

# LIGHT AI INC.

## LONG-TERM EQUITY INCENTIVE PLAN

*ADOPTED BY THE BOARD OF DIRECTORS: December 13, 2024*

### SECTION 1 PURPOSE

The purpose of the Plan is (i) to attract, retain and motivate Persons of training, experience and leadership as directors, officers, employees and consultants of the Corporation and its subsidiaries, (ii) to advance the long-term interests of the Corporation by providing such Persons with the opportunity and incentive, through equity-based compensation, to acquire an ownership interest in the Corporation, and (iii) to promote a greater alignment of interests between such Persons and shareholders of the Corporation.

### SECTION 2 DEFINITIONS AND INTERPRETATION

**Section 2.1 Definitions.** For purposes of the Plan, the following words and terms shall have the following meanings:

- (1) “**affiliate**” means an “**affiliated company**” as determined in accordance with the Securities Act and also includes those entities that are similarly related, whether or not any of the entities are corporations, companies, partnerships, limited partnerships, trusts, income trusts or investment trusts or any other organized entity issuing securities;
- (2) “**associate**” means an “**associate**” as determined in accordance with the Securities Act;
- (3) “**Award**” means an Option, Performance Share Unit, Restricted Share Unit and/or Deferred Share Unit granted under the Plan (as applicable);
- (4) “**Award Agreement**” means an Option Award Agreement, a PSU Award Agreement, a RSU Award Agreement and/or a DSU Award Agreement (as applicable);
- (5) “**Award Date**” means the date on which an Award is granted or issued;
- (6) “**Blackout Period**” means an interval of time during which (a) trading in securities of the Corporation is restricted in accordance with the policies of the Corporation; or (b) the Corporation has otherwise determined that one or more Participants may not trade in securities of the Corporation because they may be in possession of undisclosed Material Information (as defined under applicable securities laws);
- (7) “**Board**” means the board of directors of the Corporation or, if established and duly authorized to act, a committee of the board of directors of the Corporation;
- (8) “**Canadian Taxpayer**” means a Participant (other than a consultant) liable to pay income taxes in Canada as a result of the receipt of an Award or the settlement thereof;

(9) **“Change in Control”** means the occurrence of any one or more of the following events:

- (a) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Corporation or any of its subsidiaries and another corporation or other entity, as a result of which the holders of Shares prior to the completion of the transaction hold less than 50% of the votes attached to all of the outstanding voting securities of the successor corporation or entity after completion of the transaction;
- (b) a resolution is adopted to wind-up, dissolve or liquidate the Corporation;
- (c) any person, entity or group of Persons or entities acting jointly or in concert (the **“Acquiror”**) acquires, or acquires control (including the power to vote or direct the voting) of, voting securities of the Corporation which, when added to the voting securities owned of record or beneficially by the Acquiror or which the Acquiror has the right to vote or in respect of which the Acquiror has the right to direct the voting, would entitle the Acquiror and/or associates and/or affiliates of the Acquiror to cast or direct the casting of 50% or more of the votes attached to all of the Corporation’s outstanding voting securities which may be cast to elect directors of the Corporation or the successor corporation (regardless of whether a meeting has been called to elect directors);
- (d) the sale, transfer or other disposition of all or substantially all of the assets of the Corporation;
- (e) as a result of or in connection with:
  - (i) the contested election of directors; or
  - (ii) a transaction referred to in paragraph (a) of this definition of **“Change in Control”**,  
  
the nominees named in the most recent management information circular of the Corporation for election to the Board shall not constitute a majority of the Directors;
- (f) the Board adopts a resolution to the effect that a transaction or series of transactions involving the Corporation or any of its affiliates that has occurred or is imminent is a Change in Control, and for purposes of the foregoing, **“voting securities”** means the Shares and any other shares entitled to vote for the election of directors, and shall include any securities which are not shares entitled to vote for the election of directors but which are convertible into or exchangeable for shares which are entitled to vote for the election of directors, including any options or rights to purchase such shares or securities;

(10) **“consultant”** means a Person, other than a director, officer or employee of the Corporation or of any subsidiary of the Corporation, that:

- (a) is an individual, not an entity;

- (b) is directly engaged to provide *bona fide* services to the Corporation or subsidiary, other than services provided in relation to a distribution of securities or other capital raising transaction, or that otherwise directly or indirectly promote or maintain a market in the Corporation's securities (such as an investor relations consultant);
  - (c) provides the services under a written contract with the Corporation or a subsidiary of the Corporation; and
  - (d) spends or will spend a significant amount of his, her or its time and attention on the affairs and business of the Corporation or subsidiary;
- (11) “**Corporation**” means Light AI Inc., a corporation existing under the laws of British Columbia;
- (12) “**Deferred Annual Amount**” has the meaning ascribed thereto in Section 8.1(2);
- (13) “**Deferred Share Unit**” or “**DSU**” means a deferred share unit granted in accordance with Section 8.1, the value of which on any particular date shall be equal to the Market Price of one Share, and that represents the right to receive cash and/or Shares equal to the Market Price of one Share on settlement of the Deferred Share Unit;
- (14) “**Disability**” means a medical condition that would qualify a Participant for benefits under a long-term disability plan of the Corporation or a subsidiary of the Corporation;
- (15) “**Disinterested Shareholder Approval**” means approval by a majority of the votes cast by all the Corporation's shareholders at a duly constituted shareholders' meeting, excluding votes attached to shares of the Corporation beneficially owned by Insiders to whom Awards may be granted under the Plan and their associates and affiliates;
- (16) “**Dividend Equivalents**” means the right, if any, granted under Section 14, to receive payments in cash or in Shares, based on dividends declared on Shares;
- (17) “**DSU Account**” has the meaning ascribed thereto in Section 8.3;
- (18) “**DSU Award Agreement**” means a written confirmation agreement, substantially in the form(s) adopted by the Board from time to time, in physical or electronic format (including by way of an entry in any electronic incentive compensation system maintained by the Corporation or a third party service provider on its behalf), setting out the terms and conditions relating to a Deferred Share Unit and entered into in accordance with Section 8.2;
- (19) “**DSU Separation Date**” means, with respect to Deferred Share Units granted to a Participant, the date on which the Participant ceases to be a director, officer, employee or consultant of the Corporation or any subsidiary of the Corporation for any reason, without regard to any agreed or otherwise binding severance or notice period (whether express, implied, contractual, statutory or at common law);
- (20) “**Effective Date**” means December 13, 2024;

(21) “**Eligible Person**” means any director, officer, employee or consultant of the Corporation or any subsidiary of the Corporation who is eligible to receive Awards under the Plan;

(22) “**Exchange**” means Cboe Canada Inc. or, if the Shares are no longer listed for trading on Cboe Canada Inc., such other exchange or quotation system on which the Shares are listed or quoted for trading;

(23) “**Exchange Company Manual**” means the listing manual published by the Exchange, as amended from time to time, or if the Shares are no longer listed for trading on the Exchange, the policies of such other exchange or quotation system on which the Shares are listed or quoted for trading;

(24) “**Grant Date**” means the date on which an Award is made to an Eligible Person in accordance with the provisions hereof;

(25) “**Insider**” means:

- (a) an officer, director or insider (within the meaning of the Securities Act) of the Corporation,
- (b) a promoter of the Corporation that is not an investment fund (within the meaning of the Securities Act);
- (c) a Person identified as an insider, individually or by virtue of their position, by the Corporation;
- (d) if the Person is not an individual, each director, officer and control Person (within the meaning of the Exchange Company Manual) of that insider, and
- (e) such other person as may be designated from time to time by the Exchange;

(26) “**Investor Relations Activities**” has the meaning ascribed to such term in the Securities Act;

(27) “**Market Price**” on a particular date shall mean the closing price at which Shares trade on the Exchange on the last trading day immediately prior to such particular date. If the Shares are not trading on the Exchange, then the Market Price shall be determined in the same manner based on the trading price on such stock exchange or over-the-counter market on which the Shares are listed and posted for trading as may be selected for such purpose by the Board. In the event that the Shares are not listed and posted for trading on any stock exchange or over-the-counter market, the Market Price shall be the fair market value of such Shares as determined by the Board, in its sole discretion;

(28) “**Option**” means an option to purchase Shares granted under Section 5.1;

(29) “**Option Award Agreement**” means a written award agreement, substantially in the form(s) adopted by the Board from time to time, in physical or electronic format (including by way of an entry in any electronic incentive compensation system maintained by the Corporation

or a third party service provider on its behalf), setting out the terms and conditions relating to an Option and entered into in accordance with Section 5.2;

(30) “**Option Price**” has the meaning ascribed thereto in Section 5.2(2);

(31) “**Participant**” means an Eligible Person selected by the Board to participate in the Plan in accordance with the Plan, or his or her Personal Representatives, as the context requires;

(32) “**Performance Share Unit**” or “**PSU**” means a performance share unit granted in accordance with Section 6.1, the value of which on any particular date shall be equal to the Market Price of one Share, and that represents the right to receive cash and/or Shares equal to the Market Price of one Share on settlement of the Performance Share Unit;

(33) “**Person**” means any individual, firm, partnership, limited partnership, limited liability company or partnership, unlimited liability company, joint stock company, association, trust, trustee, executor, administrator, legal or Personal Representative, government, governmental body, entity or authority, group, body corporate, corporation, unincorporated organization or association, syndicate, joint venture or any other entity, whether or not having legal personality, and any of the foregoing in any derivative, representative or fiduciary capacity and pronouns have a similar meaning;

(34) “**Personal Representative**” means:

- (a) in the case of a Participant who, for any reason, is incapable of managing its affairs, the Person entitled by law to act on behalf of such Participant; and
- (b) in the case of a deceased Participant, the executor or administrator of the deceased duly appointed by a court or public authority having jurisdiction to do so;

(35) “**Plan**” means this Long-Term Equity Incentive Plan, as amended or amended and restated from time to time;

(36) “**PSU Account**” has the meaning ascribed thereto in Section 6.3;

(37) “**PSU Award Agreement**” means a written confirmation agreement, substantially in the form(s) adopted by the Board from time to time, in physical or electronic format (including by way of an entry in any electronic incentive compensation system maintained by the Corporation or a third party service provider on its behalf), setting out the terms and conditions relating to a Performance Share Unit and entered into in accordance with Section 6.2;

(38) “**PSU Vesting Date**” means, with respect to Performance Share Units granted to a Participant, the date determined in accordance with Section 6.4, which date, for Canadian Taxpayers, shall not be later than the date referred to in Section 6.2(2);

(39) “**Restricted Share Unit**” or “**RSU**” means a restricted share unit granted in accordance with Section 7.1, the value of which on any particular date shall be equal to the Market Price of one Share, and that represents the right to receive cash and/or Shares equal to the Market Price of one Share on settlement of the Restricted Share Unit;

(40) “**Retirement**” means, unless determined otherwise by the general retirement policies of the Corporation adopted by the Board from time to time:

- (a) age 62; or
- (b) age 55 and ten (10) years service; or
- (c) age plus years of service is equal to 70,

or the Board agrees to treat the Participant as a retiree for the purposes of this Plan. Notwithstanding the forgoing, such a determination by the Board does not extend beyond the purposes of this Plan;

(41) “**RSU Account**” has the meaning ascribed thereto in Section 7.3;

(42) “**RSU Award Agreement**” means a written confirmation agreement, substantially in the form(s) adopted by the Board from time to time, in physical or electronic format (including by way of an entry in any electronic incentive compensation system maintained by the Corporation or a third party service provider on its behalf), setting out the terms and conditions relating to a Restricted Share Unit and entered into in accordance with Section 7.2;

(43) “**RSU Vesting Date**” means, with respect to Restricted Share Units granted to a Participant, the date determined in accordance with Section 7.4, which date, for Canadian Taxpayers, shall not be later than the date referred to in Section 7.2(2);

(44) “**Securities Act**” means the *Securities Act* (British Columbia), as amended;

(45) “**Security-Based Compensation Arrangement**” shall include:

- (a) stock option plans for the benefit of employees, Insiders, directors, officers, consultants or service providers, or any one of such groups;
- (b) individual stock options granted to employees, service providers or Insiders if not granted pursuant to a plan previously approved by the Corporation’s shareholders;
- (c) stock purchase plans where the Corporation provides financial assistance or where the Corporation matches the whole or a portion of the securities being purchased;
- (d) stock appreciation rights involving issuances of securities from treasury;
- (e) any other compensation or incentive mechanism involving the issuance or potential issuances of securities of the Corporation;
- (f) security purchases from treasury by an employee, Insider, or service provider which is financially assisted by the Corporation by any means whatsoever;

and for the avoidance of doubt, “Security-Based Compensation Arrangements” shall expressly exclude securities issued pursuant to employment inducements or arrangements assumed by the Corporation from the target of an acquisition, if the

number of assumed equity incentive awards thereunder is adjusted in accordance with the price per acquired security payable by the Corporation.

For greater certainty, arrangements which do not involve the issuance from treasury or potential issuance from treasury of securities of the Corporation shall not be considered Security-Based Compensation Arrangements;

(46) “**Service Agreement**” means any written agreement between a Participant and the Corporation or any subsidiary of the Corporation (as applicable), in connection with that Participant’s employment, service or engagement as a director, officer, employee or consultant or the termination of such employment, service or engagement, as amended, replaced or restated from time to time;

(47) “**Shares**” mean common shares in the capital of the Corporation;

(48) “**subsidiary**” means a “**subsidiary**” determined in accordance with National Instrument 45-106 - *Prospectus Exemptions*;

(49) “**Termination Date**” means:

(a) for Awards granted before the Effective Date, the date on which a Participant ceases to be an Eligible Person; and

(b) or Awards granted on and after the Effective Date, the date on which the Participant ceases to be actively employed by, ceases to actively perform services to, or ceases to be actively engaged by the Corporation and/or any subsidiary of the Corporation (and not, for greater certainty, the date that is the end of any agreed or otherwise binding severance or notice period (whether express, implied, contractual, statutory or at common law)), without regard to whether the Participant continues thereafter to receive any compensatory payments or other amounts from the Corporation or any subsidiary of the Corporation; and

(50) “**U.S. Securities Act**” means the United States *Securities Act* of 1933, as amended.

**Section 2.2 Headings.** The headings of all articles, sections, and paragraphs in the Plan are inserted for convenience of reference only and shall not affect the construction or interpretation of the Plan.

**Section 2.3 Construction.** Whenever the singular or masculine are used in the Plan, the same shall be construed as being the plural or feminine or neuter or vice versa where the context so requires.

**Section 2.4 Statutes.** Any reference to a statute, regulation, rule, instrument, or policy statement shall refer to such statute, regulation, rule, instrument, or policy statement as the same may be amended, replaced or re-enacted from time to time.

**Section 2.5 Canadian Funds.** Unless otherwise specifically provided, all references to dollar amounts in the Plan are references to lawful money of Canada. Any amounts paid on exercise or in settlement of an Award shall be paid in Canadian dollars.

## **SECTION 3 ADMINISTRATION OF THE PLAN**

### **Section 3.1 The Plan shall be administered by the Board.**

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:

- (1) to establish policies and to adopt rules and regulations for carrying out the purposes, provisions and administration of the Plan and to amend or revoke such policies, rules and regulations;
- (2) to interpret and construe the Plan and to determine all questions arising out of the Plan and any Award awarded pursuant to the Plan, and any such interpretation, construction or determination made by the Board shall be final, binding and conclusive for all purposes;
- (3) to determine the time or times when Awards will be awarded, subject to the requirements of applicable securities laws and regulatory requirements;
- (4) to determine which Eligible Persons should be granted Awards;
- (5) to determine the number of Awards to be awarded to Eligible Persons;
- (6) to determine the term of Awards and the vesting criteria applicable to Awards (including performance vesting, if applicable);
- (7) to determine if Shares which are subject to an Award will be subject to any restrictions upon the exercise or vesting of such Award and/or if any Awards, Shares or cash entitlement underlying any Awards shall be subject to the Corporation's claw back policy as it may exist from time to time;
- (8) to prescribe the form of the instruments relating to the grant, exercise and other terms of Awards including the form of Option Award Agreements, RSU Award Agreements, DSU Award Agreements and all ancillary documents and instruments related to the Plan and Awards; and
- (9) subject to Section 13, to make all other determinations under, and such interpretations of, and to take all such other steps and actions in connection with the proper administration of the Plan as it, in its sole discretion, may deem necessary or advisable.

The Board's guidelines, rules, regulation, interpretations and determinations shall be conclusive and binding upon the Corporation and all other Persons.

Prior to its implementation by the Corporation, the Plan is subject to approval by the Exchange.

**Section 3.3 Delegation.** The Board may delegate to any director, officer or employee of the Corporation, including but not limited to a committee of the Board, such of the Board's duties and powers relating to the Plan as the Board may see fit, subject to applicable law.



**Section 3.4 Use of Administrative Agent.** The Board may in its sole discretion appoint from time to time one or more entities to act as administrative agent to administer Awards granted under the Plan and to act as trustee to hold and administer the Plan and the assets that may be held in respect of Awards granted under the Plan, the whole in accordance with the terms and conditions determined by the Board in its sole discretion.

**Section 3.5 Limitation of Liability and Indemnification.** No member of the Board or a committee of the Board will be liable for any action or determination taken or made in good faith with respect to the Plan or any Awards granted thereunder and each such member shall be entitled to indemnification by the Corporation with respect to any such action or determination in the manner provided for by the Board or a committee of the Board.

## **SECTION 4 SHARES SUBJECT TO THE PLAN AND PARTICIPATION LIMITS**

**Section 4.1 Shares Subject to Awards.** Subject to adjustment under the provisions of Section 10, the aggregate number of Shares to be reserved and set aside for issue upon the exercise or redemption and settlement for all Awards granted under this Plan, together with all other established Security-Based Compensation Arrangements of the Corporation, shall be equal to fifteen percent (15%) of the issued and outstanding Shares from time to time. Notwithstanding the foregoing, Awards that do not entitle the holder thereof to receive or purchase Shares shall not be counted against the aggregate number of Shares to be reserved and set aside for issue upon the exercise or redemption and settlement for all Awards granted under this Plan.

**Section 4.2 Shares Available for Future Grants.** Any Shares subject to an Award which for any reason has been exercised, settled, expired, cancelled, forfeited or otherwise terminated shall again be available for future Awards under the Plan and any Shares subject to an Award that is settled in cash and not Shares shall again be available for future Awards under the Plan.

**Section 4.3 Fractional Shares.** No fractional Shares shall be issued upon the exercise of Options or the settlement of Performance Share Units, Restricted Share Units or Deferred Share Units in Shares, and the Board may determine the manner in which fractional share value shall be treated.

## **SECTION 5 OPTIONS**

**Section 5.1 Grant.** Options may be granted to Eligible Persons at such time or times as shall be determined by the Board by resolution. The Grant Date of an Option for purposes of the Plan will be the date on which the Option is awarded by the Board, or such later date determined by the Board, subject to applicable securities laws and regulatory requirements.

**Section 5.2 Terms and Conditions of Options.** Options shall be evidenced by an Option Award Agreement, which shall specify such terms and conditions, not inconsistent with the Plan, as the Board shall determine, including:

- (1) the number of Shares to which the Options to be awarded to the Participant pertain;
- (2) the exercise price per Share subject to each Option (the “**Option Price**”), which shall in no event be lower than the Market Price at the Grant Date. Options may not be awarded unless and

until the Options have been allocated to specific Persons, and then, once allocated, a minimum Option Price can be established;

(3) the Option's scheduled expiry date, which shall not exceed ten (10) years from the Grant Date (provided that if no specific determination as to the scheduled expiry date is made by the Board, the scheduled expiry date shall be ten (10) years from the Grant Date); and

(4) such other terms and conditions, not inconsistent with the Plan, as the Board shall determine, including customary representations, warranties and covenants with respect to securities law matters.

For greater certainty, each Option Award Agreement may contain terms and conditions in addition to those set forth in the Plan.

**Section 5.3 Vesting.** Subject to Section 12, all options granted pursuant to the Plan will be subject to such vesting requirements as may be imposed by the Board or unless otherwise specified in the Participant's Service Agreement. The Option Award Agreement representing any such Option will disclose any vesting conditions.

**Section 5.4 Exercise of Option.** Options may be exercised only to the extent vested. Options may be exercised by the Participant by delivering to the Corporation a notice of exercise, substantially in the form prescribed by the Corporation, specifying the number of Shares with respect to which the Option is being exercised. Payment of the Option Price may be made in cash, by certified cheque made payable to the Corporation, by wire transfer of immediately available funds, or other instrument acceptable to the Board.

No certificates (or direct registration statements or "DRS") for Shares so purchased will be issued to the Participant until the Participant and the Corporation have each completed all steps required by law to be taken in connection with the issuance and sale of the Shares, including receipt from the Participant of payment or provision for all withholding taxes due as a result of the exercise of the Option. The delivery of certificates or DRS representing the Shares to be purchased pursuant to the exercise of an Option will be contingent upon receipt from the Participant by the Corporation of the full purchase price for such Shares and the fulfillment of any other requirements contained in the Option Award Agreement or applicable provisions of laws.

The Corporation may, subject to Exchange approval (if applicable), from time to time, establish "net exercise" mechanisms or procedures pursuant to which a Participant may exercise vested Options and instead of the Corporation receiving a payment by the Participant to cover the aggregate Option Price of the Options, the Corporation may issue to the Participant the net number of Shares representing in value the difference between the aggregate Market Price of the Shares underlying the Options and the aggregate Option Price of the Options.

**Section 5.5 Termination of Option Due to Termination of Employment, Service or Engagement.** Unless otherwise determined by the Board, or unless otherwise provided in the Participant's Service Agreement or Option Award Agreement, if a Participant's employment, service or engagement terminates in any of the following circumstances, subject to Section 12, Options shall be treated in the manner set forth below:

<b>Reason for Termination</b>	<b>Vesting</b>	<b>Expiry of Option</b>
Death	Unvested Options automatically vest as of the date of death.	Options expire on the earlier of the scheduled expiry date of the Option and one year following the date of death.
Disability	Unvested Options automatically vest on the date Participant is determined to be disabled.	Options expire on the earlier of the scheduled expiry date of the Option and one year following the date of Disability.
Retirement	Unvested Options automatically vest on the date of Retirement.	Options expire on the earlier of the scheduled expiry date of the Option and one year following the date of Retirement.
Resignation	Unvested Options as of the date of resignation automatically terminate and shall be forfeited.	Vested Options expire on the earlier of the scheduled expiry date of the Option and 90 days following the date of resignation.
Termination without Cause/Constructive Dismissal - No Change in Control Involved	Unvested Options automatically vest as of the Termination Date	Options expire on the earlier of scheduled expiry date of the Option and 90 days following the Termination Date, or as otherwise allowed by the Board.
Change in Control	Options shall vest and become immediately exercisable.	Expiry Date to be determined in accordance with Section 12.
Termination with Cause	Options, whether vested or unvested as of the Termination Date, automatically terminate and shall be forfeited.	Options, whether vested or unvested as of the Termination Date, automatically terminate and shall be forfeited.

## **SECTION 6 PERFORMANCE SHARE UNITS**

**Section 6.1 Grant.** Performance Share Units may be granted to Eligible Persons at such time or times as shall be determined by the Board by resolution, pursuant to recommendations of the Board from time to time. The Grant Date of a Performance Share Unit for purposes of the Plan will be

the date on which the Performance Share Unit is awarded by the Board, or such later date determined by the Board, subject to applicable securities laws and regulatory requirements.

**Section 6.2 Terms and Conditions of Performance Share Units.** Performance Share Units shall be evidenced by a PSU Award Agreement, which shall specify such terms and conditions, not inconsistent with the Plan, as the Board shall determine, including:

- (1) the number of Performance Share Units to be awarded to the Participant;
- (2) the performance cycle applicable to each Performance Share Unit, which shall be the period of time between the Grant Date and the date on which the performance criteria specified in Section 6.2(3) must be satisfied before the Performance Share Unit is fully vested and may be settled by the Participant, before being subject to forfeiture or termination, which period of time, for Canadian Taxpayers, shall in no case end later than December 31 of the calendar year which is three (3) years after the calendar year in which the Grant Date occurs;
- (3) the performance criteria, which may include criteria based on the Participant's personal performance and/or the performance of the Corporation and/or its subsidiaries, that shall be used to determine the vesting of the Performance Share Units;
- (4) whether and to what extent Dividend Equivalents will be credited to a Participant's PSU Account in accordance with Section 14;
- (5) if applicable, specify that PSUs shall be satisfied in cash only or Shares only; and
- (6) such other terms and conditions, not inconsistent with the Plan, as the Board shall determine, including customary representations, warranties and covenants with respect to securities law matters.

For greater certainty, each PSU Award Agreement may contain terms and conditions in addition to those set forth in the Plan. No Shares will be issued on the Grant Date and the Corporation shall not be required to set aside a fund for the payment of any such Awards.

**Section 6.3 PSU Accounts.** A separate notional account shall be maintained for each Participant with respect to Performance Share Units granted to such Participant (a "**PSU Account**") in accordance with Section 15.3. Performance Share Units awarded to the Participant from time to time pursuant to Section 6.1 shall be credited to the Participant's PSU Account and shall vest in accordance with Section 6.4. On the vesting of the Performance Share Units pursuant to Section 6.4 and the corresponding issuance of cash and/or Shares to the Participant pursuant to Section 6.5, or on the forfeiture or termination of the Performance Share Units pursuant to the terms of the Award, the Performance Share Units credited to the Participant's PSU Account will be cancelled.

**Section 6.4 Vesting.** Subject to Section 12, unless otherwise determined by the Board in accordance with the provisions hereof, or unless otherwise specified in the Participant's Service Agreement or PSU Award Agreement, each Performance Share Unit shall vest and shall be settled as at the date that is the end of the performance cycle (which shall be the "**PSU Vesting Date**"), subject to any performance criteria having been satisfied.

## Section 6.5 Settlement.

(1) The Performance Share Units may be settled by delivery by the Participant to the Corporation of a notice of settlement, substantially in the form prescribed by the Corporation from time to time, acknowledged by the Corporation. On settlement, the Corporation shall, for each vested Performance Share Unit being settled, subject to Section 6.2 (e), deliver to the Participant a cash payment equal to the Market Price of one Share as of the PSU Vesting Date, one Share, or any combination of cash and Shares equal to the Market Price of one Share as of the PSU Vesting Date, in the sole discretion of the Board. No certificates or DRS for Shares issued in settlement will be issued to the Participant until the Participant and the Corporation have each completed all steps required by law to be taken in connection with the issuance of the Shares, including receipt from the Participant of payment or provision for all withholding taxes due as a result of the settlement of the Performance Share Units. The delivery of certificates or DRS representing the Shares to be issued in settlement of Performance Share Units will be contingent upon the fulfillment of any requirements contained in the PSU Award Agreement or applicable provisions of laws.

(2) A Participant may elect to defer the date of settlement following the PSU Vesting Date by providing written notice to the Corporation of the deferred settlement dates not later than five days prior to the PSU Vesting Date. For greater certainty, for Canadian Taxpayers, in no event shall such deferred settlement date be later than the period of time specified in Section 6.2(2).

**Section 6.6 Termination of Performance Share Unit Due to Termination of Employment, Service or Engagement.** Unless otherwise determined by the Board, or unless otherwise provided in the Participant's Service Agreement or PSU Award Agreement, if a Participant's employment, service or engagement terminates in any of the following circumstances, Performance Share Units shall be treated in the manner set forth below:

<b>Reason for Termination</b>	<b>Treatment of Performance Share Units</b>
Death	All outstanding Performance Share Units shall vest as of the date of death and be available for settlement in accordance with Section 6.5.
Retirement	All outstanding Performance Share Units shall vest as of the date of Retirement and shall be available for settlement in accordance with Section 6.5.
Disability	All outstanding Performance Share Units shall vest as of the date of Disability and shall be available for settlement in accordance with Section 6.5.

<b>Reason for Termination</b>	<b>Treatment of Performance Share Units</b>
Resignation	Outstanding Performance Share Units that were vested on or before the date of resignation shall be available for settlement in accordance with Section 6.5 as of the date of resignation, after which time all remaining unvested Performance Share Units shall in all respects terminate.
Termination without Cause/Wrongful Dismissal - No Change in Control Involved	<p>Outstanding Performance Share Units that were vested on or before the Termination Date shall be available for settlement in accordance with Section 6.5 as of the Termination Date.</p> <p>Outstanding Performance Share Units that would have vested on the next vesting date following the Termination Date, shall be available for settlement in accordance with Section 6.5 as of such vesting date. Subject to the foregoing, any remaining Performance Share Units shall in all respects terminate as of the Termination Date.</p>
Change in Control	Performance Share Units vest immediately prior to Change of Control.
Termination of the Participant for Just Cause	All outstanding Performance Share Units, whether vested or unvested, shall automatically terminate on the Termination Date and be forfeited.

## **SECTION 7 RESTRICTED SHARE UNITS**

**Section 7.1 Grant.** Restricted Share Units may be granted to Eligible Persons at such time or times as shall be determined by the Board by resolution, pursuant to recommendations of the Board from time to time. The Grant Date of a Restricted Share Unit for purposes of the Plan will be the date on which the Restricted Share Unit is awarded by the Board, or such later date determined by the Board, subject to applicable securities laws and regulatory requirements.

**Section 7.2 Terms and Conditions of Restricted Share Units.** Restricted Share Units shall be evidenced by an RSU Award Agreement, which shall specify such terms and conditions, not inconsistent with the Plan, as the Board shall determine, including:

- (1) the number of Restricted Share Units to be awarded to the Participant;
- (2) the period of time between the Grant Date and the date on which the Restricted Share Unit is fully vested and may be settled by the Participant, before being subject to forfeiture or termination, which period of time, for Canadian Taxpayers, shall in no case be later than December 31 of the calendar year which is three (3) years after the calendar year in which the Grant Date occurs;

- (3) whether and to what extent Dividend Equivalents will be credited to a Participant's RSU Account in accordance with Section 14;
- (4) in the case of a Canadian Taxpayer, in respect of each Restricted Share Unit that may be awarded under the RSU Award Agreement, the year in which the services to which the Restricted Share Unit relates were rendered;
- (5) if applicable, specify that RSUs shall be satisfied in cash only or Shares only; and
- (6) such other terms and conditions, not inconsistent with the Plan, as the Board shall determine, including customary representations, warranties and covenants with respect to securities law matters.

For greater certainty, each RSU Award Agreement may contain terms and conditions in addition to those set forth in the Plan. No Shares will be issued on the Grant Date and the Corporation shall not be required to set aside a fund for the payment of any such Awards.

**Section 7.3 RSU Accounts.** A separate notional account shall be maintained for each Participant with respect to Restricted Share Units granted to such Participant (an "**RSU Account**") in accordance with Section 15.3. Restricted Share Units awarded to the Participant from time to time pursuant to Section 7.1 shall be credited to the Participant's RSU Account and shall vest in accordance with Section 7.4. On the vesting of the Restricted Share Units pursuant to Section 7.4 and the corresponding issuance of cash and/or Shares to the Participant pursuant to Section 7.5, or on the forfeiture or termination of the Restricted Share Units pursuant to the terms of the Award, the Restricted Share Units credited to the Participant's RSU Account will be cancelled.

**Section 7.4 Vesting.** Subject to Section 12, unless otherwise determined by the Board in accordance with the provisions hereof, or unless otherwise specified in the Participant's Service Agreement or RSU Award Agreement, each Restricted Share Unit shall vest and shall be settled when all applicable restrictions shall have lapsed (which shall be the "**RSU Vesting Date**"). Unless otherwise determined by the Board in accordance with the provisions hereof, or unless otherwise specified in the Participant's Service Agreement or RSU Award Agreement, each Restricted Share Unit shall vest and shall be settled in three approximately equal instalments on the first three anniversaries of the Grant Date.

### **Section 7.5 Settlement.**

(1) The Restricted Share Units may be settled by delivery by the Participant to the Corporation of a notice of settlement, substantially in the form prescribed by the Corporation from time to time, acknowledged by the Corporation. On settlement, the Corporation shall, for each vested Restricted Share Unit being settled, subject to Section 7.2, deliver to the Participant a cash payment equal to the Market Price of one Share as of the RSU Vesting Date, one Share, or any combination of cash and Shares equal to the Market Price of one Share as of the RSU Vesting Date, in the sole discretion of the Board.<sup>1</sup> No certificates or DRS for Shares issued in settlement will be issued to the Participant until the Participant and the Corporation have each completed all steps required by law to be taken in connection with the issuance of the Shares, including receipt from the Participant of payment or provision for all withholding taxes due as a result of the settlement of the Restricted Share Units. The delivery of certificates or DRS representing the Shares to be issued in settlement

of Restricted Share Units will be contingent upon the fulfillment of any requirements contained in the RSU Award Agreement or applicable provisions of laws.

(2) A Participant may elect to defer the date of settlement following the RSU Vesting Date by providing written notice to the Corporation of the deferred settlement dates not later than five days prior to the RSU Vesting Date. For greater certainty, for Canadian Taxpayers, in no event shall such settlement be later than the period of time specified in Section 7.2(2).

**Section 7.6 Termination of Restricted Share Unit Due to Termination of Employment, Service or Engagement.** Unless otherwise determined by the Board, or unless otherwise provided in the Participant's Service Agreement or RSU Award Agreement, if a Participant's employment, service or engagement terminates in any of the following circumstances, Restricted Share Units shall be treated in the manner set forth below:

<b>Reason for Termination</b>	<b>Treatment of Restricted Share Units</b>
Death	All outstanding Restricted Share Units shall vest as of the date of death and shall be available for settlement in accordance with Section 7.5.
Retirement	All outstanding Restricted Share Units shall vest as of the date of Retirement and shall be available for settlement in accordance with Section 7.5.
Disability	All outstanding Restricted Share Units shall vest as of the date of Disability and shall be available for settlement in accordance with Section 7.5.
Resignation	Outstanding Restricted Share Units that were vested on or before the date of resignation shall be available for settlement in accordance with Section 7.5 as of the date of resignation, after which time all other Restricted Share Units shall in all respects terminate.
Termination without Cause/Wrongful Dismissal - No Change in Control Involved	<p>Outstanding Restricted Share Units that were vested on or before the Termination Date shall be available for settlement in accordance with Section 7.5 as of the Termination Date.</p> <p>Outstanding Restricted Share Units that would have vested on the next vesting date following the Termination Date shall be settled in accordance with Section 7.5 as of such vesting date. Subject to the foregoing, any remaining Restricted Share Units shall in all respects terminate as of the Termination Date.</p>



Change in Control	Restricted Share Units vest immediately prior to Change of Control.
Termination of the Participant for Just Cause	All outstanding Restricted Share Units, whether vested or unvested, shall automatically terminate on the Termination Date and be forfeit.

## SECTION 8 DEFERRED SHARE UNITS

### Section 8.1 Grant.

(1) **Discretionary Deferred Share Units.** Deferred Share Units may be granted to Eligible Persons at such time or times as shall be determined by the Board by resolution, pursuant to recommendations of the Board from time to time, provided that with respect to persons residing in the United States only non-employee directors shall be eligible to be granted Deferred Share Units. For greater certainty, employees who reside in the United States are not eligible to receive Deferred Share Units. The Grant Date of a Deferred Share Unit for purposes of the Plan will be the date on which the Deferred Share Unit is awarded by the Board, or such later date determined by the Board, subject to applicable securities laws and regulatory requirements.

(2) **Mandatory or Elective Deferred Share Units.** In addition to the foregoing, on fixed dates established by the Board and subject to such terms and conditions and other procedures as the Board shall determine, pursuant to recommendations of the Board, the Board may require a Participant who is eligible to receive Deferred Share Units to defer, or may permit such a Participant to elect to defer, receipt of all or a portion of the following amounts payable by the Corporation or any subsidiary of the Corporation:

- (i) Director's Retainer - in the case of a member of the Board who is not also an officer or employee of the Corporation, an amount equal to all or a portion of his or her annual directors' retainer payable on account of his or her services as a member of the Board (which amount shall not include committee chairperson retainers, committee members retainers, Board or committee meeting fees, or special remuneration for ad hoc services rendered to the Board); or
- (ii) Officers' and Employees' Annual Incentive - in the case of an officer or employee of the Corporation or any subsidiary of the Corporation, an amount equal to all or a portion of his or her annual incentive bonus for a calendar year, (the "**Deferred Annual Amount**"), and receive in lieu thereof an Award of Deferred Share Units equal to the greatest whole number which may be obtained by dividing the amount of the Deferred Annual Amount, by (ii) the Market Price of one Share on the date such Deferred Annual Amount would have been paid absent the decision to award Deferred Share Units. For elective Deferred Share Units, the form of

election shall be substantially in the form as adopted by the Board from time to time.

**Section 8.2 Terms and Conditions of Deferred Share Units.** Deferred Share Units shall be evidenced by a DSU Award Agreement, which shall specify such terms and conditions, not inconsistent with the Plan, as the Board shall determine, including:

- (1) the number of Deferred Share Units to be awarded to the Participant;
- (2) for Deferred Share Units awarded under Section 8.1(1):
  - (a) the period of time between the Grant Date and the date on which the Deferred Share Unit is fully vested and may be settled by the Participant, before being subject to forfeiture or termination, subject to Section 8.5(2) for Canadian Taxpayers;
  - (b) any performance criteria, which may include criteria based on the Participant's personal performance and/or the financial performance of the Corporation and/or its subsidiaries, that may be used to determine the vesting of the Deferred Share Units (if applicable); and
  - (c) such other terms and conditions, not inconsistent with the Plan, as the Board shall determine, including customary representations, warranties and covenants with respect to securities law matters;
- (3) in the case of Deferred Share Units awarded to a Canadian Taxpayer, such terms and conditions as may be necessary to meet the requirements of paragraph 6801(d) of the Regulations under the *Income Tax Act* (Canada); and
- (4) if applicable, specify that DSUs shall be satisfied in cash only or Shares only.

For greater certainty, each DSU Award Agreement may contain terms and conditions in addition to those set forth in the Plan. No Shares will be issued on the Grant Date and the Corporation shall not be required to set aside a fund for the payment of any such Awards.

**Section 8.3 DSU Accounts.** A separate notional account shall be maintained for each Participant with respect to Deferred Share Units granted to such Participant (a "**DSU Account**") in accordance with Section 15.3. Deferred Share Units awarded to the Participant from time to time pursuant to Section 8.1 shall be credited to the Participant's DSU Account and shall vest in accordance with Section 8.4. On the vesting of the Deferred Share Units pursuant to Section 8.4 and the corresponding issuance of cash and/or Shares to the Participant pursuant to Section 8.5, or on the forfeiture and termination of the Deferred Share Units pursuant to the terms of the Award, the Deferred Share Units credited to the Participant's DSU Account will be cancelled.

**Section 8.4 Vesting.** Subject to Section 12, unless otherwise determined by the Board in accordance with the provisions hereof, or unless otherwise specified in the Participant's Service Agreement or DSU Award Agreement;

(1) each Deferred Share Unit awarded under Section 8.1(1) shall vest in accordance with the DSU Award Agreement; and

(2) each Deferred Share Unit awarded under Section 8.1(2) shall immediately vest at the time it is credited to the Participant's DSU Account.

**Section 8.5 Settlement.**

(1) The Deferred Share Units may be settled by delivery by the Participant to the Corporation of a notice of settlement, substantially in the form prescribed by the Corporation from time to time, acknowledged by the Corporation. On settlement, the Corporation shall, for each such vested Deferred Share Unit, subject to Section 8.5, deliver to the Participant a cash payment equal to the Market Price of one Share as of the DSU Separation Date, one Share, or any combination of cash and Shares equal to the Market Price of one Share as of the DSU Separation Date, in the sole discretion of the Board. No certificates or DRS for Shares issued in settlement will be issued to the Participant until the Participant and the Corporation have each completed all steps required by law to be taken in connection with the issuance of the Shares, including receipt from the Participant of payment or provision for all withholding taxes due as a result of the settlement of the Deferred Share Units. The delivery of certificates or DRS representing the Shares to be issued in settlement of Deferred Share Units will be contingent upon the fulfillment of any requirements contained in the DSU Award Agreement or applicable provisions of laws.

(2) Notwithstanding the foregoing, all settlements of Deferred Share Units granted to a Participant who is a Canadian Taxpayer shall take place (i) after the DSU Separation Date; and (ii) by December 31 of the first calendar year that commences after such time.

**Section 8.6 Termination of Deferred Share Unit Due to Termination of Employment, Service or Engagement.** Unless otherwise determined by the Board, or unless otherwise provided in the Participant's Service Agreement or DSU Award Agreement, if a Participant's employment, service or engagement terminates in any of the following circumstances, Deferred Share Units shall be treated in the manner set forth below:

Reason for Termination	Treatment of Deferred Share Units
Death	All outstanding Deferred Share Units shall vest as of the date of death and shall be available for settlement in accordance with Section 8.5.
Retirement	All outstanding Deferred Share Units shall vest as of the date of Retirement and shall be available for settlement in accordance with Section 8.5.
Disability	All outstanding Deferred Share Units shall vest as of the date of Disability and shall be available for settlement in accordance with Section 8.5.

<b>Reason for Termination</b>	<b>Treatment of Deferred Share Units</b>
Resignation	Outstanding Deferred Share Units that were vested on or before the date of resignation shall be available for settlement in accordance with Section 8.5 as of the date of resignation, after which time all remaining Deferred Share Units shall in all respects terminate.
Termination without Cause/Wrongful Dismissal - No Change in Control Involved	<p>Outstanding Deferred Share Units that were vested on or before the Termination Date shall be available for settlement in accordance with Section 8.5 as of the Termination Date.</p> <p>Outstanding Deferred Share Units that would have vested on the next vesting date following the Termination Date shall be available for settlement in accordance with Section 8.5 as of such vesting date. Subject to the foregoing, any remaining Deferred Share Units shall in all respects terminate as of the Termination Date.</p>
Change in Control	Deferred Share Units vest immediately prior to Change of Control.
Termination of the Participant for Just Cause	All outstanding Deferred Share Units, whether vested or unvested, shall automatically terminate on the Termination Date and be forfeited.

## **SECTION 9 NON-ASSIGNABILITY AND NON-TRANSFERABILITY OF AWARDS**

An Award granted pursuant to this Plan is personal to the Participant and may not be assigned, transferred, charged, pledged or otherwise alienated, other than to a Participant's Personal Representative(s).

## **SECTION 10 ADJUSTMENTS**

The number and kind of Shares to which an Award pertains and, with respect to Options, the Option Price, shall be adjusted in the event of a reorganization, recapitalization, stock split or redivision, reduction, combination or consolidation, stock dividend, combination of shares, merger, consolidation, rights offering or any other change in the corporate structure or shares of the Corporation, in such manner, if any, and at such time, as the Board, in its sole discretion, may determine to be equitable in the circumstances. Failure of the Board to provide for an adjustment shall be conclusive evidence that the Board has determined that it is equitable to make no adjustment in the circumstances. If an adjustment results in a fractional share, the fraction shall be disregarded.

If at any time the Corporation grants to its shareholders the right to subscribe for and purchase pro rata additional securities of any other corporation or entity, there shall be no adjustments made to

the Shares or other securities subject to an Award in consequence thereof and the Awards shall remain unaffected.

**Section 10.3** The adjustments provided for in this Section 10 shall be cumulative.

On the happening of each and every of the foregoing events, the applicable provisions of the Plan shall be deemed to be amended accordingly and the Board shall take all necessary action so as to make all necessary adjustments in the number and kind of securities subject to any outstanding Award (and the Plan) and, with respect to Options, the Option Price.

## **SECTION 11 PRIORITY OF AGREEMENTS**

**Section 11.1 Priority of Agreements.** In the event of any inconsistency or conflict between the provisions of a Participant's Award Agreement and the Plan, the provisions of the Plan shall prevail with respect to such Participant. In the event of any inconsistency or conflict between the provisions of (i) the Plan and/or a Participant's Award Agreement, and (ii) a Participant's Service Agreement, the provisions of the Participant's Service Agreement shall prevail with respect to such Participant unless the terms of the Participant's Service Agreement would cause the Plan to be a "salary deferral arrangement" as defined in the *Income Tax Act* (Canada), in which case the terms of the Plan shall prevail.

**Section 11.2 Vesting and Termination Provisions in Service Agreements.** In the event that a Participant's Service Agreement contains provisions respecting the vesting of the dates upon which any or all outstanding Awards shall be exercisable or settled, without regard to whether such Awards have otherwise vested in accordance with their terms, or provisions respecting the expiry, forfeiture and termination of such Awards, the vesting or expiry, forfeiture and termination of such Awards, as applicable, shall be governed by the terms and conditions of the Participant's Service Agreement with respect to such Participant.

## **SECTION 12 CHANGE IN CONTROL - TREATMENT OF AWARDS**

**Section 12.1 Change in Control.** Unless otherwise determined by the Board, or unless otherwise provided in the Participant's Service Agreement or Award Agreement, if a Change in Control shall conclusively be deemed to have occurred, then there shall be immediate full vesting of each outstanding Award granted subject to any required approval of the Exchange, which may be exercised and settled, in whole or in part, even if such Award is not otherwise exercisable or vested by its terms.

In addition, if the Board determines that a Change of Control is imminent the Board, in its discretion, may authorize and implement any one or more of the following additional courses of action:

- (1) terminate without any payment or consideration, any Awards not exercised, settled or surrendered by the effective time of the Change of Control;
- (2) cause the Corporation to offer to acquire from each Award holder his or her Awards for a cash payment, and any Awards not so acquired, surrendered or exercised by the effective time of the Change of Control will be deemed to have expired; and

(3) cause an option granted under this Plan to be exchanged for an option to acquire for the same exercise price, the number and type of securities as would be distributed to the Option holder in respect of the Shares to be issued to the Option holder had he or she exercised the Option prior to the effective time of the Change of Control, provided that any such replacement option must provide that it survives for a period of not less than one year from the effective time of the Change of Control regardless of the continuing directorship, officership or employment of the holder.

**Section 12.2 Change in Control.** Notwithstanding Section 12.1, in the event of a Change in Control, the Board shall have the right, but not the obligation, and without the consent of any Participant, to permit each Participant, within a specified period of time prior to the completion of the Change in Control as determined by the Board, to exercise all of the Participant's outstanding Options and to settle all of the Participant's outstanding Performance Share Units, Restricted Share Units and Deferred Share Units (to the extent then vested and exercisable, including by reason of acceleration by the Board pursuant to Section 12.3 or in accordance with the Award Agreement) but subject to and conditional upon the completion of the Change in Control and any required approval of the Exchange.

**Section 12.3 Discretion to Accelerate Awards.** Notwithstanding Section 12.1, and subject to any required approval of the Exchange, in the event of a Change in Control, the Board may accelerate the dates upon which any or all outstanding Awards shall vest and be exercisable or settled, without regard to whether such Awards have otherwise vested in accordance with their terms.

**Section 12.4 Termination of Awards on Change in Control.** Subject to and conditional upon completion of the Change in Control event, the Plan and all outstanding Awards, vested and unvested, shall be deemed to be terminated, without further act or formality, except to the extent required under Section 12.1 and 16.1, if applicable.

**Section 12.5 Further Assurances on Change in Control.** The Participant shall execute such documents and instruments and take such other actions, including exercise or settlement of Awards vesting pursuant to Section 12.2 or the Award Agreement, as may be required consistent with the foregoing; provided, however, that the exercise or settlement of Awards vesting pursuant to Section 12.2 or the Award Agreement shall be subject to the completion of the Change in Control event.

**Section 12.6 Awards Need Not be Treated Identically.** In taking any of the actions contemplated by this Section 12, the Board shall not be obligated to treat all Awards held by any Participant, or all Awards in general, identically.

**Section 12.7 Canadian Taxpayer.** In the case of a Deferred Share Unit held by a Participant that is a Canadian Taxpayer, and subject to any further limitations provided in any Award Agreement, (i) no payment settlement shall be made to the Participant under this Section 12 until after the time that the Participant ceases to be a Director of the Corporation or any subsidiary of the Corporation / an employee or consultant of the Corporation or any subsidiary of the Corporation for any reason, without regard to any agreed or otherwise binding severance or notice period (whether express, implied, contractual, statutory or at common law); and (ii) all settlements to such Participant under this Section 12 shall be made by December 31 of the first calendar year that commences after such time.

## **SECTION 13 AMENDMENT, SUSPENSION OR TERMINATION OF PLAN AND AWARDS**

**Section 13.1 Discretion to Amend the Plan and Awards.** The Board may amend the Plan or Awards at any time without obtaining shareholder approval, provided, however, that no such amendment may have the following effects:

- (1) increase the maximum number of Shares issuable where, following such increase, the total number of Shares issuable under this Plan (together with all other Security-Based Compensation Arrangements of the Corporation) is equal to or greater than fifteen percent (15%) of the issued and outstanding Shares of the Corporation (calculated on a non-diluted basis) outstanding as of the later of the date this Plan was last approved by shareholders of the Corporation;
- (2) a re-pricing of an Award benefiting a Related Person (as defined in the Exchange Company Manual) of the Corporation;
- (3) an extension of the term of an Award benefiting a Related Person (as defined in the Exchange Company Manual) of the Corporation;
- (4) an extension of the term of an Award, where the exercise price is lower than the prevailing Market Price;
- (5) any amendment to remove or to exceed the limits set out in this Plan on Awards available to Related Persons (as defined in the Exchange Company Manual) of the Corporation; or
- (6) amendments to an amending provision within this Plan.

**Section 13.2 Amendments Requiring Shareholder Approval.** Notwithstanding Section 13.1, no amendments to the Plan or Awards to:

- (1) with respect to Options, reduce the Option Price, or cancel and reissue any Options so as to in effect reduce the Option Price (Disinterested Shareholder Approval required);
- (2) extend (i) the term of an Option beyond its original expiry date, or (ii) the date on which a Performance Share Unit, Restricted Share Unit or Deferred Share Unit will be forfeited or terminated in accordance with its terms, other than in accordance with Section 16.2;
- (3) increase the maximum number of Shares reserved for issuance under the Plan;
- (4) revise the participation limits set out in Section 4.2;
- (5) revise Section 9 to permit Awards granted under the Plan to be transferable or assignable other than for estate settlement purposes;
- (6) any amendment required to be approved by shareholders under applicable law (including without limitation, pursuant to the Exchange Company Manual); or
- (7) revise the amending provisions set forth in Section 13.1 or 13.2;

shall be made without obtaining approval of the shareholders or Disinterested Shareholder Approval, of the Corporation, as applicable, in accordance with the requirements of the Exchange.

**Section 13.3 Amendment, Suspension or Discontinuance.** No amendment, suspension or discontinuance of the Plan or of any Award may contravene the requirements of the Exchange or any securities commission or other regulatory body to which the Plan or the Corporation is now or may hereafter be subject to. Termination of the Plan shall not affect the ability of the Board to exercise the powers granted to it hereunder with respect to Awards granted under the Plan prior to the date of such termination.

**Section 13.4 Tax Provisions.** Notwithstanding the foregoing:

(1) no amendment to the Plan shall cause the Plan or Performance Share Units, Restricted Share Units or Deferred Share Units granted to a Canadian Taxpayer hereunder to be made without the consent of such Canadian Taxpayer if the result of such amendment would be to cause the Performance Share Units, Restricted Share Units or Deferred Share Units to be a “salary deferral arrangement” under the *Income Tax Act* (Canada); and

(2) no amendment to the Plan shall cause the Plan or Deferred Share Units granted to a Canadian Taxpayer hereunder to cease to meet the conditions of paragraph 6801(d) of the Regulations under the *Income Tax Act* (Canada) without the consent of such Canadian Taxpayer.

## **SECTION 14 DIVIDEND EQUIVALENTS**

The Board may determine whether and to what extent Dividend Equivalents will be credited to a Participant’s PSU Account, RSU Account and DSU Account with respect to Awards of Performance Share Units, Restricted Share Units or Deferred Share Units. Dividend Equivalents to be credited to a Participant’s PSU Account, RSU Account or DSU Account shall be credited as follows:

(1) any cash dividends or distributions credited to the Participant’s PSU Account, RSU Account or DSU Account shall be deemed to have been invested in additional Performance Share Units, Restricted Share Units or Deferred Share Units, as applicable, on the record date established for the related dividend or distribution in an amount equal to the greatest whole number which may be obtained by dividing (i) the value of such dividend or distribution on the record date by (ii) the Market Price of one Share on such record date, and such additional Performance Share Units, Restricted Share Unit or Deferred Share Unit, as applicable, shall be subject to the same terms and conditions as are applicable in respect of the Performance Share Unit, Restricted Share Unit or Deferred Share Unit, as applicable, with respect to which such dividends or distributions were payable; and

(2) if any such dividends or distributions are paid in Shares or other securities, such Shares and other securities shall be subject to the same vesting, performance and other restrictions as apply to the Performance Share Units, Restricted Share Units or Deferred Share Unit, as applicable, with respect to which they were paid.



No Dividend Equivalent will be credited to or paid on Awards of Performance Share Units, Restricted Share Units or Deferred Share Units that have expired or that have been forfeited or terminated.

## **SECTION 15 MISCELLANEOUS**

**Section 15.1 No Rights as a Shareholder.** Nothing contained in the Plan nor in any Award granted hereunder shall be deemed to give any Person any interest or title in or to any Shares or any rights as a shareholder of the Corporation or any other legal or equitable right against the Corporation whatsoever with respect to Shares issuable pursuant to an Award until such Person becomes the holder of record of Shares.

**Section 15.2 Employment.** Nothing contained in the Plan shall confer upon any Participant any right with respect to employment or continued employment or the right to continue to serve as a Director or a consultant as the case may be, or interfere in any way with the right of the Corporation to terminate such employment or service at any time. Participation in the Plan by an Eligible Person is voluntary. For stock options granted to employees or consultants, the Corporation and the holder of the Option are responsible for ensuring and confirming that the holder of the Option is a bona fide employee or consultant, as the case may be.

**Section 15.3 Record Keeping.** The Corporation shall (either physically or by electronic entry in any electronic incentive compensation system maintained by the Corporation or a third party service provider on its behalf) maintain appropriate registers in which shall be recorded all pertinent information with respect to the granting, amendment, exercise, vesting, expiry, forfeiture and termination of Awards. Such registers shall include, as appropriate:

- (1) the name and address of each Participant;
- (2) the number of Awards credited to each Participant's account;
- (3) any and all adjustments made to Awards recorded in each Participant's account; and
- (4) such other information which the Corporation considers appropriate to record in such registers.

**Section 15.4 Income Taxes.** The Corporation may take such steps as are considered necessary or appropriate for the withholding of any taxes or other amounts which the Corporation is required by any law or regulation of any governmental authority whatsoever to withhold in connection with any Award including, without limiting the generality of the foregoing, the withholding of all or any portion of any payment or the withholding of the issue of any Shares to be issued under this Plan, until such time as the Participant has paid the Corporation for any amount which the Corporation is required to withhold by law with respect to such taxes or other amounts. Without limitation to the foregoing, the Board may adopt administrative rules under this Plan, which provide for the automatic sale of Shares (or a portion thereof) in the market upon the issuance of such Shares under this Plan on behalf of the Participant to satisfy withholding obligations under an Award.

**Section 15.5 No Representation or Warranty.** The Corporation makes no representation or warranty as to the future market value of any Shares issued pursuant to the Plan.

**Section 15.6 Direction to Transfer Agents.** Upon receipt of a certificate of an authorized officer of the Corporation directing the issue of Shares issuable under the Plan, the transfer agent of the Corporation is authorized and directed to issue and countersign share certificates or DRS for the Shares subject to the applicable Award in the name of such Participant or as may be directed in writing by the Participant.

**Section 15.7 Unfunded Plan.** Unless otherwise determined by the Board, the Plan shall be unfunded. To the extent any Participant or his or her estate holds any rights by virtue of a grant of Awards under the Plan, such rights (unless otherwise determined by the Board) shall be no greater than the rights of an unsecured creditor of the Corporation.

## **SECTION 16 TERM OF AWARD, EXPIRY, FORFEITURE AND TERMINATION OF AWARDS / BLACKOUT PERIODS**

**Section 16.1 Expiry, Forfeiture and Termination of Awards.** If for any reason an Award expires without having been exercised or is forfeited or terminated, and subject to any extension thereof in accordance with the Plan, such Award shall forthwith expire and be forfeited and shall terminate and be of no further force or effect.

**Section 16.2 Blackout Periods.** Notwithstanding any other provision of the Plan, if the expiry date or vesting date of an Award, other than a Performance Share Unit, Restricted Share Unit or Deferred Share Unit awarded to a Canadian Taxpayer, as applicable, is (i) during a Blackout Period, or (ii) within ten (10) trading days following the end of a Blackout Period, the expiry date or vesting date, as applicable, will be automatically extended for a period of ten (10) trading days following the end of the Blackout Period, provided that the following requirements are satisfied:

- (1) the Blackout Period must be formally imposed by the Corporation pursuant to its internal trading policies;
- (2) the Blackout Period must expire upon the general disclosure of the undisclosed Material Information (as defined in the Exchange Company Manual); and
- (3) the automatic extension of a Participant's Award will not be permitted where the Participant or the Corporation is subject to a cease trade order (or similar order under securities laws) in respect of the Corporation's securities.

In the case of a Performance Share Unit, Restricted Share Unit or Deferred Share Unit awarded, any settlement that is effected during a Blackout Period in order to comply with Section 13.4 shall (subject to the requirements of applicable law) be settled in cash, notwithstanding any other provision hereof.

## **SECTION 17 GOVERNING LAW**

The Plan shall be construed in accordance with and be governed by the laws of British Columbia and shall be deemed to have been made therein.

## SECTION 18 REGULATORY AND OTHER APPROVALS

**Section 18.1 Regulatory Approval.** The Plan shall be subject to the approval of any relevant regulatory authority whose approval is required. Any Awards granted prior to such approval and acceptance shall be conditional upon such approval and acceptance being given and no such Awards may be exercised or shall vest unless such approval and acceptance is given. Unless the Corporation has determined, in its sole discretion, to register the applicable securities under the U.S. Securities Act and any applicable U.S. state securities laws, no Awards may be granted, exercised or settled unless such grant, exercise or settlement, as applicable, complies with available exemptions or exclusions from the registration and qualification requirements of the U.S. Securities Act and any applicable U.S. state securities laws.**Shareholder and Board Approval.** Subsequent to the Effective Date, the Corporation shall obtain approval from the shareholders of the Corporation (or if required, Disinterested Shareholder Approval), and every three (3) years thereafter, the Corporation shall obtain approval from the Board and from the shareholders of the Corporation (or if required, Disinterested Shareholder Approval). Prior to obtaining approval from the shareholders of the Corporation, the Corporation may grant Awards exercisable into Shares under this Plan, provided that no exercise of such Awards may occur until the Corporation obtains shareholder approval at the next meeting of the shareholders of the Corporation, otherwise such Awards must be cancelled. For greater clarity, shareholder approval required under this Plan must be obtained by way of a duly called meeting.

**Section 18.3 Exceptions.** Notwithstanding the above Section 18.2, the Corporation is not required to obtain prior approval from the Board and from shareholders of the Corporation in respect of the following:

- (1) a grant or issuance to any Person not previously employed by and not previously a Related Party (as defined in the Exchange Company Manual) of the Corporation, provided that:
  - (a) such grant or issuance is intended as an inducement to enter into, and the Person enters into, a full-time contract of employment as an officer of the Corporation; and
  - (b) the Shares issued or issuable pursuant to the Award during any twelve (12) month period do not exceed two percent (2%) of the total number of Shares issued and outstanding as of the date that this exemption is first used during such twelve (12) month period.
- (2) in the event of an acquisition of a target entity by the Corporation:
  - (a) the assumption of a Security-Based Compensation Arrangement from the target entity, if the number of assumed Awards (and their exercise or subscription price, if applicable) is adjusted in accordance with the price per acquired security payable by the Corporation; and
  - (b) the creation of a Security-Based Compensation Arrangement for employees of the target entity, if the aggregate number of Awards issuable does not exceed two percent (2%) of the total number of Shares issued and outstanding immediately prior to the date of closing of the transaction, and such employees are not Related

Persons (as defined in the Exchange Company Manual) or employees of the Corporation prior to the acquisition.

**SECTION 19 TERM OF THE PLAN.**

**Section 19.1** The Plan is dated with effect as of the Effective Date.