



**CLEAR BLUE TECHNOLOGIES INTERNATIONAL INC.  
NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

To the shareholders of Clear Blue Technologies International Inc. (the "**Corporation**"):

**NOTICE IS HEREBY GIVEN** that the Annual and Special Meeting (the "**Meeting**") of the shareholders of the Corporation will be held on June 28, 2024 at 11:00 a.m. (Toronto time) at 30 Lesmill Road, Unit 7, Toronto, Ontario, M3B 2T6 for the following purposes:

1. to receive the financial statements of the Corporation for the fiscal year ended December 31, 2023, together with the auditor's report thereon;
2. to elect the directors of the Corporation for the ensuing year;
3. to appoint the auditor of the Corporation for the ensuing year and to authorize the directors to fix the remuneration of the auditor;
4. to consider and, if deemed appropriate, approve with or without amendment, an ordinary resolution approving the equity incentive plan of the Corporation, including certain proposed amendments thereto, as more particularly described in the information circular in respect of the Meeting (the "**Circular**"); and
5. to transact such other business as may properly come before the Meeting or any adjournments thereof.

The nature of the business to be transacted at the Meeting is described in further detail in the Circular. Only shareholders of record of common shares of the Corporation at the close of business on May 24, 2024, are entitled to notice of and to attend the Meeting or any adjournments thereof and to vote thereat.

Registered holders of common shares of the Corporation who are unable to be present at the Meeting are requested to date and sign the enclosed form of proxy and return it to Computershare Investor Services Inc., 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, by no later than 11:00 a.m. on June 26, 2024 or, if the Meeting is postponed or adjourned, not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the postponed or adjourned meeting.

Non-registered beneficial shareholders should follow the instructions of their intermediaries in order to vote their shares.

DATED as of the 29<sup>th</sup> day of May, 2024

*"Miriam Tuerk"*

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Miriam Tuerk  
Chief Executive Officer  
Clear Blue Technologies International Inc.



**CLEAR BLUE TECHNOLOGIES  
INTERNATIONAL INC.**

**Management Information Circular**

**May 29, 2024**

# MANAGEMENT INFORMATION CIRCULAR

## VOTING AND PROXIES

### Solicitation of Proxies

**This management information circular (the "Information Circular") is furnished in connection with the solicitation by the management of Clear Blue Technologies International Inc., of proxies to be used at the annual and special meeting of shareholders of the Corporation (the "Meeting"), to be held on June 28, 2024 at 11:00 a.m. (Toronto time), at 30 Lesmill Road, Unit 7, Toronto, Ontario M3B 2T6 and at any adjournment or postponement thereof, for the purposes set forth in the accompanying notice of meeting (the "Notice of Meeting").**

Unless otherwise noted or the context otherwise indicates, references to the "**Corporation**" and "**Clear Blue**" refer to Clear Blue Technologies International Inc. (formerly Dagobah Ventures Limited), and references to "**Clear Blue Technologies Inc.**" refer to Clear Blue Technologies Inc. (a successor to Clear Blue Technologies Inc., an Ontario corporation), a wholly-owned subsidiary of the Corporation. Unless otherwise indicated, all dollar amounts in this Information Circular are given as of May 29, 2024. All dollar amounts in this Information Circular refer to Canadian dollars, unless otherwise indicated.

Solicitation of proxies will be primarily by mail but may also be by telephone, facsimile or in person by directors, officers and employees of the Corporation who will not be additionally compensated therefor. Brokers, nominees or other persons holding shares in their names for others shall be reimbursed for their reasonable charges and expenses in forwarding proxies and proxy material to the beneficial owners of such shares. The Corporation will assume the costs of solicitation, which are expected to be minimal.

Shareholders who are unable to attend the Meeting and would like their shares represented must complete the enclosed instrument of proxy and return it as soon as possible in the envelope provided for that purpose. To be valid, all instruments of proxy must be deposited with Computershare Investor Services Inc. ("**Computershare**"), at its principal office at 100 University Ave, Toronto, Ontario M5J 2Y1 by no later than 11:00 a.m on June 26, 2024 or, if the Meeting is postponed or adjourned, not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the postponed or adjourned meeting.

### Appointment and Revocation of Proxies

The persons named as proxyholders in the enclosed form of proxy are directors and/or officers of the Corporation.

**A shareholder submitting a form of proxy has the right to appoint a person other than the persons indicated in such proxy form to act as his or her proxyholder. To do so, the shareholder must write the name of such person in the appropriate space on the form of proxy.**

If a shareholder appoints some other person or company to represent him or her, it is the shareholder's responsibility to inform that other person or company that he, she or it has been so appointed and to ensure that the shareholder's proxy has been signed by the shareholder or his or her attorney authorized in writing (or, if the shareholder is a corporation, under its corporate seal and signed by a director, officer or attorney thereof, duly authorized).

To be effective, all forms of proxy must be deposited with Computershare, either in person, or by mail or courier, to 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1, or via the internet at [www.investorvote.com](http://www.investorvote.com). The proxy must be deposited with Computershare by no later than 11:00 a.m on June 26, 2024 or, if the Meeting is postponed or adjourned, not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the postponed or adjourned meeting.

Late proxies may be accepted or rejected by the Chairman of the Meeting at his or her discretion and the Chairman of the Meeting is under no obligation to accept or reject any particular late proxy. The Chairman of the Meeting may waive or extend the proxy cut-off without notice.

The persons named as proxies will vote or withhold from voting the shares in respect of which they are appointed or vote for or against any particular question, in accordance with the instructions of the shareholder appointing them. In the absence of such instructions, the shares will be voted in favour of all matters identified in the enclosed Notice of Meeting. The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting and to other matters which may properly come before the Meeting. At the time of printing of this Information Circular, the management of the Corporation knows of no such amendment, variation or other matter expected to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if any amendments or other matters not known to management should properly come before the Meeting, the accompanying form of proxy confers discretionary authority upon the persons named therein to vote on such amendments or matters in accordance with their best judgment.

A shareholder giving a proxy may revoke it at all times by a document signed by him or her or by a proxyholder authorized in writing or, if the shareholder is a corporation, by a document signed by an officer or a proxyholder duly authorized, given to Computershare, by no later than 11:00 a.m. on June 14, 2023 or, if the Meeting is postponed or adjourned, not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the postponed or adjourned meeting at which the proxy is to be used, or to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof.

### **Participating at the Meeting**

The Meeting will begin at 11:00 a.m. (Toronto Time) on June 28, 2024. Shareholders and duly appointed proxyholders can attend the Meeting in person at 30 Lesmill Road, Unit 7, Toronto, Ontario M3B 2T6.

### **Voting of Proxies**

Each shareholder may instruct his or her proxy how to vote his or her shares by completing the blanks on the enclosed form of proxy.

The shares represented by the enclosed proxy will be voted or withheld from voting on any motion, by ballot or otherwise, in accordance with any indicated instructions. In the absence of such direction, such shares will be voted IN FAVOUR OF PASSING THE RESOLUTIONS DESCRIBED IN THE INSTRUMENT OF PROXY AND BELOW. If any amendment or variation to the matters identified in the Notice is proposed at the Meeting or any adjournment or postponement thereof, or if any other matters properly come before the Meeting or any adjournment or postponement thereof, the accompanying form of proxy confers discretionary authority to vote on such amendments or variations or such other matters according to the best judgment of the appointed proxyholder. Unless otherwise stated, the shares represented by a valid proxy form will be voted in favour of the election of nominees set forth in this Information Circular except where a vacancy among such nominees occurs prior to the Meeting, in which case, such shares may be voted in favour of another nominee in the proxyholder's discretion. As at the date of this Information Circular, management of the Corporation knows of no such amendments or variations or other matters to come before the Meeting.

Any matter that is submitted to a vote of shareholders by ordinary resolution at the Meeting must be approved, unless otherwise indicated in this Information Circular, by simple majority (affirmative vote of at least 50% plus one) of the votes cast thereon.

## Advice to Beneficial Holders

**The information set forth in this section should be reviewed carefully by beneficial shareholders of the Corporation. Shareholders who do not hold their shares in their own name should note that only proxies deposited by shareholders who appear on the records maintained by the Corporation's registrar and transfer agent as registered holders of shares, or the persons they appoint as their proxies, will be recognized and acted upon at the Meeting.**

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 shares in their own name. Shareholders who do not hold their shares in their own name (referred to herein 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 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 names 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 CDS Clearing and Depository Services Inc., which acts as its nominee for many Canadian brokerage firms). Shares held by brokers or their agents or nominees can only be voted upon the instructions of the beneficial shareholder. Without specific instructions, brokers and their 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 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 which should be carefully followed by beneficial shareholders in order to ensure that their shares are voted at the Meeting. Often, the form of proxy supplied to a beneficial shareholder by its broker is identical to the form of proxy provided to registered shareholders; however, its purpose is limited to instructing the registered shareholder how to vote on behalf of the beneficial shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically mails a scanable voting instruction form in lieu of the form of proxy. The beneficial shareholder is requested to complete and return the voting instruction form to them by mail or facsimile. Alternatively, the beneficial shareholder can call a toll-free telephone number to vote the shares held by the beneficial shareholder or vote via the internet at [www.proxyvote.com](http://www.proxyvote.com). 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 voting instruction form cannot use that voting instruction form to vote shares directly at the Meeting as the voting instruction form must be returned as directed by Broadridge well in advance of the Meeting in order to have the shares voted.

Although a beneficial shareholder may not be recognized directly at the Meeting for the purposes of voting shares registered in the name of his or her broker (or agent of the broker), a beneficial shareholder may attend at the Meeting as proxyholder for a registered shareholder and vote the shares in that capacity. Beneficial shareholders who wish to attend the Meeting and indirectly vote their shares as proxyholder for a 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.

There are two kinds of beneficial shareholders: those who object to their name being made known to the issuers of securities which they own (called "**OBOs**" for Objecting Beneficial Owners) and those who do not object (called "**NOBOs**" for Non-Objecting Beneficial Owners).

Issuers can request and obtain a list of their NOBOs from Intermediaries via their transfer agents, pursuant to National Instrument 54-101 - *Communication with Beneficial Owners of Securities of Reporting Issuers*

("NI 54-101") and issuers can use this NOBO list for distribution of proxy-related materials directly to NOBOs. The Corporation has decided to take advantage of those provisions of NI 54- 101 that allow it to directly deliver proxy-related materials to its NOBOs. As a result, NOBOs can expect to receive a voting instruction form from the Corporation's transfer agent, Computershare. These voting instruction forms are to be completed and returned to Computershare in the envelope provided or by facsimile. Computershare will tabulate the results of the voting instruction forms received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by voting instruction forms they receive. Alternatively, NOBOs may vote following the instructions on the voting instruction form, by calling a toll free telephone number or via the internet at [www.investorvote.com](http://www.investorvote.com).

### ***Beneficial Shareholders in the United States***

The solicitation of proxies is not subject to the requirements of Section 14(a) of the *U.S. Securities Exchange Act of 1934* (the "**Exchange Act**") by virtue of an exemption applicable to proxy solicitations by foreign private issuers as defined in Rule 3b-4 of the Exchange Act. Accordingly, this Information Circular has been prepared in accordance with applicable Canadian disclosure requirements. Residents of the United States should be aware that such requirements differ from those of the United States applicable to proxy statements under the Exchange Act.

This document does not address any income tax consequences of the disposition of the Corporation's Common Shares by the shareholders. Shareholders in a jurisdiction outside of Canada should be aware that the disposition of the Common Shares by them may have tax consequences both in those jurisdictions and in Canada, and are urged to consult their tax advisors with respect to their particular circumstances and the tax considerations applicable to them.

Any information concerning any properties and operations of the Corporation has been prepared in accordance with Canadian standards under applicable Canadian securities laws, and may not be comparable to similar information for United States companies.

Financial statements included or incorporated by reference herein have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board, and are subject to auditing and auditor independence standards in Canada. Such consequences for the Corporation's shareholders who are resident in, or citizens of, the United States may not be described fully in this Information Circular.

The enforcement by shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Corporation is existing under the Business Corporations Act (*Ontario*), certain of its directors and officers are residents of Canada and countries other than the United States, and all of the assets of the Corporation and a substantial portion of the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

**All references to "shareholders" in this Information Circular and the accompanying form of proxy, Notice of Meeting and notice-and-access notification are to registered shareholders unless specifically stated otherwise.**

### **Voting Shares and Principal Shareholders Thereof**

The authorized share capital of the Corporation consists of unlimited common shares (the "**Common Shares**"). As of May 29, 2024, the Corporation had 124,021,237 Common Shares issued and outstanding. Each Common Share entitles the holder thereof to one (1) vote at all meetings of shareholders of the

Corporation. The Corporation's board of directors (the "**Board**") has fixed a record date of May 24, 2024 (the "**Record Date**") to determine shareholders entitled to receive the Notice of Meeting. The failure of any shareholder to receive a copy of the Notice of Meeting does not deprive the shareholder of the right to vote at the Meeting. Only holders of Common Shares as of the Record Date are entitled to vote such Common Shares at the Meeting.

To the knowledge of the directors and executive officers of the Corporation, as at the Record Date, there is no person or corporation that beneficially owns, controls or directs voting securities carrying 10% or more of the voting rights attached to any class of voting securities of the Corporation.

## **BUSINESS TO BE TRANSACTED AT THE MEETING**

### **Item One: Election of Directors**

Management of the Corporation proposes the five persons named in the table on the following page as candidates for election as directors. Each elected director will remain in office until the next annual meeting of the shareholders or until his or her successor is elected or appointed, unless his or her post is vacated earlier. The candidates proposed by the management of the Corporation have been directors of the Corporation since the dates indicated below.

**Unless instructions are given to abstain from voting with regard to the election of directors, the persons whose names appear on the enclosed form of proxy will vote in favour of the election of each of the five nominees whose names are set out in the table on the following page.**

Management of the Corporation does not foresee that any of the following nominees listed below will be unable or, for any reason, unwilling to perform his duties as a director. In the event that the foregoing occurs for any reason, prior to the election, the persons indicated on the enclosed form of proxy reserve the right to vote for another candidate of their choice unless otherwise instructed by the shareholder in the form of proxy to abstain from voting on the election of directors.

In order for the resolution to be passed, approval by the majority of the votes cast by all of the holders of Common Shares, present in person and by proxy at the Meeting, is required.

The enclosed form of proxy allows the holders of Common Shares to direct proxyholders to vote individually for each of the nominees named below as a director of the Corporation. At any meeting where shareholders vote on the election of directors, any individual nominee who receives a greater number of votes "withheld" than votes "for" will be required by the Corporation to tender his or her resignation to the Board promptly following the meeting. The resignation will be effective when accepted by the Board. The Board expects that resignations will be accepted, unless extenuating circumstances warrant a contrary decision. The Corporation will announce the Board's decision (including the reason for not accepting any resignation) by news release within 90 days following the date of the Meeting. Any director who tenders his or her resignation in this situation will not participate in any meeting of the Board where his or her resignation is considered. Management of the Corporation has been informed that each of the proposed nominees listed below is willing to serve as a director if elected.

The following table and notes set out the names of the individuals proposed by management for election as directors of the Corporation, their place of residence, whether or not the nominee is an independent member of the Board, their principal occupation, the date they first became a director of the Corporation, their other public company board memberships, and the number of Common Shares of the Corporation beneficially owned, controlled or directed, directly or indirectly, by them as at May 17, 2023. Each of the proposed nominees currently sit on the Board, and in accordance with the mandate of the Board (the "**Board Mandate**"), their current terms will expire on the date of the Meeting.

Board of Directors

<b>Miriam Tuerk<sup>(4)</sup></b>  Toronto, Ontario, Canada  Director Since: July 13, 2018  Not Independent	<b>Principal Occupation (past 11 years)</b>	
	Chief Executive Officer of Clear Blue (2011-Present) Former Director, Kovo Healthtech Corporation (2021-2022)	
	<b>Current Public Board Membership</b>	
	None.	
	<b>Common Shares Held</b>	
	Common Shares <sup>(1)(3)</sup>	Total Amount at Risk <sup>(2)</sup>
	5,478,832 <sup>(6)</sup>	\$465,701 <sup>(6)</sup>
<b>John Tuerk</b>  Toronto, Ontario, Canada  Director Since: July 13, 2018  Not Independent	<b>Principal Occupation (past 11 years)</b>	
	Chief Power Officer of Clear Blue (2011- Present)	
	<b>Current Public Board Membership</b>	
	None.	
	<b>Common Shares Held</b>	
	Common Shares <sup>(1)(3)</sup>	Total Amount at Risk <sup>(2)</sup>
	5,324,055 <sup>(6)</sup>	\$452,545 <sup>(6)</sup>
<b>Mark Windrim<sup>(5)</sup></b>  Toronto, Ontario, Canada  Director Since: July 13, 2018  Not Independent	<b>Principal Occupation (past 10 years)</b>	
	Chief Technology Officer of Clear Blue (2011-Present)	
	<b>Current Public Board Membership</b>	
	None.	
	<b>Common Shares Held</b>	
	Common Shares <sup>(1)(3)</sup>	Total Amount at Risk <sup>(2)</sup>
	4,645,169	\$394,839
<b>Jane Kearns<sup>(4)(5)</sup></b>  Toronto, Ontario, Canada  Director Since: February 17, 2020  Independent	<b>Principal Occupation (past 10 years)</b>	
	Partner (2022 to Present) Evok Innovations, Vice President, Growth Services (2019- 2022), Senior Advisor, Cleantech (2012-2022) MaRS Discovery District, Independent Board Director (2020-Present) Decarbonization Plus Acquisition Corp.	
	<b>Current Public Board Membership</b>	
	Decarbonization Plus Acquisition Corp IV (NASDAQ: DCRD)	
	<b>Common Shares Held</b>	
	Common Shares <sup>(1)(3)</sup>	Total Amount at Risk <sup>(2)</sup>
	368,280	\$31,304
<b>Steve Parry<sup>(4)(5)</sup></b>  Tiny, Ontario, Canada  Director Since: July 13, 2019  Independent	<b>Principal Occupation (past 8 years)</b>	
	Former President, Skara Brae Strategy Consultants Ltd., Former Board Chair, DIRTT Environmental Solutions (2011-2021), Former Director, DIRTT Environmental Solutions (2011-2022), Former Director, Kovo Healthtech Corporation (2021-2022), Executive Chair Grenville Strategic Royalty Corp (2014-16), President and CEO (2017-18)	
	<b>Current Public Board Membership</b>	
	None.	
	<b>Common Shares Held</b>	
	Common Shares <sup>(1)(3)</sup>	Total Amount at Risk <sup>(2)</sup>
	262,600	\$22,321



NOTES:

- (1) Common Shares beneficially owned or controlled as at May 24, 2024. The information as to shares beneficially owned, directly or indirectly, or over which control is exercised is not within the knowledge of the Corporation and has been furnished by the respective individuals.
- (2) The value of the Common Shares held by the directors is calculated by multiplying the amount of Common Shares held by the closing price of the Corporation's Common Shares on the TSX Venture Exchange (the "**Exchange**") per Common Share on May 24, 2024, being \$0.085.
- (3) The information as to shares beneficially owned, directly or indirectly, or over which control is exercised is not within the knowledge of the Corporation and has been furnished by the respective individuals.
- (4) Current member of the Corporation's audit committee (the "**Audit Committee**").
- (5) Current member of the Corporation's corporate governance and compensation committee (the "**Corporate Governance and Compensation Committee**").
- (6) Includes 50% of 7,984,993 common shares held indirectly through 2051912 Ontario Ltd., which is controlled equally by Miriam Tuerk and John Tuerk.

To the knowledge of the Corporation and based upon the information provided to it by its nominees, there are no contracts, arrangements or understandings between any nominee and any other person (other than the directors and officers of the Corporation acting solely in such capacity) pursuant to which the nominee has been or is to be elected as a director.

As at May 24, 2024, the proposed directors of the Corporation as a group (five persons) owned beneficially or exercised control or direction over 16,078,936 Common Shares, or approximately 13% of the outstanding Common Shares.

The following are brief biographies of each of the proposed director nominees:

**Miriam Tuerk, Director, Co-founder, Chief Executive Officer ("CEO").** Mrs. Tuerk has been the CEO of Clear Blue since she jointly founded it in 2011. She continues to guide the strategic direction and growth of the company to this day. At Clear Blue, Mrs. Tuerk is responsible for operations, finance and sales within the company. Mrs. Tuerk has previously undertaken various big data, open source, eCommerce and cloud space initiatives. Prior to joining Clear Blue, she held many leadership roles, including CEO of Infobright Inc. ("**Infobright**"), the open-source data warehousing company, and President of BCE Emergis Inc. ("**BCE Emergis**") e-business solutions. She previously advised a leading private equity firm, and from 2010-2019, she was an advisor at the MaRS Discovery District, an early-stage incubator for information technology, biotech and cleantech. Throughout her career, Mrs. Tuerk has sat on the Board or advisory panel of several early-stage companies. She is currently a board member at the Ontario Clean Technology Industry Association, serving since 2019. Mrs. Tuerk holds a Bachelor of Science in electrical engineering from the University of Waterloo. She combines her education with more than 20 years of experience as a serial entrepreneur and business visionary, showcasing her ability to build high-growth businesses in emerging technologies. With a proven track record of creating, selling and delivering innovative products and services that have shaped the technology landscape, Mrs. Tuerk is the ideal leader for Clear Blue.

**John Tuerk, Director, Co-founder, Chief Power Officer.** At Clear Blue, Mr. Tuerk drives product strategy and development for all power, solar and lighting applications and directs hardware engineering and original equipment manufacturer system design and integration support. Before founding Clear Blue, John was heavily involved in the Motive Power, Inc. and United Parcel Service, Inc. (UPS) industries. Mr. Tuerk's experience includes business development, product management, sales and engineering roles at SAFT Power Systems Inc., Alcatel and Exide Electronics Group Inc. With a Bachelor of Applied Science in Physics from McMaster University and over 20 years of experience in the power electronics industry, Mr. Tuerk drives innovation and strategic product development at Clear Blue. His forward-thinking technical expertise continues to position Clear Blue as a leader in the cleantech sector.

**Mark Windrim, Director, Co-founder, Chief Technology Officer.** As the Chief Technology Officer of Clear Blue, Mr. Windrim is responsible for developing its communications/mesh network and smart off-grid control and analytics platform, Illumience. Prior to joining and co-founding Clear Blue, Mr. Windrim was responsible for product management at Three2N, open-source / community rollout at Infobright, and Internet business development at BCE Emergis. His past also includes roles as the Director of the Internet Division at

Newstar Technologies, Inc., the President/Founder of MAGIC Online, and a National Systems Engineering Specialist at Apple Inc. With over 20 years of experience in the high-tech sector, Mr. Windrim is a critical member of Clear Blue's leadership. He has a keen focus on understanding and implementing the latest advances in web-enabled technologies and incorporating them into Clear Blue's systems. His experience and drive help to make the company the market leader in smart off-grid power management.

**Jane Kearns, Director.** Ms. Kearns is Partner, Evok Innovations. In this role, Ms. Kearns leads a team of professionals and entrepreneurs who work directly with companies to help them grow and make the world a better place. Prior to Evok, Ms. Kearns served as Vice President, Growth Services at MaRS Discovery District and had been a Senior Advisor at MaRS Discovery District from 2012 to 2022, the world's largest urban innovation hub in Toronto that supports startups and helps cleantech companies scale. She is a recognized leader in sustainable innovation, with extensive experience growing successful companies at the intersection of business and sustainability. She co-founded, grew and profitably sold a renewable energy company and leverages over 20 years of experience in venture capital, cleantech and sustainability to help build businesses that matter. Ms. Kearns is a co-founder of the CanadaCleantech Alliance, sits on advisory boards for StandUp Ventures and Amplify Ventures, and is a member of the Expert Panel on Clean Growth for the Canadian Institute for Climate Choices. Ms. Kearns also serves as a director on the board for Decarbonization Plus Acquisition Corp IV (NASDAQ: DCRD). She is a Cleantech and Energy faculty member at Singularity University. She holds a Bachelor of Science in Biology from the University of Calgary, a Bachelor of Arts in Geography from the University of Western Ontario, and a Master of Business Administration from Columbia University. Ms. Kearns's breadth of experience in the cleantech sector and helping companies scale makes her an asset to The Board.

**Steve Parry, Director.** Mr. Parry was the President of Skara Brae Strategy Consultants from 2018 to 2022. In this role, he provided strategic advisory services regarding access to capital to high-growth companies. Mr. Parry served as the executive chairman of Grenville Strategic Royalty Corp. ("**Grenville**") from 2014 to 2016. He served as the President and chief executive officer of Grenville from 2017 to 2018. Mr. Parry has also served as a Managing Member of NGEN Partners, LLC ("**NGEN Partners**"), a US cleantech venture capital firm, and the General Manager, Innovation at BHP Billiton Exploration and Development Limited. Mr. Parry previously served as a director and chair of the audit committee of Boardwalktech Software Corp. (TSXV: BWLK), a California-based blockchain company. Mr. Parry previously served as a Chair and Director of DIRTT Environmental Solutions Ltd. (TSX: DRT); and currently serves as a director at Greengate Power Corp, a privately held company in the renewable energy field. Mr. Parry is a professional geologist and holds a Bachelor of Science degree from Queen's University and a Master of Science degree from the University of Western Ontario. Mr. Parry is qualified to serve on the Board due to his extensive management experience, involvement with high-growth organizations and board service for public and private companies.

### **Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

To the knowledge of the Corporation and based upon information provided to it by the nominees, within 10 years before the date of this Information Circular, other than disclosed below, no such nominee was a director, chief executive officer or chief financial officer of any company (including the Corporation) that was subject to an order that was issued while the nominee was acting in the capacity as director, chief executive officer or chief financial officer, or was subject to an order that was issued after the nominee ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while the nominee was acting in the capacity as director, chief executive officer or chief financial officer.

For the purposes of the foregoing paragraphs, "order" means:

- (a) a cease trade order;
- (b) an order similar to a cease trade order; or

- (c) an order that denied the relevant company access to any exemption under securities legislation,

that was in effect for a period of more than 30 consecutive days.

Each of the director nominees standing for election at the Meeting are current directors of the Corporation and held such roles on May 1, 2024, when the British Columbia Securities Commission issued a management cease trade order for the Corporation's CEO and Chief Financial Officer in respect of the securities of the Corporation (the "MCTO"). The MCTO was granted as a result of the Corporation's delayed filing of its continuous disclosure documents associated with the year ended December 31, 2023 (the "2023 Annual Filings"). The delay in the 2023 Annual Filings is due to the acquisition of eSite Power Systems AB, a telecom site power systems provider located in Lidköping, Sweden, which created the need for additional time to complete the audit and release of the 2023 Annual Filings. As of the date of this Information Circular, the Corporation filed its 2023 Annual Filings on May 28, 2024, and expects that the MCTO will be revoked in due course.

Mr. Parry has served as a director of RockMass Technologies Inc. ("RockMass") since November, 2023, to assist with the restructuring of RockMass. On May 23, 2024, RockMass filed a division 1 proposal under the Bankruptcy and Insolvency Act for consideration of its creditors

To the knowledge of the Corporation and based upon information provided to it by the nominees, no such nominee is or within 10 years prior to the date of this Information Circular was, a director or executive officer of any company (including the Corporation) that, while the nominee 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.

To the knowledge of the Corporation and based upon information provided to it by the nominees, no director, executive officer of the Corporation, or any shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, has been subject to:

- (a) penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

No director or officer of the Corporation, nor any shareholder holding sufficient securities of the Corporation to affect materially the control of the Corporation, nor any person holding Corporation of any such person has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

#### Director Resolution

At the Meeting, shareholders of the Corporation will be asked to consider, and if deemed advisable, to pass, with or without variation, the following ordinary resolution (the "**Director Resolution**"):

**"BE IT RESOLVED THAT:**

1. the election of Miriam Tuerk, John Tuerk, Mark Windrim, Jane Kearns, and Steve Parry to hold office until the next annual meeting of the shareholders of the Corporation, or until their successors are elected or appointed, is hereby approved.”

**In order to be passed, the Director Resolution requires the approval of a majority of the votes cast thereon by holders of Common Shares present in person or represented by proxy at the Meeting.**

**THE BOARD UNANIMOUSLY RECOMMENDS THAT EACH SHAREHOLDER VOTE "FOR" THE DIRECTOR RESOLUTION. Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote "FOR" the Director Resolution**

**Item Two: Appointment of Auditors**

A firm of auditors is to be appointed by vote of the shareholders at the Meeting to serve as auditors of the Corporation until the close of the next annual meeting. The Board, upon the recommendation of the Audit Committee, proposes that Davidson & Company, LLP be re-appointed as auditors of the Corporation and that the directors of the Corporation be authorized to determine their compensation. Davidson & Company, LLP have acted as auditors of the Corporation since November 15, 2019.

Unless instructed to abstain from voting with regard to the appointment of auditors, the persons whose names appear on the enclosed form of proxy will vote in favour of: (i) the appointment of Davidson & Company, LLP as auditors of the Corporation; and (ii) authorizing the directors of the Corporation to determine the compensation of Davidson & Company, LLP in such capacity.

In order for the resolution to be passed, approval by a majority of the Common Shares voted in respect thereof at the Meeting is required.

The following table indicates the aggregate fees billed to the Corporation in respect of its 2023 and 2022 fiscal years:

Year	Auditors	Audit Fees	Audit-Related Fees	Tax Fees	All Other Fees
2023	Davidson & Company, LLP	\$250,000	Nil	Nil	Nil
2022	Davidson & Company, LLP	\$210,000	Nil	Nil	Nil

Auditor Resolution

At the Meeting, shareholders of the Corporation will be asked to consider, and if deemed advisable, to pass, with or without variation, the following ordinary resolution (the "**Auditor Resolution**"):

**"BE IT RESOLVED THAT:**

1. the appointment of Davidson & Company, LLP as auditor of the Corporation to hold office until the next annual meeting of the shareholders of the Corporation is hereby approved; and
2. the board of directors of the Corporation (the "**Board**") is hereby authorized to fix the remuneration of the auditor so appointed."

**In order to be passed, the Auditor Resolution requires the approval of a majority of the votes cast thereon by holders of Common Shares present in person or represented by proxy at the Meeting.**

**THE BOARD UNANIMOUSLY RECOMMENDS THAT EACH SHAREHOLDER VOTE "FOR" THE AUDITOR RESOLUTION. Unless otherwise directed, the persons named in the enclosed form of**

**proxy intend to vote "FOR" the Auditor Resolution.**

### **Item Three: Equity Incentive Plan**

The Corporation maintains an omnibus incentive compensation plan (the "**Equity Incentive Plan**") in accordance with Policy 4.4 – *Security Based Compensation* of the Corporate Finance Manual of the Exchange ("**Policy 4.4**"). The Board has approved certain amendments to the Equity Incentive Plan of a housekeeping nature in order to comply with certain regulatory requirements of the Exchange. At the Meeting, shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution in the form set out below approving the Equity Incentive Plan, including certain amendments thereto, in substantially the form attached hereto as Schedule "A" to this Circular.

A summary of the Equity Incentive Plan is set out below. This summary is qualified in its entirety by the full text of the Equity Incentive Plan.

#### *Purpose*

The purposes of the Equity Incentive 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 (as defined below) 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 Common Shares.

#### *Administration of the Equity Incentive Plan*

The Equity Incentive Plan is a rolling option plan that provides for the grant of incentive stock awards, including stock options ("**Stock Options**"), stock appreciation rights ("**SARs**"), restricted stock units ("**RSUs**"), deferred share units ("**DSUs**") and performance share units ("**PSUs**"). Under the Equity Incentive Plan, these awards are available to employees, 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 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 are governed by a stock award agreement and vest in accordance with the vesting schedule set forth in such award agreement. The Board may choose to accelerate the vesting schedule upon a change of control.

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

The maximum number of Common Shares which may be reserved and set aside for issuance upon the grant or exercise of awards under the Equity Incentive Plan is 10% of the Corporation's issued and outstanding share capital at the time of any grant. 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 approval from Insiders (as such term is defined in Policy 1.1 – *Interpretation* of the Corporate Finance Manual of the Exchange) to whom awards may be granted under the Equity Incentive Plan and their associates and affiliates ("**Disinterested Shareholders**") 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 awards in any 12-month period shall not exceed, in the aggregate, 2% of the number of Common Shares then outstanding.

### Types of Awards

The following is a summary of the various types of awards issuable under the Equity Incentive Plan.

#### *Restricted Stock Units*

The RUSs will be 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 will be reserved for issuance, which, in combination with the aggregate number of Common Shares which may be 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.

#### *Stock Options*

All Stock Options 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. An option shall not 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 will be evidenced by certificates that set forth the terms, conditions and limitations for each option which may include, without limitation, the term of an option and the provisions applicable in the event employment or service terminates.

#### *Share Appreciation Rights*

The SARs may be issued together with Stock Options or as standalone awards. Upon the exercise of a SAR, a Participant shall be entitled to receive payment from the Corporation in an amount representing the difference between the fair market value of the underlying Common Shares on the date of exercise over the grant price of the SAR. At the discretion of the Board, the payment upon the exercise of a SAR may be in cash, Common Shares of equivalent value, in some combination thereof, or in any other form approved by the Board in its sole discretion.

#### *Deferred Share Units*

The number and terms of DSUs to be issued to any Participant will be determined by the Board at the time of grant. Each DSU will entitle the holder to receive at the time of settlement for each DSU held, either one Common Share or a cash payment equal to the fair market value of a Common Share or a combination of the two, at the election of the Board. In addition, the Board may determine that holders of DSUs be credited with consideration equivalent to dividends declared by the Board and paid on outstanding Common Shares.

### *Performance Share Units*

The number and terms (including applicable performance criteria) of PSUs to be issued to any Participant will be determined by the Board at the time of grant. Each PSU will entitle the holder to receive at the time of settlement for each PSU held, either one Common Share or a cash payment equal to the fair market value of a Common Share or a combination of the two, at the election of the Board. In addition, the Board may determine that holders of PSUs be credited with consideration equivalent to dividends declared by the Board and paid on outstanding Common Shares.

### Equity Incentive Plan Resolution

At the Meeting, shareholders will be asked to consider and, if deemed advisable, approve the following resolution:

#### **"BE IT RESOLVED THAT:**

1. the Amended and Restated Equity Incentive Plan of the Corporation (the "**Plan**") approved by the Board, and as described in the information circular of the Corporation dated May 29, 2024, is hereby ratified, confirmed and approved;
2. the Corporation is hereby authorized to issue awards under the Plan to acquire up to 10% of the issued and outstanding Common Shares in the capital of the Corporation, inclusive of a maximum of 12,402,123 Common Shares reserved for issuance upon the exercise of non-option based awards granted pursuant to the Plan, subject in each case to compliance with the policies of the TSX Venture Exchange;
3. the Board is hereby authorized to make any changes to the 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
4. 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, the approval of a majority of the votes cast thereon by holders of Common Shares present in person or represented by proxy at the Meeting is required. The Board unanimously recommends that shareholders vote FOR the Equity Incentive Plan resolution.**

**Unless otherwise instructed, the persons named in the enclosed form of proxy intend to vote in favour of the resolution approving the Equity Incentive Plan.**

## **STATEMENT OF CORPORATE GOVERNANCE PRACTICES**

### **General**

The Board is committed to a high standard of corporate governance practices. The Board believes that this commitment is not only in the best interest of shareholders, but that it also promotes effective decision-making at the Board level.

Effective June 30, 2005, the Canadian Securities Administrators adopted National Policy 58-201 - *Corporate Governance Guidelines* (the "**Guidelines**") and National Instrument 58-101 - *Disclosure of Corporate Governance Practices* which requires that each reporting issuer annually disclose its corporate governance practices.

The following disclosure is based on the disclosure requirements of the Guidelines and Form 58-101F2 – *Corporate Governance Disclosure (Venture Issuers)*.

### **Board Mandate**

The Board's responsibility is to supervise and oversee management of the Corporation in accordance with the highest standards of ethical conduct and to act with a view to the best interests of the Corporation and its shareholders. In the discharge of this responsibility, the Board oversees and reviews, directly or through its various committees, the Corporation's results of operations and business initiatives, and identifies and oversees the management of principal business risks affecting the Corporation. The Board is also responsible for reviewing its size and the compensation paid to its members to ensure that the Board can fulfill its duties effectively and that its members are adequately compensated for assuming the risks and carrying out the responsibilities of their positions.

The Board Mandate describes, *inter alia*, the Board's role and overall responsibility to supervise the management of the business and affairs of the Corporation.

### **Current Directorships in Other Issuers**

As of the date of this Information Circular, Ms. Kearns also serves as a director on the board of Decarbonization Plus Acquisition Corp IV (NASDAQ: DCRD). None of the other directors of the Corporation are directors of other issuers that are also reporting issuers (or the equivalent) in a territory of Canada or in a foreign territory.

### **Orientation and Continuing Education**

The Corporate Governance and Compensation Committee reviews, monitors, and makes recommendations with respect to director orientation. All newly elected directors are provided with an orientation as to the nature and operation of the business and affairs of the Corporation and as to the role of the Board and its committees. Each new director meets with the Chairman of the Board, individual directors and members of the senior management team to discuss the Corporation's business and activities. Orientation is designed to assist the directors in fully understanding the nature and operation of the Corporation's business, the role of the Board and its committees, and the contributions that individual directors are expected to make, including the time and effort the Corporation expects them to devote to the execution of their functions.

In addition, the Corporate Governance and Compensation Committee reviews, monitors, and makes recommendations with respect to director continuing education opportunities designed to maintain or enhance the skills and abilities of the Corporation's directors and to ensure that their knowledge and understanding of the Corporation's business remains current. The Board encourages directors to take relevant training programs offered by different regulatory bodies and educational service providers and industry associations, and gives them the opportunity to expand their knowledge about the nature and operations of the Corporation's business.

### **Composition and Operation of the Board**

The Guidelines recommend that a majority of directors of a listed corporation be "**independent**" as defined by National Instrument 52-110 - *Audit Committees* ("**NI 52-110**"). An independent director is a director who does not have any direct or indirect material relationship with the issuer. "**Material relationship**" is defined as a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment. NI 52-110 further sets out certain relationships which are deemed to be material relationships.

The Board currently has five members. Each director is elected annually by the shareholders and serves for a term that will end at the Corporation's next annual meeting. For the upcoming year, the Board believes



that five directors is a sufficient number to ensure that the Board will be comprised of directors with a broad range of experience and expertise and will be able to function independently of management.

Given the above determinations, the Board has determined that out of the five members of the Board, two of the members (representing 40% of the Board) are independent, with Ms. Tuerk, Mr. Tuerk, and Mr. Windrim being the non-independent members of the Board, by reason of the fact that Ms. Tuerk, Mr. Tuerk, and Mr. Windrim are the CEO, Chief Power Officer, and Chief Technology Officer of the Corporation.

Board Members	Committees			
	Year Appointed	Independent	Audit Committee	Corporate Governance and Compensation Committee
Miriam Tuerk	2018		✓	
John Tuerk	2018			
Mark Windrim	2018			✓
Jane Kearns	2020	✓	✓	✓
Steve Parry	2018	✓	Chair	Chair

Additional information for each of the directors can be found under the heading as more particularly described in the section "*Business to be Transacted at the Meeting – Item One: Election of Directors*".

### Diversity and Inclusion

The Corporation believes that having a diverse Board and executive team offers a depth of perspective that enhances Board and management operations and performance. The Corporation similarly believes that having a diverse and inclusive organization overall is beneficial to its success, and the Corporation is committed to diversity and inclusion at all levels of our organization to ensure that the Corporation attracts, retains, and promotes the brightest and most talented individuals.

The Board does not intend to specifically define diversity, but the Corporate Governance and Compensation Committee values diversity of experience, perspective, education, background, race, gender and national origin as part of its overall evaluation of director nominees for election or re-election and the Board and Corporate Governance and Compensation Committee will value the same as part of their respective evaluation of candidates for executive positions. This will be achieved through ensuring that diversity considerations are taken into account to fill vacancies, continuously monitoring the level of women, visible minorities, Aboriginal persons and persons with disabilities represented on the Board and in the Corporation's executive team, continuing to broaden recruiting efforts to attract and interview qualified female candidates, and committing to retention and training to ensure that our most talented employees are promoted from within the organization.

The Corporation does not currently have a written diversity policy or diversity targets in place, as the Board is in the process of considering the diversity objectives and measures to ensure implementation that would be most appropriate for the Company at its current stage.

### Nomination of Directors

The Corporate Governance and Compensation Committee is responsible for recommending to the Board nominees for election or appointment as directors, as the case may be, in accordance with the provisions of applicable corporate law and the charter of the Corporate Governance and Compensation Committee.

The Corporate Governance and Compensation Committee is unconstrained with respect to its recommendations for any available director positions not subject to the nomination rights of shareholders. It is expected that the Corporate Governance and Compensation Committee will consider the competencies and skills that the Board considers to be necessary for the Board as a whole to possess, the competencies and skills that the Board considers each existing director to possess, and the competencies and skills each

new nominee will bring to the boardroom. The Corporate Governance and Compensation Committee is expected to also consider the amount of time and resources that nominees have available to fulfill their duties as a member of the Board.

The Chairperson of the Corporate Governance and Compensation Committee, Mr. Parry, is an independent director, and he leads any nominating process in accordance with and pursuant to the criteria for Board membership as set forth in the charter of the Corporate Governance and Compensation Committee.

### **Compensation**

The Corporate Governance and Compensation Committee oversees and recommends for approval by the Board executive compensation principles, policies, programs, grants of equity-based incentives and processes and specifically considers and recommends annually or as required for approval by the independent directors of the Board of all forms of compensation for the Chairperson and CEO, and for approval by the Board of all forms of compensation for the other executive officers of the Corporation. Further particulars of the process by which compensation for the Corporation's executive officers is determined, is provided under the heading "Statement of Executive Compensation" in this Information Circular. The Chairperson of the Corporate Governance and Compensation Committee is an independent director and leads the compensation review process in accordance with the charter of the Corporate Governance and Compensation Committee.

### **Ethical Business Conduct**

The Board has adopted a written Code of Conduct applicable to all of the Corporation's directors, officers and employees. The Code of Conduct sets out the Corporation's core values and standards of behavior that are expected from the Corporation's personnel with respect to all aspects of the Corporation's business. The objective of the Code of Conduct is to set out the Corporation's mission and values, and provide guidelines for maintaining the Corporation's integrity, reputation and honesty with a goal of honouring others' trust in us at all times. The Code of Conduct sets out guidance with respect to conduct in dealing with conflicts of interest, protection of the Corporation's assets, confidentiality, fair dealing with shareholders, competitors and employees, insider trading, compliance with laws and reporting any illegal or unethical behaviour. The Board will have ultimate responsibility for the stewardship of the Code of Ethics and it will monitor compliance through the Corporate Governance and Compensation Committee.

A director, in the exercise of his or her functions and responsibilities, must act with complete honesty and good faith in the best interests of the Corporation. Directors must also act in accordance with the applicable laws, regulations and policies. In the event of a conflict of interest, a director is required to declare the nature and extent of any material interest he has in any important contract or proposed contract of ours, as soon as he has knowledge of the agreement or of the Corporation's intention to consider or enter into the proposed contract. In such circumstances, the director in question shall abstain from voting on the subject.

### **Board Committees**

The Corporation has two committees of the Board, namely, the Audit Committee, and the Corporate Governance and Compensation Committee. The Board does not have any other standing committees.

The Board has not developed a written position description for the committee chairs beyond what is stated in each committee's charter. The committee chairs are expected to supervise the activities of their respective committees and to ensure that such committees are taking all steps necessary to fulfill their respective mandates.

## **Audit Committee**

The members of the Audit Committee are Mr. Parry, as Chairperson, Ms. Kearns, and Ms. Tuerk. Each of the members of the Audit Committee, other than Ms. Tuerk, is "independent" for the purposes of NI 52-110. All members of the Audit Committee are "financially literate" for the purposes of NI 52-110.

All three members of the Audit Committee have been senior officers and/or directors of publicly traded companies or have been business executives, in each case with the responsibility of performing financial functions, for a number of years. In these positions, each such director has been responsible for receiving financial information relating to the entities of which they were directors, officers or executives. They have, or have developed, an understanding of financial statements generally and of how statements are used to assess the financial position of a company and its operating results. Each member of the Audit Committee also has a significant understanding of the business in which the Corporation is engaged and has an appreciation for the relevant accounting principles used in the Corporation's business.

Further, each member has the requisite education and experience that has provided the member with:

- an understanding of the accounting principles used by the Corporation to prepare the Corporation's financial statements;
- the ability to assess the general application of the above-noted principles in connection with estimates, accruals and reserves;
- 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 individuals engaged in such activities; and
- an understanding of internal controls and procedures for financial reporting.

The Audit Committee's primary responsibility is to assist the Board in discharging its oversight responsibilities with respect to financial matters and compliance with laws and regulations. The Audit Committee's specific responsibilities with respect to its oversight of financial matters include, among other things: to select, evaluate, monitor the independence of, and recommend an auditor to the Board for appointment or reappointment, as the case may be, by the Corporation's shareholders and make recommendations with respect to the auditor's compensation; to review and determine the auditor's fee and the terms of the auditor's engagement and inform the Board thereof; where the Audit Committee may deem it appropriate, to recommend to the Board that the auditor be terminated; to meet with senior management without the auditor present to discuss the performance of the auditor; to pre-approve any audit services, and any non-audit services permitted under applicable law, to be performed by the auditor; to review and approve the audit plan; to review with senior management and the auditor the annual audited consolidated financial statements, together with the auditor's report thereon and the interim financial statements, before recommending them to the Board, and review with senior management and the auditor the relevant management's discussion and analysis relating thereto; to review other financial reporting and disclosures, including earnings press releases and other press releases disclosing financial information and all other financial statements of the Corporation that require approval by the Board before they are released to the public; to oversee the integrity of the Corporation's financial reporting processes and disclosures, including its internal controls, disclosure controls and procedures and compliance with legal and regulatory requirements, and to report regularly to the Board on such matters; to oversee the Corporation's risk management function; to review with senior management the status of taxation matters; and to review and oversee the Corporation's investment strategies and policies.

The Audit Committee reviews and pre-approves all audit and non-audit services to be provided to the Corporation by its external auditors on an annual basis. Before the appointment of the external auditor for any non-audit service, the Audit Committee considers the compatibility of the service with the auditor's independence.

#### Audit Committee Charter

The responsibilities and duties of the Audit Committee are set out in the committee's charter, the text of which is attached as Schedule "C" to this Information Circular.

#### Audit Committee Oversight

At no time has a recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by the Board.

#### Exemption

The Corporation is a "**venture issuer**" as defined in NI 52-110 and is relying on the exemption in section 6.1 of NI 52-110 relating to Parts 3 (Composition of Audit Committee) and 5 (Reporting Obligations) of NI 52-110.

#### **Corporate Governance and Compensation Committee**

The members of the Corporate Governance and Compensation Committee are Mr. Parry, as Chairperson, Mr. Windrim and Ms. Kearns. All of the members of the Corporate Governance and Compensation Committee, other than Mr. Windrim, are independent.

The Corporate Governance and Compensation Committee's principal responsibilities include:

- acting in an advisory capacity to the Board;
- reviewing corporate goals and objectives relevant to the compensation of the CEO, evaluating the performance of the CEO in light of those corporate goals and objectives and determining (or making recommendations to the Board with respect to) the compensation level of the CEO based on this evaluation;
- making recommendations to the Board with respect to compensation, incentive-compensation plans and equity-based plans of the officers, other than the CEO, and directors;
- reviewing and approving, prior to public disclosure, all public disclosure on executive compensation and producing a report on executive officer compensation for inclusion in the Corporation's management information circular and proxy statement;
- developing and recommending to the Board criteria for selecting board and committee members;
- establishing procedures for identifying and evaluating director candidates, including nominees recommended by shareholders;
- identifying individuals qualified to become board members;
- recommending to the Board the persons to be nominated for election as directors and to each of the Board's committees;

- reviewing and making recommendations to the Board regarding the appointment and succession of the Corporation's directors and officers;
- developing and recommending to the Board a code of business conduct and ethics and a set of corporate governance guidelines; and
- overseeing the evaluation of the Board, its committees and management.

### **Assessments**

It is the responsibility of the Board and the Corporate Governance and Compensation Committee to regularly evaluate the overall efficiency of the Board and its various committees. In connection with such evaluations by the Board, the performance of the Board as a whole as well as the performance of each individual director is evaluated and reviewed on an annual basis. The evaluation by the Board takes into account (i) in the case of the Board, the Board Mandate and (ii) in the case of an individual director, the applicable position description(s), as well as the competencies and skills each individual director is expected to contribute to the Board. The Corporate Governance and Compensation Committee assesses the contribution of individual directors on an ongoing basis and in light of the opportunities and risks facing the Corporation, the competencies, skills and qualities required of directors. As part of its mandate, the Corporate Governance and Compensation Committee develops long-term plans for the composition of the Board, as well as ensures that an appropriate system is in place to evaluate the effectiveness of the Board as a whole and its various committees.

## **STATEMENT OF EXECUTIVE COMPENSATION**

This section has been prepared in accordance with the requirements of Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*.

### **Compensation Discussion and Analysis**

#### Introduction

The information contained under the heading "Compensation Discussion and Analysis" relates to the Corporation's current compensation program, which was adopted by the Board following completion of the transactions contemplated by the business combination agreement between Clear Blue Technologies Inc. and 2621388 Ontario Ltd., pursuant to which on July 13, 2018 the Corporation completed a reverse take-over business combination with Clear Blue Technologies Inc.

The purpose of this Compensation Discussion and Analysis is to provide information about the Corporation's philosophy, objectives and processes regarding compensation of the individuals who carried out the roles of the CEO and the Chief Financial Officer of the Corporation at any point during the year ended December 31, 2023 and the most highly compensated executive officer of the Corporation, other than the CEO and Chief Financial Officer, whose total compensation was, individually, more than \$150,000 for the 12 months ended December 31, 2023 (each a "**Named Executive Officer**" and collectively, the "**Named Executive Officers**").

#### Corporate Governance and Compensation Committee

The administration of the Corporation's compensation practices is handled by the Corporate Governance and Compensation Committee.

Among other things, the Corporate Governance and Compensation Committee's role is to ensure that the total compensation paid to the Corporation's executive officers, including the Named Executive Officers, is fair, reasonable and competitive. In the course of reviewing and recommending to the Board the

compensation of executive officers other than the CEO, the Corporate Governance and Compensation Committee annually reviews the performance of the executive officers with the CEO, and the CEO makes recommendations to the Corporate Governance and Compensation Committee regarding their compensation.

The Corporate Governance and Compensation Committee will evaluate the performance of the CEO, based on its evaluation, review and make recommendations to the Board with respect to all direct and indirect compensation, benefits and perquisites (cash and non-cash) for the CEO based on such evaluation. The Corporate Governance and Compensation Committee will also review and make recommendations to the Board with respect to compensation, benefits and perquisites for all other senior executive officers of the Corporation, incentive-compensation plans and equity-based plans, and policies regarding management benefits and perquisites.

Neither the Board nor any committee of the Board has formally established a mechanism to consider the implications of the risks associated with the Corporation's compensation policies and practices. However, the Board and the Corporate Governance and Compensation Committee inherently consider these risks. The Corporate Governance and Compensation Committee reviews and manages the policies and practices of the Corporation and ensures that they are aligned with the interests of the shareholders. The Corporate Governance and Compensation Committee reviews, among other things, the overall compensation and the annual salary increases of the executive officers of the Corporation while keeping as a reference both the financial performance of the Corporation and the turnover risk for the Corporation. The Board also addresses risk related to compensation policies in the context of compensation mechanisms that are linked to the achievement of certain goals or targets (e.g. short term and long term objectives), both financial and otherwise. The Board is involved in the supervision of key projects and initiatives of the Corporation and the manner in which they are being carried out. Consequently, the Board is in a position where it can control significant risks that may be taken by the Corporation's management and ensures that those risks remain appropriate and that members of management do not expose the Corporation to excessive risks.

Each member of the Corporate Governance and Compensation Committee has direct experience relevant to compensation matters resulting from their respective current and past backgrounds and/or roles. The members of the Corporate Governance and Compensation Committee have experience dealing with compensation matters in large and small organizations, including public companies.

The Corporation does not have a policy in place that limits the ability for directors or Named Executive Officers to hedge the shares of the Corporation that they own. However, none of the current directors or Named Executive Officers of the Corporation are hedging any of the shares of the Corporation that they own.

#### Compensation Process

The Corporation has no formal or informal policy or target for allocating compensation between long-term and short-term compensation, between cash and non-cash compensation, or among the different forms of non-cash compensation. Instead, the Board determines subjectively what it believes to be the appropriate level and mix of the various compensation components based on the recommendations of the Corporate Governance and Compensation Committee.

#### Compensation Objectives

The Corporation's compensation philosophy for Named Executive Officers is designed to attract well-qualified individuals by paying modest base salaries plus short and long-term incentive compensation in the form of equity-based or other suitable long-term incentives. In making its determinations regarding the various elements of executive compensation, the Board has utilized published studies of compensation paid in comparable businesses, specifically the 2016 study conducted by Culpepper and Associates in combination with a 2021 internal study of comparable companies undertaken by the Corporate Governance

and Compensation Committee. These studies have been used to ensure that the compensation received by the Board will be in line with industry standards.

The duties and responsibilities of the CEO are typical of those of a business entity of the Corporation's size in a similar business and include direct reporting responsibility to the Chairman of the Board, overseeing the activities of all other executives of the Corporation, representing the Corporation, providing leadership and responsibility for achieving corporate goals and implementing corporate policies and initiatives.

The objectives of the Corporation's executive compensation program are as follows:

- to attract, retain and motivate talented executives who create and sustain the Corporation's continued success;
- to align the interests of the Corporation's executives with the interests of the Corporation's shareholders; and
- to provide total compensation to executives that is competitive with that paid by other companies of comparable size engaged in similar businesses in appropriate regions.

The Corporation believes that its current compensation programs are structured to support the achievement of the foregoing strategic objectives.

Overall, the executive compensation program aims to design executive compensation packages that meet executive compensation packages for executives with similar talents, qualifications and responsibilities at companies with similar financial, operating and industrial characteristics. The Corporation expects to undergo significant growth and is committed to retaining its key executives for the next several critical years, but at the same time ensuring that executive compensation is tied to specific corporate goals and objectives. The Corporation's executive compensation program has been designed to reward executives for reinforcing the Corporation's business objectives and values, for achieving the Corporation's performance objectives and for their individual performances.

#### Elements of Compensation

The Corporation seeks to achieve the compensation objectives described earlier through different elements of compensation, including salary and both short-term and long-term incentive plans, with the incentives having both equity and non-equity components. The Corporation believes that these various elements are important to effectively achieve the objectives of its executive compensation philosophy.

The elements of the Named Executive Officers' compensation are:

- (a) base salaries;
- (b) performance bonuses; and
- (b) equity-based compensation.

The Corporation does not provide pensions to its directors or Named Executive Officers.

There is no regulatory oversight of the Corporation's compensation process for the Named Executive Officers.

### Base Salary

The Corporation pays its executive officers a base salary to compensate them for services rendered during a fiscal year. Base salaries are determined for each executive officer based on an evaluation of such officer's experience, skills, knowledge, scope of responsibility and performance. Base salary levels are reviewed and considered annually, and from time to time adjustments may be made to base salary levels based upon promotions or other changes in job responsibility or merit-based increases based on assessments of individual performance.

The base salary review of any executive officer will take into consideration the current competitive market conditions, experience, proven or expected performance, and the particular skills of the executive officer. Base salary is not evaluated against a formal "peer group".

### Performance Bonuses

In addition to a base salary, the Named Executive Officers are eligible to receive performance-based bonuses meant to motivate the Named Executive Officers to achieve shorter-term goals. The pre-established, quantitative and qualitative target(s) used to determine performance bonuses will be set by the Board or a committee thereof each fiscal year. Awards under the plan will be made by way of cash payments subject to the Board's right to utilize equity, which payments will be made at the end of the relevant fiscal year or at such other time as determined by the Board of Directors. Each Named Executive Officer will be measured against the financial targets within his or her control including overall company performance plus qualitative targets designed to encourage strong Environmental, Social and Governance (ESG) performance. The ESG component of performance includes, but is not limited to diversity and inclusion targets, safety, and the environmental performance of the Corporation's products and services. The cash bonuses are primarily designed to align the financial interests of the Corporation's executives with the interests of the Corporation's shareholders. The board formally reserves the right to utilize equity compensation in lieu of cash if the Board, in its sole opinion determines that it would be in the best interests of the Corporation, including but not limited to liquidity management, to utilize equity instruments defined in the Equity Incentive Plan in lieu of cash.

### Equity Based Compensation

The executive officers are eligible to receive equity awards under the Equity Incentive Plan. The Corporation intends for equity awards to be an integral part of its overall compensation program as the Corporation believes that the long-term performance of the Corporation will be enhanced through the use of equity-based awards that reward executive officers for increasing long-term shareholder value. The Corporation also believes that such awards will promote an ownership perspective among its executive officers and encourage executive retention. Equity based compensation awarded to executive officers (including Named Executive Officers) will typically be subject to time-based vesting provisions. The Corporation does not have any formal policy regarding when equity-based compensation is to be granted or the size of any given grant. In determining the number of awards to be granted to executive officers, the Corporate Governance and Compensation Committee takes into account the individual's position, scope of responsibility, ability to affect profits and shareholder value and the value of the awards in relation to other elements of the individual executive officer's total compensation, including base salary and cash bonuses. When considering equity or equity-linked awards to an executive officer, consideration of the number of awards previously granted to the executive may be taken into account, however, the extent to which such prior awards remain subject to resale restrictions will generally not be a factor.

### **Compensation of Named Executive Officers and Directors**

As of December 31, 2023, the Corporation had four Named Executive Officers: Miriam Tuerk, CEO, Farrukh Anwar, Chief Financial Officer, John Tuerk, Chief Power Officer and Mark Windrim, Chief Technology Officer. The following table sets forth the compensation noted below paid or payable to the



Named Executive Officers and directors of the Corporation for the two fiscal years ended December 31, 2022 and December 31, 2023:

Table of Compensation Excluding Compensation Securities							
Name and Position	Year	Salary (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of All Other Compensation (\$)	Total Compensation (\$)
Miriam Tuerk, CEO and Director	2022	132,378.6	Nil	Nil	Nil	nil	132,378.6 <sup>(1)</sup>
	2023	162,641.0	Nil	Nil	Nil	nil	163,641 <sup>(2)</sup>
John Tuerk, Chief Power Officer and Director	2022	117,511.0	Nil	Nil	Nil	nil	117,511.08 <sup>(3)</sup>
	2023	144,974.39	Nil	Nil	Nil	nil	144,974.39 <sup>(4)</sup>
Mark Windrim, Chief Technology Officer and Director	2022	117,511.08	Nil	Nil	Nil	nil	117,511.08 <sup>(5)</sup>
	2023	145,076.25	Nil	Nil	Nil	nil	145,076.25 <sup>(6)</sup>
Steven Parry, Director	2022	Nil	Nil	Nil	Nil	36,000	36,000
	2023	Nil	Nil	Nil	Nil	27,000	27,000
Farrukh Anwar, Chief Financial Officer	2022	136,108	Nil	Nil	Nil	nil	136,108
	2023	160,260.34	Nil	Nil	Nil	nil	160,260.34
Jane Kearns, Director	2022	Nil	Nil	Nil	Nil	nil	Nil
	2023	Nil	Nil	Nil	Nil	nil	Nil

NOTES:

- (1) Total compensation paid to Ms. Tuerk was comprised of \$132,378.6 for her services as CEO and \$nil for her service as a director.
- (2) Total compensation paid to Ms. Tuerk was comprised of \$163,641 for her services as CEO and \$nil for her service as a director.
- (3) Total compensation paid to Mr. Tuerk was comprised of \$117,511.08 for his services as Chief Power Officer and \$nil for his services as a director.
- (4) Total compensation paid to Mr. Tuerk was comprised of \$144,974.39 for his services as Chief Power Officer and \$nil for his services as a director.
- (5) Total compensation paid to Mr. Windrim was comprised of \$117,511.08 for his services as Chief Technology Officer and \$nil for his services as a director.
- (6) Total compensation paid to Mr. Windrim was comprised of \$145,076.25 for his services as Chief Technology Officer and \$nil for his services as a director.

Stock Options and Other Compensation Securities

The following table summarizes all compensation securities granted or issued to each Named Executive Officer and director during the financial year ended December 31, 2023 for services provided or to be provided, directly or indirectly, to the Corporation or its subsidiaries:

Compensation Securities						
Name and Position	Type of Security Compensation	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 at year end	Expiry Date
Miriam Tuerk, CEO and Director	Options	297,170 (3.05% of class) (1)	1/25/2023	\$ 0.08	\$0.08	n/a
	Otpions	30,000 (0.31% of class) (1)	6/1/2023	\$ 0.06	\$0.06	
	Otpions	330,000 (3.39% of class) (1)	12/27/2023	\$ 0.07	\$0.07	
John Tuerk, Chief Power Officer and Director	Options	175,472 (1.80% of class) (1)	1/25/2023	\$ 0.08	\$0.08	n/a
	Otpions	30,000 (0.31% of class) (1)	6/1/2023	\$ 0.06	\$0.06	
	Otpions	330,000 (3.39% of class) (1)	12/27/2023	\$ 0.07	\$0.07	
Mark Windrim, Chief Technology Officer and Director	Options	175,472 (1.80% of class) (1)	1/25/2023	\$ 0.08	\$0.08	n/a
	Otpions	30,000 (0.31% of class) (1)	6/1/2023	\$ 0.06	\$0.06	
	Otpions	330,000 (3.39% of class) (1)	12/27/2023	\$ 0.07	\$0.07	
Farrukh Anwar, Chief Financial Officer	Options	175,472 (1.80% of class) (1)	1/25/2023	\$ 0.08	\$0.08	n/a
	Otpions	30,000 (0.31% of class) (1)	6/1/2023	\$ 0.06	\$0.06	
	Otpions	330,000 (3.39% of class) (1)	12/27/2023	\$ 0.07	\$0.07	
Steven Parry, Director	Otpions	100,000 (1.03% of class) (1)	6/1/2023	\$ 0.06	\$0.06	n/a
	Otpions	60,000 (0.62% of class) (1)	12/27/2023	\$ 0.07	\$0.07	
	RSU	36,000 (6% of class) (1)	1/4/2023	\$nil	\$0.08	
Jane Kearns, Director	Otpions	100,000 (1.03% of class) (1)	6/1/2023	\$ 0.06	\$0.06	n/a
	Otpions	60,000 (0.62% of class) (1)	12/27/2023	\$ 0.07	\$0.07	
	RSU	36,000 (6% of class) (1)	1/4/2023	\$nil	\$0.08	

NOTES:

- (1) The issued RSUs will vest on the 1<sup>st</sup> anniversary from the grant date.

Exercise of Compensation Securities

The following exercise of compensation securities table sets out the compensation securities exercised by each director and Named Executive Officer of the Corporation in the financial year ended December 31, 2023.

Exercise of Compensation Securities							
Name and Principal Position	Type of Compensation Security	Number of Underlying Securities Exercised	Date of Exercise	Exercise Price per Security	Closing Price of Security on Date of Exercise	Difference Between Exercise Price and Closing Price on Date of Exercise	Total Value on Exercise Date
				(\$)	(\$)	(\$)	(\$)
Miriam Tuerk, CEO and Director	RSU	287,344	6/30/2023	N/A	0.05	N/A	14,367
		12,500	9/29/23		0.04		500
John Tuerk, Chief Power Officer and Director	RSU	169,670	6/30/2023		0.05		8,484
		12,500	9/29/2023	N/A	0.04	N/A	500
Mark Windrim, Chief Technology Officer and Director	RSU	169,670	6/30/2023		0.05		8,484
		12,500	9/29/2023	N/A	0.04	N/A	500
Farrukh Anwar, Chief Financial Officer	RSU	153,250	6/30/2023		0.05		7,663
		79,362	11/30/2023	N/A	0.05	N/A	3,571
Steven Parry, Director	RSU	12,000	1/10/2023		0.295		3,540
		36,000	1/10/2023	N/A	0.295	N/A	10,620
Jane Kearns, Director	RSU	12,000	1/10/2023		0.295		3,540
		36,000	1/10/2023	N/A	0.295	N/A	10,620

## DIRECTOR COMPENSATION

The Corporate Governance and Compensation Committee assists the Board with respect to the establishment of the Corporation's compensation program for its directors. The main objectives of the directors' compensation program are to:

- Compensate the independent directors in a manner that is commensurate with the risks and responsibilities assumed in Board and committee membership, and competitive with other comparable issuers; and
- Align the interest of the independent directors with the shareholders.

Unlike compensation for the Named Executive Officers, the independent directors' compensation program is not designed to pay for performance; rather, directors receive retainers for their services in order to help ensure unbiased decision-making.

Independent directors received three forms of compensation:

- Base retainer of \$36,000 per year. Each year, directors may elect to receive RSUs with a one-year vesting schedule in lieu of cash retainer.
- 36,000 RSUs granted on January 1 each year or on the date the director joins the Board. These RSUs have a one-year vesting schedule from the date of grant.
- Additional cash compensation of \$2,000 per month for specific governance-related work when requested by the Board.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following chart details the number of securities to be issued upon the exercise of outstanding equity awards issued under the Equity Incentive Plan and the number of common shares remaining available for issuance under the Equity Incentive Plan as at May 29, 2024.

Plan Category	Number of securities to be issued upon exercise of outstanding options and RSUs	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by securityholders	10,342,554 Common Shares	2,059,569 Common Shares
Equity compensation plans not approved by securityholders	Nil	Nil
<b>TOTAL</b>	<b>10,342,554 Common Shares</b>	<b>2,059,569 Common Shares</b>

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No current or former directors, employees or executive officers of the Corporation or any associate of any such persons were indebted to the Corporation as at May 29, 2024.

None of the current or former directors, employees or executive officers of the Corporation and none of the associates of such persons is or has been indebted to the Corporation or any subsidiary thereof at any time since the beginning of the Corporation's most recently completed fiscal year. Furthermore, none of such persons were indebted to a third party during such period where their indebtedness was the subject of a

guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or a subsidiary thereof.

### **MANAGEMENT CONTRACTS**

The management functions of the Corporation are performed by its directors and executive officer and the Corporation does not have management agreements or arrangements under which such management functions are performed by persons other than the directors and executive officers of the Corporation.

### **AUDITED FINANCIAL STATEMENTS**

The financial statements of the Corporation for the fiscal year ended December 31, 2023, together with the auditor's report thereon (the “**2023 Annual Financial Statements**”), will be submitted to the Meeting. Receipt at the Meeting of the 2023 Annual Financial Statements and auditor's report will not constitute approval or disapproval of any matters referred to therein.

### **DIRECTORS' AND OFFICERS' LIABILITY INSURANCE**

The Corporation provides insurance for the directors and officers of the Corporation against liability incurred by them in their capacities as directors or officers of the Corporation. The Corporation has a primary insurance policy which provides coverage to a total limit of \$3,000,000, which provides for the protection of the personal liability of the directors and officers. The annual premium for the directors and officers' liability policy is \$14,800 in the aggregate, which is paid in full by the Corporation.

### **TRANSFER AGENT AND REGISTRAR**

The Corporation's transfer agent and registrar for the Common Shares is Computershare Investor Services Inc. at its office at 100 University Ave, Toronto, Ontario M5J 2Y1.

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

Management of the Corporation is not aware of any material interest of any director or executive officer or any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting other than the election of directors.

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

No informed person of the Corporation or any associate or affiliate of the foregoing has or has had any material interest in any transaction since the commencement of the Corporation's last completed fiscal year or in any proposed transaction which has materially affected or will materially affect the Corporation.

### **OTHER MATTERS WHICH MAY COME BEFORE THE MEETING**

The management knows of no matters to come before the Meeting other than as set forth in this Information Circular. **HOWEVER, IF OTHER MATTERS WHICH ARE NOT KNOWN TO THE MANAGEMENT SHOULD PROPERLY COME BEFORE THE MEETING, THE ENCLOSED FORM OF PROXY WILL BE USED TO VOTE ON SUCH MATTERS IN ACCORDANCE WITH THE BEST JUDGMENT OF THE PERSONS VOTING THE PROXY.**

### **ADDITIONAL FINANCIAL INFORMATION**

Additional financial information concerning the Corporation, including the 2023 Annual Financial Statements and related management's discussion and analysis for the year ended December 31, 2023, can be found on the Corporation's profile on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com).

## APPROVAL OF BOARD

The undersigned hereby certifies that the contents and the sending of this Information Circular have been approved by the directors of the Corporation.

The foregoing constitutes full, true and plain disclosure of all material facts relating to the particular matters to be acted upon by the shareholders of the Corporation.

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it is made.

DATED as of the 29<sup>th</sup> day of May, 2024.

*"Miriam Tuerk"*

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Miriam Tuerk  
Co-founder and CEO  
Clear Blue Technologies International Inc.

## SCHEDULE "A"

### CLEAR BLUE TECHNOLOGIES INTERNATIONAL INC.

#### AMENDED AND RESTATED 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 Clear Blue Technologies International Inc. (the "**Company**") 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 Amended and Restated Omnibus Equity Incentive Compensation Plan (the "**Plan**").

The Plan permits the grant of Options, Share Appreciation Rights, Restricted Share Units, Deferred Share Units and Performance Share Units (as such terms are defined below). The Plan was approved by the Board (as defined below) on May 30, 2024 and will be effective as of the date the Plan is approved by shareholders of the Company (the "**Effective Date**") until the earlier of (i) the date it is terminated by the Board in accordance with the Plan, and (ii) 10 years after the Effective Date. The Plan is subject to amendment and/or restatement from time to time on approval of the Board and receipt of any required regulatory and/or shareholder approvals.

###### 1.2 Purpose of the Plan.

The purposes of the Plan are to: (i) provide the Company 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 Company generally, and (iii) enable and encourage Participants to participate in the long-term growth of the Company 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 Company's 2018 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 Company, directly or indirectly, has majority ownership interest or (ii) which the Company controls. For the purposes of this definition, the Company is deemed to "**control**" such corporation, partnership or other entity if the Company 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.

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

**"Award Agreement"** means either (i) a written agreement entered into by the Company or an Affiliate of the Company and a Participant setting forth the terms and provisions applicable to Awards granted under the Plan; or (ii) a written statement issued by the Company or an Affiliate of the Company 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 Company in respect of insider trading.

**"Board"** or **"Board of Directors"** means the Board of Directors of the Company 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 Company 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 Company'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 Company; (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 Company 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 Company 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 Company and its subsidiaries;
- iii. a resolution is adopted to windup, dissolve or liquidate the Company;
- 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.

**"Code"** means the U.S. Internal Revenue Code of 1986, as it may be amended from time to time.

**"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 Clear Blue Technologies International Inc.

**"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.

**"Deferred Share Unit"** and **"DSU"** means an Award denominated in units that provides the holder thereof with a right to receive Shares or cash or a combination thereof upon settlement of the Award, granted under and subject to the terms of the Plan.

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

**"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 Company (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. For greater certainty, Dividend Equivalents will in all cases be subject to, and must comply with, the limitations and restrictions set out in Article 4 herein.

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

**"FMV"** means, unless otherwise required by any applicable provision of the Code or any regulations thereunder or by any applicable accounting standard for the Company'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.

**"Freestanding SAR"** means a SAR that is not a Tandem SAR, as described herein.

**"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 kilometers or more from the current location where he or she is employed.

**"Grant Price"** means the price against which the amount payable is determined upon exercise of a SAR.

**"Insider"** means:

- (a) a Director or an Officer of the Company;



- (b) a director or an officer of a company that is itself an Insider or an Affiliate of the Company;
- (c) a Person that has
  - (i) beneficial ownership of, or control or direction over, directly or indirectly, securities of the Company carrying more than 10% of the voting rights attached to all the Company's outstanding voting securities, excluding, for the purpose of the calculation of the percentage held, any securities held by the Person as underwriter in the course of a distribution; or
  - (ii) a combination of beneficial ownership of, and control or direction over, directly or indirectly, securities of the Company carrying more than 10% of the voting rights attached to all the Company's outstanding voting securities, excluding, for the purpose of the calculation of the percentage held, any securities held by the Person as underwriter in the course of a distribution; or
- (c) the Company itself if it holds any of its own securities.

"**Investor Relations Service Provider**" has the meaning set out in Policy 4.4 of the TSXV Corporate Finance Manual 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.

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

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

"**Notice Period**" means any period of contractual notice or reasonable notice that the Company or an Affiliate of the Company may be required at law, by contract or otherwise agrees to provide to a Participant upon termination of employment, whether or not the Company 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.

"**Officer**" means an officer (as defined under Securities Laws) of the Company or any of its subsidiaries.

"**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.

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

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

"**Performance Period**" means the period of time during which the assigned performance criteria must be met in order to determine the degree of payout and/or vesting with respect to an Award.

"**Performance Share Unit**" and "**PSU**" means an Award granted under Article 10 and subject to the terms of the

Plan, denominated in units, the value of which at the time it is payable is determined as a function of the extent to which corresponding performance criteria have been achieved.

**"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(1) of the OSA.

**"Qualifying Transaction"** means the qualifying transaction pursuant to the rules of TSXV involving Globalive Technology Partners Inc. and Corporate Catalyst Acquisition Inc. which resulted in the Company becoming listed on the TSXV.

**"Restricted Share Unit"**, **"Restricted Stock Unit"** and **"RSU"** means an Award denominated in units subject to a Period of Restriction, with a right to receive Shares or cash or a combination thereof upon settlement of the Award, granted under Article 8 and subject to the terms of the Plan.

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

**"Securities Laws"** has the meaning attributed thereto in Policy 1.1 – *Interpretation*, as amended from time to time, of the TSXV Corporate Finance Manual.

**"Share Appreciation Right"** or **"SAR"** means the conditional right to receive the difference between the FMV of a Share on the date of exercise over the Grant Price, pursuant to the terms of Article 7 and subject to the terms of the Plan.

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

**"Tandem SAR"** means a SAR that the Committee specifies is granted in connection with a related Option pursuant to Article 7 and subject to the terms of the Plan, the exercise of which shall require forfeiture of the right to purchase a Share under the related Option (and when a Share is purchased under the Option, the Tandem SAR shall similarly be cancelled) or a SAR that is granted in tandem with an Option but the exercise of such Option does not cancel the SAR, but rather results in the exercise of the related SAR. Regardless of whether an Option is granted coincident with a SAR, a SAR is not a Tandem SAR unless so specified by the Committee at the time of grant.

**"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, board service or consulting arrangement with the Company or any Affiliate of the Company 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, board service or consulting arrangement with the Company or an Affiliate of the Company shall be considered to have terminated effective on the last day of the Participant's actual and active employment, officer position or board or consulting service with the Company or the Affiliate whether such day is selected by agreement with the individual, unilaterally by the Company 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.

**"Trading Day"** means a day when trading occurs through the facilities of the TSXV.

**"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 Company ordinarily carrying the right to vote at elections of directors and any securities immediately convertible into or exchangeable for such securities.

"**VWAP**" means the volume weighted average trading price of the Shares on the TSXV calculated by dividing the total value by the total volume of Shares traded for the five Trading Days immediately preceding the date of exercise of the subject Option.

### **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 Company, 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 Company, 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 Company with respect to any such determination or action in the manner provided for by the Company 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 14, 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 Company 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, inclusive of a maximum of 4,743,170 Common Shares issuable pursuant to SARs, RSUs, DSUs and PSUs issued under the Plan. To the extent that an Award lapses, is exercised

or the rights of its Participant terminate or are paid out in cash (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.

- (a) 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 Company obtains Disinterested Shareholder approval as required by the policies of the TSXV.
- (b) 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.
- (c) 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.
- (d) The maximum number of Shares subject to Fixed Share Awards shall not exceed the Fixed Share Awards Limit unless the Company obtains Disinterested Shareholder approval as required by the policies of the TSXV.

#### 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 Company or the capitalization of the Company) 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 Company, 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 Company, 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 or Grant Price applicable to outstanding Awards, 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 or Share Appreciation Rights with a Grant 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, including modifications of performance criteria and changes in the length of Performance Periods. The determination of the Committee as to the foregoing adjustments, if any, shall be conclusive and binding on Participants under the Plan, provided that any such adjustments must comply with Section 409A of the Code with respect to any U.S. Participants.

Subject to the provisions of Article 12 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.

Notwithstanding anything in the Plan to the contrary, any adjustment other than in connection with a security consolidation or security split, to any Awards shall not be permitted without the prior approval of the TSXV, including adjustments related to an amalgamation, merger, arrangement, reorganization, spin-off, dividend or recapitalization.

## **ARTICLE 5 ELIGIBILITY AND PARTICIPATION**

### **5.1 Eligibility.**

Awards under the Plan shall be granted only to *bona fide* Employees, Non-Employee Directors and Consultants. In order to be eligible to receive Awards under the Plan, the Award Agreement to which the Employee, Non-Employee Director or Consultant is a party must contain a representation of the Company and of such Employee, Non-Employee Director or Consultant, as the case may be, that such Employee, Non-Employee Director or Consultant is a bona fide Employee, Executive or Consultant of the Company or an Affiliate of the Company, as the case may be.

### **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, Non-Employee Directors and Consultants, those 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.

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 Options, Options shall vest equally over a four-year period such that 1/4 of the Options shall vest on the first, second, third and fourth anniversary dates of the date that the Options were granted.

Notwithstanding anything in the Plan to the contrary, any Option granted to an Investor Relations Service Provider must vest in stages over a period of not less than 12 months with no more than 1/4 of the total number of Shares subject to such Award vesting in any three-month period, and for so long as the Shares are listed and posted for trading on the TSXV, vesting of an Option granted to an Investor Relations Service Provider shall not be permitted without the prior approval of the TSXV. For greater certainty, an Investor Relations Service Provider may not be granted or receive any Award other than Options.

## 6.5 Duration of Options.

Each Option granted to a Participant shall expire at such time as the Committee shall determine at the time of grant; provided, however, that, subject to section 6.6, no Option shall be exercisable later than the seventh anniversary date of its grant.

## 6.6 Blackout Periods.

If the date on which an Option is scheduled to expire occurs during a Black Out Period, then the expiry date for such Option shall be extended to a date that is no later than ten (10) business days after the last day of the Blackout 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.

- (a) Options granted under this Article 6 shall be exercised by the delivery of a notice of exercise to the Company or an agent designated by the Company 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.

- (b) The Option Price upon exercise of any Option shall be payable to the Company in full in cash, certified cheque or wire transfer (plus applicable taxes thereon in accordance with Article 15 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 Company. As of the business day the Company 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 Company 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).
- (a) Subject to Board approval, but excluding Options held by an Investor Relations Service Provider, a Participant may elect, in its sole discretion, to undertake: (i) a "cashless exercise" pursuant to which the Company or its designee (including third party administrators) may deliver a copy of irrevocable instructions to a broker engaged for such purposes to sell the Shares otherwise deliverable upon the exercise of the Option and to deliver promptly to the Company an amount equal to the exercise price of the Option and all applicable required withholding obligations contemplated under the Plan against delivery of the Shares to settle the applicable trade; or (ii) a "net exercise" procedure effected by the Participant surrendering the applicable portion of a then-vested and exercisable Option to the Company, that number of Shares, disregarding fractions, equal to the value of the exercise price of the Option. In connection with such net exercise, the Participant shall be entitled to receive such number of whole Shares (rounded down to the nearest whole number) obtained pursuant to the following formula:

$$a = \frac{b \times c - d}{c}$$

*where:*

a = the net number of Shares to be issued to the Participant;

b = the number of Shares under the Option being exercised;

c = the VWAP; and

d = the exercise price of the Option.

In the event of a cashless or net exercise pursuant hereto, the Participant shall comply with: (i) all applicable withholding obligations under the Plan; and (ii) all such other procedures and policies as the Board may prescribe or determine to be necessary or advisable from time to time, including prior written consent of the Board, in connection with such exercise. No fractional Shares will be issued upon a Participant making an election pursuant to this Section 6.8(c). If the number of Shares to be issued to the Participant in the event of such an election would otherwise include a fraction of a Share, the Participant will have the right to acquire only the next lowest whole number of Shares or other security and no payment or other adjustment will be made with respect to the fractional interest so disregarded. For greater certainty, in determining all limits under the Plan, the number of Options exercised, surrendered or converted, and not the number of Shares actually issued in connection with a Cashless Exercise or a Net Exercise, will be included in the calculation of such limits.

## 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 Company or an Affiliate of the Company:

- (i) all unvested Options as at the Termination Date 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 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.

(b) Disability: If a Participant ceases to be eligible to be a Participant under the Plan as a result of their Disability then all Options remain and continue to vest (and are exercisable) in accordance with the terms of the Plan for a period of 12 months after the Termination Date, provided that any Options that have not been exercised (whether vested or not) within 12 months after the Termination Date shall automatically and immediately expire and be forfeited on such date.

(c) Retirement: If a Participant Retires then the Board shall have the discretion, with respect to such Participant's Options, to determine: (i) whether to accelerate vesting of any or all of such Options, (ii) whether any of such Options shall be cancelled, with or without payment, and (iii) how long, if at all, such Options may remain outstanding following the Termination Date; provided, however, that in no event shall such Options be exercisable for more than 12 months after the Termination Date. Notwithstanding anything in the Plan to the contrary, vesting of an Option granted to an Investor Relations Service Provider shall not be permitted without the prior approval of the TSXV.

(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.

## 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**

### **SHARE APPRECIATION RIGHTS**

#### **7.1 Grant of SARs.**

Subject to the terms and conditions of the Plan, SARs may be granted to Participants at any time and from time to time and upon such terms as shall be determined by the Committee in its discretion. The Committee may grant Freestanding SARs, Tandem SARs, or any combination of these forms of SARs.

The Grant Price for each grant of a Freestanding SAR shall be determined by the Committee and shall be specified in the Award Agreement. The Grant Price may be based on one hundred percent (100%) of the FMV of the Shares on the date of grant, or set at a premium to the FMV of the Shares on the date of grant, or be indexed to the FMV of the Shares on the date of grant, with the index determined by the Committee, in its discretion, provided that the Grant Price may never be less than the FMV of the Shares on the date of Grant. The Grant Price of Tandem SARs shall be equal to the Option Price of the related Option.

#### **7.2 SAR Agreement.**

Each SAR Award shall be evidenced by an Award Agreement that shall specify the Grant Price, the term of the SAR, and any such other provisions as the Committee shall determine.

#### **7.3 Term of SAR.**

The term of a SAR granted under the Plan shall be determined by the Committee, in its sole discretion, and subject to section 7.4, no SAR shall be exercisable later than the seventh (7th) anniversary date of its grant.

#### **7.4 Blackout Periods.**

If the date on which a SAR is scheduled to expire occurs during a Black Out Period, then the expiry date for such SAR shall be extended to a date that is no later than ten (10) business days after the last day of the Blackout Period.

#### **7.5 Exercise of Freestanding SARs.**

Freestanding SARs may be exercised upon whatever terms and conditions the Committee, in its sole discretion, imposes.

#### **7.6 Exercise of Tandem SARs.**

With respect to Participants who are not subject to taxation under the ITA, Tandem SARs may be exercised for all or part of the Shares subject to the related Option upon the surrender of the right to exercise the equivalent portion of the related Option, if applicable. With respect to Participants subject to taxation under the ITA, prior to exercising a Tandem SAR the Participant must elect to receive the Tandem SAR in consideration for the disposition of that Participant's right to receive Shares under the Option. A Tandem SAR may be exercised only with respect to the Shares for which its related Option is then exercisable. Any tax withholding pursuant to the Plan shall be done in compliance with Policy 4.4 – *Security Based Compensation* of the Corporate Finance Manual of the TSXV.

#### **7.7 Payment of SAR Amount.**

Upon the exercise of a SAR, a Participant shall be entitled to receive payment from the Company in an amount representing the difference between the FMV of the underlying Shares on the date of exercise over the

Grant Price. At the discretion of the Committee, the payment upon SAR exercise may be in cash, Shares of equivalent value (based on the FMV of the Shares on the date of exercise of the SAR, as defined in the Award Agreement or otherwise defined by the Committee thereafter), in some combination thereof, or in any other form approved by the Committee at its sole discretion. Payment shall be made no earlier than the date of exercise nor later than 2<sup>1</sup>/<sub>2</sub> months after the close of the year in which the SAR is exercised. The Committee's determination regarding the form of SAR payout shall be set forth or reserved for later determination in the Award Agreement for the grant of the SAR.

#### 7.8 Termination of Employment.

Each Award Agreement shall set forth the extent to which the Participant shall have the right to exercise the SAR following termination of the Participant's employment or other relationship with the Company or its Affiliates. Such provisions shall be determined in the sole discretion of the Committee, need not be uniform among all SARs issued pursuant to the Plan, and may reflect distinctions based on the reasons for termination, provided that: (a) such provisions shall comply with the rules of the TSXV; and (b) in no event shall any SAR be exercisable for more than 12 months after the Termination Date..

#### 7.9 Nontransferability of SARs.

A SAR granted under the Plan 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 SARs granted to a Participant under the Plan shall be exercisable during such Participant's lifetime only by such Participant.

### **ARTICLE 8 RESTRICTED SHARE UNITS**

#### 8.1 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 – *Security Based Compensation* of the Corporate Finance Manual of the TSXV.

#### 8.2 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, whether such Restricted Share Unit is settled in cash, Shares or a combination thereof or if the form of payment is reserved for later determination by the Committee, 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.

#### 8.3 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, Restricted Share Units shall vest equally over a three year period such that 1/3 of the Restricted Share Units granted in an Award shall vest on the first, second and third anniversary dates of the date that the Award was granted, and provided that no

Restricted Share Unit granted shall vest and be payable after December 31 of the third calendar year following the year of service for which the Restricted Share Unit was granted.

#### 8.4 Black Out Periods.

If the date on which a Restricted Share Unit is scheduled to expire occurs during a Black Out Period, then the expiry date for such Award shall be extended to a date that is no later than ten (10) business days after the last day of the Blackout Period.

#### 8.5 Nontransferability 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.

#### 8.6 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 to 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. For so long as the Shares are listed and posted for trading on the TSXV, if the Company does not have a sufficient number of Shares to issue Shares or Restricted Share Units as Dividend Equivalents then, in accordance with the applicable limitations set out in Policy 4.4 – *Security Based Compensation* of the TSXV Corporate Finance Manual, the Company will pay such dividends in cash.

#### 8.7 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 Company or an Affiliate:

- (i) all unvested Restricted Share Units as at the Termination Date shall automatically and immediately vest; and
- (ii) all vested Restricted Share Units (including those that vested pursuant to paragraph (i) above) shall be paid to the Participant's estate in accordance with the terms of the Plan and the Award Agreement.

(b) Disability: If a Participant ceases to be eligible to be a Participant under the Plan as a result of their Disability, then all Restricted Share Units remain and continue to vest in accordance with the terms of the Plan for a period of 12 months after the Termination Date, provided that any Restricted Share Units that have not vested within 12 months after the Termination Date shall automatically and immediately expire and be forfeited on such date.

(c) Retirement: If a Participant Retires then the Board shall have the discretion, with respect to such Participant's Restricted Share Units, to determine: (i) whether to accelerate vesting of any or all of such Restricted Share Units, (ii) whether any of such Restricted Share Units shall be cancelled, with or without payment, and (iii) how long, if at all, such Restricted Share Units may remain outstanding following the Termination Date; provided, however, that in no event shall such Restricted Share Units remain outstanding for more than 12 months after the Termination Date. Notwithstanding the above, for U.S. Participants, the treatment of Restricted Share Units upon retirement shall be provided for in the Award Agreement.

(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 Restricted Share Units, whether vested or not, as at the Termination Date shall automatically and immediately 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 8.7(a) to and including 8.7(d), then, unless otherwise determined by the Board in its sole discretion, as of the Termination Date:

- (i) all unvested Restricted Share Units shall automatically and immediately be forfeited, and
- (ii) all vested Restricted Share Units shall be paid to the Participants in accordance with the terms of the Plan and the Award Agreement.

#### 8.8 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 Company in settlement of such Restricted Share Units: (i) in cash, in an amount equal to the product of the FMV of a Share on the applicable settlement date multiplied by the number of Restricted Share Units being settled, (ii) in a number of Shares (issued from treasury) equal to the number of Restricted Share Units being settled, (iii) in some combination thereof, or (iv) in any other form, all as determined by the Committee at its sole discretion. The Committee's determination regarding the form of payout shall be set forth or reserved for later determination in the Award Agreement for the grant of the Restricted Share Units. In the event settlement is made by payment in cash, such payment shall be made by the earlier of (i) 2<sup>1/2</sup> months after the close of the year in which such conditions or restrictions were satisfied or lapsed and (ii) December 31 of the third year following the year of the grant date.

### **ARTICLE 9 DEFERRED SHARES UNITS**

#### 9.1 Grant of Deferred Share Units.

Subject to the terms and conditions of the Plan, the Committee, at any time and from time to time, may grant Deferred Share Units to Participants in such amounts and upon such terms as the Committee shall determine. All Deferred Share Units shall be dealt with by the Committee in accordance with Policy 4.4 – *Security Based Compensation* of the Corporate Finance Manual of the TSXV.

#### 9.2 Deferred Share Unit Agreement.

Each Deferred Share Unit grant shall be evidenced by an Award Agreement that shall specify the number of Deferred Share Units granted, the settlement date for Deferred Share Units, and any other provisions as the Committee shall determine, including, but not limited to a requirement that Participants pay a stipulated purchase price for each Deferred Share Unit, restrictions based upon the achievement of specific performance criteria, time-based restrictions, restrictions under applicable laws or under the requirements of the TSXV, or holding

requirements or sale restrictions placed on the Shares by the Company upon vesting of such Deferred Share Units.

### 9.3 Nontransferability of Deferred Share Units.

The Deferred Share Units granted herein may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated. All rights with respect to the Deferred Share Units granted to a Participant under the Plan shall be available during such Participant's lifetime only to such Participant.

### 9.4 Black Out Periods.

If the date on which a Deferred Share Unit is scheduled to expire occurs during a Black Out Period, then the expiry date for such Award shall be extended to a date that is no later than ten (10) business days after the last day of the Blackout Period.

### 9.5 Dividends and Other Distributions.

Participants holding Deferred Share Units granted hereunder may, if the Committee so determines, be credited with dividends paid with respect to 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 Deferred Share Units. For so long as the Shares are listed and posted for trading on the TSXV, if the Company does not have a sufficient number of Shares to issue Shares or Deferred Share Units as Dividend Equivalents then, in accordance with the applicable limitations set out in Policy 4.4 – *Security Based Compensation* of the TSXV Corporate Finance Manual, the Company will pay such dividends in cash.

### 9.6 Termination of Employment, Consultancy or Directorship.

Each Award Agreement shall set forth the extent to which the Participant shall have the right to retain Deferred Share Units following termination of the Participant's employment or other relationship with the Company or its Affiliates. Such provisions shall be determined in the sole discretion of the Committee, need not be uniform among all Deferred Share Units issued pursuant to the Plan, and may reflect distinctions based on the reasons for termination, provided that provisions shall comply with applicable rules of the TSXV.

### 9.7 Payment in Settlement of Deferred Share Units.

When and if Deferred Share Units become payable, the Participant issued such Deferred Share Units shall be entitled to receive payment from the Company in settlement of such Deferred Share Units: (i) in cash, in an amount equal to the product of the FMV of a Share on the applicable settlement date less the stipulated purchase price for the Deferred Share Units being settled, if any, multiplied by the number of Deferred Share Units being settled, (ii) in a number of Shares (issued from treasury) equal to the number of Deferred Share Units being settled, (iii) in some combination thereof, or (iv) in any other form, all as determined by the Committee at its sole discretion. The Committee's determination regarding the form of payout shall be set forth or reserved for later determination in the Award Agreement for the grant of the Deferred Share Units.

## **ARTICLE 10 PERFORMANCE SHARE UNITS**

### 10.1 Grant of Performance Share Units.

Subject to the terms and conditions of the Plan, the Committee, at any time and from time to time, may

grant Performance Share Units to Participants in such amounts and upon such terms as the Committee shall determine.

#### 10.2 Value of Performance Share Units.

Each Performance Share Unit shall have an initial value equal to the FMV of a Share on the date of grant. The Committee shall set performance criteria for a Performance Period in its discretion, which, depending on the extent to which they are met, will determine, in the manner determined by the Committee and set forth in the Award Agreement, the value and/or number of each Performance Share Unit that will be paid to the Participant.

#### 10.3 Earning of Performance Share Units.

Subject to the terms of the Plan and the applicable Award Agreement, after the applicable Performance Period has ended, the holder of Performance Share Units shall be entitled to receive payout on the value and number of Performance Share Units, determined as a function of the extent to which the corresponding performance criteria have been achieved. Notwithstanding the foregoing, the Company shall have the ability to require the Participant to hold any Shares received pursuant to such Award for a specified period of time.

#### 10.4 Form and Timing of Payment of Performance Share Units.

Payment of earned Performance Share Units shall be as determined by the Committee and as set forth in the Award Agreement. Subject to the terms of the Plan, the Committee, in its sole discretion, may pay earned Performance Share Units in the form of: (i) cash equal to the value of the earned Performance Share Units at the end of the applicable Performance Period, (ii) a number of Shares issued from treasury equal to the number of earned Performance Share Units at the end of the applicable Performance Period, or (iii) in a combination thereof. Any Shares may be granted subject to any restrictions deemed appropriate by the Committee. The determination of the Committee with respect to the form of payout of such Awards shall be set forth in the Award Agreement for the grant of the Award or reserved for later determination. In no event will delivery of such Shares or payment of any cash amounts be made later than the earlier of (i) 2<sup>1</sup>/<sub>2</sub> months after the close of the year in which such conditions or restrictions were satisfied or lapsed and (ii) December 31 of the third year following the year of the grant date.

#### 10.5 Dividends and Other Distributions.

Participants holding Performance Share Units granted hereunder may, if the Committee so determines, be credited with dividends paid with respect to 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 Performance Share Units. For so long as the Shares are listed and posted for trading on the TSXV, if the Company does not have a sufficient number of Shares to issue Shares or Performance Share Units as Dividend Equivalents then, in accordance with the applicable limitations set out in Policy 4.4 – *Security Based Compensation* of the TSXV Corporate Finance Manual, the Company will pay such dividends in cash.

#### 10.6 Termination of Employment, Consultancy or Directorship.

Each Award Agreement shall set forth the extent to which the Participant shall have the right to retain Performance Share Units following termination of the Participant's employment or other relationship with the Company or its Affiliates. Such provisions shall be determined in the sole discretion of the Committee, need not be uniform among all Performance Share Units issued pursuant to the Plan, and may reflect distinctions based on the reasons for termination, provided that the provisions shall comply with applicable rules of the TSXV.

#### 10.7 Non-transferability of Performance Share Units.

Performance Share Units 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, a Participant's rights under the Plan shall inure during such Participant's lifetime only to such Participant.

### **ARTICLE 11 BENEFICIARY DESIGNATION**

#### 11.1 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.

#### 11.2 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 11, or both, in favor of another method of determining beneficiaries.

### **ARTICLE 12 RIGHTS OF PERSONS ELIGIBLE TO PARTICIPATE**

#### 12.1 Employment.

Nothing in the Plan or an Award Agreement shall interfere with or limit in any way the right of the Company or an Affiliate of the Company to terminate any Participant's employment, consulting or other service relationship with the Company 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 Company or the Affiliate.

Neither an Award nor any benefits arising under the Plan shall constitute part of an employment or service contract with the Company or an Affiliate of the Company, 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 Company 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 Company and an Affiliate or among Affiliates of the Company, 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 Company or an Affiliate of the Company shall not be deemed a termination of employment for purposes of an Award.

#### 12.2 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.

### 12.3 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 13 CHANGE OF CONTROL**

### 13.1 Change of Control and Termination of Employment.

Subject to Section 13.2, 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 TSXV is either obtained or not required.

### 13.2 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 Company 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.

### 13.3 Non-Occurrence of Change of Control.

In the event that any Awards are conditionally exercised pursuant to Section 13.2 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 Company shall be returned to the Participant.

### 13.4 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 14 AMENDMENT AND TERMINATION**

### 14.1 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 (other than in the case of amendments clarifying existing provisions of the Plan or amendments correcting typographical errors) and, where applicable, the shareholders of the Company, 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. Any amendment that would cause an Award held by a Participant that is a U.S. taxpayer to fail to comply with Section 409A of the Code shall be null and void with respect to such Participant.

### 14.2 Reduction of Option Price or Grant Price.

Disinterested Shareholder approval as required by the policies of the TSXV shall be obtained for any reduction in the Option Price, or the extension of the term, of an Option, or the Grant Price of a SAR if the Participant is an Insider of the Company at the time of the proposed amendment.

## **ARTICLE 15 WITHHOLDING**

### 15.1 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 Company 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 Company withhold and sell Shares or the Participant making such other arrangements, including the sale of Shares, in either case on such conditions as the Committee specifies. Any tax withholding pursuant to the Plan shall be done in compliance with Policy 4.4 – *Security Based Compensation* of the Corporate Finance Manual of the TSXV.

### 15.2 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 Company. Participant further acknowledges that the Company: (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 Company may be required to withhold or account for taxes in more than one jurisdiction.

## **ARTICLE 16 SUCCESSORS**

Any obligations of the Company or its Affiliates under the Plan with respect to Awards granted hereunder shall be binding on any successor to the Company 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 Company or the Affiliate, as applicable.

## **ARTICLE 17 GENERAL PROVISIONS**

### 17.1 Delivery of Title.

The Company shall have no obligation to issue or deliver evidence of title for Shares issued under the Plan prior to:

(a) Obtaining any approvals from governmental agencies that the Company determines are necessary or advisable; and

(b) Completion of any registration or other qualification of the Shares under any applicable law or ruling of any governmental body that the Company determines to be necessary or advisable.

### 17.2 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.

### 17.3 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.

### 17.4 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.

### 17.5 Other Compensation and Benefit Plans.

Nothing in the Plan shall be construed to limit the right of the Company or an Affiliate of the Company 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.

### 17.6 No Constraint on Corporate Action.

Nothing in the Plan shall be construed (i) to limit, impair or otherwise affect the Company'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 Company or its Affiliates to take any action which such entity deems to be necessary or appropriate.

### 17.7 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.

17.8 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 Company shall not be required to issue any Shares otherwise issuable hereunder.

**ARTICLE 18**  
**LEGAL CONSTRUCTION**

18.1 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.

18.2 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.

18.3 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 Company shall receive the consideration required by law for the issuance of Awards under the Plan.

The inability of the Company or an Affiliate of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company or the Affiliate to be necessary for the lawful issuance and sale of any Shares hereunder, shall relieve the Company 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.

18.4 Governing Law.

The Plan and each Award Agreement shall be governed by the laws of the Province of Ontario 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.

18.5 Compliance with Section 409A of the Code.

(a) To the extent the Plan is applicable to a particular Participant subject to the Code, it is intended that the Plan and any Awards made hereunder shall not provide for the payment of "deferred compensation" within the meaning of Section 409A of the Code or shall be structured in a manner and have such terms and conditions that would not cause such a Participant to be subject to taxes and interest pursuant to Section 409A of the Code. The Plan and any Awards made hereunder shall be administrated and interpreted in a manner consistent with this intent.

(b) To the extent that any amount or benefit in favour of a Participant who is subject to the Code would constitute "deferred compensation" for purposes of Section 409A of the Code would otherwise be payable or distributable under the Plan or any Award Agreement by reason of the occurrence of a Change of Control or the Participant's disability or separation from service, such amount or benefit will not be payable

or distributable to the Participant by reason of such circumstance unless: (i) the circumstances giving rise to such Change of Control, disability or separation from service meet the description or definition of "change in control event," "disability," or "separation from service," as the case may be, in Section 409A of the Code and applicable proposed or final Treasury regulations thereunder, and (ii) the payment or distribution of such amount or benefit would otherwise comply with Section 409A of the Code and not subject the Participant to taxes and interest pursuant to Section 409A of the Code. This provision does not prohibit the vesting of any Award or the vesting of any right to eventual payment or distribution of any amount or benefit under the Plan or any Award Agreement.

(c) The Committee shall use its reasonable discretion to determine the extent to which the provisions of this Article 18.5 will apply to a Participant who is subject to taxation under the ITA.

**SCHEDULE "B"**

**CLEAR BLUE TECHNOLOGIES INTERNATIONAL INC.  
(the "Corporation")**

**CHARTER OF THE AUDIT COMMITTEE**

## CHARTER OF THE AUDIT COMMITTEE

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### CLEAR BLUE TECHNOLOGIES INTERNATIONAL INC.

#### 1. Objectives

The Audit Committee (the "Committee") is appointed by the board of directors (the "Board") of Clear Blue Technologies International Inc. (the "Corporation") to assist the Board in fulfilling its oversight responsibilities with respect to financial reporting issues and issues relating to the appointment and review of the auditor for the Corporation.

The Committee acknowledges the corporate governance guidelines issued by the Canadian Securities Administrators in National Instrument 58-101 Disclosure of Corporate Governance Practices ("NI 58-101") and National Policy 58-201 Corporate Governance Guidelines ("NP 58-201"), and other regulatory provisions as they pertain to financial reporting and accounting matters. The objective of the Committee is to review, monitor and promote appropriate accounting practices of the Corporation.

The Committee is responsible for assisting the Board in general oversight and monitoring of:

- (i) the integrity of the Corporation's consolidated financial statements;
- (ii) the Corporation's compliance with applicable legal and regulatory requirements related to financial reporting;
- (iii) the qualifications, independence and performance of the Corporation's auditor;
- (iv) the design and implementation of accounting systems, internal controls and disclosure controls, including the Corporation's written disclosure policy, if any;
- (v) the review and identification of the principal risks facing the Corporation and development of appropriate procedures to monitor and mitigate such risks; and
- (vi) any additional matters delegated to the Committee by the Board.

The Committee's oversight role regarding compliance systems shall not include responsibility for the Corporation's actual compliance with applicable laws and regulations.

The Committee will continuously review and modify this Charter with regards to, and to reflect changes in, the business environment, industry standards on matters of financial reporting and accounting, additional standards which the Committee believes may be applicable to the Corporation's business, the location of the Corporation's business and its shareholders and the application of laws and policies.

#### 2. Composition

The Committee will be comprised of not less than three directors, selected by the Board on the recommendation of the Corporate Governance Committee. Unless otherwise permitted by applicable law, each member of the Committee will be both "independent" and "financially literate" within the meaning of applicable securities laws including, without limitation, Multilateral Instrument 52-110 - Audit Committees ("MI 52-110").

The members of the Committee shall be appointed or re-appointed by the Board on an annual basis and shall continue as members of the Committee until their successors are appointed or until they cease to be directors of the Corporation. Any member may be removed and replaced at any time by the Board, and will automatically cease to be a member as soon as the member ceases to meet the qualifications set out above. The Board will fill vacancies on the Committee by appointment from among qualified members of the Board. If a vacancy exists on the Committee, the remaining members will exercise all of its powers so long as a quorum remains in office.

Each year, the Board will appoint one member who is qualified for such purpose to be Chairman of the Committee. If, in any year, the Board does not appoint a Chairman of the Committee, the incumbent Chairman of the Committee will continue in office until a successor is appointed.

### **3. Meetings and Minutes**

#### **(a) Scheduling**

The Committee will meet as often as it determines is necessary to fulfill its responsibilities, which in any event will be not less than quarterly. A meeting of the Committee may be called by the auditor, the Chairman of the Committee, the Chairman, the Chief Executive Officer, the Chief Financial Officer or any Committee member.

Meetings will be held at a location in Canada determined by the Chairman of the Committee and notice shall be given in accordance with the provisions of the Corporation's bylaws.

#### **(b) Notice to Auditor**

The auditor is entitled to receive notice of every meeting of the Committee and, at the expense of the Corporation, to attend and be heard thereat and, if so requested by a member of the Committee, shall attend any meeting of the Committee held during the term of office of the auditor.

#### **(c) Agenda**

The Chairman of the Committee will establish the agenda for each meeting. Any member may propose the inclusion of items on the agenda, request the presence of or a report by any member of senior management, or at any meeting raise subjects that are not on the agenda for the meeting.

#### **(d) Distribution of Information**

The Chairman of the Committee will distribute, or cause the officers of the Corporation to distribute, an agenda and meeting materials in advance of each meeting to allow members sufficient time to review and consider the matters to be discussed.

#### **(e) Attendance and Participation**

Each member is expected to attend all meetings. A member who is unable to attend a meeting in person may participate by telephone or teleconference.

A portion of each meeting will be held without management (including management directors) being present.

(f) Quorum

Two members will constitute a quorum for any meeting of the Committee.

(g) Voting and Approval

At meetings of the Committee, each member will be entitled to one vote and questions will be decided by a majority of votes. In case of an equality of votes, the Chairman of the Committee will not have a second or casting vote in addition to his or her original vote.

(h) Procedures

Procedures for Committee meetings will be determined by the Chairman of the Committee or a resolution of the Committee or the Board.

(i) Transaction of Business

The powers of the Committee may be exercised at a meeting where a quorum is present in person or by telephone or other electronic means, or by resolution in writing signed by all members entitled to vote on that resolution at a meeting of the Committee.

(j) Absence of Chairman of the Committee

In the absence of the Chairman of the Committee at a meeting of the Committee, the members in attendance must select one of them to act as chairman of that meeting.

(k) Secretary

The Committee may appoint one of its members or any other person to act as secretary.

(l) Minutes of Meetings

A person designated by the Chairman of the Committee at each meeting will keep minutes of the proceedings of the Committee and the Chairman will cause an officer of the Corporation to circulate copies of the minutes to each member on a timely basis.

#### **4. Scope, Duties and Responsibilities**

The Committee is responsible for performing the duties set out below as well as any other duties at any time required by law to be performed by the Committee or otherwise delegated to the Committee by the Board:

(a) Appointment and Review of the Auditor

The auditor is ultimately accountable to the Committee and reports directly to the Committee. Accordingly, the Committee will evaluate and be responsible for the Corporation's relationship with the auditor. Specifically, the Committee will:

- (i) select, evaluate and recommend an auditor to the Board for appointment or reappointment, as the case may be, by the Corporation's shareholders and make recommendations with respect to the auditor's compensation;



- (ii) review and approve the auditor's engagement letter;
- (iii) resolve any disagreements between senior management and the auditor regarding financial reporting;
- (iv) at least annually, obtain and review a report by the auditor describing:
  - (A) the auditor's internal quality-control procedures, including the safeguarding of confidential information;
  - (B) any material issues raised by such procedures, or the review of the auditor by an independent oversight body, such as the Canadian Public Accountability Board, respecting independent audits carried out by the auditor, and the steps taken to deal with any issues raised in any such review;
- (v) meet with senior management not less than quarterly without the auditor present for the purpose of discussing, among other things, the performance of the auditor and any issues that may have arisen during the quarter; and
- (vi) where appropriate, recommend to the Board that the auditor be terminated.

(b) Confirmation of the Auditor's Independence

At least annually, and in any event before the auditor issues its report on the annual financial statements, the Committee will:

- (i) review a formal written statement from the auditor describing all of its relationships with the Corporation;
- (ii) discuss the auditor any relationships or services that may affect its objectivity and independence (including considering whether the auditor's provision of any permitted non-audit services is compatible with maintaining its independence);
- (iii) obtain written confirmation from the auditor that it is objective within the meaning of the Rules of Professional Conduct/Code of Ethics adopted by the provincial institute or order of Chartered Accountants to which it belongs and is an independent public accountant within the meaning of the Independence Standards of the Canadian Institute of Chartered Accountants; and
- (iv) confirm that the auditor has complied with applicable rules, if any, with respect to the rotation of certain members of the audit engagement team.

(c) Pre-Approval of Non-Audit Services

The approval of the appointment of the auditor for any non-audit service to be provided to the Corporation must be obtained from the Committee in advance; provided that it will not approve any service that is prohibited under the rules of the Canadian Public Accountability Board or the Independence Standards of the Canadian Institute of Chartered Accountants. Before the appointment of the auditor for any non-audit service, the Committee will consider the compatibility of the service with the auditor's independence. The Committee may pre-approve the appointment of the auditor for any non-audit services by adopting specific policies and procedures, from time to time, for the

engagement of the auditor for non-audit services.

(d) Communications with the Auditor

The Committee has the authority to communicate directly with the auditor and will meet privately with the auditor periodically to discuss any items of concern to the Committee or the auditor.

(e) Review of the Audit Plan

The Committee will discuss with the auditor the nature of an audit and the responsibility assumed by the auditor when conducting an audit under generally accepted auditing standards. The Committee will review a summary of the auditor's audit plan for each audit and approve the audit plan with such amendments as it may agree with the auditor.

(f) Review of Audit Fees

The Committee will review and determine the auditor's fee and the terms of the auditor's engagement and inform the Board thereof. In determining the auditor's fee, the Committee will consider, among other things, the number and nature of reports to be issued by the auditor, the quality of the internal controls of the Corporation, the size, complexity and financial condition of the Corporation and its subsidiaries and the extent of support to be provided to the auditor by the Corporation.

(g) Review of Consolidated Financial Statements

The Committee will review and discuss with senior management and the auditor the annual audited consolidated financial statements, together with the auditor's report thereon and the interim financial statements, before recommending them for approval by the Board. The Committee will also review and discuss with senior management and the auditor management's discussion and analysis relating to the annual audited financial statements and interim financial statements, where applicable. The Committee may also, if it so elects, engage the auditor to review the interim financial statements prior to the Committee's review of such financial statements.

(h) Review of Other Financial Information

The Committee will review:

- (i) all earnings press releases and other press releases disclosing financial information, as well as all financial information and written earnings guidance provided to analysts and rating agencies;
- (ii) all other financial statements of the Corporation that require approval by the Board before they are released to the public, including, without limitation, financial statements for use in prospectuses or other offering or public disclosure documents and financial statements required by regulatory authorities; and
- (iii) disclosures made to the Committee by the Chief Executive Officer and Chief Financial Officer during their certification process for applicable securities law filings by the Corporation (where applicable) about any significant deficiencies and material weaknesses in the design or operation of the Corporation's internal controls over financial reporting which are reasonably likely to adversely affect the Corporation's ability to record, process, summarize and report financial information, and any fraud involving senior management or other employees who

have a significant role in the Corporation's internal control over financial reporting.

(i) Oversight of Internal Controls and Disclosure Controls

The Committee will review periodically with senior management of the Corporation the adequacy of the internal controls and procedures that have been adopted by the Corporation and its subsidiaries to safeguard assets from loss and unauthorized use and to verify the accuracy of the financial records. The Committee will review any special audit steps adopted in light of material control deficiencies or identified weaknesses.

The Committee will review with senior management of the Corporation the controls and procedures that have been adopted by the Corporation to confirm that material information about the Corporation and its subsidiaries that is required to be disclosed under applicable law or stock exchange rules is disclosed.

(j) Legal Compliance

The Committee will review any legal matters that could have a significant effect on the Corporation's financial statements.

(k) Risk Management

The Committee will oversee the Corporation's risk management function and, on a quarterly basis, will review a report from senior management describing the major financial, legal, operational and reputational risk exposures of the Corporation and the steps senior management has taken to monitor and control such exposures.

(l) Taxation Matters

The Committee will review with senior management the status of taxation matters of the Corporation.

(m) Employees of the Auditor

The Committee will review and approve policies for the hiring by the Corporation of any partners and employees and former partners and former employees of the present or former auditor.

(n) Evaluation of Financial and Accounting Personnel

The Committee will have direct responsibility to:

- (i) develop a position description for the Chief Financial Officer, setting out the Chief Financial Officer's authority and responsibilities, and present it to the Corporate Governance Committee and Board for approval;
- (ii) review and approve the goals and objectives that are relevant to the Chief Financial Officer's compensation and present the same to the Corporate Governance Committee and Board for approval;
- (iii) evaluate the Chief Financial Officer's performance in meeting his or her goals and objectives;
- (iv) review and assess the performance of the Corporation's financial and accounting personnel;

and

- (v) recommend to the Corporate Governance and Compensation Committee and Board remedial action where necessary.

(o) **Signing Authority and Approval of Expenses**

The Committee will determine the signing authority of officers and directors in connection with the expenditure and release of funds. The Committee will also review the Chief Executive Officer's and Chief Financial Officer's expense statements. Director expense statements will be reviewed by the Chief Executive Officer. Where the Chief Executive Officer thinks it advisable, he or she may request that the Committee review director expense statements.

## **5. Complaints Procedure**

The Committee will administer the Corporation's Whistleblower Policy for the receipt, retention and follow-up of complaints received by the Corporation regarding accounting, internal controls, disclosure controls or auditing matters and the confidential, anonymous submission of concerns by employees of the Corporation regarding such matters.

## **6. Reporting**

The Committee will regularly report to the Board on:

- (i) the auditor's independence, engagement and fees;
- (ii) the performance of the auditor and the Committee's recommendations regarding its reappointment or termination;
- (iii) the adequacy of the Corporation's internal controls and disclosure controls;
- (iv) the Corporation's risk management procedures;
- (v) its recommendations regarding the annual and interim financial statements of the Corporation, including any issues with respect to the quality or integrity of the financial statements;
- (vi) its review of any applicable annual and interim management's discussion and analysis;
- (vii) any complaints made under, and the effectiveness of, the Corporation's Whistleblower Policy;
- (viii) the Corporation's compliance with applicable legal and regulatory requirements related to financial reporting; and
- (ix) all other significant matters it has addressed or reviewed and with respect to such other matters that are within its responsibilities, together with any associated recommendations.

## **7. Assessment**

At least annually, the Corporate Governance Committee will review the effectiveness of the Committee in fulfilling its responsibilities and duties as set out in this Charter and in a manner consistent with the mandate

adopted by the Board.

## **8. Review and Disclosure**

The Committee will review this Charter at least annually and submit it to the Corporate Governance Committee together with any proposed amendments. The Corporate Governance Committee will review the Charter and submit it to the Board for approval with such further proposed amendments as it deems necessary and appropriate.

## **9. Access to Outside Advisors and Records**

The Committee may retain independent counsel and any outside advisor at any time and has the authority to determine any such advisors' fees and other retention terms. The Committee, and any outside advisors retained by it, will have access to all records and information, relating to the Corporation and all their respective officers, employees and agents which it deems relevant to the performance of its duties.