. All rights with respect to the Restricted Share Units granted to a Participant under the Plan shall be available during such Participant's lifetime only to such Participant.

#### **7.6 Dividends and Other Distributions.**

During the Period of Restriction, Participants holding Restricted Share Units granted hereunder may, if the Committee so determines, be credited with dividends paid with respect of the underlying Shares or Dividend Equivalents while they are so held in a manner determined by the Committee in its sole discretion. Dividend Equivalents shall not apply to an Award unless specifically provided for in the Award Agreement. The Committee may apply any restrictions to the dividends or Dividend Equivalents that the Committee deems appropriate. The Committee, in its sole discretion, may determine the form of payment of dividends or Dividend Equivalents, including cash, Shares or Restricted Share Units.

#### **7.7 Death, Disability, Retirement and Termination or Resignation of Employment.**

If the Award Agreement does not specify the effect of a termination or resignation of employment then the following default rules will apply:

- a. Death: If a Participant dies while an Employee, Director of, or Consultant to, the Corporation or an Affiliate of the Corporation: all unvested RSU's as at the date of death shall automatically and immediately vest.
- b. Disability: If a Participant ceases to be eligible to be a Participant under the Plan as a result of their Disability then all unvested RSU's as at the date of Disability shall automatically and immediately vest.
- c. Retirement: If a Participant Retires then all unvested RSU's as at the date of Retirement shall automatically and immediately vest.
- d. Termination with or without Cause or Voluntary Resignation: If a Participant ceases to be eligible to be a Participant under the Plan for any reason, other than as set out in Sections 7.7(a) to and including 7.7(c), then, unless otherwise determined by the Board in its sole discretion, as of the Termination Date: (i) all unvested RSU's shall automatically and immediately expire and be forfeited.

#### **7.8 Payment in Settlement of Restricted Share Units.**

When and if Restricted Share Units become payable, the Participant issued such Restricted Share Units shall be entitled to receive payment from the Corporation in settlement of such Restricted Share Units in a number of Shares (issued from treasury) equal to the number of Restricted Share Units being settled.

**ARTICLE 8**  
**BENEFICIARY DESIGNATION**

**8.1 Beneficiary.**

A Participant's "beneficiary" is the person or persons entitled to receive payments or other benefits or exercise rights that are available under the Plan in the event of the Participant's death. A Participant may designate a beneficiary or change a previous beneficiary designation at such times as prescribed by the Committee and by using such forms and following such procedures approved or accepted by the Committee for that purpose. If no beneficiary designated by the Participant is eligible to receive payments or other benefits or exercise rights that are available under the Plan at the Participant's death, the beneficiary shall be the Participant's estate.

**8.2 Discretion of the Committee.**

Notwithstanding the provisions above, the Committee may, in its discretion, after notifying the affected Participants, modify the foregoing requirements, institute additional requirements for beneficiary designations, or suspend the existing beneficiary designations of living Participants or the process of determining beneficiaries under this Article 8, or both, in favor of another method of determining beneficiaries.

**ARTICLE 9**  
**RIGHTS OF PERSONS ELIGIBLE TO PARTICIPATE**

**9.1 Employment.**

Nothing in the Plan or an Award Agreement shall interfere with or limit in any way the right of the Corporation or an Affiliate of the Corporation to terminate any Participant's employment, consulting or other service relationship with the Corporation or the Affiliate at any time, nor confer upon any Participant any right to continue in the capacity in which he or she is employed or otherwise serves the Corporation or the Affiliate.

Neither an Award nor any benefits arising under the Plan shall constitute part of an employment or service contract with the Corporation or an Affiliate of the Corporation, and, accordingly, subject to the terms of the Plan, the Plan may be terminated or modified at any time in the sole and exclusive discretion of the Committee or the Board without giving rise to liability on the part of the Corporation or its Affiliates for severance payments or otherwise, except as provided in the Plan.

For purposes of the Plan, unless otherwise provided by the Committee, a transfer of employment of a Participant between the Corporation and an Affiliate or among Affiliates of the Corporation, shall not be deemed a termination of employment. The Committee may provide, in a Participant's Award Agreement or otherwise, the conditions under which a transfer of employment to an entity that is spun off from the Corporation or an Affiliate of the Corporation shall not be deemed a termination of employment for purposes of an Award.

**9.2 Participation.**

No Employee or other Person eligible to participate in the Plan shall have the right to be selected to receive an Award. No person selected to receive an Award shall have the right to be selected to receive a future Award, or, if selected to receive a future Award, the right to receive such future Award on terms and conditions identical or in proportion in any way to any prior Award.

**9.3 Rights as a Shareholder.**

A Participant shall have none of the rights of a shareholder with respect to Shares covered by any Award until the Participant becomes the holder of such Shares.

## **ARTICLE 10 CHANGE OF CONTROL**

### **10.1 Change of Control and Termination of Employment.**

Subject to Section 10.2, if there is a Change of Control, any Awards held by a Participant shall automatically vest following such Change of Control, on the Termination Date, if the Participant is an Employee, officer or a Director and their employment, or officer or Director position is terminated or they resign for Good Reason within 12 months following the Change of Control, provided that no acceleration of Awards shall occur in the case of a Participant that was retained to provide Investor Relations Activities unless the approval of the Exchange is either obtained or not required.

### **10.2 Discretion to Board.**

Notwithstanding any other provision of the Plan, in the event of an actual or potential Change of Control, the Board may, in its sole discretion, without the necessity or requirement for the agreement of any Participant: (i) accelerate, conditionally or otherwise, on such terms as it sees fit (including, but not limited to those set out in paragraphs (iii) and (iv) below), the vesting date of any Awards, (ii) permit the conditional redemption or exercise of any Awards, on such terms as it sees fit, (iii) otherwise amend or modify the terms of any Awards, including for greater certainty by (1) permitting Participants to exercise or redeem any Awards to assist the Participants to participate in the actual or potential Change of Control, or (2) providing that any Awards exercised or exercised shall be exercisable or redeemed for, in lieu of Shares, such property (including shares of another entity or cash) that shareholders of the Corporation will receive in the Change of Control, and (iv) terminate, following the successful completion of a Change of Control, on such terms as it sees fit, the Awards not exercised or redeemed prior to the successful completion of such Change of Control. With respect to U.S. Participant, the treatment of Awards upon a Change of Control shall be provided for in the Award Agreement.

### **10.3 Non-Occurrence of Change of Control.**

In the event that any Awards are conditionally exercised pursuant to Section 10.2 and the Change of Control does not occur, the Board may, in its sole discretion, determine that any (i) Awards so exercised shall be reinstated as the type of Award prior to such exercise, and (ii) Shares issued be cancelled and any exercise or similar price received by the Corporation shall be returned to the Participant.

### **10.4 Agreement with Purchaser in a Change of Control.**

In connection with a Change of Control, the Board may be permitted to condition any acceleration of vesting on the Participant entering into an employment, confidentiality or other agreement with the purchaser as the Board deems appropriate.

## **ARTICLE 11 AMENDMENT AND TERMINATION**

### **11.1 Amendment and Termination.**

The Board may, at any time, suspend or terminate the Plan. Subject to compliance with any applicable law, including the rules of the TSXV, the Board may also, at any time, amend or revise the terms of the Plan and any Award Agreement. No such amendment of the Plan or Award Agreement may be made if such amendment would materially and adversely impair any rights arising from any Awards previously granted to a Participant under the Plan without the consent of the Participant or the representatives of his or her estate, as applicable.

### **11.2 Reduction of Option Price.**

Disinterested shareholder approval as required by the policies of the TSXV shall be obtained for any reduction in the Option Price of an Option if the Participant is an Insider of the Corporation at the time of the proposed amendment.

## **ARTICLE 12 WITHHOLDING**

### **12.1 Withholding.**

The Company or any of its Affiliates shall have the power and the right to deduct or withhold, or require a Participant to remit to the Corporation or the Affiliate, an amount sufficient to satisfy federal, provincial and local taxes or domestic or foreign taxes required by law or regulation to be withheld with respect to any taxable event arising from or as a result of the Plan or any Award hereunder. The Committee may provide for Participants to satisfy withholding requirements by having the Corporation withhold and sell Shares or the Participant taking such other arrangements, including the sale of Shares, in either case on such conditions as the Committee specifies.

### **12.2 Acknowledgement.**

Participant acknowledges and agrees that the ultimate liability for all taxes legally payable by Participant is and remains Participant's responsibility and may exceed the amount actually withheld by the Corporation.

Participant further acknowledges that the Corporation: (i) makes no representations or undertakings regarding the treatment of any taxes in connection with any aspect of the Plan, and (ii) does not commit to and is under no obligation to structure the terms of the Plan to reduce or eliminate Participant's liability for taxes or achieve any particular tax result. Further, if Participant has become subject to tax in more than one jurisdiction, Participant acknowledges that the Corporation may be required to withhold or account for taxes in more than one jurisdiction.

## **ARTICLE 13 SUCCESSORS**

Any obligations of the Corporation or its Affiliates under the Plan with respect to Awards granted hereunder shall be binding on any successor to the Corporation or its Affiliates, respectively, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation or otherwise, of all or substantially all of the businesses and/or assets of the Corporation or the Affiliate, as applicable.

## **ARTICLE 14 GENERAL PROVISIONS**

### **14.1 Delivery of Title.**

The Company shall have no obligation to issue or deliver evidence of title for Shares issued under the Plan prior to: obtaining any approvals from governmental agencies that the Corporation determines are necessary or advisable; and Completion of any registration or other qualification of the Shares under any applicable law or ruling of any governmental body that the Corporation determines to be necessary or advisable.

### **14.2 Investment Representations.**

The Committee may require each Participant receiving Shares pursuant to an Award under the Plan to represent and warrant in writing that the Participant is acquiring the Shares for investment and without any present intention to sell or distribute such Shares.

### **14.3 Uncertificated Shares.**

To the extent that the Plan provides for issuance of certificates to reflect the transfer of Shares, the transfer of such Shares may be effected on a noncertificated basis to the extent not prohibited by applicable law or the rules of the TSXV.

### **14.4 No Fractional Shares.**

No fractional Shares shall be issued or delivered pursuant to the Plan or any Award Agreement. In such an instance, unless the Committee determines otherwise, fractional Shares and any rights thereto shall be forfeited or otherwise eliminated.

#### **14.5 Other Compensation and Benefit Plans.**

Nothing in the Plan shall be construed to limit the right of the Corporation or an Affiliate of the Corporation to establish other compensation or benefit plans, programs, policies or arrangements. Except as may be otherwise specifically stated in any other benefit plan, policy, program or arrangement, no Award shall be treated as compensation for purposes of calculating a Participant's rights under any such other plan, policy, program or arrangement.

#### **14.6 No Constraint on Corporate Action.**

Nothing in the Plan shall be construed (i) to limit, impair or otherwise affect the Corporation's or its Affiliates' right or power to make adjustments, reclassifications, reorganizations or changes in its capital or business structure, or to merge or consolidate, or dissolve, liquidate, sell or transfer all or any part of its business or assets, or (ii) to limit the right or power of the Corporation or its Affiliates to take any action which such entity deems to be necessary or appropriate.

#### **14.7 Compliance with Canadian Securities Laws.**

All Awards and the issuance of Shares underlying such Awards issued pursuant to the Plan will be issued pursuant to an exemption from the prospectus requirements of Canadian securities laws where applicable.

#### **14.8 Compliance with U.S. Securities Laws.**

All Awards and the issuance of Shares underlying such Awards issued pursuant to the Plan will be issued pursuant to the registration requirements of the U.S. Securities Act of 1933, as amended or an exemption from such registration requirements. If the Awards or Shares are not so registered and no such registration exemption is available, the Corporation shall not be required to issue any Shares otherwise issuable hereunder.

### **ARTICLE 15 LEGAL CONSTRUCTION**

#### **15.1 Gender and Number.**

Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine, the plural shall include the singular, and the singular shall include the plural.

#### **15.2 Severability.**

In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

#### **15.3 Requirements of Law.**

The granting of Awards and the issuance of Shares under the Plan shall be subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or securities exchanges as may be required. The Company or an Affiliate of the Corporation shall receive the consideration required by law for the issuance of Awards under the Plan.

The inability of the Corporation or an Affiliate of the Corporation to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Corporation or the Affiliate to be necessary for the lawful issuance and sale of any Shares hereunder, shall relieve the Corporation or the Affiliate of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

#### **15.4 Governing Law.**

The Plan and each Award Agreement shall be governed by the laws of the Province of Alberta excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of the Plan to the substantive law of another jurisdiction.