



AQUARIUS SURGICAL TECHNOLOGIES INC.

NOTICE OF ANNUAL AND SPECIAL GENERAL MEETING OF SHAREHOLDERS

TO BE HELD ON WEDNESDAY, FEBRUARY 16, 2022

AND

MANAGEMENT INFORMATION CIRCULAR

This information is provided in connection with the solicitation by the management of Aquarius Surgical Technologies Inc. (the "Corporation") of proxies to be voted at the Annual and Special Meeting of the Shareholders of the Corporation to be held on Wednesday, February 16, 2020 at 3250 Ridgeway Drive, # 10, Mississauga, Ontario L5L 5Y6, at 4:00 pm (Toronto time).

SINCE GOVERNMENT-IMPOSED COVID RESTRICTIONS – PRESENTLY INDETERMINATE - MAY RESTRICT OR PREVENT SHAREHOLDERS FROM ATTENDING IN PERSON, ALL SHAREHOLDERS ARE REQUESTED TO COMPLETE, DATE, SIGN AND RETURN THE PROVIDED FORM OF PROXY RATHER THAN ATTEND THE MEETING IN PERSON.



AQUARIUS SURGICAL TECHNOLOGIES INC.

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AQUARIUS SURGICAL TECHNOLOGIES INC.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT an annual general and special meeting (the “**Meeting**”) of holders of common shares of Aquarius Surgical Technologies Inc. (the “**Corporation**” or “**ASTI**”) will be held at 3250 Ridgeway Drive, Unit # 10, Mississauga, Ontario L5L 5Y6, on Wednesday, the sixteenth day of February, 2022, at 4:00 pm (Toronto) for the following purposes:

1. to receive the consolidated financial statements of the Corporation for the years ended March 31, 2020 and 2021 together with the reports of the auditors thereon;
2. to elect five (5) directors;
3. to appoint Grant Thornton LLP, Chartered Accountants, as auditors of the Corporation for the ensuing year and to authorize the directors to fix their remuneration;
4. to approve amendments to Bylaw No. 1 of the Corporation as more particularly described in the accompanying Information Circular;
5. to approve an amendment to the Corporation’s Incentive Stock Option Program as more particularly described in the accompanying Information Circular
6. to transact any such other business as may properly come before the Meeting or any adjournment(s) thereof.

Particulars of the foregoing matters are set forth in the accompanying Management Information Circular (the “Circular”). The Corporation has elected to use the notice-and-access provisions under National Instrument 54-101 and National Instrument 51-102 (“Notice-and-Access Provisions”) for this Meeting.

Notice-and-Access Provisions are a set of rules developed by the Canadian Securities Administrators that reduce the volume of materials that must be physically mailed to shareholders of the Corporation by allowing the Corporation to post the Circular and any additional materials online. Shareholders will still receive this Notice of Meeting and a form of proxy and may choose to receive a hard copy of the Circular.

The Corporation will not use procedures known as 'stratification' in relation to the use of Notice-and-Access Provisions.

Please review the Circular carefully and in full prior to voting in relation to the matters set out above as the Circular has been prepared to help you make an informed decision on such matters. The Circular is available under the Corporation's profile on SEDAR at www.sedar.com. Any Shareholder who wishes to receive a paper copy of the Circular, should contact the Corporation's transfer agent, TSX Trust at Suite 301, 100 Adelaide Street West, Toronto, Ontario, M5H 4H1, Fax: (416) 595-9593, toll-free: 1-866-393-4891. A Shareholder may also use the toll-free number noted above to obtain additional information about the Notice-and-Access Provisions.

DATED at Halifax, Nova Scotia the 5th day of January 2022.

BY ORDER OF THE BOARD OF DIRECTORS

David J. Hennigar, Chairman

SINCE GOVERNMENT-IMPOSED COVID RESTRICTIONS – PRESENTLY INDETERMINATE - MAY RESTRICT OR PREVENT SHAREHOLDERS FROM ATTENDING IN PERSON, ALL SHAREHOLDERS ARE REQUESTED TO COMPLETE, DATE, SIGN AND RETURN THE PROVIDED FORM OF PROXY RATHER THAN ATTEND THE MEETING IN PERSON. All instruments appointing proxies to be used at the Meeting or at any adjournment thereof must be deposited with TSX Trust, Suite 301, 100 Adelaide Street West, Toronto, Ontario, M5H 4H1, not later than 48 hours (excluding Saturdays, Sundays and holidays) preceding the time fixed for the Meeting or any adjournment thereof.

Only registered shareholders of the Corporation, or the persons they appoint as their proxies, are entitled to attend and vote at the Meeting. For information with respect to shareholders who own their shares beneficially through an intermediary, see "Non-Registered Shareholders" in the accompanying management information circular.

AQUARIUS SURGICAL TECHNOLOGIES INC.

MANAGEMENT INFORMATION CIRCULAR

as of January 5, 2022, unless otherwise indicated

PERSONS MAKING THE SOLICITATION

This management information circular (“Information Circular”) is furnished in connection with the solicitation by the management of Aquarius Surgical Technologies Inc. (the “Corporation”) of proxies to be used at the annual general and special meeting (the “Meeting”) of holders of common shares of the Corporation, to be held on Wednesday, February 16, 2022, at 4:00 pm (Toronto time) at 3250 Ridgeway Road, Unit # 10, Mississauga, Ontario L5L 5Y6, or at any adjournment(s) thereof for the purposes set out in the accompanying notice of meeting (the “Notice of Meeting”).

SINCE GOVERNMENT-IMPOSED COVID RESTRICTIONS – PRESENTLY INDETERMINATE - MAY RESTRICT OR PREVENT SHAREHOLDERS FROM ATTENDING IN PERSON, SHAREHOLDERS ARE REQUESTED TO COMPLETE, DATE, SIGN AND RETURN THE PROVIDED FORM OF PROXY RATHER THAN ATTEND THE MEETING IN PERSON.

The costs incurred in the preparation and mailing of both the form of proxy and this Information Circular will be borne by the Corporation. In accordance with National Instrument 54-101 *Communications with Beneficial Owners of Securities of a Reporting Issuer*, arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the common shares held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by the Corporation. The record date to determine the registered shareholders entitled to receive the notice of Meeting is January 4, 2022 (the “Record Date”).

APPOINTMENT OF PROXYHOLDERS, VOTING AND REVOCATION OF PROXIES

Appointment

The person named in the accompanying instrument of proxy (the “Management Designee”) has been selected by the directors of the Corporation and has indicated his willingness to represent as proxy the shareholder who appoints him. **Each shareholder has the right to appoint a person or company (who need not be a shareholder) other than the Management Designee to attend and to vote and act for and on behalf of such person at the Meeting.** In order to do so the shareholder may insert the name of such person in the blank space provided in the instrument of proxy, or may use another appropriate form of proxy. **Owing to presently indeterminate Government-imposed COVID restrictions, rather than attend the Meeting in person, shareholders are recommended to complete, date and sign the enclosed form of proxy and send it to the Registrar and Transfer agent of the Corporation, TSX Trust, (“TSXT”) Attn: Proxy Dept., 100 Adelaide Street West, Suite 301, Toronto, Ontario, M5H 4H1, or by fax to 416-595-9593, or cast their vote online at www.voteproxyonline.com, by 4:00 pm (Toronto time) on Friday, February 11, 2022, or if the Meeting is adjourned, no later than 48 hours (excluding Saturdays, Sundays and statutory holidays in Ontario) prior to the time at which the Meeting is reconvened.** Non-registered shareholders who receive these materials through their broker or other intermediary should complete and send the form of proxy in accordance with the instructions provided by their broker or intermediary. The Chairman of the Meeting may refuse to recognize any instrument of proxy received after such time.

Voting

Common shares represented by any properly executed proxy in the accompanying form will be voted or withheld from voting on any ballot that may be called for in accordance with the instructions given by the shareholder. **In the absence of such direction, the common shares will be voted IN FAVOUR of the matters set forth herein.**

The accompanying instrument of proxy confers discretionary authority on the Management Designee with respect to amendments or variations to matter identified in the accompanying Notice of Meeting or other matters that may properly come before the Meeting or any adjournment(s) thereof. As of the date hereof, management of the Corporation is not aware of any such amendments, variations or other matters

which may come before the Meeting. In the event that amendments or variations to matters identified in the accompanying Notice of Meeting or any other matters which are not now known to management should properly come before the Meeting or any adjournment(s) thereof, then the Management Designee intends to vote in accordance with the judgment of management of the Corporation.

Revocation

In addition to revocation in any other manner permitted by law, a shareholder may revoke a proxy by an instrument in writing executed by the shareholder or by the shareholder's attorney authorized in writing or by transmitting, by telephonic or electronic means, a revocation signed by electronic signature by the shareholder or by the shareholder's attorney, who is authorized in writing, to or at TSXT's office at any time up to and including the second last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the Chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment(s) thereof.

ADVICE TO BENEFICIAL HOLDERS

Shareholders who hold their common shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their common shares in their own name (referred to herein as "**Beneficial Shareholders**") 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 common shares will be recognized and acted upon at the Meeting. If common shares are listed in an account statement provided to a Beneficial Shareholder by a broker, those common shares will, in all likelihood, *not* be registered in the shareholder's name. Such common shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). Common shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted or withheld at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their common shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by his broker (or the agent of the broker) is substantially similar to the proxy provided directly to registered shareholders by the Corporation. However, its purpose is limited to instructing the registered shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). 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 who receives a Broadridge voting instruction form cannot use that form to vote common shares directly at the Meeting. The voting instruction forms must be returned to Broadridge (or instructions respecting the voting of common shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the common shares voted. If you have any questions respecting the voting of common shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting common shares registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the common shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their common shares as proxyholder for the registered shareholder should enter their own names in the blank space on the form 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.

All references to shareholders in this Information Circular and the accompanying form of proxy and the accompanying Notice of Meeting are to registered shareholders unless specifically stated otherwise.

REGISTERED SHAREHOLDERS

Registered holders of common shares as shown on the shareholders' list prepared as of the Record Date will be entitled to vote such shares at the Meeting on the basis of one vote for each common share held, except to the extent that the person has transferred the ownership of any of his or her common shares after the Record Date, and the transferee of those shares produces properly endorsed share certificates, or otherwise establishes that he or she owns the common shares, and demands, not later than ten days before the Meeting, or such shorter period before the Meeting that the by-laws of the Corporation may provide, that his or her name be included in the list before the Meeting, in which case the transferee will be entitled to vote his or her common shares at the Meeting.

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

Other than as disclosed elsewhere in this Information Circular, none of the directors or senior officers of the Corporation, no proposed nominee for election as a director of the Corporation, none of the persons who have been directors or senior officers of the Corporation since the commencement of the Corporation's last completed financial year and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The authorized capital of the Corporation consists of an unlimited number of common shares ("Common Shares") and unlimited number of special shares, issuable in series, of which 1,532,901 Series "A" Special shares (which are non-voting and are non-transferable) have been authorized. At the date hereof, the Corporation had issued and outstanding 23,079,172 Common Shares and *nil* Series "A" Special Shares.

The Corporation will make a list of all persons who are registered holders of Common Shares on October 4, 2019 (the "Record Date") and the number of Common Shares registered in the name of each person on the date. Each shareholder is entitled to one vote for each Common Share registered in his name as it appears on the list, except to the extent that such shareholder has transferred any of his shares after the Record Date and the transferee of those shares produces properly enclosed share certificates or otherwise establishes that he owns the shares and demands, not later than ten days before the meeting, that his name be included in the list. In such case the transferee will be entitled to vote his shares at the meeting.

To the knowledge of the directors and officers of the Corporation, the following is the only person that as of the date hereof, beneficially owned or exercised control or direction, directly or indirectly, over securities carrying 10% or more of the voting rights attached to any class of outstanding voting securities of the Corporation entitled to be voted at the meeting.

| Name | Number of Common Shares Owned, Controlled or Directed | % of Outstanding Common Shares |
|---------------------------------|---|--------------------------------|
| David J. Hennigar | 8,991,248 ⁽¹⁾ | 39.95% ⁽¹⁾ |
| Gordon S. Willox ⁽²⁾ | 4,597,704 ⁽²⁾ | 19.92% ⁽²⁾ |

- (1) Includes 8,352,832 Common Shares owned of record by Forest Lane Holdings Limited, 169,721 Common Shares held by Scotia Financial Corporation Limited and 164,000 Common Shares held by The Plane Tree Corporation, companies controlled by David J. Hennigar. Excluded from this amount are the holdings of the immediate family of David J. Hennigar, who beneficially own in the aggregate 178,547 Common Shares or 0.77% of the outstanding Common Shares.
- (2) The shares currently registered in the name of Gordon Willox are held as security for certain indebtedness owed to the Corporation by Gordon Willox and CAST Laser, Inc., a company owned by Gordon Willox, and will likely soon be re-registered pursuant to enforcement process. Gordon Willox was removed as an officer and as a director of the Corporation in February, 2021, following the discovery of extensive fraud by him and certain other individuals.

PRESENTATION OF FINANCIAL STATEMENTS

The comparative financial statements of the Corporation for the financial years ended March 31, 2020 and 2021, together with the auditor's reports thereon, will be presented to the shareholders at the Meeting, but no vote by the shareholders with respect thereto is proposed to be taken. The audited financial statements of the Corporation for the financial years ended March 31, 2020 and 2021, together with the auditor's reports thereon, have all been filed and are available with the Corporation's documents on SEDAR at www.sedar.com.

ELECTION OF DIRECTORS

The articles of the Corporation provide that the board shall consist of a minimum of three and a maximum of eleven directors, to be elected annually. At the meeting, shareholders will be asked to elect five directors (the "Nominees"). The following table provides the names of the Nominees and information concerning them. The persons in the enclosed form of proxy intend to vote **for** the election of the Nominees. Management does not contemplate that any of the Nominees will be unable to serve as a director. Each director elected will hold office until his/her successor is elected at the next annual meeting of the Corporation, or any adjournment thereof, or until his/her successor is elected or appointed.

| Name and Municipality of Residence | Position with Corporation | Period of Service as a Director | Present Occupation if Different from the Office Held ⁽³⁾ | Number of Common Shares beneficially owned or Over which Control is exercised ⁽⁴⁾ |
|---|----------------------------------|--|--|---|
| David J. Hennigar ⁽¹⁾ Bedford, Nova Scotia | Chairman and Director | Since 1992 | Executive Chairman of Thornridge Holdings Limited. | 8,991,248 ⁽²⁾ |
| N. Gary Van Nest Toronto, Ontario | Acting C.E.O. and Director | Since 1989 | President of Sinalta Investments Ltd. (investment holding company) | 67,085 |
| Dr. Stanley Swierzewski III ⁽¹⁾ Holyoke, MA, USA | Director | Since 2017 | Associate Clinical Professor of Urology, Tufts University, Boston | Nil |
| Dr. Rajiv Singal Toronto, Ontario | Nominee | Nominee | Interim Chief of Surgery, Michael Garron Hospital, Toronto | Nil |
| Charlotte Janssen Toronto, Ontario | Nominee | Nominee | Lawyer, principal of Janssen Law Professional Corporation | 115,646 |

(1) Member of the Audit Committee.

(2) Refer to "Voting Securities and Principal Holders Thereof" for further details of the nature of such share ownership.

(3) Except as otherwise indicated, all of the Nominees have held the indicated positions for the past five years.

(4) The information as to Common Shares beneficially owned or over which control or direction is exercised, not being within the knowledge of the Corporation, has been furnished by the respective Nominees individually.

David J. Hennigar, B.Com., M.B.A - Mr. Hennigar is Chairman of Thornridge Holdings Limited, a director of High Liner Foods Inc., Chairman and a director of Landmark Global Financial Corporation, Aquarius Surgical Technologies Inc., Metalo Manufacturing Inc., and Grand River Ironsands Incorporated, and is a director of MedX Health Corp. and SolutionInc Technologies Limited.

N. Gary Van Nest, B.Com. - Mr. Van Nest is President of Sinalta Investments Ltd., Chairman of Woodland Biofuels Inc. and is Acting C.E.O. and a director of the Corporation. Mr. Van Nest has over 50 years of extensive experience in the brokerage, merchant banking, and investment management businesses.

Dr. Stanley Swierzewski III – Stanley J. Swierzewski, III, M.D. serves as Associate Clinical Professor of Urology at Tufts University School of Medicine in Boston. Dr. Swierzewski founded Healthcommunities.com, Inc. in 1998 and serves as its Chairman and Director. He founded and served as Co-director of the Continence Center at the Lahey Clinic in Burlington, Massachusetts. He directs the Continence Center at Holyoke Hospital in Holyoke, Massachusetts, and is in private practice full time at Hampden Urological Associates. He completed his urological residency at the University of Michigan Medical Center in Ann Arbor, where he received numerous awards for his research publications. He received

his bachelor's degree in business administration from the University of Massachusetts. He earned his medical degree from Tufts University School of Medicine in Boston.

Dr. Rajiv Singal, nominee for election as a director, is currently the Interim Chief of Surgery at Michael Garron Hospital in Toronto (“MGH”). He was previously the Head, Division of Urology, Department of Surgery at MGH from 2001 until 2012. Dr Singal also holds the rank of Associate Professor within the Department of Surgery at the University of Toronto. He supervises the Clinical Endourology Fellowship program at MGH under the umbrella of the University of Toronto and also teaches undergraduate and postgraduate medical trainees. He has supervised the Clinical Endourology Fellowship since 2003. His clinical interests include the surgical management of urinary stones, minimally invasive and robotic urological surgery and the surgical treatment of genitourinary malignancies including prostate and kidney cancer. Dr Singal started the Davinci robotic surgical program at MGH in 2012 and leads that program jointly with Sunnybrook Hospital. Dr. Singal is a graduate of the University of Toronto School of Medicine in 1990 (9T0). He joined the surgical staff at MGH in December 1995 and has been in active practice at the hospital since July 1996. Dr. Singal has held various leadership positions at MGH including President of the Medical Staff Association in 2003-4 and has served on various committees over the years including Chair of the Infection Control and Laser Safety Committees. He has published several articles in his areas of interest. Dr. Singal is a principal investigator in several ongoing clinical research studies for diseases of the prostate. Dr Singal also has an active interest in global health inequity as it relates to scaling urologic surgical services in the developing world. He has worked in Malawi, Kenya, Uganda, Jamaica and China.

Charlotte Janssen, nominee for election as a director, is a practicing lawyer specializing in the provision of commercial advice to business owners worldwide. Prior to establishing her own firm in 1996 she worked with Baker & McKenzie in Toronto and internationally and with a retired partner of Baker & McKenzie in Toronto. Her areas of practice include corporate- commercial, finance, real estate, wills and trusts. She serves as a director of numerous private companies and community organizations and is past chair and council member of the International Law Section of the Canadian Bar Association and Ontario Bar Association. She holds a Bachelor of Arts (Honours) degree from the University of Manitoba, a Master of Arts Degree from Carleton University and a juris doctor in law from the University of Toronto.

The undernoted Nominees are also Directors of the following public companies:

David J. Hennigar – High Liner Foods Incorporated; Landmark Global Financial Corporation; MedX Health Corp; Metalo Manufacturing Inc., and SolutionInc Technologies Limited.

N. Gary Van Nest – Landmark Global Financial Corporation.

Charlotte Janssen – BnSellit Technology Inc.

Corporate Cease Trading Orders and Bankruptcies

Other than as described below, to the best of management’s knowledge, no proposed director is, as at the date hereof, or has been, within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Company) that, while that person was acting in that capacity,

- (a) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- (b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (c) 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 his assets;
- (d) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable Shareholder in deciding whether to vote for a proposed director.

Each of Mr. Hennigar and Mr. Van Nest is a director of Landmark Global Financial Corporation whose shares were suspended from trading by the Toronto Stock Exchange for a period greater than 30 days for failure to meet listing requirements. Trading of the shares later resumed on the TSX Venture Exchange (“TSX-V”), but the shares were subsequently subjected to a Cease-trade Order for failure to file financial statements. Each of Mr. Hennigar and Mr. Van Nest was a director of Aquarius Coatings Inc. whose shares were suspended from trading on the TSX-V for a period greater than 30 days because certain financial information was not filed on time. Those shares were suspended from trading on the TSX-V in October, 2014, and subsequently re-admitted to trading on the NEX Board of the TSX Venture Exchange in December, 2015.

Personal Bankruptcies

To the best of management’s knowledge, no proposed director has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his assets.

Unless a proxy specifies that the shares it represents should be withheld from voting in the election of directors, the proxy holders named in the accompanying proxy intend to use it to vote FOR election of the above nominees as directors of the Corporation.

IF ANY OF THE ABOVE NOMINEES IS FOR ANY REASON UNAVAILABLE TO SERVE AS A DIRECTOR, PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR ANOTHER NOMINEE IN THEIR DISCRETION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS SHARES ARE TO BE WITHHELD FROM VOTING IN THE ELECTION OF DIRECTORS.

COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

Compensation of Directors

The board of directors as a whole makes the determination as to the appropriate level of remuneration for the directors and officers of the Corporation. Remuneration is assessed and determined by taking into account such factors as the size of the Corporation and the level of compensation earned by directors and officers of companies of comparable size and industry. None of the Corporation’s independent directors received any compensation for their service for the fiscal years ended March 31, 2020, and 2021. Since the re-organization of the Board effective March 17, 2017, the current compensation for outside directors provides for payment of a fee of US\$1,000 for each meeting of the Board or Committee thereof attended as a member, either in person or by telephone. Outside directors are also entitled to reimbursement of expenses reasonably incurred in connection with the carrying out of their duties as directors of the Corporation.

The Corporation has a Stock Option Plan which has been in effect since its approval by shareholders on November 21, 2016 (the “2016 Stock Option Plan”). Directors are entitled to participate in the 2016 Stock Option Plan. **See also below under** – “Special Business – Ratification of Amendment to Stock Option Plan”.

There were no options exercised by directors and therefore no value actually received upon exercise of options under incentive plans during the years ending March 31, 2020 and March 31, 2021. As at March 31, 2021, the value of unexercised in-the-money options was \$Nil.

Executive officers of the Corporation who also act as directors of the Corporation do not receive any additional compensation for services rendered in such capacity, other than as paid by the Corporation to such executive officers in their capacity as executive officers; see “Compensation of Executive Officers”.

Compensation of Executive Officers

Securities legislation requires the disclosure of compensation received by each “Named Executive Officer” of the Corporation for the three most recently completed financial years. “Named Executive Officer” is defined by the legislation to mean (i) each of the Chief Executive Officer and the Chief Financial Officer of the Corporation, despite the amount of compensation of that individual, (ii) each of the Corporation’s three most highly compensated

executive officers, other than the Chief Executive Officer and the Chief Financial Officer, who were serving as executive officers at the end of the most recently completed financial year and whose total salary and bonus exceeds \$150,000, and (iii) any additional individual for whom disclosure would have been provided under (ii) but for the fact that the individual was not serving as an executive officer of the Corporation at the end of the most recently completed financial year end of the Corporation.

“Executive Officer” is defined by the legislation to mean (i) the chair of the Corporation, (ii) a vice-chair of the Corporation, (iii) the President of the Corporation, (iv) a vice-president of the Corporation in charge of a principal business unit, division or function such as sales, finance or production, or (v) an officer of the Corporation or any of its subsidiaries or any other person who performed a policy-making function in respect of the Corporation.

The board of directors of the Corporation as a whole determines the level of compensation in respect of the senior executives of the Corporation and its subsidiaries. There were no long-term incentive awards made to the Named Executive Officers of the Corporation during the most recently completed financial year. There are no pension plan benefits in place for the named executives and none of the Named Executive Officers, senior officers or directors of the Corporation or its subsidiaries is indebted to the Corporation.

During the Corporation’s financial years ended March 31, 2020 and 2021, the Corporation had three Named Executive Officers: N. Gary Van Nest, (Acting Chief Executive Officer), Lorne S. MacFarlane, (Chief Financial Officer) and, until February 22, 2021, Gordon S. Willox, (Managing Director) (who was removed on that date following discovery of extensive fraud by him and others. The aggregate cash compensation (including salaries, fees, directors fees, commissions, bonuses paid for services rendered during the three most recently completed financial years, bonuses paid for services rendered in the previous year, and any compensation other than bonuses earned during the three most recently completed financial years, the payment of which was deferred) paid to the Named Executive Officers (or corporations controlled by Named Executive Officers), in the capacity of Named Executive Officers, for the three most recently completed financial years, was as set out in the undernoted table.

Summary Compensation Table

| Name and Principal Position | Annual Compensation | | | | | Long Term Compensation | |
|--|---------------------|-------------|------------|--------------------------------|------------|---------------------------|-----------------------------|
| | Year Ended March 31 | Salary (\$) | Bonus (\$) | Other Annual Compensation (\$) | Total (\$) | Securities Under Option # | All Other Compensation (\$) |
| N. Gary Van Nest (Acting Chief Executive Officer from March 17, 2017) | 2021 | \$84,000 | nil | nil | \$84,000 | nil | nil |
| | 2020 | \$81,000 | nil | nil | \$81,000 | nil | nil |
| | 2019 | \$72,000 | nil | nil | \$72,000 | nil | nil |
| Lorne S. MacFarlane Chief Financial Officer | 2021 | nil | nil | nil | nil | nil | nil |
| | 2020 | nil | nil | nil | nil | nil | nil |
| | 2019 | nil | nil | nil | nil | nil | nil |
| Gordon S. Willox Managing Director (until February 22, 2021) | 2021 | \$130,888 | nil | \$12,000 | \$142,888 | nil | nil |
| | 2020 | \$210,000 | nil | \$18,000 | \$228,000 | nil | nil |
| | 2019 | \$210,000 | nil | \$18,000 | \$228,000 | nil | nil |

Compensation Discussion and Analysis

The services of N. Gary Van Nest, as Acting Chief Executive Officer, are provided to the Corporation by Sinalta Investments Ltd., (“Sinalta”) a corporation owned by him. From April 1, 2017, the agreement with Sinalta provides for fees at the rate of \$1,000 per day, or \$500 per half day during which the services of Mr. Van Nest are required, subject to a maximum of \$10,000 per month. In addition, Sinalta is reimbursed in respect of out-of-pocket disbursements incurred in connection with Mr. Van Nest carrying out his duties as Acting Chief Executive Officer. This agreement with Sinalta is for an indefinite period, and may be terminated on one month’s written notice expiring at the end of any calendar month. As at March 31, 2021 an amount of \$87,010 was accrued but unpaid and owing to Sinalta on this account; as at December

31, 2021, the amount accrued but unpaid and owing had increased to \$158,200. Such amounts are included in the Accounts payable and accrued liabilities in the consolidated financial statements of the Corporation.

The services of Gordon Willox, as Managing Director, were provided by CAST Laser, Inc., (“CAST”) a company owned by Mr. Willox, which provided consulting services to Surgical Lasers Inc. pursuant to the terms of a Consulting Agreement dated as of March 1, 2017. That consulting agreement provided for a fee of \$210,000 per year, payable in monthly instalments, together with reimbursement of reasonable and proper business expenses incurred by CAST in connection with rendering services to the Corporation. The consultancy agreement with CAST which was for a term of five years commencing March 1, 2017, was terminated for cause effective February 22, 2021, following the discovery of significant fraud by Gordon Willox, CAST and other individuals and related corporations. The Corporation is pursuing litigation against Willox, CAST and others for recovery of funds and assets fraudulently taken by them.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out those securities of the Corporation which have been authorized for issuance under the Corporation’s Stock Option Plan as at March 31, 2021:

| Plan Category | Number of Securities to be issued upon exercise of outstanding options, warrants & rights (a) | Weighted-average exercise price of outstanding options, warrants and rights (b) | Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c) |
|---|--|--|--|
| Equity compensation plans approved by security-holders ⁽¹⁾ | 1,310,000 | \$0.885 | 1,690,000 |
| Equity compensation plans not approved by security-holders | Nil | \$ Nil | Nil |
| TOTAL | 1,310,000 | \$1.00 | 1,690,000 |

⁽¹⁾ Reference is made to the disclosure regarding the Corporation’s Stock Option Plan in Note 9 to the Consolidated Financial Statements for the Year Ended March 31, 2021, available on the SEDAR website at www.sedar.com.

At the Corporation’s November 21, 2016 Annual and Special General Meeting the shareholders approved the 2016 Stock Option Plan, whereby a maximum of 3,000,000 shares were reserved for issuance under the Plan.

The 2016 Stock Option Plan is currently the only equity-based compensation arrangement pursuant to which securities may be issued from the treasury of the Corporation. The major features of the 2016 Stock Option Plan, can be summarized as follows:

- The maximum number of Common Shares that may be reserved for issuance for all purposes under the 2016 Stock Option Plan shall not exceed 3,000,000 common shares.
- Any Common Shares subject to a share option which for any reason is cancelled or terminated without having been exercised will again be available for grant under the 2016 Stock Option Plan. The Board has the authority under the 2016 Stock Option Plan to establish the option price at the time each share option is granted.
- The option issue price may not be lower than the market price.
- Options granted under the 2016 Stock Option Plan must be exercised no later than 10 years after the date of grant or as otherwise determined by the Board.

See also below under – “Special Business – Ratification of Amendment to Stock Option Plan”.

The following table sets out all options-based awards outstanding for each Executive Officer as at March 31, 2021:

| Option-based Awards | | | | |
|--|---|-----------------------|---------------------------|---|
| Executive Officer | Number of securities underlying unexercised options (#) | Option exercise price | Option expiration date(s) | Value of unexercised in-the-money options |
| N. Gary Van Nest Acting C.E.O. | 600,000 | \$1.00 | March 31, 2022 | Nil |
| Lorne S. MacFarlane C.F.O. | 50,000 | \$1.00 | March 31, 2022 | Nil |

There were no options exercised by executive officers and therefore no value actually received upon exercise of options under incentive plans during the years ending March 31, 2020 or 2021. As at March 31, 2021, the value of unexercised in-the-money options was \$Nil.

Long Term Incentive Plan

The Corporation did not have a long-term incentive plan during the financial year ended March 31, 2021, or any prior year.

Pension, Retirement Plans and Payments Made Upon Termination of Employment

The Corporation did not provide compensation, monetary or otherwise, during the most recently completed financial periods, to any person who now or previously has acted as a Named Executive Officer of the Corporation, in connection with or related to the retirement, termination or resignation of such person and the Corporation has provided no compensation to such persons as a result of change in control of the Corporation, its subsidiaries or affiliates.

Employment Contracts

Other than as described herein, the Corporation did not pay any additional compensation to the Named Executive Officers, the Executive Officers or directors (including personal benefits and securities or properties paid or distributed, which compensation was not offered on the same terms to all full-time employees) during the last completed financial year.

APPOINTMENT AND REMUNERATION OF AUDITORS

The auditors of the Corporation for the years ended March 31, 2020 and 2021 were RSM Canada LLP, Chartered Accountants. At the Meeting, shareholders will be called upon to approve the appointment of Grant Thornton LLP, Chartered Accountants, as auditor of the Corporation to hold office until the close of the next annual meeting of shareholders, and to authorize the Board to establish its remuneration.

The appointment of Grant Thornton LLP ("Grant Thornton") was approved by the Audit Committee and the Board of Directors, and Notice of Change of Auditors, together with copies of reporting letters from the former auditor and the new auditor were duly filed with regulatory authorities in accordance with the requirements of National Policy 51-102, and may be found on SEDAR at www.sedar.com; copies are included as **Appendix "E"** to this Information Circular. The change of auditors was not occasioned by any disagreement between the Corporation and the former auditors, nor were there any reservations in the prior audited financial statements or reportable events.

The Board recommends that shareholders vote **FOR** the reappointment of Grant Thornton as auditor of the Corporation and the authorization of the Board to fix the remuneration of the auditor. **Unless the shareholder directs that his, her or its common shares are to be withheld from voting in connection with the reappointment of the auditor, the persons named in the enclosed form of proxy will vote FOR the appointment of Grant Thornton as auditor of the Corporation and the authorization of the Board to fix the remuneration of the auditor.** A majority of the votes cast by shareholders at the Meeting is required to approve the reappointment of the auditor and to authorize the directors to fix the remuneration of the auditor.

Fees paid to RSM Canada LLP in respect of their audits of the fiscal years ended March 31, 2021, 2020 and 2019, respectively are as follows:

| <i>Fees</i> | 2021 | 2020 | 2019 |
|-------------|-------------|-------------|-------------|
| Audit fees | \$77,575 | \$58,650 | \$40,000 |
| Tax fees | \$2,000 | \$9,250 | \$nil |
| Total | \$79,575 | \$67,900 | \$40,000 |

The audit fees disclosed above were for professional services for the audits of the Corporation's annual consolidated financial statements for the periods noted.

The Corporation relies on the exemption described in Part 6.1 ("Venture Issuers") of Multilateral Instrument 52-110.

STATEMENT OF CORPORATE GOVERNANCE AND AUDIT COMMITTEE CHARTER

Refer to **Appendix "A"** for disclosure of the Corporation's Corporate Governance Policies and **Appendix "B"** for a copy of the Corporation's Audit Committee Charter.

INDEBTEDNESS OF OFFICERS AND DIRECTORS OF THE CORPORATION

As at March 31, 2021 no individual who is, or at any time during the most recently completed financial year was, a director or executive officer of the Corporation, and no proposed nominee for election as a director for the Corporation, and no associate of any such director, executive officer or proposed nominee is, or at any time in the most recently completed financial year, has been indebted to the Corporation or any of its subsidiaries, with the exception of Gordon Willox, who, jointly and severally with his wholly-owned company CAST Laser, Inc. ("CAST") was indebted to the Corporation in the amount of \$251,896 as at March 31, 2021. That indebtedness accrues interest at 6% per year, payable monthly, is payable on demand, and is now secured by a joint and several promissory note dated July 30, 2019, signed by CAST and Gordon Willox and guaranteed by Forest Lane Holdings Limited (a corporation controlled by David Hennigar), and an Assignment of Receivables by CAST in favour of the Corporation. As published in Press Releases issued by the Corporation since February 22, 2021, litigation is proceeding against Gordon Willox, CAST and others seeking recovery of not only the foregoing debt, but also other amounts and assets fraudulently taken from the Corporation; see also Notes 6(A) and 19 to the Financial Statements for the years ended March 31, 2021 and 2020.

INTEREST OF INSIDERS IN MATERIAL TRANSACTIONS

Other than as disclosed (a) in this Information Circular, specifically "Compensation of Directors and Executive Officers", the debt and security arrangements described above at "Indebtedness of Officers and Directors of the Corporation" above and at Note 6(A) to the Financial Statements for the years ended March 31, 2021 and 2020; (b) the continuing financial support provided by Forest Lane Holdings Limited described at Note 6(B) to the Financial Statements for the years ended March 31, 2021 and 2020; and (c) a Management Services Agreement pursuant to which Salumatic Inc., a corporation of which Messrs. Hennigar and Van Nest are directors and indirect shareholders, provides administrative and operational support services to Surgical Lasers Inc., no informed person of the Corporation, proposed director of the Corporation, or any associate or affiliate of any informed person or proposed director had any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Corporation currently maintains no Directors' and Officers' Liability Insurance.

SPECIAL BUSINESS – APPROVAL OF NEW BY-LAW # 1

The existing By-law No. 1, which relates generally to the transaction of the business and affairs of the Corporation, was adopted in 2016. In the years which have passed there have been changes in the underlying statutory and regulatory provisions which affect the Corporation. The Board of Directors has accordingly approved an amendment

to By-law No. 1 to reflect the specific change to the *Business Corporations Act (Ontario)*, pursuant to which the restrictions and requirements regarding Canadian residency of directors has been removed. Those removed the restrictions previously included in Paragraphs 4, 16 and 17 of the original By-law # 1. The complete text of the amended By-law No. 1 is set out in **Appendix “D”** to this Information Circular.

Shareholders are being asked to consider and, if deemed advisable, to pass a resolution to confirm the amendment to By-law No. 1. In order to be effective, the resolution with respect to confirmation of the amendment to By-law No. 1 must be approved by the affirmative vote of a majority of the votes cast thereon at the Meeting.

The text of the resolution to be submitted to shareholders at the Meeting is set forth below, subject to such amendments, variations or additions as may be approved at the Meeting:

“NOW THEREFORE BE IT RESOLVED THAT:

1. The amendment to By-law No. 1 of the Corporation so as to remove the restrictions and requirements in relation to Canadian residency of directors in paragraphs 4, 16 and 17 thereof, so that the Corporation’s By-law No. 1 in the amended form as set out in Appendix “C” to the Management Information Circular of the Corporation dated January 5, 2022, is hereby confirmed; and
2. Any director or officer of the Corporation is hereby authorized and directed, acting for, in the name of and on behalf of the Corporation, to execute or cause to be executed, under the seal of the Corporation or otherwise, and to deliver or cause to be delivered, such other documents and instruments, and to do or cause to be done all such other acts and things, as may in the opinion of such director or officer of the Corporation be necessary or desirable to carry out the intent of the foregoing resolution.”

Management recommends voting FOR the resolution to approve confirmation of the amendment to By-law No. 1, and unless otherwise indicated, the persons named in the accompanying proxy intend to vote FOR the resolution to approve confirmation of the amendment to By-law No. 1. In order for the resolution to pass, the Corporation must receive a majority of the votes cast by all shareholders at the Meeting. the Meeting.

SPECIAL BUSINESS – APPROVAL OF AMENDMENT TO STOCK OPTION PLAN

PROPOSED AMENDMENT TO THE CORPORATION’S 2016 INCENTIVE STOCK OPTION PLAN

At the Annual and Special Meeting of shareholders held on November 21, 2016, shareholders approved adoption of a new Incentive Stock Option Plan (the “2016 Plan”), pursuant to which a fixed number of 3,000,000 incentive stock options were reserved for issuance under the 2016 Plan. In all respects, the 2016 Plan meets with applicable regulatory and stock exchange requirements and policies as a “fixed number” plan. It is proposed to seek shareholder approval for an Amendment to the 2016 Plan, to increase the fixed number of options to be reserved from 3,000,000 to 4,000,000. Applicable regulatory and stock exchange policies require approval by a majority of votes cast by shareholders, excluding votes attached to shares held by insiders or associates of insiders to whom options may be issued under the 2016 Plan.

A copy of the full text of the 2016 Plan, including the proposed Amendment at Article 4.1, to increase the fixed number of options available to 4,000,000, is annexed to this Information Circular as **Appendix “D”**. The following is a summary of the amended 2016 Plan – with the proposed amendment noted at (b) below in **bold type**:

(a) Administration

The Plan will be administered by the Board of Directors of the Corporation (the “Board”).

(b) Number of shares

The total number of shares reserved under the 2016 Plan, **as amended**, shall not exceed **4,000,000** Common Shares of the Corporation. Unless disinterested shareholder approval is received as discussed below, additional restrictions will be placed on the number of options which may be granted to insiders of the Corporation. The maximum number of Common Shares may subsequently be increased by further vote(s) of shareholders of the Corporation.

(c) The Option Price

The option price of shares which are subject of any option shall be fixed by the Board, subject to the option price not being less than the market price of the Common Shares at the time the option is granted or such lesser price as may be permitted pursuant to the rules or policies of any applicable regulatory agency or stock exchange, including those prescribed by stock exchanges or securities markets upon which the shares may then be listed and/or quoted and traded.

(d) Term

The period during which options are exercisable shall not exceed ten (10) years after such options are granted. Subject to applicable regulatory policies, the Board may determine the period or periods of time during which the options will terminate following the cessation of the holder to be a director, officer, employee or consultant for any cause.

(e) Non-Transferability

No option shall be transferable or assignable by an optionee.

(f) Adjustment of Number of Shares

Each option shall have uniform provisions for the adjustment of the number and kind of shares in the event of a stock split, stock dividend, share consolidation, merger or other relevant change in the Corporation's capitalization to prevent substantial dilution or enlargement of the rights granted to the optionee.

(g) Amendments to the 2016 Plan

Subject to applicable shareholder and/or regulatory approval or requirements, the Board may amend or discontinue the 2016 Plan from time to time.

Shareholders are being asked to consider and, if deemed advisable, to pass a resolution to authorize and to approve the adoption of the proposed amendment to the 2016 Plan to increase the number of options available from 3,000,000 to 4,000,000. In order to be effective, the resolution with respect to the adoption of the Amendment to the 2016 Plan must be approved by the affirmative vote of a majority of the votes cast thereon at the Meeting other than votes attaching to Common Shares beneficially owned by insiders to whom stock options may be issued pursuant to the 2016 Plan.

The text of the resolution to be submitted to shareholders at the Meeting is set forth below, subject to such amendments, variations or additions as may be approved at the Meeting:

“NOW THEREFORE BE IT RESOLVED THAT:

1. The adoption of the Amendment to the 2016 Incentive Stock Option Plan by the Corporation, so as to increase the number of options available for grant is increased from 3,000,000 to 4,000,000, is hereby authorized and approved, so as to come into effect immediately subsequent to the later of (a) the approval of this Resolution by affirmative vote or (b) acceptance of the Amendment to the 2016 Plan by any applicable regulator or stock exchange; and,
2. Any director or officer of the Corporation is hereby authorized and directed, acting for, in the name of and on behalf of the Corporation, to execute or cause to be executed, under the seal of the Corporation or otherwise, and to deliver or cause to be delivered, such other documents and instruments, and to do or cause to be done all such other acts and things, as may in the opinion of such director or officer of the Corporation be necessary or desirable to carry out the intent of the foregoing resolutions.”

Management recommends voting FOR the resolution to approve adoption of proposed Amendment to the 2016 Plan, and unless otherwise indicated, the persons named in the accompanying proxy intend to vote FOR the resolution to approve the adoption of proposed Amendment to the 2016 Plan. In order for the resolution to pass, the Corporation must receive affirmative votes of a majority of the votes cast by all shareholders at the Meeting, excluding votes attaching to the Common Shares beneficially owned by insiders or associates of insiders to whom options may be issued under the 2016 Plan.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

Management is not aware of any other matters to come before the Meeting other than those set out in the Notice of Meeting. If other matters come before the Meeting, it is the intention of the individuals named in the form of proxy to vote the same in accordance with their best judgment in such matters.

GENERAL

All matters to be brought before the Meeting require a simple majority of the votes cast at the Meeting by the holders of common shares for approval of the matter.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. The Corporation will provide to any person or company, upon request to the Corporation, one copy of the Corporation's most recently filed annual financial statements and MD&A and any interim financial statements and associated MD&A of the Corporation that have been filed for any period after the end of its most recently completed financial year. The Corporation may require the payment of a reasonable charge when a request is made by someone who is not a holder of common shares. Requests should be made in writing to the Corporation's office at 311-380 Bedford Highway, Halifax, Nova Scotia, B3M 2L4.

BOARD APPROVAL

The directors of the Corporation have approved the contents and sending of this Information Circular.

DATED as of the 5th day of January, 2022.

BY ORDER OF THE BOARD OF DIRECTORS

David J. Hennigar
Chairman

APPENDIX “A” – CORPORATE GOVERNANCE POLICIES

Corporate Governance Policies

Board of Directors

The Board of Directors of the Corporation (the “**Board**”) is responsible for overseeing the management of the Corporation and the conduct of the Corporation’s affairs. During the financial years ended March 31, 2020 and the majority of the year ended March 31, 2021, the Board consisted of five members, namely David Hennigar, N. Gary Van Nest, Dr. Robert Francis, Dr. Stanley Swierzewski III and Gordon S. Willox, (three (3) of whom (Mr. Hennigar, Dr. Francis and Dr. Swierzewski) are independent. Mr. Willox was removed as an officer and director of Surgical Lasers Inc. effective February 22, 2021, and resigned as a director of the Corporation effective March 4, 2021. Directors are expected to attend Board Meetings and meetings of Committees on which they serve and to spend the time needed to properly discharge their responsibilities. During 2020 and 2021 the restrictions imposed as a result of COVID-19 resulted in directors not always being able to attend Meetings of the Board, even using technologies, but all Board business was dealt with by continuing communication among Board members. The following Table gives details of the number of Meetings held in each financial period and the attendances of each of the Directors at such Meetings:

| NAME OF DIECTOR | TO MARCH 31, 2021 (12 months) | | TO MARCH 31, 2020 (12 months) | | TO March 31, 2019 (12 months) | |
|------------------------|----------------------------------|----------------|----------------------------------|----------------|----------------------------------|----------------|
| | Board | Audit Comm. | Board | Audit Comm. | Board | Audit Comm. |
| David Hennigar | 4/4 | 4/4 | 4/4 | 4/4 | 2/2 | 2/2 |
| N. Gary Van Nest | 4/4 | N/A | 3/4 | N/A | 2/2 | N/A |
| Dr. Robert Francis | 3/4 | 3/4 | 2/4 | 2/4 | 2/2 | 2/2 |
| Dr. S. Swierzewski III | 3/4 | 3/4 | 0/4 | 0/4 | 0/2 | 0/2 |
| Gordon Willox | 3/3 | N/A | 3/4 | N/A | N/A | N/A |

The Board facilitates its exercise of independent supervision over management by ensuring that the Board is comprised of a majority of independent directors.

During the years ended March 31, 2021, 2020 and 2019, in addition to being a director of the Corporation, David J. Hennigar was a Director of High Liner Foods Incorporated, Landmark Global Financial Corporation, MedX Health Corp., Metalo Manufacturing Inc. and SolutionInc Technologies Limited; and N. Gary Van Nest was a director of Landmark Global Financial Corporation and MedX Health Corp.

Information regarding other directorships held by nominees for election or re-election to the Board is set out under “Election of Directors”.

Orientation and Continuing Education

The Corporation does not have a formal orientation or continuing education program for directors. All of the current directors are intimately familiar with the Corporation’s business and activities. New directors are provided with access to recent, publicly filed documents of the Corporation and given copies of all Board minutes and corporate governance materials. New directors are encouraged to ask questions and communicate with management and employees to keep themselves current with industry trends and changes in corporate legislation.

Ethical Business Conduct

The Board monitors the ethical conduct of the Corporation and its management and ensures that it complies with applicable legal and regulatory requirements. The fraudulent conduct of Gordon Willox, which was discovered in February, 2021, resulted in immediate action being taken, including removal of Mr. Willox as a director and officer and commencement of litigation against him and his associates. The Board has found that, with the exception of Gordon Willox, who actively used his position as both an officer and director of the Corporation and Surgical Lasers Inc. to conduct and conceal the fraudulent and unethical conduct of himself and his associates, the fiduciary duties placed on individual directors by the Corporation’s governing corporate legislation and the common law have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation.

Nomination of Directors

The Board does not have a nominating committee. Instead, the Board and management work together to identify new candidates for nomination, taking into account the qualifications of the proposed directors and the specific needs, expertise or vacancies required to be filled among the Board.

Audit Committee

During the fiscal years ended March 31, 2020 and 2021, the Corporation's Audit Committee was comprised of three (3) directors, David Hennigar (Chair), Dr. Robert Francis and Dr. Stanley Swierzewski III. All members of the Audit Committee are independent directors and are financially literate.

Assessments

The Board does not make regular formal assessments of the Board, its committees or its members. The Board satisfies itself on an informal basis, from time to time, that its members and its committees are performing effectively.

APPENDIX "B" AUDIT COMMITTEE CHARTER - AUDIT COMMITTEE CHARTER

1. Establishment of Committee

1.1 Establishment of the Audit Committee Confirmed

The establishment of the audit committee of the board of directors of Aquarius Surgical Technologies Inc. (the "Company") is hereby confirmed with the purpose, constitutions and responsibilities herein set forth.

1.2 Certain definitions in this mandate:

- (a) "Board" means the board of directors of Aquarius Surgical Technologies Inc.;
- (b) "Chair" means the chair of the Committee;
- (c) "Committee" means the audit committee of the Board;
- (d) "Director" means a member of the Board;
- (e) "External Auditor" means the person occupying the office of auditor of the Corporation in accordance with the Ontario *Business Corporations Act*;
- (f) "Internal Auditor" means the person responsible for the internal audit function with respect to Aquarius Surgical Technologies Inc.;
- (g) "Mandate" means this written mandate of the Committee and any such mandate for the Committee which the Board resolves from time to time shall be the mandate of the Committee; and
- (h) "Aquarius", "Corporation" or "ASTI" means Aquarius Surgical Technologies Inc.

2. Purpose and Objective

2.1 Purpose

The Committee's purpose is to assist the Board in the discharge of its obligations in connection with:

- (a) the integrity of the Company's financial statements;
- (b) the Company's compliance with legal and regulatory requirements;
- (c) the independent auditor's qualifications and independence; and
- (d) the integrity of the Company's internal control and management information systems.

2.2 Discharge of Responsibilities

The Audit Committee will primarily fulfill its responsibilities by carrying out the activities enumerated in Sections 8 and 9 of this Mandate.

3. Authority and Outside Advisors

The Board authorizes the Committee, within the scope of its responsibilities, to seek information it requires from any employee. The Board further authorizes the Committee to communicate directly with internal and external auditors in fulfillment of this mandate.

The Committee shall also have the authority to retain (and terminate) such outside legal, accounting or other advisors as it may consider appropriate and shall not be required to obtain the approval of the Board in order to retain or compensate such advisors. The Committee shall have sole authority to approve related fees and retention terms.

4. Committee Membership

4.1 Number of Members

The Committee shall consist of not fewer than three Directors.

4.2 Independence of Members

Unless otherwise determined by the Board and permitted by ML 52-110, the Committee shall be composed solely of Directors who a) Have no direct or indirect material relationship with the Corporation which could, in the view of the Board, reasonably interfere with the exercise of such Director's independent judgment; and b) Are otherwise independent as determined in accordance with ML 52-110.

4.3 Financial Literacy

- (a) Requirement - Each member of the Committee shall be financially literate.
- (b) Definition - "Financially literate" shall mean that the member is capable of understanding and interpreting financial statements and competent in the analysis of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues reasonably expected to be raised in the preparation and presentation of MMI's financial statements.

4.4 Accounting or Related Financial Experience

Members should have education and experience that is relevant to his or her responsibilities as an audit committee member including:

- (a) an understanding of generally accepted accounting principles and financial statements;
- (b) ability to assess the general application of such principles in connection with the accounting for estimates, accruals and reserves;
- (c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements, or experience actively supervising one or more persons engaged in such activities;
- (d) an understanding of internal controls and procedures for financial reporting; and
- (e) an understanding of audit committee functions.

4.5 Annual Appointment of Members

The members of the Committee shall be appointed by the Board. The appointment of members of the Committee shall take place annually at the first meeting of the Board after a meeting of the shareholders at which Directors are elected, provided that if the appointment of members of the Committee is not so made, the Directors who

are then serving as members of the Committee shall continue as members of the Committee until their successors are appointed.

4.6 Vacancy

The Board may appoint a member to fill a vacancy which occurs in the Committee between annual elections of Directors. When such vacancy is the result of the death, disability or resignation of a member of the Committee and where the Board is required to fill such vacancy, the Committee member so appointed shall be exempt from the independence and financial literacy requirements in Sections 4.2 and 4.3 respectively until the later of (i) the next annual general meeting of the Corporation or (ii) the date that is six months from the day of vacancy was created.

5. **Committee Chair**

5.1 Board to Appoint Chair

The Board shall appoint the Chair from the members of the Committee (or if it fails to do so the members of the Committee shall appoint the Chair from among its members). If, at any meeting, the Chair is not in attendance, then the Vice-Chair, if any, shall be responsible for chairing the meeting and for delivering a casting vote, as necessary.

5.2 Chair to be Appointed Annually

The designation of its Chair shall take place annually at the first meeting of the Board after a meeting of the members at which Directors are elected, provided that if the designation of Chair is not so made, the Director who is then serving as Chair shall continue as Chair until his or her successor is appointed.

5.3 Casting Vote

In case of an equality of votes, the Chair in addition to his original vote shall have a second or casting vote.

6. **Committee Meetings**

6.1 Quorum

A quorum of the Committee shall be a majority of its members (present in person or by telephone). No business shall be transacted by the Committee except at a meeting at which a quorum of the Committee is present.

6.2 Secretary

The Secretary of the Committee will be the Secretary of the Board, unless otherwise appointed by the Chair. The Secretary may, but need not, be a member of the Committee.

6.3 Time and Place of Meetings

The time and place of the meetings of the Committee and the calling of meetings and the procedure in all things at such meetings shall be determined by the Committee; provided, however, the Committee shall meet at least quarterly. In addition, meetings may be called by any member of the Committee or by the External Auditor on not less than 72 hours' notice unless such notice is waived by all members of the Committee and by the External Auditor.

6.4 Right to Vote

Each member of the Committee shall have the right to vote on matters that come before the Committee.

6.5 Invitees

The External Auditor, the Chief Executive Officer and the Chief Financial Officer of Aquarius Surgical Technologies shall be entitled to receive notice of and to be heard at each meeting of the Committee, as non-voting observers. The Committee may additionally invite Directors, officers and employees of the Corporation or any other person to attend meetings of the Committee to assist in the discussion and examination of the matters under consideration by the Committee.

6.6 Non-Management Sessions

As part of each meeting of the Committee at which the Committee recommends that the Board approve the annual audited financial statements or at which the Committee reviews the interim financial statements, the Committee shall meet separately with each of:

- (a) management; and
- (b) the External Auditor, for the annual audited financial statements.

In addition, at the conclusion of all other meetings of the Committee, the non-management directors shall meet without any member of management being present (including any Director who is a member of management). No minutes of the non-management sessions will be taken unless the Chair of the meeting requests in writing that the discussion be added to the meeting minutes.

7. Remuneration of Committee Members

7.1 Director Fees Only

No member of the Committee may accept, directly or indirectly, any fees from the Corporation or any of its subsidiaries other than directors' fees (which fees may include cash and/or shares options or other in-kind consideration ordinarily available to Directors, as well as all of the regular benefits that other Directors receive).

7.2 Other Payments

For greater certainty, no member of the Committee shall accept any consulting, advisory or other compensatory fee from the Corporation and its affiliates.

8. Duties and Responsibilities of the Committee

8.1 Financial and Related Information

- (a) Financial Reporting - The Committee shall only review annual and interim financial reports and related financial documents for release to the public after the Chief Financial Officer has certified that the financial statements provide full and complete disclosure and that no material undisclosed liabilities or contingencies exist.
- (b) Annual Financial Statements - The Committee shall review and discuss with management and the External Auditor, the Corporation's annual financial statements and related MD&A and report thereon to the Board before the Board approves those statements for release to the public.
- (c) Interim Financial Statements - The Committee shall review and discuss with management, the Corporation's interim financial statements and related MD&A before they are submitted to the Board of Directors for approval and release to the public.
- (d) Annual and Interim Earnings - The Committee shall review and discuss with management the press releases relating to the Corporation's annual and interim earnings before such press releases are publicly disclosed.
- (e) Accounting Treatment - The Committee shall review and discuss with management [and the External Auditor] on a timely basis:

- (i) major issues regarding accounting policies, principles and financial statement presentations, including any significant changes in the Corporation's selection or application of accounting principles and major issues as to the adequacy of the Corporation's internal controls and any special audit steps adopted in light of material control deficiencies;
 - (ii) analyses prepared by management [and the External Auditor] setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analysis of the effects of alternative GAAP methods on the financial statements;
 - (iii) the effect on the financial statements of the Corporation of regulatory and accounting initiatives and issues, as well as off-balance sheet transactions, structures, obligations (including contingent obligations) and other relationships of the Corporation with unconsolidated entities or other persons that have a material current or future effect on the financial condition, changes in financial condition, results of operations, liquidity, capital resources, capital reserves or significant components of revenues or expenses of the Corporation;
 - (iv) the extent to which changes or improvements in financial or accounting practices, as approved by the Committee, have been implemented;
 - (v) any financial information or financial statements in prospectuses and other offering documents;
 - (vi) the management certifications of the financial statements as may be required by applicable securities laws in Canada or otherwise, and all certifications and reports of any disclosure committee established by management from time to time;
 - (vii) any other relevant reports or financial information submitted by the Corporation to any governmental body or to the public.
- (f) Discussion of Accounting Treatments - The Committee shall have direct communication channels with the External Auditor to discuss and review specific issues as appropriate.
- (g) Disclosure of Other Financial Information - The Committee shall discuss with management and the External Auditor, if deemed necessary:
- (i) the types of information to be disclosed and the type of presentation to be made in connection with earnings press releases paying particular attention to any use of "pro forma" or "adjusted" non-IFRS information; and
 - (ii) financial information and earnings guidance (if any) provided to analysts and rating agencies; and
 - (iii) the public disclosure of any other financial information extracted from financial statements other than the public disclosure referred to in (a), (b) and (c).
- (h) Review of Communications - The Committee shall review with the External Auditor all material written communication between the External Auditor and management including, but not limited to, the management letter and any schedule of unadjusted differences.

8.2 External Auditor

- (a) Authority with Respect to External Auditor - As the representative of Aquarius Surgical Technologies Inc. shareholders, the Committee shall be directly responsible for overseeing the work of the External Auditor for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation. The Committee shall require the External Auditor to acknowledge in its engagement letter each year that the External Auditor is accountable to the Board and the Committee as representatives of shareholders.
- (b) Selection of External Auditor - The committee shall have sole responsibility for recommending to the Board the External Auditor to be nominated to the Corporation's shareholders for appointment and whether at any time the incumbent External Auditor should be removed from office. The Committee shall not recommend an External Auditor who is not a participating audit firm as defined in National Instrument 52-108 - Auditor Oversight.
- (c) Compensation of External Auditor - The Committee shall have sole responsibility for recommending the compensation of the External Auditor to the Board.
- (d) Competency of External Auditor - Once each year (and otherwise as the Chair may consider appropriate) the Committee shall review with the External Auditor its performance and that of the lead audit partner and obtain and review a report by the External Auditor describing:
 - (i) the External Auditor's internal quality-control procedures;

- (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the External Auditor's firm or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the External Auditor's firm, and any steps taken to deal with any such issues;
- (iii) all material relationships between the External Auditor and the Corporation (for the purposes of assessing the auditor's independence); and
- (iv) to review annually with the External Auditor its performance and that of its lead audit partner.
- (e) Review of Audit Problems - The Committee shall review with the External Auditor any audit problems or difficulties and management's response.
- (f) Independence - The Committee shall satisfy itself as to the independence of the External Auditor. As part of this process:
 - (i) The Committee shall require the External Auditor to submit on a periodic basis to the Committee, a formal written statement delineating all relationships between the External Auditor and Aquarius Surgical Technologies and that the Committee is responsible for actively engaging in a dialogue with the External Auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the External Auditor and for recommending that the Board take appropriate action in response to the External Auditors' report to satisfy itself of the External Auditors' independence; and
 - (ii) The Committee shall pre-approve any non-audit services provided by the External Auditor to Aquarius Surgical Technologies or any of its subsidiaries and may delegate such preapproval authority to one or more of its independent members. The pre-approval of all such non-audit services by any member to whom such authority has been delegated must be presented to the Committee at its first scheduled meeting following such preapproval.
 - (iii) The Committee shall review and approve hiring policies with respect to partners, employees and former employees of present and former External Auditors.

8.3 Management Response

The Committee shall obtain management's response to significant remarks or findings of the External Auditor and shall follow-up as required on the status of the implementation of corrective measures.

8.4 Related Party Transactions

The Committee shall review and approve all related party transactions in which the Corporation is involved or which the Corporation proposes to enter into.

8.5 Risk Assessment, Risk Management and Internal Control

The Committee shall gain an understanding of the Corporation business and shall discuss the Corporation major financial risk exposures and the steps management has taken to monitor and control such exposures. The Committee shall assess and evaluate management's internal control plan. The Committee shall obtain regular updates from management and legal counsel regarding compliance matters.

8.6 Other Matters

The Committee shall perform any other activities consistent with this Mandate, the Corporation's by-laws and governing law, as the Committee or the Board deems necessary or appropriate.

9. Whistle Blowing

9.1 Procedure

As soon as practicable following the release of rules implementing requirements with respect the procedures described in this Section 9.1, the Committee shall put in place procedures for:

- (a) the receipt, retention and treatment of complaints received by the issuer regarding accounting, internal accounting controls or auditing matters; and
- (b) the confidential, anonymous submission by employees of the issuer of concerns regarding questionable accounting or auditing matters.

10. Reporting to the Board

10.1 Regular Reporting

The Committee shall report to the Board following each meeting of the Committee and at such other times as the Chair may determine to be appropriate (provided that the Committee shall report to the Board at least four times per year) and shall ensure that the Board is made aware of matters that may significantly affect the financial condition or affairs of the Corporation.

11. Evaluation of Committee Performance

11.1 Establish Process

In time, the Board shall establish a process for all committees of the Board for assessing the performance of such committees on a regular basis and, once established, the Committee shall follow such process in assessing its performance.

11.2 Amendments to Mandate

- (a) Review by Audit Committee - The Committee shall recommend to the Board on an annual basis, any amendments it considers desirable to this mandate.
- (b) Review by Board - The Board will review and reassess the adequacy of the Mandate on an annual basis and at such other times as it considers appropriate.

APPENDIX “C” – AMENDED BY-LAW # 1

AQUARIUS SURGICAL TECHNOLOGIES INC.

BY-LAW NO. 1

A by-law relating generally to the conduct of the affairs of **Aquarius Surgical Technologies Inc.**

BE IT ENACTED AND IT IS HEREBY ENACTED as a by-law of Aquarius Surgical Technologies Inc. (hereinafter called the "Corporation") as follows:

DEFINITIONS

1. In this by-law and all other by-laws of the Corporation, unless the context otherwise specifies or requires:
 - a. "Act" means the *Business Corporations Act (Ontario)* as from time to time amended, and every statute that may be substituted therefor and, in the case of such amendment or substitution, any reference in the by-law of the Corporation shall be read as referring to the amended or substituted provisions therefor;
 - b. "by-laws" means any by-law of the Corporation from time to time in force and effect;
 - c. "Recorded Address" means in the case of a shareholder the address as recorded in the securities register; in the case of joint shareholders the address appearing in the securities register in respect of such joint holding or the first address so appearing if there are more than one; and in the case of

- a director, officer, auditor or member of a committee of the Board, the latest address for such person as recorded in the records of the Corporation or, in the case of a director, in the last notice of directors filed under the *Corporations Information Act (Ontario)*;
- d. all terms contained in the by-laws which are defined in the Act shall have the meanings given to such terms in the Act;
 - e. words importing the singular number only shall include the plural and vice-versa; words importing the masculine gender shall include the feminine and neuter genders; and
 - f. the headings used in the by-laws are inserted for reference purposes only and are not to be considered or taken into account in construing the terms or provisions thereof or to be deemed in any way to clarify, modify or explain the effect of any such terms or provisions.

REGISTERED OFFICE

- 2. The Corporation may from time to time (i) by resolution of the directors change the address of the registered office of the Corporation within the municipality or geographic township within Ontario specified in its articles, and (ii) by an amendment to its articles, change the municipality or geographic township within Ontario in which its registered office is situated.

SEAL

- 3. The Corporation may, but need not, have a corporate seal. An instrument or agreement executed on behalf of the Corporation by a director, an officer or an agent of the Corporation is not invalid merely because the corporate seal, if any, is not affixed thereto.

DIRECTORS

4. **Number and powers.**

- a. The number of directors of the Corporation is set out in the articles of the Corporation. A majority of the directors shall be resident Canadians. Subject to any unanimous shareholder agreement, the directors shall manage or supervise the management of the business and affairs of the Corporation and may exercise all such powers and do all such acts and things as may be exercised or done by the Corporation and are not by the Act, the articles, the by-laws, any special resolution of the Corporation, a unanimous shareholder agreement or by statute expressly directed or required to be done in some other manner.
- b. Notwithstanding any vacancy among the directors, the remaining directors may exercise all the powers of the board so long as a quorum of the board remains in office.
- c. Subject to subsections 124(2)(4) and (5) of the Act and the Corporation's Articles, where there is a quorum of directors in office and a vacancy occurs, the directors remaining in office may appoint a qualified person to hold office for the unexpired term of his predecessor.
- d. Without limiting the borrowing powers of the Corporation as set forth in the Act, the Directors of the Corporation may, from time to time without the authorization of the Shareholders:
 - (i) borrow money upon the credit of the Corporation;
 - (ii) issue, re-issue, sell or pledge debt obligations of the Corporation;
 - (iii) subject to section 20 of the Act, give a guarantee on behalf of the Corporation to secure performance of an obligation of any person; and

- (iv) charge, mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation
- (v) by resolution, delegate any or all of the foregoing powers to a director, a committee of directors or one or more officers of the Corporation.

5. **Duties**

Every director and officer of the Corporation in exercising his powers and discharging his duties shall:

- a. act honestly and in good faith with a view to the best interests of the Corporation; and
- b. exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Every director and officer of the Corporation shall comply with the Act, the regulations thereunder, the Corporation's articles and by-laws and any unanimous shareholder agreement.

6. **Qualification**

Every director shall be an individual, eighteen (18) or more years of age and no one who is of unsound mind and has been so found by a court in Canada or elsewhere or who has the status of a bankrupt shall be a director.

7. **Term of office**

A director's term of office (subject to the provisions, if any, of the Corporation's articles and subject to his election for an expressly stated term) shall be from the date of the meeting at which he is elected or appointed until the close of the annual meeting of shareholders next following his election or appointment or until his successor is elected or appointed.

8. **Vacation of office**

The office of a director shall be vacated if:

- a. he dies or, subject to subsection 119(2) of the Act, sends to the Corporation a written resignation and such resignation, if not effective upon receipt by the Corporation, becomes effective in accordance with its terms;
- b. he is removed from office;
- c. he becomes bankrupt, or
- d. he is found by a court in Canada or elsewhere to be of unsound mind.

9. **Election and removal**

Directors shall be elected by the shareholders by ordinary resolution on a show of hands unless a poll is demanded and if a poll is demanded such election shall be by ballot. Except for those directors elected for an expressly stated term, all the directors then in office shall cease to hold office at the close of the meeting of shareholders at which directors are to be elected but, if qualified, are eligible for re-election. Subject to subsection 122(2) of the Act, the shareholders of the Corporation may by ordinary resolution at an annual or special meeting remove any director before the expiration of his term of office and may, by a majority of the votes cast at the meeting, elect any person in his stead for the remainder of his term.

Whenever at any election of directors of the Corporation the number or the minimum number of directors required by the articles is not elected by reason of the disqualification, incapacity or the death of any candidates, the directors elected at that meeting may exercise all the powers of the directors if the number of directors so elected constitutes a quorum pending the holding of a meeting of shareholders in accordance with subsection 124(3) of the Act.

A retiring director shall cease to hold office at the close of the meeting at which his successor is elected unless such meeting was called for the purpose of removing him from office as a director in which case the director so removed shall vacate office forthwith upon the passing of the resolution for his removal.

10. **Validity of acts**

An act done by a director or by an officer is not invalid by reason only of any defect that is thereafter discovered in his appointment, election or qualification.

MEETINGS OF DIRECTORS

11. **Place of meeting**

Meetings of directors and of any committee of directors may be held at any place within or outside Ontario and in any financial year a majority of the meetings of the board of directors need not be held at a place within Canada. A meeting of directors may be convened by the Chairman of the Board (if any), the President or any director at any time and the Secretary shall, upon direction of any of the foregoing, convene a meeting of directors. A quorum of the directors may, at any time, call a meeting of the directors for the transaction of any business the general nature of which is specified in the notice calling the meeting.

12. **Notice**

Notice of the time and place for the holding of any such meeting shall be sent to each director not less than 2 days (exclusive of the day on which notice is given) before the date of the meeting; provided that meetings of the directors or of any committee of directors may be held at any time without formal notice if all the directors are present (except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called) or if all the absent directors have waived notice.

Notice of the time and place for the holding of any meeting of directors or any committee of directors may be given by delivery, email, telegraph, cable, telex or other electronic means that produces a written copy.

For the first meeting of directors to be held following the election of directors at an annual or special meeting of the shareholders or for a meeting of directors at which a director is appointed to fill a vacancy in the board, no notice of such meeting need be given to the newly elected or appointed director or directors in order for the meeting to be duly constituted, provided a quorum is present.

13. **Waiver of notice**

Notice of any meeting of directors or of any committee of directors or any irregularity in any meeting or in the notice thereof may be waived in any manner by any director and such waiver may be validly given either before or after the meeting to which such waiver relates. Attendance of a director at a meeting of directors is a waiver of notice of the meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

14. **Telephone participation**

Where all the directors of the Corporation present at or participating in the meeting consent thereto (either before or after the meeting), a director may participate in a meeting of directors or of any committee of directors by means of such telephone, electronic or other communications facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and a director participating in a meeting by

such means shall be deemed for the purpose of the Act to be present at that meeting. If the majority of the directors participating in the meeting are then in Canada, the meeting shall be deemed to be held in Canada.

15. **Adjournment**

Any meeting of directors or of any committee of directors may be adjourned from time to time by the chairman of the meeting, with the consent of the meeting, to a fixed time and place and no notice of the time and place for the holding of the adjourned meeting need be given to any director if the time and place of the adjourned meeting is announced at the original meeting. Any adjourned meeting shall be duly constituted if held in accordance with the terms of the adjournment and a quorum is present thereat. The directors who formed a quorum at the original meeting are not required to form the quorum at the adjourned meeting. If there is no quorum present at the adjourned meeting, the original meeting shall be deemed to have terminated forthwith after its adjournment.

16. **Quorum and voting**

A majority of the number of directors or minimum number of directors required by the articles shall constitute a quorum at a meeting of directors or any committee of directors for the transaction of business. Subject to subsection 124(1) and subsection 126(7) of the Act, no business shall be transacted by the directors except at a meeting of directors at which a quorum is present. Questions arising at any meeting of directors shall be decided by a majority of votes. In case of an equality of votes, the chairman of the meeting in addition to his original vote shall have a second or casting vote.

COMMITTEES OF DIRECTORS

17. **General**

The directors may from time to time appoint from their number a committee of directors, a majority of whom shall be resident Canadians, and may delegate to such committee any of the powers of the directors, except that no such committee shall have the authority to:

- a. submit to the shareholders any question or matter requiring the approval of the shareholders;
- b. fill a vacancy among the directors or in the office of auditor or appoint or remove any of the chief executive officers, however designated, the chief financial officer, however designated, the chairman or the president of the Corporation;
- c. subject to section 185 of the Act, issue securities except in the manner and on the terms authorized by the directors;
- d. declare dividends;
- e. purchase, redeem or otherwise acquire shares issued by the Corporation;
- f. pay a commission referred to in section 37 of the Act;
- g. approve a management information circular referred to in Part VIII of the Act;
- h. approve a take-over bid circular, directors' circular, or issuer bid circular referred to in Part XIX of the Securities Act;
- i. approve any financial statements referred to in clause 154(1)(b) of the Act and Part XVII of the Securities Act; or
- j. adopt, amend or repeal by-laws.

18. **Audit Committee**

If the Corporation is an "offering corporation" as defined in paragraph 1(1) of the Act, the board of directors shall, and otherwise the directors may, elect annually from among their number an audit committee to be composed of not fewer than three (3) directors, a majority of whom are not officers or employees of the Corporation or any of its affiliates to hold office until the next annual meeting of the shareholders.

Each member of the audit committee shall serve during the pleasure of the board of directors and, in any event, only so long as he shall be a director. The directors may fill vacancies in the audit committee by election from among their number.

The audit committee shall have power to fix its quorum at not less than a majority of its members and to determine its own rules of procedure subject to any regulations imposed by the board of directors from time to time and to the following paragraph.

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

The audit committee shall review the financial statements of the Corporation and shall report thereon to the board of directors of the Corporation prior to approval thereof by the board of directors and shall have such other powers and duties as may from time to time by resolution be assigned to it by the board.

REMUNERATION OF DIRECTORS, OFFICERS AND EMPLOYEES

19. The remuneration to be paid to the directors of the Corporation shall be such as the directors shall from time to time by resolution determine and such remuneration shall be in addition to the salary paid to any officer or employee of the Corporation who is also a director. The directors may also by resolution award special remuneration to any director in undertaking any special services on the Corporation's behalf other than the normal work ordinarily required of a director of a corporation. The confirmation of any such resolution or resolutions by the shareholders shall not be required. The directors may fix the remuneration of the officers and employees of the Corporation. The directors, officers and employees shall also be entitled to be paid their travelling and other expenses properly incurred by them in connection with the affairs of the Corporation.

SUBMISSION OF CONTRACTS OR TRANSACTIONS TO SHAREHOLDERS FOR APPROVAL

20. The directors in their discretion may submit any contract, act or transaction for approval, ratification or confirmation at any meeting of the shareholders called for the purpose of considering the same and any contract, act or transaction that shall be approved, ratified or confirmed by resolution passed by a majority of the votes cast at any such meeting (unless any different or additional requirement is imposed by the Act or by the Corporation's articles or by-laws) shall be as valid and as binding upon the Corporation and upon all the shareholders as though it had been approved, ratified and/or confirmed by every shareholder of the Corporation.

FOR THE PROTECTION OF DIRECTORS AND OFFICERS

21. No director or officer for the time being of the Corporation shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee or for joining in any receipt or acts for conformity or for any loss, damage or expense suffered or incurred by the corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Corporation shall be placed out or invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, firm or corporation including any person, firm or corporation with whom or which any moneys, securities or effects shall be lodged or deposited or for any loss, conversion, misapplication or misappropriation of or any damage resulting

from any dealings with any moneys, securities or other assets belonging to the Corporation or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of his respective office of trust or in relation thereto, unless the same shall happen by or through his failure to exercise the powers and to discharge the duties of his office honestly and in good faith with a view to the best interests of the Corporation, and in connection therewith to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances provided that nothing herein contained shall relieve a director or officer from the duty to act in accordance with the Act or regulations made thereunder or relieve him from liability for a breach thereof. The directors for the time being of the Corporation shall not be under any duty or responsibility in respect of any contract, act or transaction whether or not made, done or entered into in the name or on behalf of the Corporation, except such as shall have been submitted to an authorized or approved by the board of directors. If any director or officer of the Corporation shall be employed by or shall perform services for the Corporation otherwise than as a director or officer or shall be a member of a firm or a shareholder, director or officer of a body corporate which is employed by or performs services for the Corporation, the fact of his being a shareholder, director or officer of the Corporation shall not disentitle such director or officer or such firm or body corporate, as the case may be, from receiving proper remuneration for such services.

INDEMNITIES TO DIRECTORS AND OTHERS

22. Subject to subsections 136(2) and (3) of the Act, the Corporation shall indemnify a director or officer of the Corporation, a former director or officer of the Corporation or a person who acts or acted at the Corporation's request as a director or officer of a body corporate of which the Corporation is or was a shareholder or creditor, and his heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him in respect of any civil, criminal or administrative action or proceeding to which he is made a party by reason of being or having been a director or officer of such corporation or body corporate, if
- a. he acted honestly and in good faith with a view to the best interests of the Corporation; and
 - b. in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he had reasonable grounds for believing that his conduct was lawful

The Corporation is hereby authorized to execute agreements evidencing its indemnity in favour of the foregoing persons to the full extent permitted by law.

OFFICERS

23. **Appointment of officers.**

The directors shall annually or as often as may be required appoint a President and a Secretary and if deemed advisable may annually or as often as may be required appoint a Chairman of the Board, a Chief Executive Officer, A Chief Operating Officer, A Chief Financial Officer, one or more Vice Presidents, a Treasurer and one or more Assistant Secretaries and/or one or more Assistant Treasurers. None of such officers, except the Chairman of the Board, need be a director of the Corporation. Any director may be appointed to any office of the Corporation. Two or more of such offices may be held by the same person. In case and whenever the same person holds the offices of Secretary and Treasurer, he may but need not be known as the Secretary-Treasurer. The directors may from time to time appoint such other officers, employees and agents as they shall deem necessary who shall have such authority and shall perform such functions and duties as may from time to time be prescribed by resolution of the directors.

24. **Removal of officers, etc.**

All officers, employees and agents, in the absence of agreement to the contrary, shall be subject to removal by resolution of the directors at any time, with or without cause.

25. **Duties of officers may be delegated.**

In case of the absence or inability or refusal to act of any officer of the Corporation or for any other reason that the directors may deem sufficient, the directors may delegate all or any of the powers of such officer to any other officer or to any director for the time being.

26. **Chairman of the Board**

The Chairman of the Board (if any), shall when present preside at all meetings of the directors, any committee of the directors and of the shareholders, shall sign such documents as may require his signature in accordance with the by-laws of the Corporation and shall have such other powers and shall perform such other duties as may from time to time be assigned to him by resolution of the directors or as are incident to his office.

27. **The President**

The President shall, unless another officer is appointed a Chief Executive Officer, be the chief executive officer of the Corporation and shall exercise general supervision over the business and affairs of the Corporation. In the absence of the Chairman of the Board (if any), and if the President is also a director of the Corporation, the President shall, when present, preside at all meetings of the directors, any committee of the directors and shareholders; he shall sign such contracts, documents or instruments in writing as require his signature and shall have such other powers and shall perform such other duties as may from time to time be assigned to him by resolution of the directors or as are incident to his office.

28. **Executive Vice-President**

The Executive Vice-President or, if more than one, the Executive Vice-Presidents in order of seniority, shall be vested with all the powers and shall perform all the duties of the President in the absence or inability or refusal to act of the President, provided, however, that an Executive Vice-President who is not a director shall not *ex officio* preside as chairman at any meetings of shareholders. The Executive Vice-President or, if more than one, the Executive Vice-Presidents, in order of seniority, shall sign such contracts, documents or instruments in writing as require his or their signatures, and shall also have such other powers and duties as may from time to time be assigned to him or them by resolution of the board of directors.

29. **Vice-President**

The Vice-President, or if more than one, the Vice-Presidents in order of seniority, shall be vested with all the powers and shall perform all the duties of the President in the absence or inability or refusal to act of the President provided, however, that a Vice-President or, if more than one, the Vice-Presidents in order of seniority, shall sign such contract, documents or instruments in writing as require his or their signatures and shall also have such other powers and duties as may from time to time be assigned to him or them by resolution of the directors.

30. **Secretary**

The Secretary shall give or cause to be given notices for all meetings of the directors, any committee of the directors and of the shareholders when directed to do so and shall have charge of the minute books of the Corporation and, subject to the provisions of paragraph 45 hereof, of the documents and registers referred to in subsections 140(1) and (2) of the Act. He shall sign such contracts, documents or instruments in writing as require his signature and shall have such other powers and duties as may from time to time be assigned to him by resolution of the directors or as are incident to his office.

31. **Treasurer**

Subject to the provisions of any resolution of the directors, the Treasurer shall have the care and custody of all the funds and securities of the Corporation and shall deposit the same in the name of the Corporation in such bank or banks or with such other depository or depositories as the directors may by resolution direct. He shall prepare and maintain adequate accounting records. He shall sign such contracts, documents or instruments in writing as require his signature and shall have such other powers and duties as may from time to time be assigned to him by resolution

of the directors or as are incident to his office. He may be required to give such bond for the faithful performance of his duties as the directors in their uncontrolled discretion may require and no director shall be liable for failure to require any such bond or for the insufficiency of any such bond or for any loss by reason of the failure of the Corporation to receive any indemnity thereby provided.

32. **Assistant Secretary and Assistant Treasurer.**

The Assistant Secretary or, if more than one, the Assistant Secretaries in order of seniority and the Assistant Treasurer or, if more than one, the Assistant Treasurers in order of seniority, shall perform all the duties of the Secretary and Treasurer, respectively, in the absence or inability to act by the Secretary or Treasurer as the case may be. The Assistant Secretary or Assistant Secretaries, if more than one, and the Assistant Treasurer or Assistant Treasures, if more than one, shall sign such contracts, documents or instruments in writing as require his or their signature respectively and shall have such other powers and duties as may from time to time be assigned to them by resolution of the directors.

33. **General Manager or Manager or Managing Director**

The directors may from time to time appoint a General Manager or one or more Managers (each of whom may but need not be a director of the Corporation) and may delegate to them such power and authority to manage and direct the business and affairs of the Corporation (except such matters and duties as by law must be transacted or performed by the board of directors or by the shareholders in general meeting) and to employ and discharge agents and employees of the Corporation as the board of directors considers desirable. A General Manager or Manager shall conform to all lawful orders given to him by the board of directors of the Corporation and shall at all reasonable times give to the directors or any of them all information they may require regarding the affairs of the Corporation. Any agent or employee appointed by a General Manager or Manager shall be subject to discharge by the board of directors.

34. **Vacancies**

If the office of Chairman of the Board, President, Vice-President, Secretary, Assistant Secretary, Treasurer, Assistant Treasurer, or any other office created by the directors pursuant to paragraph 23 hereof shall be or become vacant by reason of death, resignation or in any other manner whatsoever, the directors shall in the case of the President or the Secretary and in the case of other officers appoint an officer to fill such vacancy.

SHAREHOLDERS' MEETINGS

35. **Annual or special meetings.**

Subject to subsection 104(1) of the Act, the directors of the Corporation:

- a. shall call an annual meeting of shareholders not later than eighteen months after the Corporation comes into existence and subsequently not later than fifteen months after holding the last preceding annual meeting; and
- b. may at any time call a special meeting of shareholders.

36. Subject to the articles and any unanimous shareholder agreement, a meeting of the shareholders of the Corporation may be held at such place in or outside Ontario as the directors may determine or, in the absence of such a determination, at the place where the registered office of the Corporation is located.

37. **Participation in Meetings by Electronic Means**

Any person entitled to attend a meeting of shareholders may participate in the meeting by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting, if the Corporation has made available such a communication facility. A

person participating in a meeting by such means is deemed for the purposes of the Act and the By-Laws to be present at the meeting.

38. Meeting Held by Electronic Means

If the directors of the Corporation call a meeting of shareholders pursuant to the Act, those directors may determine that the meeting shall be held, in accordance with the Act, entirely by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting. A person participating in a meeting of shareholders held by such means is deemed to be present in person at the meeting and will have the opportunity to participate to the same extent as if the person were attending in person and in full purview of other shareholders.

39. Presiding Officer

The chairman of any meeting of shareholders shall be the first mentioned of such of the following officers as have been appointed and is present or deemed to be present at the meeting: the Chairman, the Vice- Chairman, the President or a Vice-President who is also a director. In the absence of any such officer, the shareholders shall choose one of their number to chair the meeting. The secretary of the meeting shall be the Secretary of the Corporation or failing him, the Assistant Secretary of the Corporation. Notwithstanding the above, the chairman of the meeting, at his sole discretion, may appoint a person, who need not be a shareholder, to act as secretary of the meeting.

40. Persons Entitled to be Present

The only persons entitled to be present at a meeting of shareholders shall be those entitled to vote thereat, the directors and auditors of the Corporation and others who, although not entitled to vote, are entitled or required under any provision of the Act, the Articles or the By-Laws to be present. Any other person may be admitted only with the consent of the chairman of the meeting or with the consent of the meeting.

41. Quorum

Two (2) persons present and each holding or representing by proxy at least one per cent (1%) of the issued shares of the Corporation shall be a quorum of any meeting of shareholders for the choice of a chairman of the meeting and for the adjournment of the meeting to a fixed time and place but may not transact any other business; for all other purposes a quorum for any meeting (unless a greater number of shareholders and/or a greater number of shares are required to be represented by the Act or by the Corporation's articles or by any by-law of the Corporation) shall be persons present not being less than two (2) in number and holding or representing by proxy not less than twenty per cent (20%) of the total number of votes attaching to the issued shares of the Corporation for the time being enjoying voting rights at such meeting. If a quorum is present at the opening of a meeting of shareholders, the shareholders present may proceed with the business of the meeting, notwithstanding that a quorum is not present throughout the meeting.

Notwithstanding the foregoing, if the Corporation has only one shareholder, or only one shareholder of any class of series of shares, the shareholder present in person or by proxy constitutes a meeting and a quorum for such meeting.

42. Scrutineers

At any meeting of shareholders, the chairman of the meeting may with the consent of the meeting appoint one or more persons, who may be shareholders, to serve as scrutineers.

43. Votes to Govern

At any meeting of shareholders, unless a special resolution is required, all questions shall be decided by the majority of votes cast on the question.

44. **Voting**

- (1) Subject to the Act, every question submitted to any meeting of shareholders shall be decided on a show of hands, except when a ballot is required by the chairman of the meeting or is demanded by a shareholder or proxyholder entitled to vote at the meeting. Upon a show of hands, at every meeting at which he is entitled to vote, each person present or deemed to be present, on his own behalf, and each proxyholder present or deemed to be present, shall have one vote. A declaration by the chairman of the meeting that the question has been carried, carried by a particular majority or not carried and an entry to that effect in the minutes of the meeting shall be prima facie evidence of such fact; and the results of the vote so taken and declared shall be the decision of the shareholders upon the said question.
- (2) A shareholder or proxyholder may demand a ballot either before or on the declaration of the result of any vote by a show of hands. The ballot shall be taken in such manner as the chairman of the meeting shall direct. Upon a ballot at which he is entitled to vote every shareholder present, or deemed to be present, on his own behalf or by proxy shall (subject to the provisions, if any, of the Articles) have one vote for every share registered in his name; and the results of the ballot so taken and declared shall be the decision of the shareholders upon the said question.
- (3) If at any meeting a poll is demanded on the election of a chairman or on the question of adjournment or termination, the poll shall be taken forthwith without adjournment. If a poll is demanded on any other question or as to the election of director, the poll shall be taken by ballot in such manner and either at once or later at the meeting or after adjournment as the chairman of the meeting directs. The result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. A demand for a poll may be made either before or after any vote by show of hands and may be withdrawn.
- (5) Where two or more persons hold the same share or shares jointly, any one of such persons present at a meeting of shareholders has the right, in the absence of the other or others, to vote in respect of such share or shares, but if more than one of such persons are present or represented by proxy and vote, they shall vote together as one on the share or shares jointly held by them.

45. **Proxies and Electronic Voting**

- (1) Votes at meetings of the shareholders may be given either personally or by proxy. At every meeting at which he is entitled to vote, every shareholder present in person and every proxyholder shall have one (1) vote on a show of hands. Upon a poll at which he is entitled to vote every shareholder present in person or by proxy, shall (subject to the provisions, if any, of the Corporation's articles) have one (1) vote for every share registered in his name.
- (2) Every shareholder, including a shareholder that is a body corporate, entitled to vote at a meeting of shareholders may by means of proxy appoint a proxyholder or proxyholders or one or more alternate proxyholders, who need not be shareholders, as his nominee to attend and vote at the meeting in the manner, to the extent and with the authority conferred by the proxy.
- (3) Subject to any determinations made from time to time by the Board, a Shareholder may appoint a proxy by any method permitted by law, including over the Internet, or by the input of data using telephonic facilities or by reproduction using facsimile or electronic facilities.
- (4) To the extent permitted by the Act or the Bylaws of the Corporation, the directors may from time to time pass regulations regarding the lodging of instruments or submission of data over the internet or other electronic means appointing a proxyholder. The chairman of the meeting of shareholders may, subject to any regulations made as aforesaid, in his discretion accept such electronic instruments or data as to the authority of anyone claiming to vote on behalf of and to represent a shareholder notwithstanding that no instrument of proxy conferring such authority has been lodged with the Corporation, and any votes given in accordance with such electronic communication accepted by the chairman of the meeting shall be valid and shall be counted.

46. **Notice**

- (1) A notice stating the day, hour and place of meeting and, if special business is to be transacted thereat, stating (or accompanied by a statement of) (i) the nature of that business in sufficient detail to permit the shareholder to form a reasoned judgment thereon, and (ii) the text of any special resolution or by-law to be submitted to the meeting, or otherwise, if the Corporation is an Offering Corporation, in compliance with the provisions for Notice and Access contained in National Policies 54-101 and 51-102 of the Canadian Securities Administrators, shall be served by sending such notice to each person who is entitled to notice of such meeting and who on the record date for notice appears on the records of the Corporation or its transfer agent as a shareholder entitled to vote at the meeting and to each director of the Corporation and to the auditor of the Corporation by prepaid mail or provided in the form of an electronic document so long as the shareholder, director, or auditor has consented to receive the notice in such form, not less than 21 days and not more than 50 days (exclusive of the day of mailing and of the day for which notice is given) before the date (if the Corporation is an offering corporation as such term is defined in the Act) or not less than 10 days before the date (if the Corporation is not an offering Corporation) of every meeting addressed to the Recorded Address of each such person; provided that a meeting of shareholders may be held for any purpose at any date and time and at any place without notice if all the shareholders and other persons entitled to notice of such meeting are present in person or represented by proxy at the meeting (except where the shareholder or such other person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called) or if all the shareholders and other persons entitled to notice of such meeting and not present in person nor represented by proxy thereat waive notice of the meeting. Notice of any meeting of shareholders or the time for the giving of any such notice or any irregularity in any such meeting or in the notice thereof may be waived in any manner by any shareholder, the duly appointed proxy of any shareholder, any director or the auditor of the Corporation and any other person entitled to attend a meeting of shareholders, and any such waiver may be validly given either before or after the meeting to which such waiver relates.
- (2) The auditor of the Corporation is entitled to attend any meeting of shareholders of the Corporation and to receive all notices and other communications relating to any such meeting that a shareholder is entitled to receive.

47. **Omission of notice**

The accidental omission to give notice of any meeting to or the non-receipt of any notice by any person shall not invalidate any resolution passed or any proceeding taken at any meeting of shareholders.

48. **Record dates for notice of meeting.**

Subject to subsection 95(4) of the Act, the directors may also fix in advance the date as the record date for the determination of shareholders entitled to receive notice of a meeting of shareholders, but such record date shall not precede by more than 50 days or be less than 21 days the date on which the meeting is to be held.

If no record date is fixed, the record date for the determination of the shareholders entitled to receive notice of a meeting of the shareholders shall be

- a. at the close of business on the day immediately preceding the day on which notice is given; or
- b. if no notice is given, the day on which the meeting is held.

49. **Adjournment**

The Chairman of the meeting may with the consent of the meeting adjourn any meeting of shareholders from time to time to a fixed time and place and if the meeting is adjourned for less than thirty (30) days no notice of the time and place for the holding of the adjourned meeting need be given to any shareholder, other than by announcement at the earliest meeting that is adjourned. If a meeting of shareholders is adjourned by one or more adjournments for an aggregate of thirty (30) days or more, notice of the adjourned meeting shall be given as for an original

meeting but, unless the meeting is adjourned by one or more adjournments for an aggregate of more than ninety (90) days, section 111 of the Act does not apply. Any adjourned meeting shall be duly constituted if held in accordance with the terms of the adjournment and a quorum is present thereat. The persons who formed a quorum at the original meeting are not required to form the quorum at the adjourned meeting. If there is no quorum present at the adjourned meeting, the original meeting shall be deemed to have terminated forthwith after its adjournment. Any business may be brought before or dealt with at any adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

SHARES AND TRANSFERS

50. **Issuance**

Subject to the articles of the Corporation and any unanimous shareholder agreement, shares in the Corporation may be issued at such time and issued to such persons and for such consideration as the directors may determine.

51. **Security certificates**

Security certificates (and the form of transfer power on the reverse side thereof) shall (subject to compliance with section 56 of the Act) be in such form as the directors may from time to time by resolution approve and, subject to subsection 55(3) of the Act, such certificates shall be signed manually by at least one director or officer of the Corporation or by or on behalf of a registrar, transfer agent, branch transfer agent or issuing or other authenticating agent of the Corporation, or by a trustee who certifies it in accordance with a trust indenture, and any additional signatures required on a security certificate may be printed or otherwise mechanically reproduced thereon. Notwithstanding any change in the persons holding an office between the time of actual signing and issuance of any certificate and notwithstanding that a person signing may not have held office at the date of issuance of such certificate, any such certificate so signed shall be valid and binding upon the Corporation.

52. **Transfer agents**

For each class of securities and warrants issued by the Corporation, the directors may from time to time by resolution appoint or remove:

- a. a trustee, transfer agent or other agent to keep the securities register and the register of transfer and one or more persons or agents to keep branch registers; and
- b. a registrar, trustee or agent to maintain a record of issued security certificates and warrants;

and subject to section 48 of the Act, one person may be appointed for the purposes of both clauses (a) and (b) in respect of all securities and warrants of the Corporation or any class or classes thereof.

53. **Surrender of security certificates**

Subject to the Act, no transfer of a security issued by the Corporation shall be recorded or registered unless and until (i) the security certificate representing the security to be transferred has been surrendered and cancelled or (ii) if no security certificate has been issued by the Corporation in respect of such share, a duly executed security transfer power in respect thereof has been presented for registration.

54. **Defaced, destroyed, stolen or lost security certificates.**

In case of the defacement, destruction, theft or loss of a security certificate, the fact of such defacement, destruction, theft or loss shall be reported by the owner to the Corporation or to an agent of the Corporation (if any) acting on behalf of the Corporation, with a statement verified by oath or statutory declaration as to the defacement, destruction, theft or loss and the circumstance concerning the same and with a request for issuance of a new security certificate to replace the one so defaced, destroyed, stolen or lost. Upon the giving to the Corporation (or, if there be an agent, hereinafter in this paragraph referred to as the "Corporation's agent", then to the Corporation and the Corporation's agent) of an indemnity bond of a surety company in such form as is

approved by the directors or by the Chairman of the Board (if any), the President, an Executive Vice-President, a Vice-President, the Secretary or the Treasurer of the Corporation, indemnifying the Corporation (and the Corporation's agent if any) against all loss, damage and expense, which the Corporation and/or Corporation's agent may suffer or be liable for in person for by reason of the issuance of a new security certificate to such shareholder, and provided the Corporation or the Corporation's agent does not have notice that the security has been acquired by a bona fide purchaser, a new security certificate may be issued in replacement of the one defaced, destroyed, stolen or lost, if such issuance is ordered and authorized by any one of the Chairman of the Board (if any), the President, an Executive Vice-President, a Vice President, the Secretary or the Treasurer of the Corporation or by resolution of the directors.

DIVIDENDS

55. The directors may from time to time by resolution declare and the Corporation may pay dividends on its issued share, subject to the provisions (if any) of the Corporation's articles.

The directors shall not declare and the Corporation shall not pay a dividend if there are reasonable grounds for believing that:

- a. the Corporation is, or, after the payment, would be unable to pay its liabilities as they become due; or
- b. the realizable value of the Corporation's assets would thereby be less than the aggregate of its liabilities and stated capital of all classes.

The directors may declare and the Corporation may pay a dividend by issuing fully paid shares of the Corporation or options or rights to acquire fully paid shares of the Corporation and, subject to section 38 of the Act, the Corporation may pay a dividend in money or property.

56. In case several persons are registered as the joint holders of any securities of the Corporation, any one of such persons may give effectual receipts for all dividends and payments on account of dividends, principal, interest and/or redemption payments on redemption of securities (if any) subject to redemption in respect of such securities.

RECORD DATES

57. Subject to subsection 95(4) of the Act, the directors may fix in advance a date as the record date for the determination of shareholders (i) entitled to receive payment of dividend, (ii) entitled to participate in a liquidation or distribution, or (iii) for any other purpose except the right to receive notice of or to vote at a meeting of shareholders, but such record date shall not precede by more than 50 days the particular action to be taken.

If no record is fixed, the record date for the determination of shareholders for any purpose, other than to establish a record date for the determination of shareholders entitled to receive notice of a meeting of shareholders or to vote, shall be the close of business on the day on which the directors pass the resolution relating thereto.

VOTING SECURITIES IN OTHER ISSUERS

58. All securities of any other body corporate or issuer of securities carrying voting rights held from time to time by the Corporation may be voted at all meetings of shareholders, bondholders, debentureholders or holders of such securities, as the case may be, of such other body corporate or issuer and in such manner and by such person or persons as the directors of the Corporation shall from time to time determine and authorize by resolution. The duly authorized signing officers of the Corporation may also from time to time execute and deliver for and on behalf of the Corporation proxies and/or arrange for the issuance of voting certificates and/or evidence of the right to vote in such names as they may determine without the necessity of a resolution or other action by the directors.

NOTICES, ETC.

59. **Method of Giving Notices**

Any notice (which term includes any communication or document) to be given (which term includes sent, delivered or served) pursuant to the Act, the By-Laws or otherwise to a shareholder, director, officer, auditor or member of a committee of the Board shall be sufficiently given if delivered personally to the person to whom it is to be given or if delivered to the person's Recorded Address or if mailed to such person at his Recorded Address by prepaid ordinary or air mail or if sent to such person at his Recorded Address by any means of prepaid transmitted or recorded communication, or if provided in the form of an electronic document so long as the shareholder, director, officer, auditor or member of a committee of the Board has consented to receive the notice in such form. Subject to the Act, a notice so delivered shall be deemed to have been given when it is delivered personally or to the Recorded Address aforesaid; a notice so mailed shall be deemed to have been given when deposited in a post office or public letter box and a notice so sent by any means of transmitted or recorded communication shall be deemed to have been given when dispatched or delivered for dispatch; and a notice so sent in the form of an electronic document shall be deemed to have been given when transmitted. The Secretary may change or cause to be changed the Recorded Address of any shareholder, director, officer, auditor or member of a committee of the Board in accordance with any information believed by him to be reliable.

60. **Undelivered mail**

If the Corporation sends a notice or document to a shareholder and the notice or document is returned on three consecutive occasions because the shareholder cannot be found, the Corporation is not required to send any further notices or documents to the shareholder until he informs the Corporation of his new address.

61. **Shares registered in more than one name**

All notices or other documents shall, with respect to any shares in the capital of the Corporation registered in more than one name be given to whichever of such persons is named first in the records of the Corporation and any notice or other document so given shall be sufficient notice or delivery of such document to all the holders of such shares.

62. **Persons becoming entitled by operation of law**

Every person who by operation of law, transfer or by any other means whatsoever shall become entitled to any shares in the capital of the Corporation shall be bound by every notice or other document in respect of such shares which prior to his name and address being entered on the records of the Corporation shall have been duly given to the person or persons from whom he derives his title to such shares.

63. **Deceased shareholder**

Any notice or other document delivered or sent by post or left at the address of any shareholder as the same appears in the records of the Corporation shall, notwithstanding that such shareholder be then deceased and whether or not the Corporation has notice of his decease, be deemed to have been duly served in respect of the shares held by such shareholder (whether held solely or with other persons) until some other person be entered in his stead in the records of the Corporation as the holder or one of the holders thereof and such services shall for all purposes be deemed a sufficient service of such notice or other document on his heirs, executors or administrators and all persons (if any) interested with him in such shares.

64. **Signatures to notices**

The signature of any director or officer of the Corporation to any notice may be written printed or otherwise mechanically reproduced.

65. **Computation of time**

Where a given number of days' notice extending over any period is required to be given under any provisions of the articles or by-laws of the Corporation, the day of service, posting or other communication of the notice shall not be counted in such number of days or other period, and such number of days or other period shall commence on the day following the day of service, posting or other communication of the notice and shall terminate at midnight of the last day of the period except that if the last day of the period falls on a Sunday or holiday the period shall terminate at midnight of the day next following that is not a Sunday or holiday.

66. **Proof of service**

A certificate of any officer of the Corporation in office at the time of the making of the certificate or of an agent of the Corporation as to fact in relation to the mailing or delivery or service of any notice or other documents to any shareholder, director, officer or auditor or publication of any notice or other document shall be conclusive evidence thereof and shall be binding on every shareholder, director, officer or auditor of the Corporation, as the case may be.

67. **Omissions and Errors**

The accidental omission to give any notice to any shareholder, director, officer, auditor or member of a committee of the Board or the non-receipt of any notice by any such person or any error in any notice shall not invalidate such notice or any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

CHEQUES, DRAFTS, NOTES, ETC.

68. All cheques, drafts or orders for the payment of money and all notes, acceptances and bills of exchange shall be signed by such officer or officers or other person or persons, whether or not officers of the Corporation, and in such manner as the directors may from time designate by resolution.

CUSTODY OF SECURITIES

69. All securities (including warrants) owned by the Corporation shall be lodged (in the name of the Corporation) with a chartered bank or a trust company or in a safety deposit box or, if so authorized by resolution of the directors, with such other depositaries or in such other manner as may be determined from time to time by the directors.

All securities (including warrants) belonging to the Corporation may be issued and held in the name of a nominee or nominees of the Corporation (and if issued or held in the name of more than one nominee shall be held in the name of the nominees jointly with right of survivorship) and shall be endorsed in blank with endorsement guaranteed in order to enable transfer thereof to be completed and registration thereof to be effected.

EXECUTION OF CONTRACTS, ETC.

70. Contracts, documents or instruments in writing requiring the signature of the Corporation may be signed by any two of the officers and directors of the Corporation and all contracts, documents or instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality. The directors are authorized from time to time by resolution to appoint any officer or officers or any other person or persons on behalf of the Corporation either to sign contracts, documents or instruments in writing generally or to sign specific contracts, documents or instruments in writing. The corporate seal of the Corporation may, when required, be affixed to contracts, documents or instruments in writing signed as aforesaid or by an officer or officers, person or persons appointed as aforesaid by resolution of the board of directors.

The term "contracts, documents or instruments in writing" as used in this by-law shall include deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property, real or personal, immovable or movable,

agreements, releases, receipts and discharges for the payment of money or other obligations, conveyances, transfers and assignments of securities and all paper writing.

In particular, without limiting the generality of the foregoing, any two of the officers and directors of the Corporation are authorized to sell, assign, transfer, exchange, convert or convey all securities owned by or registered in the name of the Corporation and to sign and execute (under the seal of the Corporation or otherwise) all assignments, transfers, conveyances, powers of attorney and other instruments that may be necessary for the purpose of selling, assigning, transferring, exchanging, converting or conveying any such securities.

The signature or signatures of any such officer or director of the Corporation and/or of any other officer or officers, person or persons appointed as aforesaid by resolution of the directors may, if specifically authorized by resolution of the directors, be printed, engraved, lithographed or otherwise mechanically reproduced upon all contracts, documents or instruments in writing or bonds, debentures or other securities of the Corporation executed or issued by or on behalf of the Corporation and all contracts, documents or instruments in writing or securities of the Corporation on which the signature or signatures of any of the foregoing officers, directors, or persons shall be so reproduced, by authorization by resolution of the directors shall be deemed to have been manually signed by such officers, directors or persons whose signature or signatures is or are so reproduced and shall be as valid to all intents and purposes as if they had been signed manually and notwithstanding that the officers, directors or persons whose signature is or are so reproduced may have ceased to hold office at the date of the delivery or issue of such contracts, documents or instruments in writing or securities of the Corporation.

ENFORCEMENT OF LIEN FOR INDEBTEDNESS

71. Unless the Corporation has shares listed on a stock exchange recognized by the Ontario Securities Commission, the Corporation has a lien on shares registered in the name of a shareholder or his legal representative for a debt of that shareholder to the Corporation. The directors of the Corporation may authorize the Corporation to apply any dividends or other distributions paid or payable on or in respect of the share or shares in respect of which the Corporation has such a lien in repayment of the debt of that shareholder to the Corporation.

FINANCIAL YEAR

72. The financial year of the Corporation shall terminate on such day in each year as the board of directors may from time to time by resolution determine.

ENACTED the 11^h day of October, 2016

*Amendments to Paragraphs 4, 16 and 17 Ratified by the Shareholders on *****, **, 2022*

APPENDIX “D” – AMENDED STOCK OPTION PLAN

AQUARIUS SURGICAL TECHNOLOGIES INC.

2016 STOCK OPTION PLAN

Article I – Purpose of Plan

- 1.1 The purpose of the Plan is to provide Executives, Employees and Consultants, where permitted under applicable legislation, of the Corporation and its Subsidiaries, compensation opportunities that will encourage share ownership and enhance the Corporation’s ability to attract, retain and motivate key personnel and reward significant performance achievements. This Plan is an amendment to and a restatement of all previous stock option plans of the Corporation.

Article II – Defined Terms

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

- 2.1 “Board” means the board of directors of the Corporation or, where the context permits, any committee of such board of directors to which such board of directors may from time to time delegate its powers or responsibilities hereunder;
- 2.2 “Business Day” means any day, other than a Saturday, Sunday or holiday, on which any stock exchange or quotation or trading system on which the Shares are listed or quoted, is open for trading;
- 2.3 “Consultant” means an individual, or a company or partnership in which the individual is an employee, shareholder or partner, as the case may be, other than an Employee or an Executive of the Corporation or a Subsidiary, that:
 - (a) is engaged to provide, on a bona fide basis, consulting, technical, management or other services to the Corporation or a Subsidiary under a written contract between the Corporation or the Subsidiary and the individual or the consultant company or consultant partnership of the individual; and
 - (b) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or a Subsidiary;
- 2.4 “Corporation” means **Aquarius Surgical Technologies Inc.**, and includes any successor corporation thereto;
- 2.5 “Eligible Person” means any Executive, Employee or Consultant who performs services for the Corporation and/or a Subsidiary on an ongoing basis or who has provided or is expected to provide a service of value to the Corporation or a Subsidiary and, in the case of an Employee or a Consultant, whom the Corporation represents to be a bona fide Employee or Consultant of the Corporation, as the case may be;
- 2.6 “Employee Optionee” means an Optionee who is an Employee;
- 2.7 “Employee” means a full or part-time employee of the Corporation or a Subsidiary, other than an Executive, and includes, where the context permits, a trustee, custodian or administrator acting on behalf or for the benefit of employees of the Corporation or a Subsidiary;
- 2.8 “Executive” means any officer or director of the Corporation or a Subsidiary;
- 2.9 “Market Price” at any date in respect of Shares shall be the closing quoted price of such Shares on the stock exchange or quotation or trading system on which the Corporation’s shares are listed, on the last Business Day preceding the date on which the Option is approved. In the event that such Shares did not trade on such Business Day, the Market Price shall be the average of the bid and ask prices in respect of such shares at the close of trading on such date. In the event that such Shares are not listed and posted for trading on any stock exchange, quotation or trading system, the Market Price in respect thereof shall be the fair market value of such Shares as determined by the Board in its sole discretion;
- 2.10 “Option” means an option to purchase Shares granted under the Plan;
- 2.11 “Option Price” means the price per share at which Shares may be purchased under the Option, as the same may be adjusted from time to time in accordance with Article VIII hereof;
- 2.12 “Optionee” means a person to whom an Option has been granted;
- 2.13 “Plan” means this 2016 Stock Option Plan of the Corporation as embodied herein, as the same may be amended or varied from time to time;

- 2.14 “Shares” means the common shares of the Corporation or, in the event of any adjustment contemplated by Article VIII hereof, such other shares or securities to which an Optionee may be entitled upon the exercise of an Option as a result of such adjustment; and
- 2.15 “Subsidiary” means any body corporate which is controlled by the Corporation or one or more persons or companies which are controlled by the Corporation.
- 2.16 For purposes of the Plan, a person or company is considered to be controlled by a person or company if voting securities of the first person or company are carrying more than 50% of the votes for the election of directors are held, otherwise than by way of security only, by or for the benefit of the other person or company, and the votes carried by the securities are entitled, if exercised, to elect a majority of the directors of the first-mentioned company.

Article III – Administration of the Plan

- 3.1 The Plan shall be administered by the Board.
- 3.2 The Board shall have the power, where consistent with the general purpose and intent of the Plan and subject to the specific provisions of the Plan and to applicable securities and stock exchange regulatory requirements:
- (a) to establish policies and to adopt rules and regulations for carrying out the purposes, provisions and administration of the Plan;
 - (b) to interpret and construe the Plan and to determine all questions arising out of the Plan and any Option granted pursuant to the Plan, and any such interpretation, construction, or determination made by the Board shall be final, binding and conclusive for all purposes;
 - (c) to determine to which Eligible Persons Options are granted and to grant Options;
 - (d) to determine the number of Shares purchasable under each Option;
 - (e) to determine and fix the Option Price, which under no circumstances shall be less than the Market Price of the Shares at the date of the grant of such Option;
 - (f) to determine the time or times when and the manner in which Options will be granted, become vested and exercisable;
 - (g) to determine if the Shares which are subject to an Option will be subject to any restrictions upon the exercise of such Option;
 - (h) to grant in its discretion to the holder of an outstanding Option, in exchange for the surrender and cancellation of such Option and subject to relevant regulatory and disinterested shareholder approval, a new Option having an Option Price lower than the Option Price of the surrendered and cancelled Option and containing other terms and conditions as regulatory policies may require and as the Board may prescribe; and
 - (i) to prescribe the form of the instruments relating to the grant, exercise and other terms of Options.
- 3.3 For greater clarity, the Board shall have the power to:
- (a) grant such Options to Eligible Persons which shall not become fully vested or exercisable until the happening of an event, the attainment of an objective or the satisfaction of certain other conditions determined by the Board at the time of the grant of such Options to the Eligible Persons;
 - (b) with respect to the hiring of Executives, authorize the Corporation to grant Options to such Executives as at the date of the acceptance of any offer of employment by such Executives, subject to approval by the Board; and

- (c) grant Options to a class of persons to be allocated to members of such class who are Eligible Persons from time to time as may be determined by the Board.
- 3.4 The Board shall have the power to delegate to a committee of the Board the power to determine to which Eligible Persons Options are to be granted and to grant such Options, the number of Shares purchasable under each Option, the Option Price and the time or times when and the manner in which Options are exercisable, and such committee shall make such determinations in accordance with the provisions of this Plan and with applicable securities and stock exchange regulatory requirements, subject to final approval by the Board.

Article IV – Shares Available under the Plan

- 4.1 Options may be granted in respect of authorized and unissued Shares provided that the aggregate number of Shares reserved for issuance under this Plan, subject to adjustment or increase of such number pursuant to the provisions of Article VIII hereof, together with any Shares reserved for issuance under the previous Stock Option Plan of the Corporation and any options or warrants for services or employee stock purchase or stock option plans or any other plans, shall not exceed **4,000,000** Shares. Shares in respect of which Options are not exercised shall be available for subsequent Options under the Plan. No fractional shares may be purchased or issued under the Plan

Article V – Eligibility, Grant and Terms of Options

- 5.1 In no event may the term of an Option exceed ten (10) years from the date of the grant of the Option.
- 5.2 The total number of Shares reserved for issuance under Options granted to Optionees under this Plan during a financial year of the Corporation shall not exceed 10% of the issued and outstanding Shares at the date of the grant or proposed grant of the Option unless a resolution of disinterested shareholders has approved a lifting of this threshold.
- (a) The total number of Shares reserved for issuance to any one Optionee under this Plan together with any Shares reserved for issuance under options or warrants for services and employee stock purchase plans or any other share compensation arrangements or incentive plan to such Optionee shall not exceed 5% of the issued and outstanding Shares in any twelve (12) month period (unless the Corporation has obtained disinterested Shareholder approval).
 - (b) The total number of shares reserved for issuance to any one Optionee who is a Consultant shall not exceed 2% of the issued shares of the Corporation in any twelve (12) month period.
 - (c) The total number of shares reserved for issuance to all Optionees who are employees conducting Investor Relations Activities shall not exceed 2% of the issued shares of the Corporation in any twelve (12) month period.
 - (d) Options issued to Optionees under the Plan shall, unless otherwise determined by the Board at the time of approval of grant, be subject to general vesting provisions as follows: 25% at time of grant, 25% after six (6) months from date of grant, 25% after twelve (12) months from date of grant, and 25% after eighteen (18) months from date of grant. For greater clarity, the Board has the discretion to approve immediate vesting of all options in a particular grant, or to impose any particular vesting conditions that it considers necessary or appropriate in respect of each grant.
- 5.3 An Option is personal to the Optionee and may not be assigned or transferred except as may be envisaged under applicable regulatory exemptions relative to the RRSP or RRIF of an Optionee. The Option may only be exercised by the Optionee, provided that where the Optionee is an individual, then during the lifetime of such Optionee, the Option may be exercised only by him or her, his or her legal representative or a nominee which is a corporation wholly-owned by the Optionee.

- 5.4 Each Option shall be evidenced by a written agreement between the Corporation and the Optionee containing terms and conditions established with respect to such Option and shall be consistent with the provisions of the Plan.

Article VI – Termination of Employment, Death or Retirement

- 6.1 In the event that an Optionee shall cease to be employed or retained by the Corporation or any Subsidiary for any reason (other than for reason of cause, death, retirement or circumstances equating retirement as determined by the Board) or shall receive notice from the Corporation or any Subsidiary of the termination of such employment or engagement (the “Termination”) such Optionee may, but only within ninety (90) days of such Termination if the Optionee is a Director, Employee, Consultant or Management Company Employee, but within thirty (30) days of such Termination if the Optionee is engaged in Investor Relations Activities, or within such other period as the Board in its sole discretion may determine, exercise such Optionee’s Options to the extent that such Optionee was entitled to exercise such Options at the date of such Termination. All Options and all rights to purchase such Optionee Shares pursuant thereto shall expire and terminate immediately on the ninetieth or thirtieth day, as the case may be, following such Termination or on such other date as the Board may in its sole discretion determine.
- 6.2 Notwithstanding any other provision of the Plan, if such Optionee is terminated for cause, all Options and all rights to purchase Shares pursuant thereto shall expire and terminate immediately upon notification being given to such Optionee of such termination for cause.
- 6.3 Notwithstanding any other provision of the Plan, if any Optionee shall die holding Options which have not been fully exercised or surrendered, such Optionee’s executors, administrators or legal personal representatives may, at any time within twelve (12) months after the date of such death or on such other date as the Board may in its sole discretion determine (but in no event later than the normal expiry date of the said Options), exercise the Options, to the extent that the Optionee was entitled to exercise such Options at the date of death.
- 6.4 Notwithstanding any other provision of the Plan, if any Optionee shall retire, or terminate such Optionee’s employment or office with the consent of the board under circumstances equating retirement, while holding Options which have not been fully exercised or surrendered, such Optionee may exercise the Options to the extent that the Optionee was entitled to exercise such Options at the date of retirement within thirty days after the date of such retirement or within such other period as the Board in its sole discretion may determine (but in no event later than the normal date of such Options).
- 6.5 Options shall not be affected by any change of employment of such Optionee or by such Optionee ceasing to be a director or officer of the Corporation or a Subsidiary where such Optionee continues to be employed on a full-time basis, or continues to be a director of the Corporation or a Subsidiary.

Article VII – Exercise of Options

- 7.1 Subject to the provisions of the Plan and the terms of each specific grant, an Option may be exercised from time to time by delivery to the Corporation at its registered office of a written notice of exercise addressed to the Secretary of the Corporation specifying the number of Shares with respect to which the Option is being exercised and accompanied by payment in full by certified cheque of the Option Price of the Shares to be purchased or on delivery against payment in full to a financial institution acceptable to the Corporation. Certificates for such Shares shall be issued and delivered to such Optionee within a reasonable time following receipt of such notice and payment.
- 7.2 Notwithstanding any of the provisions contained in the Plan or in any Option, the Corporation’s obligation to issue Shares to an Optionee pursuant to the exercise of an Option shall be subject to:
- (a) completion of such registration or other qualification of such Shares or obtaining approval of such governmental or other regulatory authority as the Corporation shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof;

- (b) the admission of such Shares to listing or quoting on any stock exchange or quotation and trading system on which the Shares may be then listed or quoted; and
- (c) the receipt from the Optionee of such representations, agreements and undertakings, including an undertaking with respect to future dealings in such Shares, as the Corporation or its counsel determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction.

In this connection, the Corporation shall, to the extent necessary, take all reasonable steps to obtain such approvals, registrations and qualifications as may be necessary for the issuance of such Shares in compliance with applicable securities laws and for the listing or quoting of such Shares on any stock exchange or quotation and trading system on which the Shares are then listed or quoted.

Article VIII – Adjustments

- 8.1 Appropriate adjustments in the number of Shares subject to the Plan and, as regards Options granted or to be granted, in the number of Shares optioned and in the Option Price, shall be made by the Board to give effect to adjustments in the number of Shares resulting from any subdivision, consolidation or reclassification of the Shares of the Corporation, the payment of stock dividends by the Corporation (other than dividends in the ordinary course) or other relevant changes in the capital of the Corporation.

Article IX – Mergers

- 9.1 Should the Corporation amalgamate or merge with any other body corporate or bodies corporate (the right to do so being hereby expressly reserved) whether by way of amalgamation, arrangement, sale of assets and undertakings or otherwise, then the Corporation shall provide for the reservation and issuance by the continuing or resulting incorporation, upon the exercise by the Optionees of outstanding Options, of that number of shares of the continuing or resulting corporation to which the outstanding Options relate at the same aggregate purchase price adjusted accordingly to reflect the increase or decrease in the number of Shares involved.

Article X – Cancellation and Re-grant of Options

- 10.1 Subject to the prior written approval of any relevant securities regulation, regulatory authority or stock exchange and disinterested shareholder approval, the Board may, with the consent of the Optionee, cancel an existing Option and re-grant the Options at an Option Price determined in the same manner as provided in Article V above.

Article XI – Reduction in Exercise Price

- 11.1 Disinterested Shareholder approval will be obtained for any reduction in the exercise price of an Option if the Optionee is an Insider at the time of the proposed amendment to the Option.

Article XII – Amendment or Discontinuance of Plan

- 12.1 Subject to applicable shareholder and/or regulatory approval, the Board may amend or discontinue the Plan at any time.

Article XIII – Miscellaneous Provisions

- 13.1 The holder of an Option shall not have any rights as a shareholder of the Corporation with respect to any of the Shares covered by such Option until such holder shall have exercised such Option in accordance with the terms of the Plan (including tendering payment in full of the Option Price of the Shares in respect of which the Option is being exercised) and the Corporation shall issue such Shares to the Optionee in accordance with the terms of the Plan in those circumstances.

- 13.2 Nothing in the Plan or any Option shall confer upon any Employee Optionee any right to continue in the employ of the Corporation or any Subsidiary of the Corporation or affect in any way the right of the Corporation or any such Subsidiary to terminate his or her employment at any time; nor shall anything in the Plan or any Option be deemed or construed to constitute an agreement, or an expression of intent on the part of the Corporation or any Subsidiary to extend the employment of any Employee Optionee beyond the time which he or she would normally be retired pursuant to the provisions of the present or future retirement plan of the Corporation or any Subsidiary or beyond the time at which he or she would otherwise be retired pursuant to the provisions of any contract of employment with the Corporation or any Subsidiary.
- 13.3 Nothing in the Plan or any Option shall confer on any Optionee who is not an Employee Optionee any right to continue providing ongoing services to the Corporation or any entity controlled by the Corporation or effect in any way the right of the Corporation or any such entity to terminate his, her or its contract at any time; nor shall anything in the Plan or any Option be deemed or construed as an agreement or an expression of intent, on the part of the Corporation or any such entity to extend the time for the performance of the ongoing services beyond the time specified in the contract with the Corporation or any such entity.

Article XIV – Shareholder and Regulatory Approval

The Plan shall be subject to any requisite approval of securities regulators and of the shareholders of the Corporation, such shareholder approval to be given by a resolution passed at a meeting of the shareholders of the Corporation. Any Options granted prior to such approval and acceptance shall be conditional upon such approvals and no such Options may be exercised unless and until such approvals are given. All Options granted and approved under the Corporation's predecessor Stock Option Plan shall continue as an obligation of the Corporation and all Shares reserved under the prior Options shall be included in the number set forth herein subject to their terms and conditions.

Article XV – Interpretation

- 15.1 The Plan shall be construed according to the laws of Ontario, Canada.

Article XVI – Liability

- 16.1 No member of the Board or any director, officer or employee of the Corporation or a Subsidiary shall be personally liable for any act taken or omitted in good faith in connection with the Plan.

Approved by the Board on October 11, 2016

Approved by shareholders on November 21, 2016

Amendment to Article 4.1 approved by the Board on January 5, 2022

*Amendment to Article 4.1 approved by shareholders on *****, **, 2022*

APPENDIX “E” – CHANGE OF AUDITOR – INFORMATION PACKAGE

AQUARIUS SURGICAL TECHNOLOGIES INC.

**89 Scollard Street
Toronto, ON B3M 2L4**

Telephone: (647) 308-0685 • Fax: (902) 484-7599
Email: gary@sinaltainvestments.com

N. Gary Van Nest, Acting Chief Executive Officer

January 5, 2022

Ontario Securities Commission
Alberta Securities Commission
British Columbia Securities Commission
Nova Scotia Securities Commission

Dear Sirs:

Re: Notice of Change of Auditor

In accordance with National Instrument 51-102, Aquarius Surgical Technologies Inc. (the “Corporation”) hereby gives notice that:

The current auditor of Aquarius Surgical Technologies Inc. (the “Corporation”) is Grant Thornton LLP, Chartered Accountants; the former auditor of the Corporation is RSM Canada LLP, Chartered Accountants.

- (a) The resignation of the former auditor was accepted effective January 5, 2022.
- (b) The resignation of the former auditor was at the request of the Corporation.
- (c) The resignation of the former auditor has been considered and approved by the Board of Directors and the Audit Committee of the Corporation.
- (d) The former auditor’s reports on the Corporation’s financial statements for the fiscal years 2019, 2020 and 2021 and up to the date of the resignation contained no reservations.
- (e) There have been no reportable events.

Dated this 5th day of January, 2022



N. Gary Van Nest
President & Acting CEO



RSM Canada LLP

11 King St W
Suite 700, Box 27
Toronto, ON M5H 4C7

T +1 416 480 0160
F +1 416 480 2646

www.rsmcanada.com

January 6, 2022

To: Ontario Securities Commission
Alberta Securities Commission
British Columbia Securities Commission
Nova Scotia Securities Commission

And to: Board of Directors of Aquarius Surgical Technologies Inc.

Dear Sirs:

Re: Change of Auditor Notice

We acknowledge receipt of the Notice of Change of Auditors dated January 5, 2022 delivered to us by Aquarius Surgical Technologies Inc., in respect to the resignation of RSM Canada LLP as auditors, and the subsequent appointment of Grant Thornton LLP.

We have read the Notice of Change of Auditors of Aquarius Surgical Technologies Inc. dated January 5, 2022 and confirm our agreement, based on our knowledge at this date, with the information contained in that notice.

Yours very truly,

RSM Canada LLP

Chartered Professional Accountants
Licensed Public Accountants

Per: Mike Zenteno, CPA, CA
Partner

MZ/ab

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AUDIT | TAX | CONSULTING



Grant Thornton

An instinct for growth™

January 5, 2022

To: Ontario Securities Commission
Alberta Securities Commission
British Columbia Securities Commission
Nova Scotia Securities Commission

Grant Thornton LLP

11th Floor
200 King Street West, Box 11
Toronto, ON
M5H 3T4

T +1 416 366 0100
F +1 416 360 4949

And to: Board of Directors of Aquarius Surgical Technologies Inc.

Re: Notice of Change of Auditor of Aquarius Surgical Technologies Inc. (the "Corporation")

This is to advise that in connection with National Instrument 51-102 – Continuous Disclosure Obligations, we have read the Company's notice of change of auditors dated January 5, 2022 and based on our knowledge at the time, we are in agreement with the statements contained in the notice.

Yours sincerely,
Grant Thornton LLP

Grant Thornton LLP

Chartered Professional Accountants
cc: Aquarius Surgical Technologies Inc.

AQUARIUS SURGICAL TECHNOLOGIES INC.

MANAGEMENT INFORMATION CIRCULAR

as of January 5, 2022, unless otherwise indicated

PERSONS MAKING THE SOLICITATION

This management information circular (“Information Circular”) is furnished in connection with the solicitation by the management of Aquarius Surgical Technologies Inc. (the “Corporation”) of proxies to be used at the annual general and special meeting (the “Meeting”) of holders of common shares of the Corporation, to be held on Wednesday, February 16, 2022, at 4:00 pm (Toronto time) at 3250 Ridgeway Road, Unit # 10, Mississauga, Ontario L5L 5Y6, or at any adjournment(s) thereof for the purposes set out in the accompanying notice of meeting (the “Notice of Meeting”).

SINCE GOVERNMENT-IMPOSED COVID RESTRICTIONS – PRESENTLY INDETERMINATE - MAY RESTRICT OR PREVENT SHAREHOLDERS FROM ATTENDING IN PERSON, SHAREHOLDERS ARE REQUESTED TO COMPLETE, DATE, SIGN AND RETURN THE PROVIDED FORM OF PROXY RATHER THAN ATTEND THE MEETING IN PERSON.

The costs incurred in the preparation and mailing of both the form of proxy and this Information Circular will be borne by the Corporation. In accordance with National Instrument 54-101 *Communications with Beneficial Owners of Securities of a Reporting Issuer*, arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the common shares held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by the Corporation. The record date to determine the registered shareholders entitled to receive the notice of Meeting is January 4, 2022 (the “Record Date”).

APPOINTMENT OF PROXYHOLDERS, VOTING AND REVOCATION OF PROXIES

Appointment

The person named in the accompanying instrument of proxy (the “Management Designee”) has been selected by the directors of the Corporation and has indicated his willingness to represent as proxy the shareholder who appoints him. **Each shareholder has the right to appoint a person or company (who need not be a shareholder) other than the Management Designee to attend and to vote and act for and on behalf of such person at the Meeting.** In order to do so the shareholder may insert the name of such person in the blank space provided in the instrument of proxy, or may use another appropriate form of proxy. **Owing to presently indeterminate Government-imposed COVID restrictions, rather than attend the Meeting in person, shareholders are recommended to complete, date and sign the enclosed form of proxy and send it to the Registrar and Transfer agent of the Corporation, TSX Trust, (“TSXT”) Attn: Proxy Dept., 100 Adelaide Street West, Suite 301, Toronto, Ontario, M5H 4H1, or by fax to 416-595-9593, or cast their vote online at www.voteproxyonline.com, by 4:00 pm (Toronto time) on Friday, February 11, 2022, or if the Meeting is adjourned, no later than 48 hours (excluding Saturdays, Sundays and statutory holidays in Ontario) prior to the time at which the Meeting is reconvened.** Non-registered shareholders who receive these materials through their broker or other intermediary should complete and send the form of proxy in accordance with the instructions provided by their broker or intermediary. The Chairman of the Meeting may refuse to recognize any instrument of proxy received after such time.

Voting

Common shares represented by any properly executed proxy in the accompanying form will be voted or withheld from voting on any ballot that may be called for in accordance with the instructions given by the shareholder. **In the absence of such direction, the common shares will be voted IN FAVOUR of the matters set forth herein.**

The accompanying instrument of proxy confers discretionary authority on the Management Designee with respect to amendments or variations to matter identified in the accompanying Notice of Meeting or other matters that may properly come before the Meeting or any adjournment(s) thereof. As of the date hereof, management of the Corporation is not aware of any such amendments, variations or other matters

