



beyond oil

**BEYOND OIL LTD.**

**MANAGEMENT INFORMATION CIRCULAR**

**For the Annual and Special Meeting of Shareholders**

**to be held on May 3, 2023**

**March 25, 2023**

## TABLE OF CONTENTS

MANAGEMENT INFORMATION CIRCULAR.....	3
GENERAL PROXY INFORMATION .....	3
Solicitation of Proxies.....	3
Appointment of Proxyholders.....	3
Voting by Proxyholder.....	3
Registered Shareholders and Non-Objecting Beneficial Owners .....	4
Beneficial Shareholders .....	4
Revocation of Proxies .....	5
INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON.....	5
VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES .....	5
MATTERS TO BE ACTED UPON AT THE MEETING .....	6
1. Financial Statements .....	6
2. FIXING THE NUMBER OF DIRECTORS.....	6
3. Election of Directors .....	7
4. Re-Appointment of Auditor.....	9
5. Approval of Omnibus Equity Incentive Plan (The “Omnibus Plan”).....	9
6. Amendment to Deferred Purchase Price Agreement .....	13
7. Warrant Extension .....	15
8. Acquisition Warrant Extension.....	16
AUDIT COMMITTEE .....	17
The Audit Committee’s Charter.....	18
Composition of the Audit Committee.....	18
Relevant Education and Experience .....	18
Audit Committee Oversight.....	19
Reliance on Certain Exemptions.....	19
Pre-Approval Policies and Procedures.....	19
External Auditor Fees .....	19
Exemption.....	20
CORPORATE GOVERNANCE .....	20
Board of Directors.....	20
Directorships .....	20
Orientation and Continuing Education .....	20

Ethical Business Conduct .....	20
Nomination of Directors .....	21
Compensation .....	21
Other Board Committees .....	21
Assessments .....	21
STATEMENT OF EXECUTIVE COMPENSATION .....	21
Director and NEO Compensation, Excluding Options and Compensation Securities.....	22
Stock Options and Other Compensation Securities .....	23
Outstanding Compensation Securities .....	23
Exercise of Compensation Securities by NEOs and Directors .....	24
Employment, Consulting and Management Agreements.....	24
Oversight and Description of Director and NEO Compensation.....	25
Director Compensation .....	26
Pension Plan.....	26
SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS.....	26
INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS .....	27
INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS .....	27
ADDITIONAL INFORMATION.....	27
APPENDIX “A” OMNIBUS STOCK AWARD PLAN .....	1

## BEYOND OIL LTD.

### MANAGEMENT INFORMATION CIRCULAR

This management information circular (the “Information Circular”) is furnished in connection with the solicitation of proxies by the management of Beyond Oil Ltd. (the “Company” or the “Corporation”) for use at the annual general and special meeting (the “Meeting”) of the Company’s shareholders (the “Shareholders”) to be held on May 3, 2023 at the time and place and for the purposes set forth in the accompanying notice of meeting. (the “Notice of Meeting”).

Unless otherwise stated, this Information Circular contains information as at March 24, 2023. References in this Information Circular to the Meeting include any adjournment or postponement thereof and, unless otherwise indicated, in this Circular all references to “\$” are to Canadian dollars.

In addition, in this Information Circular, references to “the **Company**”, “**we**” and “**our**” refer to Beyond Oil Ltd. “**Common Shares**” means common shares without par value in the capital of the Company. “**Registered Shareholders**” means shareholders who hold Common Shares in their own name. “**Beneficial Shareholders**” means shareholders who do not hold Common Shares in their own name and “**intermediaries**” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

### GENERAL PROXY INFORMATION

#### Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. The Company will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to Beneficial Shareholders and we shall, upon request, reimburse brokerage firms and other custodians for their reasonable expenses in forwarding proxies and related material to Beneficial Shareholders.

#### Appointment of Proxyholders

The individuals named in the accompanying form of proxy (the “**Proxy**”) are directors and officers of the Company. **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than either of the persons designated in the Proxy, who need not be a shareholder, to attend and act for you on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

#### Voting by Proxyholder

On any ballot, the nominees named in the accompanying proxy form will vote, withhold from voting or vote against (as applicable), your Common Shares in accordance with your instructions. **In respect of any matter for which a choice is not specified, the persons named in the accompanying proxy form will vote at their own discretion, except where management recommends that Shareholders vote in favour of a matter, in which case the nominees will vote FOR the approval of such matter.**

The form of proxy confers discretionary authority upon the nominees named therein with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting.

As of the date of this Information Circular, management knows of no such amendment, variation or other matter that may come before the Meeting. However, if any amendment, variation or other matter should properly come before the Meeting, each nominee named in the accompanying proxy form intends to vote thereon in accordance with the nominee's best judgment or as stated above.

### **Registered Shareholders and Non-Objecting Beneficial Owners**

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered Shareholders who choose to submit a proxy may do so by one of the following methods:

- (a) complete, date and sign the enclosed form of Proxy and return it to the Company's transfer agent, Endeavor Trust Corporation ("**Endeavor**"), by fax (604)-559-8908;
- (b) complete, date and sign the enclosed form of Proxy and return it to Endeavor, by mail or by hand to Suite 702, 777 Hornby Street, Vancouver, BC V6Z 1S4;
- (c) complete, date and sign the enclosed form of Proxy and return it to Endeavor, by scanning and emailing completed proxy to [proxy@endeavortrust.com](mailto:proxy@endeavortrust.com); or
- (d) online at <https://www.eproxy.ca>.

In all cases, to be represented at the Meeting, proxies submitted must be received no later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting or adjournment or postponement thereof (unless the Chair of the Meeting determines, in the Chair's sole discretion, that proxies may be received by delivery to the Meeting scrutineer at the Meeting).

### **Beneficial Shareholders**

If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in the shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the names of intermediaries, which include banks, trust companies, securities dealers or brokers and trustees or administrators of self administered RRSPs, RRIFs, RESPs and similar plans.

In Canada the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms), and in the United States, under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks).

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

Applicable regulatory policy requires intermediaries/brokers to whom meeting materials have been sent, to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed in order to ensure that the Beneficial Shareholder's common shares are voted at the Meeting. The majority of brokers now delegate responsibility for obtaining instructions from Beneficial Shareholders to Broadridge Financial Solutions, Inc. ("**Broadridge**").

In accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), the Company will not send proxy-related materials directly to NOBOs and such materials will be delivered to NOBOs by Broadridge.

Broadridge typically mails a scannable voting instruction form (“VIF”), instead of the form of proxy. Beneficial Shareholders are requested to complete and return the VIF to Broadridge. Alternatively, Non-Registered Shareholders can call a toll-free telephone number or access Broadridge’s dedicated voting website [www.proxyvote.com](http://www.proxyvote.com).

The VIF must be returned as directed by Broadridge well in advance of the Meeting in order to have the Common Shares voted. Non-Registered Shareholders who receive forms of proxies or voting materials from organizations other than Broadridge should complete and return such forms of proxies or voting materials in accordance with the instructions on such materials in order to properly vote their Common Shares at the Meeting.

In addition, NOBOs may be contacted by the Company to conveniently obtain a vote directly over the phone.

Beneficial Shareholders are not entitled, as such, to vote at the Meeting in person or to deliver a form of proxy. If you are a Non-Registered Shareholder and wish to appoint yourself as proxyholder to vote in person at the Meeting or appoint someone else to attend the Meeting and vote on your behalf, please see the voting instructions you received or contact your intermediary/broker well in advance of the Meeting to determine how you can do so.

Beneficial Shareholders should carefully follow the voting instructions they receive, including those on how and when voting instructions are to be provided, in order to have their common shares voted at the Meeting.

### **Revocation of Proxies**

Every proxy may be revoked by an instrument in writing that is received: (a) at the registered office of the Company located at 1500 – 1055 West Georgia Street, Vancouver, British Columbia, V6E 4N7 at any time up to and including the last business day before the day set for the holding of the Meeting, or any adjournment or postponement thereof, at which such proxy is to be used; or (b) by the Chair, at the Meeting, or any adjournment or postponement thereof in either case, before any vote in respect of which the proxy has been given has been taken. The instrument in writing must be signed as follows: (a) if the Shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the Shareholder or the Shareholder’s legal personal representative or trustee in bankruptcy; or (b) if the Shareholder from whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation.

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

Except as set out below, no director or executive officer of the Company, nor any person who has held such a position since the beginning of the last completed financial year of the Company, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors or the appointment of auditors.

### **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

The board of directors of the Company (the “**Board**”) has fixed March 24, 2023 as the record date (the “**Record Date**”) for determining those persons entitled to receive notice of, and to vote at, the Meeting.

The Company is authorized to issue an unlimited number of Common Shares and an unlimited number of preferred shares in the capital of the Company (the “**Preferred Shares**”). As of March 24, 2023, there were 52,091,849 Common Shares without par value issued and outstanding, each carrying the right to one vote. There were no Preferred Shares issued and outstanding as at March 24, 2023.

To the knowledge of the directors and executive officers of the Company, only the following person beneficially owned, directly or indirectly, or exercised control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Company as at March 24, 2023:

Shareholder Name	Number of Common Shares Held	Percentage of Issued Common Shares
Jonathan Or	6,415,631	12.32%

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

### **1. FINANCIAL STATEMENTS**

The audited consolidated financial statements of the Company for the financial year ended December 31, 2022 and the report of the independent auditors thereon will be presented at the Meeting. These consolidated financial statements and the related management’s discussion and analysis were sent to all Shareholders who have requested a copy. The Company’s consolidated financial statements and related management’s discussion and analysis for the financial year ended December 31, 2022 are also available under the Company’s profile on SEDAR ([www.sedar.com](http://www.sedar.com)).

### **2. FIXING THE NUMBER OF DIRECTORS**

Management is seeking Shareholder approval of a resolution fixing the number of directors at seven.

The Board and Management are recommending that the shareholders vote FOR fixing the number of directors. In order to approve the number of directors, the following ordinary resolutions must be approved by a majority of the votes cast by shareholders present in person or represented by proxy at the Meeting. The complete text of the resolutions which Management intends to place before the Meeting for approval, with or without modification, are as follows:

“IT IS HEREBY RESOLVED, THAT:

- (1) the number of directors be fixed at seven; and
- (2) any director or officer of the Company is hereby authorized for, on behalf of, and in the name of the Company to do and perform or cause to be done or performed all such things, to take or cause to be taken all such actions, to execute and deliver or cause to be executed and delivered all such agreements, documents and instruments, contemplated by, necessary or desirable in connection with fixing the number of directors and the foregoing resolution, as may be required from time to time and contemplated and required in connection therewith, or as such director or officer in his or her discretion may consider necessary, advisable or appropriate in order to give effect to the intent and purposes of the foregoing resolution, and the doing of such things, the taking of such actions and the execution of such agreements, documents and instruments shall be conclusive evidence that the same have been authorized and approved hereby.”

**COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF FIXING THE NUMBER OF DIRECTORS AT FIVE, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS OWN SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF.**

### **3. ELECTION OF DIRECTORS**

The Board currently consists of seven (7) directors. At the Meeting, Shareholders of the Company will be asked to elect seven (7) directors to succeed the present directors whose term of offices will expire at the conclusion of the Meeting. Each director elected will hold office until the conclusion of the next annual meeting of the Company at which a director is elected, unless the director's office is earlier vacated in accordance with the Articles of the Company or the provisions of the *British Columbia Business Corporations Act* (the "BCBCA").

The following table sets out the names of the management's nominees for election as directors, all offices and positions with the Company each nominee now holds, each of the nominees' current principal occupation, business or employment (for the five preceding years for each new nominee), the period of time during which each has been a director of the Company and the number of Common Shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at March 24, 2023.

<b>Nominee Position with the Company and Province or State and Country of Residence</b>	<b>Occupation, Business or Employment<sup>(1)</sup></b>	<b>Period as a Director of the Company</b>	<b>Common Shares Beneficially Owned or Controlled<sup>(1)(2)</sup></b>
Dan Itzhaki <sup>(5)</sup> Director and Chairman Beit Horon, Israel	CEO of Shomera Insurance Co. Ltd. (Feb 2010 – Present); Director of Beyond Oil (2019 – Present).	May 12, 2022	1,155,862
Jonathan Or <sup>(6)</sup> CEO, CMO, and Director Tel Aviv, Israel	CEO of the Company, (since 2/2023); Chief Marketing Officer of the Company (December 2018 – Present); Captain in IDF (2012-2018).	May 12, 2022	6,415,631
Robert Kiesman <sup>(4)(5)(6)</sup> Director British Columbia, Canada	Owner & Director of Vancouver Corporate Solutions Inc. (July 2020 – Present); Owner & Chief Legal Officer of Valley Personnel Ltd. (May 2017 - June 2022); Owner & President of Kaien Finance Corp. (Sept 1994 - Present); M&A lawyer at Stikeman Elliott LLP (August 2010 - June 2017).	May 6, 2021	200,000 <sup>(3)</sup>
Dr. Gad Penini <sup>(4)</sup> Director Netanya, Israel	Managing Partner, Penini & Penini; director of Amot Investment Ltd. (Sept 2015 – Present).	May 12, 2022	316,666
Hanadi Said <sup>(4)</sup> Director Haifa, Israel	CEO of Sensai Network Cognition (Jun 2018 – Present); Director, Global Risk Management of Teva Pharmaceuticals (Apr 2013 – Apr 2018); Senior Manager – Enterprise Risk Services – Deloitte LLP (Nov 2004 – Mar 2013).	May 12, 2022	Nil
Erez Winner <sup>(6)</sup> Director Beit Horen, Israel	CEO of Willi-food Investment Ltd. (2021 – present); Director of G.. Willi-food International Ltd., (2020- Present).	February 7, 2023	Nil
Pinhas Or Director Kibbutz Yifat, Israel	Adv. Pinhas Michael Or, Company Inventor (2018); Head of R&D (2018 -Present), Director of Beyond Oil (2018-2021; 3/2023-present).	March 2, 2023	Nil

**Notes:**

- (1) The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled is not within the knowledge of management of the Company and has been furnished by the Nominees.
- (2) On an undiluted basis.
- (3) Mr. Kiesman holds these common shares indirectly through his company, Kaien Finance Corp.
- (4) Member of the Audit Committee.
- (5) Member of the Compensation Committee.
- (6) Member of the Capital Markets Committee.

Unless otherwise indicated, the persons designated as proxyholders in the accompanying form of proxy will vote the common shares represented by such form of proxy FOR setting the number of directors at seven and the election of the seven director nominees listed in this Information Circular. Management does not contemplate that any of the nominees will be unable to serve as a director.

## Penalties, Sanctions and Cease Trade

To the knowledge of management, no proposed director:

- (a) is, as of the date of this Circular, or has been, within ten years before the date of this Information Circular, a director, Chief Executive officer or Chief Financial Officer of any company (including the Company) that: (i) while that person was acting in that capacity, was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant issuer access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (an "**Order**"); or (ii) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or Chief Financial Officer and which resulted from an event that occurred while that person was acting in the capacity of director, Chief Executive Officer or Chief Financial Officer; or
- (b) is, at the date of this Information Circular, or has been within ten years before the date of this Information Circular, a director or an executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has within ten years before the date of this Information Circular, 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 the assets of the proposed director.

In addition, to the knowledge of management, no proposed director has 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 been subject to any other penalties or sanctions imposed by a court, or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

## 4. RE-APPOINTMENT OF AUDITOR

At the Meeting, Shareholders will be asked to re-appoint BDO Ziv Haft ("**BDO Israel**") whose address is Amot BDO House, 48 Menachem Begin Road, Tel Aviv, 6618001, Israel, as independent auditor of the Company for the ensuing year at such remuneration to be fixed by the Board. BDO Israel was first appointed as auditor effective 2021.

Unless otherwise indicated, the persons designated as proxyholders in the accompanying form of proxy will vote the common shares represented by such form of proxy FOR the re-appointment of BDO Israel as the Company's independent auditor to hold office for the ensuing year with remuneration to be fixed by the Board.

There were no "reportable events" within the meaning of National Instrument 51-102 – *Continuous Disclosure Obligations*.

## 5. APPROVAL OF OMNIBUS EQUITY INCENTIVE PLAN (THE "OMNIBUS PLAN")

Pursuant to Policy 6 – Distributions ("**Policy 6**") of the Canadian Securities Exchange (the "**CSE**"), the Corporation is permitted to maintain a "rolling up to 10%" compensation plan which reserves a percentage of the issued and outstanding Common Shares for issuance pursuant to stock options of the Corporation

(each an “**Option**” and collectively, “**Options**”), and restricted share units of the Corporation (“**RSUs**” and together with the Options, “**Awards**” or “**Stock Awards**”)) at the discretion of the Board . In accordance with the policies of the CSE, all compensation plans must be approved by Shareholders.

### **Summary of the Omnibus Plan**

Pursuant to the Omnibus Plan attached hereto as Appendix A, the board of directors of the Corporation (the “**Board**”) may grant Awards to eligible persons as determined by the Omnibus Plan. The aggregate number of Common Shares which may be made available for issuance under the Omnibus Plan will not exceed with respect to the number of Common Shares issuable pursuant to all Awards, 10% of the total number of issued and outstanding Common Shares from time to time.

The purpose of the Omnibus Plan is to advance the interests of the Corporation and its subsidiaries by (i) promoting a significant alignment between directors, officers, employees and consultants of the Corporation and its subsidiaries (“**Awardees**”) and the growth objectives of the Corporation; (ii) associating a portion of Awardees’ compensation with the performance of the Corporation over the long term; and (iii) attracting, motivating and retaining the critical Awardees to drive the business success of the Corporation.

The following is a summary of the principal terms of the Omnibus Plan, which is qualified in its entirety by reference to the text of the Omnibus Plan:

- The aggregate number of Common Shares issuable pursuant to all Awards shall not exceed 10% of the issued and outstanding Common Shares at the time of granting Awards (on a non-diluted basis).
- Any increase in the issued and outstanding Common Shares will result in an increase in the available number of Common Shares issuable upon issuance of Awards granted under the Omnibus Plan, and any exercises of Options, or settlements of Awards other than Options, will make new grants of Options available under the Omnibus Plan, effectively resulting in a re-loading of the number of Options available to grant under the Omnibus Plan. If any Awards granted expire or terminate for any reason without having been exercised or settled in full, as applicable, the unissued shares subject thereto shall again be available for the purposes of the Omnibus Plan.
- Subject to the provisions of the Omnibus Plan and rules of the CSE, the Board or its delegate shall have authority to interpret the Omnibus Plan and all Award agreements entered into in connection with the grant of Awards under the Omnibus Plan, to define the terms used in the Omnibus Plan and in all Award agreements entered into thereunder, to prescribe, amend and rescind the terms of the Omnibus Plan and to make all other determinations necessary or advisable for the administration of the Omnibus Plan.
- The price per share at which any Common Share which is the subject of an Option may be purchased (the “**Option Exercise Price**”) will be established by the Board or its delegate, subject to the rules of the regulatory authorities having jurisdiction over the securities of the Corporation, provided that the Option Exercise Price shall not be less than the greater of the closing market prices of the underlying securities on (a) the trading day prior to the date of grant of the stock options, and (b) the date of grant of the stock options (all as more particularly described in the policies of the CSE). The term of each Option will be fixed by the Board or its delegate, but may not exceed 10 years from the date of the grant.
- Options granted pursuant to the Omnibus Plan shall be exercisable at such times and on the occurrence of such events, and be subject to such restrictions and conditions, as the Board or its delegate shall in each instance approve, which need not be the same for each grant or for each Awardee. Without limiting the foregoing, the Board or its delegate may permit the exercise of an

Option through either a cashless exercise mechanism or net exercise mechanism pursuant to the terms of the Omnibus Plan and subject to the rules of the CSE.

- Awards may be granted to Awardees as compensation for employment or consulting services or services as a director or officer and may entitle Awardees to receive, for no additional cash consideration, Common Shares upon specific time or other vesting conditions being met as determined by the Board or its delegate. The value of Awards is influenced by the fair market value of the underlying Common Shares, as determined by the Board or its delegate, pursuant to the terms of the Omnibus Plan.
- If the expiry date, redemption date, or settlement date, as applicable, of any Award, would otherwise occur in a blackout period, the expiry date shall be extended to the tenth business day following the last day of the blackout period, where “blackout period” means a period of time during which the Corporation prohibits Awardees from exercising, redeeming or settling their Awards, due to applicable law or policies of the Corporation.
- The maximum number of Common Shares which may be issued to any one Awardee, who is a Related Party (as such term is defined in the Omnibus Plan) may not exceed: (a) within any 12-month period under the Omnibus Plan is 5% of the number of Common Shares outstanding (on a fully-diluted basis) from time to time; and (b) at any time under the Omnibus Plan is 5% of the Common Shares outstanding on a fully-diluted basis from time to time, in each case unless shareholder approval is obtained pursuant to the Regulatory Rules (as such term is defined in the Omnibus Plan).
- The maximum number of Common Shares which may be issuable to all Investor Relations Service Providers (as defined in the Omnibus Plan) within any 12-month period under the Omnibus Plan shall not exceed 1% of the number of Common Shares outstanding.
- The maximum number of Common Shares which may be issuable to all Related Persons at any time under the Omnibus Plan shall not exceed (a) 10% of the Common Shares outstanding on a fully-diluted basis from time to time; and (b) within any 12 month period under the Omnibus Plan 10% of the number of outstanding Common Shares on a fully-diluted basis from time to time, in each case unless shareholder approval is obtained pursuant to the Regulatory Rules (as such term is defined in the Omnibus Plan).
- In the event of death, or disability, of an Awardee, unless otherwise determined by the Board or its delegate, (i) the executor or administrator of the Awardee’s estate may exercise any vested Options for a period until the earlier of the original expiry date and 12 months after the date of death, and any unvested Options shall terminate and become void on the date of death; and (ii) any unvested RSUs previously credited to the Awardee’s account will be cancelled, and vested RSUs will be paid to the Awardee’s estate, with any settlement or redemption to occur within 12 months following the termination date.
- Except as may otherwise be provided in an Awardee’s employment agreement or as otherwise determined by the Board or its delegate, if an Awardee’s employment or other relationship with the Corporation is terminated for any reason other than death or disability, (i) each vested Option held by that Awardee will cease to be exercisable on the earlier of the original expiry date and 90 days after the termination date; and (ii) any RSUs held by the Awardee that have vested before the termination date will remain with the Awardee. In all cases, any unvested Options or RSUs held by the Awardee shall terminate and become void on the date of termination.

- Unless otherwise determined by the Board or its delegate, where an Awardee is terminated for cause, any unvested Options or RSUs held by the Awardee will be immediately cancelled and forfeited to the Corporation for no consideration.
- In the event of a change of control (as defined in the Omnibus Plan), unless otherwise provided in the Omnibus Plan or an Award agreement, the Board or its delegate may deal with any or all outstanding Awards (or any portion thereof) in the manner it deems fair and reasonable in the circumstances of the change of control, including but not limited to cancelling all outstanding awards with or without payment or accelerating vesting and/or expiry of outstanding Awards and/or cause all Awards or portions thereof to become exchanged for stock awards of another corporation.
- Unless restricted by law or CSE policies, the Board or its delegate may alter, amend, modify, suspend or terminate the Omnibus Plan or any Award in whole or in part without notice to, or approval from, Shareholders, including, but not limited to, for the purposes of:
  - making any amendments to the general vesting provisions of any Award;
  - making any amendments to the general term of any Award as permitted by the Omnibus Plan;
  - making any amendments to add covenants or obligations of the Corporation for the protection of Awardees;
  - making any amendments not inconsistent with the Omnibus Plan as may be necessary or desirable with respect to matters or questions which, in the good faith opinion of the Board, it may be expedient to make, including amendments that are desirable as a result of changes in law or as a “housekeeping” matter; or
  - making such changes or corrections which are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error.
- Shareholder approval is required to make the following amendments to the Omnibus Plan:
  - a reduction in the Option Exercise Price of a previously granted Option benefitting a Related Person or one of his/her/its Affiliates (unless done pursuant to Section 11.2 of the Omnibus Plan);
  - any amendment or modification which would increase the total number of Common Shares available for issuance under the Omnibus Plan; or
  - an increase to the limit on the number of Common Shares issued or issuable under the Omnibus Plan to Insiders of the Corporation.

### ***Approval of the Omnibus Plan***

The Board and Management are recommending that the shareholders vote FOR the approval of the Omnibus Plan. In order to approve the Omnibus Plan, the following ordinary resolutions must be approved by a majority of the votes cast by shareholders present in person or represented by proxy at the Meeting. The complete text of the resolutions which Management intends to place before the Meeting for approval, with or without modification, is as follows:

“IT IS HEREBY RESOLVED, THAT:

- (1) the Omnibus Plan, in the form as set forth in Appendix “A” to the Information Circular, be and is hereby ratified, confirmed and approved; and
- (2) any director or officer of the Company is hereby authorized for, on behalf of, and in the name of the Company to do and perform or cause to be done or performed all such things, to take or cause to be taken all such actions, to execute and deliver or cause to be executed and delivered all such agreements, documents and instruments, contemplated by, necessary or desirable in connection with the Stock Option Plan and the foregoing resolutions, as may be required from time to time and contemplated and required in connection therewith, or as such director or officer in his or her discretion may consider necessary, advisable or appropriate in order to give effect to the intent and purposes of the foregoing resolutions, and the doing of such things, the taking of such actions and the execution of such agreements, documents and instruments shall be conclusive evidence that the same have been authorized and approved hereby.”

**COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE RESOLUTION TO APPROVE THE STOCK OPTION PLAN IN THE ABSENCE OF DIRECTION TO THE CONTRARY FROM THE SHAREHOLDER APPOINTING THEM.**

## **6. AMENDMENT TO DEFERRED PURCHASE PRICE AGREEMENT**

Effective May 12, 2022 the Company, its wholly owned subsidiary Beyond Oil, Ltd. (a company incorporated under the laws of the State of Israel (the “**Subco**”)), and certain shareholders, at the time, of the Subco (the “**Subco Shareholders**”) entered into a Deferred Purchase Price Agreement (the “**DPPA**”). Pursuant to the terms of the DPPA the Subco Shareholders are entitled to receive additional Common Shares upon fulfilment of certain Company performance milestones. Specifically, the DPPA provides, that the Subco Shareholders shall be entitled to receive (the following (i)-(iv) hereinafter referred to individually as a “**Milestone**” and collectively as the “**Milestones**”):

- (i) 4,882,101 Common Shares upon the Company obtaining an order for at least US\$3 million from customers within twelve (12) months of May 25, 2022 (the “**Closing Date**”);
- (ii) 4,882,101 Common Shares upon the Company achieving US\$6 million in cumulative sales within 18 months of the Closing Date;
- (iii) 4,882,101 Common Shares upon the Company achieving US\$13 million in cumulative sales within 30 months of the Closing Date; and
- (iv) 4,882,101 Common Shares upon the Company reaching positive EBITDA by the end of its fiscal year ended December 31, 2023, and such amount is confirmed by the audited annual financial statements for the year ended December 31, 2023.

On March 25, 2023 the independent directors of the Board (the “**Independent Directors**”), being Gad Penini, Hanadi Said, Erez Winner, and Robert Kiesman, unanimously agreed to enter into an agreement amending the terms of the DPPA (the “**Amended DPPA**”). The Amended DPPA will provide for the following amendments:

- A. to extend the performance date of each Milestone to the following revised dates (the following (v)-(viii) hereinafter referred to individually as a “**Revised Milestone**” and collectively as the “**Revised Milestones**”):
- (v) 4,882,101 Common Shares upon the Company obtaining an order for at least US\$3 million from

customers within thirty two (32) months of May 25, 2022 (the “**Closing Date**”);

- (vi) 4,882,101 Common Shares upon the Company achieving US\$6 million in cumulative sales within 36 months of the Closing Date;
  - (vii) 4,882,101 Common Shares upon the Company achieving US\$13 million in cumulative sales within 48 months of the Closing Date; and
  - (viii) 4,882,101 Common Shares upon the Company reaching positive EBITDA by the end of June 30, 2025, and such amount is confirmed by the unaudited financial statements for the period ended June 30, 2025; and
- B. to provide that upon an Exit Transaction (as hereinafter defined), the right to receive additional Common Shares upon fulfilment of the Revised Milestones will either expire or alternatively will accelerate and be immediately issued (the alternative of which must be approved by a majority of the Subco Shareholders), prior to the closing of the Exit Transaction (the “**Exit Transaction Amendment**”).

*“Exit Transaction” means the sale of all the Company's shares or all or substantially all of the Company's assets in one transaction or in a series of related transactions including by way of a perpetual license to be granted by the Company or by way of merger the result of which will be that the Company's shareholders will hold less than 50% of the shares and voting rights in the surviving entity, and all at a minimal Company valuation of US\$100,000,000 (one hundred million).*

As a result of the Company’s completion of its acquisition of Subco and commencement of trading on the CSE the Shareholders became shareholders of the Company (the “**Interested Shareholders**”). Certain of the Interested Shareholders are a “related party” of the Company (as such term is defined in Canadian Securities Administrators Multilateral Instrument 61-101 “*Protection of Minority Security Holders in Special Transactions*” (“**MI 61-101**”). The approval of the Revised Milestones and Cash Payments Extension constitutes a “related party transaction” (as such term is defined in MI 61-101) as certain Interested Shareholders will, upon fulfilment of a Revised Milestone, be entitled to receive Common Shares. The Company is not required to obtain a formal valuation as the Revised Milestones are not included in the requirement described in Section 5.4 of MI 61-101. In the event that CSE does not approve the Revised Milestones the Company will not proceed with the Revised Milestones.

#### ***Approval of the Revised Milestones Exit Transaction Amendment and Amended DPPA***

The Board and management are recommending that the Shareholders vote FOR the approval of a resolution approving the Revised Milestones, the Exit Transaction Amendment and the entering into of an Amended DPPA (collectively, the “**Revised DPPA Resolutions**”). In order to approve the Revised DPPA Resolutions the following ordinary resolutions must be approved by a majority of the votes cast by those Shareholders who are not Interested Shareholders (the “**Disinterested Shareholders**”) present in person or represented by proxy at the Meeting. This means that Interested Shareholders entitled to receive a benefit under the Revised Milestones are not eligible to vote their securities in respect of the Revised DPPA Resolutions. As such, an aggregate of 17,192,951 Common Shares) will not be eligible to vote on the Revised DPPA Resolutions.

“IT IS HEREBY RESOLVED, THAT:

- (1) each Revised Milestone is hereby authorized and approved;

- (2) the Exit Transaction Amendment is hereby authorized and approved;
- (3) the entering into an Amended DPPA is hereby authorized and approved;
- (4) the Board be and is hereby authorized in its absolute discretion to make such revisions to the text of the Amended DPPA in respect of the forgoing resolutions or as may be needed to reflect changes required by securities regulatory agencies or stock exchanges; and
- (5) any director or officer of the Company is hereby authorized for, on behalf of, and in the name of the Company to do and perform or cause to be done or performed all such things, to take or cause to be taken all such actions, to execute and deliver or cause to be executed and delivered all such agreements, documents and instruments, contemplated by, necessary or desirable in connection with the foregoing resolutions, as may be required from time to time and contemplated and required in connection therewith, or as such director or officer in his or her discretion may consider necessary, advisable or appropriate in order to give effect to the intent and purposes of the foregoing resolutions, and the doing of such things, the taking of such actions and the execution of such agreements, documents and instruments shall be conclusive evidence that the same have been authorized and approved hereby.”

**COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE REVISED DPPA RESOLUTIONS IN THE ABSENCE OF DIRECTION TO THE CONTRARY FROM THE SHAREHOLDER APPOINTING THEM.**

## **7. WARRANT EXTENSION**

Effective May 12, 2022 the Company and Endeavour Trust Corporation (the “**Warrant Agent**”) entered into a Special Warrant Indenture (the “**Indenture**”), a copy of which is filed at [www.sedar.com](http://www.sedar.com) pursuant to which the Company issued 5,016,657 special warrants (the “**Special Warrants**”). On May 12, 2022 the Special Warrants were automatically exercised into a unit consisting of one Common Share and one-half of one Common Share purchase warrant (each whole such warrant a “**Warrant**” and collectively, the “**Warrants**”), resulting in the issuance of 2,241,324 Warrants. The Warrants are exercisable into an equal amount of Common Shares upon the payment of CDN\$1.25 per Common Share until May 13, 2023 (the “**Expiry Date**”).

On March 20, 2023 the directors of the Board agreed that it would be in the best interest of the Company to extend the Expiry Date of the Warrants by an additional 12 months to May 13, 2024 (the “**Revised Expiry Date**”) without amending any other terms of the Warrants (the “**Extension**”) as the exercise of Warrants is a material source of funding for the Company, and presently the exercise price of such Warrants exceeds the volume weighted trading price of the Common Shares on the CSE.

Pursuant to the Indenture both approvals of the Company and the approval of the requisite number of holders of Warrants (the “**Warrant Holders**”) are required to approve the Extension. In the event that CSE does not approve the Extension the Company will not proceed with the Extension.

### ***Approval of the Extension***

The Board and management are recommending that the Shareholders vote FOR the approval of a resolution approving the Extension (the “**Extension Resolutions**”). Although approval for the Extension Resolutions is being sought at the Meeting and, if approved, the Extension Resolutions would not become effective until the Board determines it to be in the Shareholders best interests. The Extension Resolutions will also authorize the Board to elect not to proceed with, and abandon, the Extension Resolutions at any time if it determines, in its sole discretion, that the Extension Resolutions are not in the Shareholders best interests.

In order to approve the Extension Resolutions the following ordinary resolutions must be approved by a majority of the votes cast by those Shareholders present in person or represented by proxy at the Meeting.

“IT IS HEREBY RESOLVED, THAT:

- (1) the revision of each of the Warrants to reflect the Revised Expiry Date is hereby authorized and approved;
- (2) the Board be and is hereby authorized in its absolute discretion to make such revisions to the text of the Indenture in respect of the forgoing resolutions or as may be needed to reflect changes required by securities regulatory agencies or stock exchanges and such revisions to become effective at a date in the future to be determined by the Board when the Board considers it to be in the best interests of the Company to implement such revisions ; and
- (3) any director or officer of the Company is hereby authorized for, on behalf of, and in the name of the Company to do and perform or cause to be done or performed all such things, to take or cause to be taken all such actions, to execute and deliver or cause to be executed and delivered all such agreements, documents and instruments, contemplated by, necessary or desirable in connection with the foregoing resolutions, as may be required from time to time and contemplated and required in connection therewith, or as such director or officer in his or her discretion may consider necessary, advisable or appropriate in order to give effect to the intent and purposes of the foregoing resolutions, and the doing of such things, the taking of such actions and the execution of such agreements, documents and instruments shall be conclusive evidence that the same have been authorized and approved hereby.”

**COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE EXTENSION RESOLUTIONS IN THE ABSENCE OF DIRECTION TO THE CONTRARY FROM THE SHAREHOLDER APPOINTING THEM.**

## **8. ACQUISITION WARRANT EXTENSION**

Effective May 12, 2022 as a result of the Company’s completion of its acquisition of Subco and commencement of trading on the CSE the Subco Shareholders were issued 2,683,333 warrants (the “**Subco Warrants**”). The Subco Warrants are exercisable into an equal amount of Common Shares upon the payment of CDN\$1.18 per Common Share until May 12, 2023 (the “**Subco Warrant Expiry Date**”).

On March 20, 2023 the Independent Directors, agreed that it would be in the best interest of the Company to extend the Subco Warrant Expiry Date of the Subco Warrants by an additional 12 months to May 13, 2024 (the “**Revised Subco Warrant Expiry Date**”) without amending any other terms of the Subco Warrants (the “**Subco Warrant Extension**”) as the exercise of the Subco Warrants is a material source of funding for the Company, and presently the exercise price of such Subco Warrants exceeds the volume weighted trading price of the Common Shares on the CSE.

Certain of the holders of Subco Warrants (the “**Interested Subco Warrant Holders**”) are a “related party” (as such term is MI 61-101). The approval of the Subco Warrant Extension constitutes a “related party transaction” (as such term is defined in MI 61-101) as certain Interested Subco Warrant Holders will, upon approval of the Subco Warrant Extension, be entitled to the benefit of the Revised Subco Warrant Expiry Date. The Company is not required to obtain a formal valuation as the Subco Warrant Extension is not included in the requirement described in Section 5.4 of MI 61-101. In the event that CSE does not approve the Subco Warrant Extension the Company will not proceed with the Subco Warrant Extension.

An approval by the requisite number of Shareholders of the Subco Warrant Extension will also result in an extension of the obligation of the Company to make certain cash payments to a director of the Company in

an aggregate amount of US\$500,000.

### ***Approval of the Subco Warrant Extension***

The Board and management are recommending that the Shareholders vote FOR the approval of a resolution approving the Subco Warrant Extension (the “**Subco Extension Resolutions**”). Although approval for the Subco Extension Resolutions is being sought at the Meeting and, if approved, the Subco Extension Resolutions would not become effective until the Board determines it to be in the Shareholders best interests. The Subco Extension Resolutions will also authorize the Board to elect not to proceed with, and abandon, the Subco Extension Resolutions at any time if it determines, in its sole discretion, that the Subco Extension Resolutions are not in the Shareholders best interests. In order to approve the Subco Extension Resolutions the following ordinary resolutions must be approved by a majority of the votes cast by those Shareholders who are not Interested Subco Warrant Holders (the “**Disinterested Subco Warrant Holders**”) present in person or represented by proxy at the Meeting. This means that Interested Warrant Holders entitled to receive a benefit under the Subco Warrant Extension are not eligible to vote their securities in respect of resolutions concerning the approval of the Subco Warrant Extension. As such, an aggregate of 17,192,951 Common Shares will not be eligible to vote on the Subco Extension Resolutions.

“IT IS HEREBY RESOLVED, THAT:

- (1) the revision of each of the Subco Warrants to reflect the Revised Subco Warrant Expiry Date is hereby authorized and approved;
- (2) the Board be and is hereby authorized in its absolute discretion to make such revisions to the text of the Indenture in respect of the forgoing resolutions or as may be needed to reflect changes required by securities regulatory agencies or stock exchanges and such revisions to become effective at a date in the future to be determined by the Board when the Board considers it to be in the best interests of the Company to implement such revisions; and
- (3) any director or officer of the Company is hereby authorized for, on behalf of, and in the name of the Company to do and perform or cause to be done or performed all such things, to take or cause to be taken all such actions, to execute and deliver or cause to be executed and delivered all such agreements, documents and instruments, contemplated by, necessary or desirable in connection with the foregoing resolutions, as may be required from time to time and contemplated and required in connection therewith, or as such director or officer in his or her discretion may consider necessary, advisable or appropriate in order to give effect to the intent and purposes of the foregoing resolutions, and the doing of such things, the taking of such actions and the execution of such agreements, documents and instruments shall be conclusive evidence that the same have been authorized and approved hereby.”

**COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE SUBCO EXTENSION RESOLUTIONS IN THE ABSENCE OF DIRECTION TO THE CONTRARY FROM THE SHAREHOLDER APPOINTING THEM.**

### **AUDIT COMMITTEE**

Under National Instrument 52-110 – Audit Committees (“**NI 52-110**”), companies are required to provide disclosure with respect to their audit committee, including the text of the audit committee’s charter, the composition of the Audit Committee and the fees paid to the external auditor. This information is provided below:

## **The Audit Committee's Charter**

A copy of the Audit Committee Charter is attached as Schedule "A" to this Information Circular.

## **Composition of the Audit Committee**

The current members of the Company's audit committee (the "**Audit Committee**") are Dr. Gad Penini (Chairman), Hanadi Said and Robert Kiesman, a majority of whom are independent for the purposes of NI 52-110. All Audit Committee members are considered to be financially literate within the meaning of NI 52-110.

## **Relevant Education and Experience**

The education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member are set forth below:

### *Dr. Gad Penini*

Dr. Gad Penini is a CPA and has spent more than 40 years as a managing partner of the CPA firm Penini & Penini. He is also an experienced arbitrator and mediator and provides consulting services regarding financial, managerial, corporate governance, internal control and strategy to various companies. He serves as a director and member of the Audit Committee and Chair of the Financial Committee of Amot Investment Ltd., which is listed on the Tel Aviv Stock Exchange. He has also served as chairman and a board member of several other public and private companies. Dr. Penini was deputy mayor of the City of Ramat HaSharon and has also served as a senior lecturer in various other respected academic institutions and universities. Dr. Penini has a PhD in Business Administration and a Master of Laws (LL.M) from Bar Ilan University, Israel, a Masters in Science of Finance (MSF) from Baruch College CUNY and a BA in Economics and a BA in Accounting from Tel Aviv University. Dr. Penini was accredited as a Certified Information System Auditor (CISA).

### *Hanadi Said*

Hanadi has over 20 yrs. experience in the field of business management, strategic consulting & risk management in Israel and USA. Since June 2018 present, Hanadi has been the co-founder and CEO of Sensai Networks Ltd., a startup providing machine learning based anomaly detection & prediction tool for Hybrid cloud environments. Between 2013 and 2018, Hanadi was director of global risk management at Teva Pharmaceutical Industries working directly with the board of directors. Between 2004 and 2013, Hanadi was senior manager at Deloitte Israel in the enterprise risk management service (ERS) business units serving clients, reporting to the BOD and management, and providing risk, internal audit, internal control, anti-fraud, and general consulting services to clients from various industries, all of which were publicly traded organizations. While at Deloitte Hanadi served as quality and compliance director over Deloitte EMEA practices. Between 2002 and 2004, Hanadi was a senior auditor in PwC Boston. She graduated with a B. Commerce- Accounting from McGill University and has an MBA – corporate finance (with distinction) from Bentley University, USA. Hanadi is a US CPA (non-practicing), a certified internal auditor, and a certified risk manager (CRMA).

### *Robert Kiesman*

Mr. Kiesman is a private business owner and corporate lawyer who specialized in securities law and M&A from 2009 to 2017 at Stikeman Elliott LLP in Vancouver. He served as Vice Chair of the board of the Provincial Health Services Authority, a public health authority with an annual budget of over \$4 billion until December 2022. He previously served as a director of Powerband Solutions Inc. (TSX-V: PBX) and Four Arrows Capital Corp. (TSX-V: AROW) and is the Chairman of Plurilock Security Inc. (TSX-V:

PLUR), and corporate secretary of Skeena Resources Inc. (TSX:SKE). He has a law degree from the University of British Columbia and a BA in Political Studies from Trinity Western University.

### **Audit Committee Oversight**

Since the commencement of the Company’s most recently completed financial year, the Audit Committee has not made any recommendations to the Board to nominate or compensate any auditor other than BDO Israel.

### **Reliance on Certain Exemptions**

Since the commencement of the Company’s most recently completed financial year, the Company has not relied on an exemption under section 2.4, 6.1.1(4), (5) or (6), or an exemption, in whole or in part, granted under Part 8 of NI 52-110.

### **Pre-Approval Policies and Procedures**

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

### **External Auditor Fees**

The aggregate fees billed by our external auditors, BDO Brazil, in each of the last two (2) financial years are as follows:

<b>Nature of Services</b>	<b>Year Ended December 31, 2022</b>	<b>Year Ended December 31, 2021</b>
Audit Fees <sup>(1)</sup>	\$212,968	\$12,632
Audit-Related Fees <sup>(2)</sup>	Nil	Nil
Tax Fees <sup>(3)</sup>	7,575	Nil
All Other Fees <sup>(4)</sup>	Nil	Nil
<b>Total</b>	<b>\$220,543</b>	<b>\$12,632</b>

Notes:

- (1) “Audit Fees” include fees necessary to perform the annual audit of the Company’s consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) “Audit-Related Fees” include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) “Tax Fees” include fees for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) “All Other Fees” include all other non-audit services.

## Exemption

The Company is a “venture issuer” as defined in NI 52-110 and relies on the exemption in section 6.1 of NI 52-110 relating to Part 5 (*Reporting Obligations*).

## CORPORATE GOVERNANCE

National Instrument 58-101 - *Disclosure of Corporate Governance Practices* (the “**Disclosure Instrument**”) requires that the Company annually disclose its corporate governance practices with reference to a series of corporate governance practices outlined in National Policy 58-201 – Corporate Governance Guidelines (the “**Guidelines**”).

The following is a discussion of each of the Company’s corporate governance practices for which disclosure is required by the Disclosure Instrument.

### Board of Directors

The independent (as such term is defined in the Disclosure Instrument) directors of the Company are Dr. Gad Penini, Hanadi Said and Dan Itzhaki. The non-independent directors of the Company are Pinhas Or (Inventor and Consultant), Jonathan Or (CEO & CMO) and Robert Kiesman (former CEO).

### Directorships

Certain members of the Board are currently serving on boards of directors of other reporting companies (or equivalent) as set out below:

Name of Director	Name of Reporting Issuer	Exchange
Robert Kiesman	Plurilock Security Inc.	TSX-V
Dr. Gad Penini	Amot Investment Ltd.	Tel Aviv Stock exchange
Erez Winner	Willi-food Investment Ltd. G.Willi-food International Ltd.	Tel Aviv Stock exchange NASDAQ

### Orientation and Continuing Education

When new directors are appointed, they receive orientation commensurate with their previous experience on the Company’s products and on the responsibilities of directors.

Board meetings may also include presentations by the Company’s management and employees to give the directors additional insight into the Company’s business.

### Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Company’s governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

## **Nomination of Directors**

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. However, if there is a change in the number of directors required by the Company, this policy will be reviewed.

## **Compensation**

Prior to the completion of the Transaction (as defined below), the Board as a whole has determined compensation for the directors and senior officers. Effective May 12, 2022, responsibility for compensation of directors and officers was delegated to the Compensation Committee. See "*Oversight and Description of Director and NEO Compensation*" below.

## **Other Board Committees**

The Board established a Capital Markets Committee effective February 14, 2023, with Robert Kiesman as chair and Erez Winner and Jonathan Or as members.

As of May 12, 2022, the Board established a Compensation Committee with Dani Itzhaki as Chair and Robert Kiesman as a member.

## **Assessments**

Given the Company's limited operation, Board assessments were not completed in the preceding financial year. The Company anticipates that assessments of the Board, its members and its committees will be completed once the Company has completed one financial year with active business operations.

## **STATEMENT OF EXECUTIVE COMPENSATION**

For the purposes of this Statement of Executive Compensation:

**"compensation securities"** includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the Company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries; and

**"named executive officer"** or **"NEO"** means each of the following individuals:

- (a) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer ("**CEO**"), including an individual performing functions similar to a CEO;
- (b) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief financial officer ("**CFO**"), including an individual performing functions similar to a CFO;

- (c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000; or
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year.

### Director and NEO Compensation, Excluding Options and Compensation Securities

The following table of compensation, excluding options and compensation securities, provides a summary of the compensation paid by the Company to NEOs and directors of the Company for the financial years ended December 31, 2022 and December 31, 2021.

During the financial year ended December 31, 2022, based on the definition above, the NEOs of the Company were: Tamir Gedo (CEO and director); Shany Touboul (CFO); Jonathan Or (CMO and director); Michal Werner (CTO); and Denise Pilla (Corporate Secretary). The directors of the Company who were not NEOs during the financial year ended December 31, 2022 were: Dan Itzhaki (Chairman and Director), Robert Kiesman, Hanadi Said and Dr. Gad Penini.

Table of Compensation Excluding Compensation Securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
<b>Jonathan Or</b> Chief Executive Officer, Chief Marketing Officer, and Director	2022	170,394	Nil	Nil	Nil	48,271	218,665
	2021	89,640	Nil	Nil	Nil	Nil	89,640
<b>Dan Itzhaki</b> Chairman and Director	2022	Nil	Nil	Nil	Nil	24,161	24,161
	2021	Nil	Nil	Nil	Nil	Nil	Nil
<b>Shany Touboul</b> Chief Financial Officer	2022	187,915	Nil	Nil	Nil	14,608	202,523
	2021	46,487	Nil	Nil	Nil	20,811	67,298
<b>Michal Werner</b> Chief Technology Officer	2022	185,567	Nil	Nil	Nil	7,304	192,871
	2021	28,672	Nil	Nil	Nil	10,405	39,077
<b>Denise Pilla</b> Corporate Secretary	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
<b>Robert Kiesman</b> Director, Former Chief Executive Officer and Chairman	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	14,750	Nil	Nil	Nil	Nil	14,750

Table of Compensation Excluding Compensation Securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
<b>Tag Gill</b> Former Chief Financial Officer	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	9,000	Nil	Nil	Nil	Nil	9,000
<b>Nir Eliyahu</b> Former Director	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
<b>Kyle Haddow</b> Former Director	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	10,000	Nil	Nil	Nil	Nil	10,000
<b>Hanadi Said</b> Director	2022	Nil	Nil	Nil	Nil	19,733	19,733
	2021	Nil	Nil	Nil	Nil	Nil	Nil
<b>Dr. Gad Penini</b> Director	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
<b>Tamir Gedo</b> Former Chief Executive Officer and Director	2022	281,261	Nil	Nil	Nil	150,494	431,755
	2021	228,942	Nil	Nil	Nil	341,639	570,581

### Stock Options and Other Compensation Securities

A stock option plan was approved by the Company's Board effective as of September 26, 2021 and approved by the Company's shareholders on July 21, 2022 (the "**Previous Stock Option Plan**"). The principal purpose of the Previous Stock Option Plan was to advance the interests of the Company by encouraging the directors, employees and consultants of the Company and of its subsidiaries or affiliates, if any, by providing them with the opportunity, through options, to acquire Common Shares in the share capital of the Company, thereby increasing their proprietary interest in the Company, encouraging them to remain associated with the Company and furnishing them with additional incentive in their efforts on behalf of the Company in the conduct of its affairs. Subject to the approval of Shareholders the Previous Stock Option Plan will be replaced with the Omnibus Plan. *See- Approval of Omnibus Equity Incentive Plan*

### Outstanding Compensation Securities

The Company issued compensation securities to the NEOs and directors of the Company during the financial year ended December 31, 2022 as set out in the table below:

Compensation Securities							
Name and position	Type of Compensation Security	Number of compensation securities, number of underlying securities and percentage of class <sup>(1)(2)(3)(4)</sup>	Date of issue or grant	Issue conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
<b>Jonathan Or</b> CEO, CMO, and Director	Stock Options	488,210	May 12, 2022	C\$0.75	-	-	May 12, 2032
<b>Dan Itzhaki</b> Chairman and Director	Stock Options	244,105	May 12, 2022	C\$0.75	-	-	May 12, 2032
<b>Shany Touboul</b> CFO	Stock Options	1,801	May 12, 2022	C\$0.75	-	-	May 12, 2032
<b>Shany Touboul</b> CFO	Stock Options	242,304	May 12, 2022	C\$0.0004	-	-	June 24, 2031
<b>Michal Werner</b> CTO	Stock Options	901	May 12, 2022	C\$0.75	-	-	May 12, 2032
<b>Michal Werner</b> CTO	Stock Options	121,152	May 12, 2022	C\$0.0004	-	-	June 24, 2031
<b>Tamir Gedo</b> Former CEO and Director	Stock Options	1,996,779	May 12, 2022	C\$0.75	-	-	May 12, 2032
<b>Tamir Gedo</b> Former CEO and Director	Stock Options	482,768	May 12, 2022	C\$0.0004	-	-	June 24, 2031
<b>Hanadi Said</b> Director	Stock Options	200,000	May 12, 2022	C\$0.75	-	-	May 12, 2032

Notes:

(1) The number of underlying securities for each issuance is equal to the number of compensation securities.

### Exercise of Compensation Securities by NEOs and Directors

No Options of the Company expired unexercised during the financial year ended December 31, 2022.

### Employment, Consulting and Management Agreements

Other than as disclosed herein, the Company has not entered into any agreements or arrangements under which compensation was provided during the most recently completed financial year or is payable in respect of services provided to the Company or any of its subsidiaries that were performed by a director or NEO or performed by any other party but are services typically provided by a director or NEO.

On June 8, 2021, Beyond Oil Ltd., a corporation incorporated pursuant to the laws of Israel and a subsidiary of the Company (“**Beyond Oil Israel**”), entered into an employment agreement with Jonathan Or (the “**Jonathan Employment Agreement**”) pursuant to which Jonathan was employed on a full-time basis as Chief Marketing Officer to Beyond Oil Israel at an monthly salary of NIS 20,000. Following the completion of the reverse takeover transaction between the Company and Beyond Oil Israel (the “**Transaction**”), Jonathan’s salary will be increased to NIS 35,000 per month with standard social and fringe benefits and following Beyond Oil Israel generating cumulative revenue of \$1 million his salary will be increased to NIS 45,000 per month.

## **Oversight and Description of Director and NEO Compensation**

### *Elements of the Compensation Program*

Since March 9, 2012 and until the completion of the Transaction, the Company has not carried on any active business operations other than the assessment of potential business combinations culminating in the negotiation and execution of the Transaction. As such, for the fiscal years ended December 31, 2021 and 2020, the Company did not pay any execution compensation.

As of May 12, 2022, the Board appointed a compensation committee comprised of Dan Itzhaki (chair) and Robert Kiesman, who are independent and delegated to it the responsibility for executive and director compensation, including reviewing and recommending compensation of the Company’s officers and employees and overseeing the Company’s base compensation structure and equity-based compensation program. The Compensation Committee will also assume responsibility for reviewing and monitoring the long-range compensation strategy for the Company’s senior management. The Compensation Committee plans on reviewing the compensation of senior management on an annual basis taking into account compensation paid by other issuers of similar size and activity and the performance of officers generally and in light of the Company’s goals and objectives.

The compensation package for executive officers of the Company is principally comprised of base salary and equity compensation in the form of stock options. The compensation for senior management of the Company is currently designed to ensure that the level and form of compensation achieves certain objectives, including: (a) attracting and retaining talented, qualified and effective executives; (b) motivating the short and long-term performance of executives; and (c) better aligning the interests of executive officers with those of the Company’s shareholders. In the Board’s view, paying salaries which are competitive in the markets in which the Company operates is a first step to attracting and retaining talented, qualified and effective executives. Competitive salary information on comparable companies is compiled from a variety of sources, including national and international publications.

The Board will determine the compensation for the CEO and CFO, upon the recommendation of the Compensation Committee. The compensation of the Company’s other executives is determined by the Board (upon the recommendation of the Compensation Committee) after the recommendation of the CEO and CFO. In each case, the Compensation Committee and Board will take into consideration the prior experience of the executive, industry standards, competitive salary information on comparable companies of similar size and stage of development, the degree of responsibility and participation of the executive in the day-to-day affairs of the Company, and the Company’s available cash resources.

In the Board’s view, to attract and retain qualified and effective executives, the Company must pay base salaries which are reasonable in relation to the level of service expected while remaining competitive in the markets in which the Company operates.

The Board has assessed the Company’s compensation plans and programs for its executive officers to ensure alignment with the Company’s current business plan and to evaluate the potential risks associated

with those plans and programs. The Board has concluded that the compensation policies and practices do not create any risks that are reasonably likely to have a material adverse effect on the Company. The Board considers the risks associated with executive compensation and corporate incentive plans when designing and reviewing such plans and programs.

The Company has not adopted a policy restricting its executive officers or directors from purchasing financial instruments that are designated to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by its executive officers or directors. To the knowledge of the Company, none of the executive officers or directors has purchased such financial instruments.

### **Director Compensation**

The directors receive no cash compensation for acting in their capacity as directors of the Company during the year ended December 31, 2022.

### **Pension Plan**

The Company does not have a pension plan for any of its Directors or NEOs.

### **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The following table sets forth details of the Company's equity compensation plan information as at the financial year ended December 31, 2022.

<b>Plan</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights</b> <b>(a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights</b> <b>(b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</b> <b>(c)</b>
<b>Equity compensation plans approved by securityholders</b>	10,031,973	CAN\$ 0.89	10,786
<b>Equity compensation plans not approved by securityholders – Stock Option Plan</b>	Nil	Nil	Nil
<b>Total:</b>	10,031,973	CAN\$ 0.89	10,786

## **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

As at the date of this Circular, no executive officer, director, employee or former executive officer, director or employee of the Company or any of its subsidiaries is indebted to the Company, or any of its subsidiaries. No person who is or who was at any time during the most recently completed financial year a director or executive officer of the Company, any proposed nominee for election as a director of the Company, or any associate of any such director, executive officer, or proposed nominee is or was at any time since the beginning of the most recently completed financial year indebted to the Company or any of its subsidiaries. Neither the Company nor any of its subsidiaries has provided a guarantee, support agreement, letter of credit or other similar arrangement for any indebtedness of any of these individuals to any other entity.

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

To the knowledge of management of the Company, no informed person (a director, officer or holder of 10% or more of the Common Shares) or nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect the Company or any of its subsidiaries during the financial year ended December 31, 2022, or has any interest in any material transaction during fiscal 2022, other than the interest of such persons in the Transaction in their capacity as former securityholders of Beyond Oil Israel.

## **ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information is provided in the Company's audited annual financial statements for the year ended December 31, 2022, the accompanying auditor's report and related management discussion and analysis. Copies of the Company's financial statements and the accompanying management discussion and analysis may be obtained from SEDAR at [www.sedar.com](http://www.sedar.com) or upon request from the Company by telephone: +972-4-6548975.

**DATED** at Vancouver, British Columbia, this 25th day of March, 2023.

## **THE BOARD OF DIRECTORS**

*"Dan Itzhaki"*

**Dan Itzhaki**  
**Chairman**

**APPENDIX “A”  
OMNIBUS STOCK AWARD PLAN**

**SECTION 1  
DEFINITIONS AND INTERPRETATION**

**Definitions**

As used herein, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the meanings set forth below:

- (a) “**Sub-Plan for Award Holders in Israel**” means the Sub Plan, a copy of which is attached hereto as Schedule “A” for Award Holders who are resident in Israel.
- (b) “**Administrator**” means such Executive or Employee of the Company as may be designated as Administrator by the Committee from time to time, or, if no such person is appointed, the Committee itself.
- (c) “**Associate**” means, where used to indicate a relationship with any person:
  - (i) any relative, including the spouse of that person or a relative of that person's spouse, where the relative has the same home as the person;
  - (ii) any partner, other than a limited partner, of that person;
  - (iii) any trust or estate in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar capacity; and
  - (iv) any corporation of which such person beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all outstanding voting securities of the corporation.
- (d) “**Award**” means a grant of Options, Stock Awards, or Restricted Share Units under the Plan or any Sub-Plan.
- (e) “**Award Certificates**” means the certificates evidencing the Awards.
- (f) “**Award Holder**” means a Person who holds an unexercised and unexpired Award or, where applicable, the Personal Representative of such person.
- (g) “**Black-Out**” means a restriction imposed by the Company on all or any of its directors, officers, Employees, Insiders or persons in a special relationship whereby they are to refrain from trading in the Company's securities until the restriction has been lifted by the Company.
- (h) “**Board**” means the board of directors of the Company.
- (i) “**Change of Control**” means an occurrence when either:
  - (i) a reorganization, amalgamation, merger or plan of arrangement in connection with any of the foregoing, other than solely involving the Corporation and one or more of its Subsidiaries, with respect to which all or substantially all of the persons who were the

beneficial owners of the Common Shares immediately prior to such reorganization, amalgamation, merger or plan of arrangement do not, following such reorganization, amalgamation, merger or plan of arrangement beneficially own, directly or indirectly, more than 50 percent of the resulting voting shares on a fully-diluted basis;

- (ii) the acquisition of Common Shares by a person or group of persons acting in concert (other than the Corporation or a Subsidiary of the Corporation) as a result of which the offeror and its affiliates beneficially own, directly or indirectly, 50 percent or more of the Common Shares then outstanding; or
  - (iii) the sale to a person other than a Subsidiary of the Corporation of all or substantially all of the Corporation's assets.
- (j) “**Committee**” means a committee of the Board to which the responsibility of approving the grant of Awards has been delegated, or if no such committee is appointed, the Board itself.
- (k) “**Company**” means Beyond Oil Ltd., a company formed under the laws of the Province of British Columbia, Canada.
- (l) “**Consultant**” means an individual who:
- (i) is engaged to provide, on an ongoing *bona fide* basis, consulting, technical, management or other services to the Company or any Related Entity of the Company other than services provided in relation to a “distribution” (as that term is described in the *Securities Act*);
  - (ii) provides the services under a written contract between the Company or any Subsidiary and the individual or a Consultant Entity (as defined in clause (h)(v) below);
  - (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or any Subsidiary; and
  - (iv) has a relationship with the Company or any Subsidiary that enables the individual to be knowledgeable about the business and affairs of the Company or is otherwise permitted by applicable Regulatory Rules to be granted Awards as a Consultant or as an equivalent thereof,
- and includes:
- (i) a corporation of which the individual is an Employee or shareholder or a partnership of which the individual is an Employee or partner (a “**Consultant Entity**”); or
  - (ii) an RRSP or RRIF established by or for the individual under which he or she is the beneficiary.
- (m) “**CSE**” means the Canadian Securities Exchange.
- (n) “**Disability**” means a medically determinable physical or mental impairment expected to result in death or to last for a continuous period of not less than 12 months, and which causes an individual to be unable to engage in any substantial gainful activity, or any other condition of impairment which cannot be accommodated under applicable human rights laws without imposing undue hardship on the Company or any Subsidiary employing or engaging the Person, that the Committee, acting reasonably, determines constitutes a disability.

- (o) **“Employee”** means:
- (i) an individual who works full-time or part-time for the Company or any Related Entity of the Company and such other individual as may, from time to time, be permitted by applicable Regulatory Rules to be granted Awards as an Employee or as an equivalent thereto; or
  - (ii) an individual who works for the Company or any Subsidiary either full-time or on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an Employee and who is subject to the same control and direction by the Company or any Subsidiary over the details and methods of work as an Employee of the Company or any Subsidiary, but for whom income tax deductions are not made at source,
- and includes:
- (i) a corporation wholly-owned by such individual; and
  - (ii) any RRSP or RRIF established by or for such individual under which he or she is the beneficiary.
- (p) **“Exchange”** means the stock exchange upon which the Company’s shares principally trade.
- (q) **“Executive”** means an individual who is a director or officer of the Company or a Related Entity of the Company, and includes:
- (i) a corporation wholly-owned by such individual; and
  - (ii) any RRSP or RRIF established by or for such individual under which he or she is the beneficiary.
- (r) **“Exercise Notice”** means the written notice of the exercise of an Option, in the form set out as Schedule B hereto, or by written notice in the case of uncertificated Shares, duly executed by the Award Holder.
- (s) **“Exercise Period”** means the period during which a particular Option may be exercised and is the period from and including the Grant Date through to and including the Expiry Time on the Expiry Date provided, however, that the Option has Vested pursuant to the terms and conditions of this Plan and any additional terms and conditions imposed by the Committee, and that no Option can be exercised unless and until all necessary Regulatory Approvals have been obtained.
- (t) **“Exercise Price”** means the price at which an Award is exercisable or purchasable (as applicable) as determined in accordance with section 5.3.
- (u) **“Expiry Date”** means the date the Award expires as set out in the Award Certificate or as otherwise determined in accordance with sections 5.4, 8.2, 8.3, 8.4 or 13.4.
- (v) **“Expiry Time”** means the time the Award expires on the Expiry Date, which is 4:00 p.m. local time in Vancouver, British Columbia on the Expiry Date.
- (w) **“Grant Date”** means the date on which the Committee grants a particular Award, which is the date the Award comes into effect provided however that no Award can be exercised or purchased (as applicable) unless and until all necessary Regulatory Approvals have been obtained.

- (x) “**Insider**” means an insider as that term is defined in the *Securities Act*.
- (y) “**Investor Relations Activities**” means any activities, by or on behalf of the Company or shareholder of the Company, that promote or reasonably could be expected to promote the purchase or sale of securities of the Company, but does not include:
- (i) the dissemination of information provided, or records prepared, in the ordinary course of business of the Company:
    - (A) to promote the sale of products or services of the Company; or
    - (B) to raise public awareness of the Company,that cannot reasonably be considered to promote the purchase or sale of securities of the Company;
  - (ii) activities or communications necessary to comply with the requirements of:
    - (A) applicable securities laws; or
    - (B) Exchange requirements or the by-laws, rules or other regulatory instruments of any other self-regulatory body or exchange having jurisdiction over the Company;
  - (iii) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if:
    - (A) the communication is only through the newspaper, magazine or publication; and
    - (B) the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or
  - (iv) activities or communications that may be otherwise specified by the Exchange.
- (z) “**Market Value**” means the market value of the Shares as determined in accordance with section 5.3.
- (aa) “**NI 45-106**” means National Instrument 45-106—*Prospectus Exemptions*.
- (bb) “**Option**” means an incentive share purchase option granted pursuant to this Plan entitling the Award Holder to purchase Shares of the Company.
- (cc) “**Outstanding Issue**” means the number of Shares that are outstanding (on a non-diluted basis) immediately prior to the Share issuance or grant of Award in question.
- (dd) “**Person**” means an individual, natural person, corporation, government or political subdivision or agency of a government, and where two or more persons act as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of securities of an issuer, such partnership, limited partnership, syndicate or group shall be deemed to be a Person.
- (ee) “**Personal Representative**” means:
- (i) in the case of a deceased Award Holder, the executor or administrator of the deceased duly appointed by a court or public authority having jurisdiction to do so; and

- (ii) in the case of an Award Holder who for any reason is unable to manage his or her affairs, the person entitled by law to act on behalf of such Award Holder.
- (ff) **“Plan”** means this award plan as from time to time amended and restated.
- (gg) **“Regulatory Approvals”** means any necessary approvals of the Regulatory Authorities as may be required from time to time for the implementation, operation or amendment of this Plan or for the Awards granted from time to time hereunder.
- (hh) **“Regulatory Authorities”** means any Exchange or any other organized trading facilities on which the Shares are listed, and all securities commissions or similar securities regulatory bodies having jurisdiction over the Company, this Plan or the Awards granted from time to time hereunder.
- (ii) **“Regulatory Rules”** means all corporate and securities laws, regulations, rules, policies, notices, instruments and other orders of any kind whatsoever which may, from time to time, apply to the implementation, operation or amendment of this Plan or the Awards granted from time to time hereunder including, without limitation, those of the applicable Regulatory Authorities.
- (jj) **“Related Entity”** means a Person that is controlled by the Company, a Person that controls the Company, or is controlled by the same Person that controls the Company. For the purposes of this Plan, a Person (first person) is considered to control another Person (second person) if the first Person, directly or indirectly, has the power to direct the management and policies of the second person by virtue of:
  - (i) ownership of or direction over voting securities in the second Person;
  - (ii) a written agreement or indenture;
  - (iii) being the general partner or controlling the general partner of the second Person; or
  - (iv) being a trustee of the second Person.
- (kk) **“Related Person”**:
  - (i) means an Insider of the Company or Related Entity; or
  - (ii) means an Associate of an Insider of the Company or Related Entity.
- (ll) **“Restricted Share Unit”** or **“RSU”** mean a unit granted or credited to an Award Holder’s notional account pursuant to the terms of this Plan that, subject to the provisions hereof, entitles such person to receive RSU Shares.
- (mm) **“RSU Shares”** means the Shares delivered to an Award Holder in accordance with the provisions of the Plan in settlement of RSUs under this Plan.
- (nn) **“Securities Act”** means the *Securities Act* (British Columbia), RSBC 1996, c.418 as from time to time amended.
- (oo) **“Share”** or **“Shares”** means, as the case may be, one or more common shares without par value in the capital stock of the Company.
- (pp) **“Stock Award”** means a unit granted or credited to an Award Holder’s notional account pursuant to the terms of this Plan that, subject to the provisions hereof, entitles such person to receive Stock Award Shares.

- (qq) “**Stock Award Shares**” means the Shares delivered to an Award Holder in accordance with the provisions of the Plan in settlement of Stock Awards under this Plan.
- (rr) “**Sub-Plan**” means any sub-plan subject to the terms of the Plan including for greater certainty the Sub-Plan for Award Holders in Israel.
- (ss) “**Subsidiary**” means a wholly-owned or controlled corporation of the Company.
- (tt) “**Triggering Event**” means:
- (i) the proposed dissolution, liquidation or wind-up of the Company;
  - (ii) a proposed merger, amalgamation, arrangement or reorganization of the Company with one or more corporations as a result of which, immediately following such event, the shareholders of the Company as a group, as they were immediately prior to such event, are expected to hold less than a majority of the outstanding capital stock of the surviving corporation;
  - (iii) the proposed acquisition of all or substantially all of the issued and outstanding shares of the Company by one or more Persons;
  - (iv) a proposed Change of Control of the Company;
  - (v) the proposed sale or other disposition of all or substantially all of the assets of the Company; or
  - (vi) a proposed material alteration of the capital structure of the Company which, in the opinion of the Committee, is of such a nature that it is not practical or feasible to make adjustments to this Plan or to the Awards granted hereunder to permit the Plan and Awards granted hereunder to stay in effect.
- (uu) “**Vest**”, “**Vesting**” or “**Vested**” means that a portion of the Award granted to the Award Holder which is available to be exercised or purchased (as applicable) by the Award Holder at any time and from time to time.

### **Choice of Law**

The Plan is established under, and the provisions of the Plan shall be subject to and interpreted and construed solely in accordance with, the laws of the Province of British Columbia and the laws of Canada applicable therein without giving effect to the conflicts of laws principles thereof and without reference to the laws of any other jurisdiction. The Company and each Award Holder hereby attorn to the jurisdiction of the Courts of British Columbia.

### **Headings**

The headings used herein are for convenience only and are not to affect the interpretation of the Plan.

## SECTION 2 GRANT OF AWARDS

### 2.1 Grant of Awards

- (a) The Committee shall, from time to time in its sole discretion, grant Awards to such Persons and on such terms and conditions as are permitted under this Plan. No member of the Committee shall be liable for any action or determination taken or made in good faith in the administration, interpretation, construction or application of the Plan or any options granted under it.

### 2.2 Record of Award Grants

The Committee shall be responsible to maintain a record of all Awards granted under this Plan and such record shall contain, in respect of each Award:

- (a) the name and address of the Award Holder;
- (b) the category (Executive, Employee or Consultant) under which the Award was granted to him, her or it;
- (c) the Grant Date and Expiry Date of the Award;
- (d) the number of Shares which may be acquired on the exercise, vesting or purchase (as applicable) of the Award and the Exercise Price of the Award, if any;
- (e) the Vesting and other additional terms, if any, attached to the Award; and
- (f) the particulars of each and every time the Award is exercised or purchased (as applicable).

### 2.3 Effect of Plan

All Awards granted pursuant to the Plan shall be subject to the terms and conditions of the Plan notwithstanding the fact that the Award Certificates issued in respect thereof do not expressly contain such terms and conditions but instead incorporate them by reference to the Plan. The Award Certificates will be issued for convenience only and in the case of a dispute with regard to any matter in respect thereof, the provisions of the Plan and the records of the Company shall prevail over the terms and conditions in the Award Certificate, save and except as noted below. Each Award will also be subject to, in addition to the provisions of the Plan, the terms and conditions contained in the schedules, if any, attached to the Award Certificate for such Award. Should the terms and conditions contained in such schedules be inconsistent with the provisions of the Plan, such terms and conditions will supersede the provisions of the Plan.

### 2.4 Hold Period

In addition to any resale restrictions under applicable legislation, all options granted hereunder and all Common Shares issued on the exercise of Options, Stock Awards or RSUs will be subject to a four (4) month hold period (“**Hold Period**”) from the date the Awards are granted and the Awards and any Common Shares issuable on the exercise thereof must bear the following legends:

*“WITHOUT PRIOR WRITTEN APPROVAL OF THE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL*

*[INSERT THE DATE IMMEDIATELY FOLLOWING THE DATE WHICH IS FOUR MONTHS AFTER THE DATE OF THE GRANT OF THE OPTION.]”*

### **SECTION 3 PURPOSE AND PARTICIPATION**

#### **3.1 Purpose of Plan**

The purpose of the Plan is to provide the Company with a share-related mechanism to attract, retain and motivate qualified Executives, Employees and Consultants to contribute toward the long term goals of the Company, and to encourage such individuals to acquire Shares of the Company as long term investments.

#### **3.2 Participation in Plan**

The Committee shall, from time to time and in its sole discretion, determine those Executives, Employees and Consultants to whom Awards are to be granted.

#### **3.3 Limits on Award Grants**

The Company shall only grant Awards under this Plan in accordance with Section 12 hereof and, for greater certainty, may not grant any Awards under this Plan unless an exemption under NI 45-106 is available. For so long as the Company is an unlisted reporting issuer, or is otherwise a reporting issuer listed on the CSE, Section 2.24 of NI 45-106 shall not apply to the Plan and all Awards granted thereunder to any Employees or Consultants who are engaged in Investor Relations Activities for the Company, any associated Consultant, any executive officer of the Company, any director of the Company or any permitted assign of those Persons if, after the grant:

- (a) the number of securities, calculated on a fully diluted basis, reserved for issuance under Awards granted to:
  - (i) Related Persons, exceeds 10% of the outstanding securities of the Company; or
  - (ii) a Related Person, exceeds 5% of the outstanding securities of the Company; or
- (b) the number of securities, calculated on a fully diluted basis, issued within 12 months to
  - (i) Related Persons, exceeds 10% of the outstanding securities of the Company; or
  - (ii) a Related Person and the associates of the Related Person, exceeds 5% of the outstanding securities of the Company;

unless the Company obtains security holder approval in accordance with the Regulatory Rules, including the requirements under NI 45-106.

#### **3.4 Limits on Award Grants for Investor Relations Activities**

The maximum number of Awards which may be granted within a 12 month period to Employees or Consultants engaged in Investor Relations Activities must not exceed 1% of the Outstanding Issue.

#### **3.5 Notification of Grant**

Following the granting of an Award, the Administrator shall, within a reasonable period of time, notify the Award Holder in writing of the grant and shall enclose with such notice the Award Certificate representing

the Award so granted. In no case will the Company be required to deliver an Award Certificate to an Award Holder until such time as the Company has obtained all necessary Regulatory Approvals for the grant of the Award.

### **3.6 Copy of Plan**

Each Award Holder shall be promptly provided with a copy of the Plan (and any amendment thereto) upon request from an Award Holder to the Administrator.

### **3.7 Limitation on Service**

The Plan does not give any Award Holder that is an Executive the right to serve or continue to serve as an Executive of the Company or any Subsidiary, nor does it give any Award Holder that is an Employee or Consultant the right to be or to continue to be employed or engaged by the Company or any Subsidiary.

### **3.8 No Obligation to Exercise or Purchase**

Award Holders shall be under no obligation to exercise or purchase Awards.

### **3.9 Agreement**

The Company and every Award Holder granted an Award hereunder shall be bound by and subject to the terms and conditions of this Plan. By accepting an Award granted hereunder, the Award Holder has expressly agreed with the Company to be bound by the terms and conditions of this Plan. In the event that the Award Holder receives his, her or its Awards pursuant to an oral or written agreement with the Company or a Subsidiary, whether such agreement is an employment agreement, consulting agreement or any other kind of agreement of any kind whatsoever, the Award Holder acknowledges that in the event of any inconsistency between the terms relating to the grant of such Awards in that agreement and the terms attaching to the Awards as provided for in this Plan, the terms provided for in this Plan shall prevail and the other agreement shall be deemed to have been amended accordingly.

### **3.10 Notice**

Any notice, delivery or other correspondence of any kind whatsoever to be provided by the Company to an Award Holder will be deemed to have been provided if provided to the last home address, fax number or email address of the Award Holder in the records of the Company and the Company shall be under no obligation to confirm receipt or delivery.

### **3.11 Representation**

As a condition precedent to the issuance of an Award, the Company must be able to represent to the Exchange as of the Grant Date that the Award Holder is a *bona fide* Executive, Employee or Consultant of the Company or any Subsidiary.

## **SECTION 4 NUMBER OF SHARES UNDER PLAN**

### **4.1 Committee to Approve Issuance of Shares**

The Committee shall approve by resolution the issuance of all Shares to be issued to Award Holders upon the exercise, vesting or purchase (as applicable) of Awards, such authorization to be deemed effective as of the Grant Date of such Awards regardless of when it is actually done. The Committee shall be entitled

to approve the issuance of Shares in advance of the Grant Date, retroactively after the Grant Date, or by a general approval of this Plan.

#### **4.2 Number of Shares**

Subject to adjustment as provided for herein, the number of Shares which will be available for purchase pursuant to Awards granted pursuant to this Plan, plus any other outstanding stock awards of the Company granted pursuant to a previous stock award plan or agreement, will not exceed 10% of the Outstanding Issue. If any Award expires or otherwise terminates for any reason without having been exercised, vested or purchased (as applicable) in full, the number of Shares in respect of such expired or terminated Award shall again be available for the purposes of granting Awards pursuant to this Plan.

#### **4.3 Fractional Shares**

No fractional shares shall be issued upon the exercise, vesting or purchase (as applicable) of any Award and, if as a result of any adjustment, an Award Holder would become entitled to a fractional share, such Award Holder shall have the right to purchase only the next lowest whole number of Shares and no payment or other adjustment will be made for the fractional interest.

### **SECTION 5 TERMS AND CONDITIONS OF OPTIONS**

#### **5.1 Exercise Period of Option**

Subject to sections 5.4, 8.2, 8.3, 8.4 and 13.4, the Grant Date and the Expiry Date of an Option shall be the dates fixed by the Committee at the time the Option is granted and shall be set out in the Award Certificate issued in respect of such Option.

#### **5.2 Number of Shares Under Option**

The number of Shares which may be purchased pursuant to an Option shall be determined by the Committee and shall be set out in the Award Certificate issued in respect of the Option.

#### **5.3 Exercise Price of Option**

The Exercise Price at which an Award Holder may purchase a Share upon the exercise of an Option shall be determined by the Committee and shall be set out in the Award Certificate issued in respect of the Option. Notwithstanding the foregoing, the Exercise Price shall not be less than the Market Value of the Shares as of the Grant Date. The Market Value of the Shares for a particular Grant Date shall be determined as follows:

- (a) if the Company's Shares are listed on the CSE, and the Committee determines the CSE to be the Company's primary Exchange, Market Value will be the greater of the closing trading price of the Shares on: (i) the trading day prior to the Grant Date; and (ii) the Grant Date;
- (b) subject to subparagraph (a) above, for each organized trading facility on which the Shares are listed, Market Value will be the closing trading price of the Shares on the day immediately preceding the Grant Date, and may be less than this price if it is within the discounts permitted by the applicable Regulatory Authorities;
- (c) if the Company's Shares are listed on more than one organized trading facility, the Market Value shall be the Market Value as determined in accordance with subparagraphs (a) or (b) above for the

primary organized trading facility on which the Shares are listed, as determined by the Committee, subject to any adjustments as may be required to secure all necessary Regulatory Approvals;

- (d) subject to subparagraph (a), if the Company's Shares are listed on one or more organized trading facilities but have not traded during the ten trading days immediately preceding the Grant Date, then the Market Value will be, subject to any adjustments as may be required to secure all necessary Regulatory Approvals, such value as is determined by the Committee; and
- (e) if the Company's Shares are not listed on any organized trading facility, then the Market Value will be, subject to any adjustments as may be required to secure all necessary Regulatory Approvals, such value as is determined by the Committee to be the fair value of the Shares, taking into consideration all factors that the Committee deems appropriate, including, without limitation, recent sale and offer prices of the Shares in private transactions negotiated at arms' length. Notwithstanding anything else contained herein, in no case will the Market Value be less than the minimum prescribed by each of the organized trading facilities that would apply to the Company on the Grant Date in question.

#### **5.4 Termination of Option**

Subject to such other terms or conditions that may be attached to Options granted hereunder, an Award Holder may exercise a Vested Option in whole or in part at any time and from time to time during the Exercise Period. Any Vested Option or part thereof not exercised within the Exercise Period shall terminate and become null, void and of no effect as of the Expiry Time on the Expiry Date. The Expiry Date of an Option shall be the earlier of the date so fixed by the Committee at the time the Option is granted as set out in the Award Certificate and the date established, if applicable, in paragraphs (a) or (b) below or sections 8.2, 8.3, 8.4 or 13.4 of this Plan:

- (a) *Ceasing to Hold Office* - In the event that the Award Holder holds his or her Option as an Executive and such Award Holder ceases to hold such position other than by reason of death or Disability, the Expiry Date of the Option shall be, unless otherwise determined by the Committee and expressly provided for in the Award Certificate, the 90<sup>th</sup> day following the date the Award Holder ceases to hold such position unless the Award Holder ceases to hold such position as a result of:
  - (i) ceasing to meet the qualifications set forth in the corporate legislation applicable to the Company;
  - (ii) a special resolution having been passed by the shareholders of the Company removing the Award Holder as a director of the Company or any Subsidiary; or
  - (iii) an order made by any Regulatory Authority having jurisdiction to so order,in which case the Expiry Date shall be the date the Award Holder ceases to hold such position; OR
- (b) *Ceasing to be Employed or Engaged* - In the event that the Award Holder holds his or her Option as an Employee or Consultant and such Award Holder ceases to hold such position other than by reason of death or Disability, the Expiry Date of the Award shall be, unless otherwise determined by the Committee and expressly provided for in the Award Certificate, the 90<sup>th</sup> day following the date the Award Holder ceases to hold such position, unless the Award Holder ceases to hold such position as a result of:
  - (i) termination for cause; or
  - (ii) an order made by any Regulatory Authority having jurisdiction to so order,

in which case the Expiry Date shall be the date the Award Holder ceases to hold such position, except if the Award Holder ceases to hold such position as a result resigning his or her position in which event the Expiry Date of the Option shall be, unless otherwise determined by the Committee and expressly provided for in the Award Certificate, the 30<sup>th</sup> day following the date the Award Holder ceases to hold such position. For greater certainty any unvested Options will be immediately cancelled and forfeited to the Company for no consideration.

Notwithstanding Section 5.4(a) and (b) hereof, In the event that an Award Holder ceases to hold the position of Executive, Employee, Consultant, or director for which the Option was originally granted, but comes to hold a different position as an Executive, Employee or Consultant prior to the expiry of the Option, the Option shall stay in place for that Award Holder with such Option then to be treated as being held by that Award Holder in his or her new position and such will not be considered to be an amendment to the Option in question requiring the consent of the Award Holder under Section 11.2 of this Plan.

Notwithstanding anything else contained herein, in no case will an Option be exercisable later than the Expiry Date of the Option.

### **5.5 Vesting of Option and Acceleration**

The Vesting schedule for an Option, if any, shall be determined by the Committee and shall be set out in the Award Certificate issued in respect of the Option. The Committee may elect, at any time, to accelerate the Vesting schedule of one or more Options including, without limitation, on a Triggering Event, and such acceleration will not be considered an amendment to the Option in question requiring the consent of the Award Holder under section 11.2 of this Plan.

### **5.6 Additional Terms**

Subject to all applicable Regulatory Rules and all necessary Regulatory Approvals, the Committee may attach additional terms and conditions to the grant of a particular Option, such terms and conditions to be set out in a schedule attached to the Award Certificate. The Award Certificates will be issued for convenience only, and in the case of a dispute with regard to any matter in respect thereof, the provisions of this Plan and the records of the Company shall prevail over the terms and conditions in the Award Certificate, save and except as noted below. Each Option will also be subject to, in addition to the provisions of the Plan, the terms and conditions contained in the schedules, if any, attached to the Award Certificate for such Award. Should the terms and conditions contained in such schedules be inconsistent with the provisions of the Plan, such terms and conditions will supersede the provisions of the Plan.

## **SECTION 6**

### **TERMS AND CONDITIONS OF STOCK AWARDS**

#### **6.1 Eligibility**

Stock Awards may be granted at any time and from time to time as determined by the Committee, either alone or in addition to other Awards granted under the Plan. The Committee shall determine the eligible Persons to whom, and the time or times at which, grants of Stock Awards will be made, the number of Stock Awards to be awarded, the number of Shares subject to the Stock Awards, the vesting schedule and rights to acceleration thereof, and all other terms and conditions of the Awards.

## **6.2 Vesting of Restricted Share Units**

Stock Award Shares shall be issued to or for the benefit of the Award Holder promptly following each vesting date determined by the Administrator, provided that the Award Holder is still engaged by the Company or its affiliate on the applicable vesting date. After each such vesting date the Company shall promptly cause to be issued for the benefit of the Award Holder, certificates for such Stock Award Shares with respect to Stock Awards that became vested on such vesting date, subject to Section 9.3 below. It is clarified that no Stock Award Shares shall be issued pursuant to the Stock Award to the Award Holder until the vesting criteria determined by the Committee is met.

## **6.3 Terms**

Prior to the actual issuance of any Shares, each Stock Award will represent an unfunded and unsecured obligation of the Company.

# **SECTION 7 TERMS AND CONDITIONS OF RESTRICTED SHARE UNITS**

## **7.1 Eligibility**

Restricted Share Units may be granted at any time and from time to time as determined by the Committee, either alone or in addition to other Awards granted under the Plan. The Committee shall determine the eligible Persons to whom, and the time or times at which, grants of Restricted Share Units will be made, the number of Restricted Share Units to be awarded, the number of Shares subject to the Restricted Share Units, the vesting schedule and rights to acceleration thereof, and all other terms and conditions of the Awards.

## **7.2 Vesting of Restricted Share Units**

RSU Shares shall be issued to or for the benefit of the Award Holder promptly following each vesting date determined by the Administrator, provided that the Award Holder is still engaged by the Company or its affiliate on the applicable vesting date. After each such vesting date the Company shall promptly cause to be issued for the benefit of the Award Holder, certificates for such RSU Shares with respect to Restricted Share Units that became vested on such vesting date, subject to Section 9.3 below. It is clarified that no RSU Shares shall be issued pursuant to the Restricted Share Units to the Award Holder until the vesting criteria determined by the Committee is met.

## **7.3 Terms**

Prior to the actual issuance of any Shares, each Restricted Share Unit will represent an unfunded and unsecured obligation of the Company.

# **SECTION 8 TRANSFERABILITY OF AWARDS**

## **8.1 Non-transferable**

Except as provided otherwise in this Section 8, Awards are non-assignable and non-transferable.

## **8.2 Death of Award Holder**

In the event of the Award Holder's death: (a) any Vested Options held by such Award Holder shall pass to the Personal Representative of the Award Holder and shall be exercisable by the Personal Representative on or before the date which is the earlier of one year following the date of death and the applicable Expiry Date; and (b) any unvested RSUs or Stock Awards previously credited to the Award Holder's account will be cancelled, and vested RSUs or Stock Awards will be paid to the Award Holder's estate, with any settlement or redemption to occur within 12 months following the termination date.

## **8.3 Disability of Award Holder**

If the employment or engagement of an Award Holder as an Employee or Consultant or the position of an Award Holder as a director or officer of the Company or a Subsidiary is terminated by the Company by reason of such Award Holder's Disability: (a) any Vested Options held by such Award Holder shall be exercisable by such Award Holder or by the Personal Representative on or before the date which is the earlier of one year following the termination of employment, engagement or appointment as a director or officer and the applicable Expiry Date; and (b) any unvested RSUs or Stock Awards previously credited to the Award Holder's account will be cancelled, and vested RSUs or Stock Awards will be paid to the Award Holder or the Award Holder's estate, with any settlement or redemption to occur within 12 months following the termination date..

## **8.4 Disability and Death of Award Holder**

If an Award Holder has ceased to be employed, engaged or appointed as a director or officer of the Company or a Subsidiary by reason of such Award Holder's Disability and such Award Holder dies within one year after the termination of such engagement, any Awards held by such Award Holder that could have been acquired upon exercise, vesting or purchase (as applicable) immediately prior to his or her death shall pass to the Personal Representative of such Award Holder and shall be exercisable or purchasable by the Personal Representative on or before the date which is the earlier of one year following the death of such Award Holder and the applicable Expiry Date.

## **8.5 Vesting**

Unless the Committee determines otherwise, Awards held by or exercisable by a Personal Representative shall, during the period prior to their termination, continue to Vest in accordance with any Vesting schedule to which such Awards are subject.

## **8.6 Deemed Non-Interruption of Engagement**

Employment or engagement by the Company shall be deemed to continue intact during any military or sick leave or other *bona fide* leave of absence if the period of such leave does not exceed 90 days or, if longer, for so long as the Award Holder's right to re-employment or re-engagement by the Company is guaranteed either by statute or by contract. If the period of such leave exceeds 90 days and the Award Holder's re-employment or re-engagement is not so guaranteed, then his or her employment or engagement shall be deemed to have terminated on the ninety-first day of such leave.

## **SECTION 9 EXERCISE OR PURCHASE OF AWARD**

### **9.1 Exercise or Purchase of Award**

An Award may be exercised or purchased only by the Award Holder or the Personal Representative of any Award Holder. An Award Holder or the Personal Representative of any Award Holder may exercise or purchase an Award in whole or in part at any time and from time to time during the Exercise Period up to the Expiry Time on the Expiry Date by delivering to the Administrator the required Exercise Notice (in the case of an exercise of an Option only), or by written notice in the case of uncertificated Shares, the applicable Award Certificate and a certified cheque or bank draft or wire transfer payable to the Company or its legal counsel in an amount equal to the aggregate Exercise Price of the Shares then being purchased pursuant to the exercise or purchase of the Award. Notwithstanding anything else contained herein, Awards may not be exercised or purchased during a Black-Out unless the Committee determines otherwise.

### **9.2 Black Out Period**

If an Award expires, terminates or is cancelled (other than an expiry, termination or cancellation pursuant to section 5.4(a) or section 5.4(b) above) within or immediately after a Black-Out, the Holder may elect for the term of such Award to be extended to the date which is ten (10) business days after the last day of the Black-Out..

### **9.3 Issue of Share Certificates**

As soon as reasonably practicable following the receipt of the notice of exercise as described in section 9.1 (if applicable) and payment in full for the Awarded Shares being acquired (if applicable), the Administrator will direct its transfer agent, after the acquisition of the Awarded Shares, to issue to the Award Holder the appropriate number of Shares in either certificate form or at the election of the Company, on an uncertificated basis pursuant to the instructions given by the Award Holder to the Administrator. If the number of Shares so purchased is less than the number of Shares subject to the Award Certificate surrendered, the Administrator shall also provide a new Award Certificate for the balance of Shares available under the Award to the Award Holder concurrent with delivery of the Shares.

### **9.4 No Rights as Shareholder**

Until the date of the issuance of the certificate for the Shares purchased or received pursuant to the exercise, vesting or purchase (as applicable) of an Award, no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to such Shares, notwithstanding the exercise, vesting or purchase (as applicable) of the Award, unless the Committee determines otherwise. In the event of any dispute over the date of the issuance of the Shares, the decision of the Committee shall be final, conclusive and binding.

### **9.5 Tax Withholding and Procedures**

- (a) If, following the exercise by a Award Holder of an Award or a portion thereof in accordance with the provisions of Section 13 hereof, the Company is required under the Income Tax Act (Canada) or any other applicable law to make source deductions in respect of any benefits and to remit to the applicable governmental authority an amount on account of tax on the value of the taxable benefit associated with the issuance of the Award or Common Shares on exercise of Options (“**Withholding Obligations**”), then the Award Holder shall, in addition to the payment of the purchase price for the Common Shares then being purchased:

- (i) pay to the Company sufficient cash as is reasonably determined by the Company to be the amount necessary to satisfy the Withholding Obligations; or
  - (ii) at the discretion of the Company, elect to permit the Company to reduce the number of Common Shares to be issued to the Award Holder by the number of Common shares having a fair market value at such time as is equal to the amount necessary to satisfy the Withholding Obligations; or
  - (iii) make other arrangements acceptable to the Company to fund the Withholding Obligations.
- (b) It is the responsibility of the Award Holder to ensure that they adhere to tax legislation in their jurisdiction regarding the reporting of benefits derived from the Award or exercise of Options.
- (c) In the event any taxation authority should reassess the Company for failure to have withheld income tax, or other similar payments from the Award Holder, pursuant to the provisions herein, the Award Holder shall reimburse and save harmless the Company for the entire amount assessed, including penalties, interest and other charges.
- (d) The Company will, within the time and in the manner prescribed by the Income Tax Act (Canada) (or any corresponding requirement under applicable provincial tax law), remit the Withholding Obligation to the Receiver General for Canada or other applicable tax authority and shall, to the extent necessary and within the time and in the manner prescribed by the Income Tax Act (Canada) (or any corresponding requirement under applicable provincial tax law), make the election contemplated by subsection 110(1.1) of the Income Tax Act (Canada) (or any corresponding requirement under applicable provincial tax law) that neither it nor any person with whom it does not deal at arm's length (for purposes of the Income Tax Act (Canada)) will deduct any amount in respect of any payment to the Award Holder in connection with the exercise or surrender of his or her options and the Company shall also provide evidence of such election to the Award Holder forthwith upon making such election.

## **SECTION 10 ADMINISTRATION**

### **10.1 Board or Committee**

The Plan shall be administered by the Administrator with oversight by the Committee.

### **10.2 Powers of Committee**

The Committee shall have the authority to do the following:

- (a) oversee the administration of the Plan in accordance with its terms;
- (b) appoint or replace the Administrator from time to time;
- (c) determine all questions arising in connection with the administration, interpretation and application of the Plan, including all questions relating to the Market Value;
- (d) correct any defect, supply any information or reconcile any inconsistency in the Plan in such manner and to such extent as shall be deemed necessary or advisable to carry out the purposes of the Plan;

- (e) prescribe, amend, and rescind rules and regulations relating to the administration of the Plan. For the avoidance of doubt, as long as the Company's securities are traded on an Exchange, the provisions of this Plan shall be subject to the directives, rules and regulations of the applicable Exchange, which shall govern over any conflicting provision in the Plan or Award Certificate. In the event that any of the provisions of this Plan do not comply with such directives, rules and regulations, the Administrator and/or the Committee shall be entitled to automatically amend the provisions of this Plan in order to comply with the directives, rules and regulations of the applicable Exchange;
- (f) determine the duration and purposes of leaves of absence from employment or engagement by the Company which may be granted to Award Holders without constituting a termination of employment or engagement for purposes of the Plan;
- (g) do the following with respect to the granting of Awards:
  - (i) determine the Executives, Employees or Consultants to whom Awards shall be granted, based on the eligibility criteria set out in this Plan;
  - (ii) determine the terms of the Award to be granted to an Award Holder including, without limitation, the Grant Date, Expiry Date, Exercise Price and Vesting schedule (which need not be identical with the terms of any other Award);
  - (iii) subject to any necessary Regulatory Approvals and section 11.2, amend the terms of any Awards;
  - (iv) determine when Awards shall be granted;
  - (v) allow for the cashless exercise of Options and the applicable terms and conditions thereof; and
  - (vi) determine the number of Shares subject to each Award;
- (h) accelerate the Vesting schedule of any Award previously granted; and
- (i) make all other determinations necessary or advisable, in its sole discretion, for the administration of the Plan.

### **10.3 Administration by Committee**

All determinations made by the Committee in good faith shall be final, conclusive and binding upon all persons. The Committee shall have all powers necessary or appropriate to accomplish its duties under this Plan.

### **10.4 Interpretation**

The interpretation by the Committee of any of the provisions of the Plan and any determination by it pursuant thereto shall be final, conclusive and binding and shall not be subject to dispute by any Award Holder. No member of the Committee or any person acting pursuant to authority delegated by it hereunder shall be personally liable for any action or determination in connection with the Plan made or taken in good faith and each member of the Committee and each such person shall be entitled to indemnification with respect to any such action or determination in the manner provided for by the Company.

## **SECTION 11 APPROVALS AND AMENDMENT**

### **11.1 Shareholder Approval of Plan**

If required by a Regulatory Authority or by the Committee, this Plan may be made subject to the approval of the shareholders of the Company as prescribed by the Regulatory Authority. If shareholder approval is required, any Awards granted under this Plan prior to such time will not be exercisable or binding on the Company unless and until such shareholder approval is obtained.

### **11.2 Amendment of Award or Plan**

Subject to any required Regulatory Approvals, the Committee may from time to time amend any existing Award or the Plan or the terms and conditions of any Award thereafter to be granted provided that where such amendment relates to an existing Award and it would:

- (a) materially decrease the rights or benefits accruing to an Award Holder; or
- (b) materially increase the obligations of an Award Holder; then, unless otherwise excepted out by a provision of this Plan, the Committee must also obtain the written consent of the Award Holder in question to such amendment. If at the time the Exercise Price of an Award is reduced the Award Holder is an Insider of the Company, the Insider must not exercise or purchase the Award at the reduced Exercise Price until the reduction in Exercise Price has been approved by the disinterested shareholders of the Company, if required by the Exchange.

## **SECTION 12 CONDITIONS PRECEDENT TO ISSUANCE OF AWARDS AND SHARES**

### **12.1 Compliance with Laws**

An Award shall not be granted, exercised or purchased, and Shares shall not be issued pursuant to the exercise, vesting or purchase (as applicable) of any Award, unless the grant, exercise or purchase (as applicable) of such Award and the issuance and delivery of such Shares comply with all applicable Regulatory Rules, and such Awards and Shares will be subject to all applicable trading restrictions in effect pursuant to such Regulatory Rules and the Company shall be entitled to legend the Award Certificates and the certificates for the Shares or the written notice in the case of uncertificated Shares representing such Shares accordingly.

### **12.2 Regulatory Approvals**

In administering this Plan, the Committee will seek any Regulatory Approvals which may be required. The Committee will not permit any Awards to be granted without first obtaining the necessary Regulatory Approvals unless such Awards are granted conditional upon such Regulatory Approvals being obtained. The Committee will make all filings required with the Regulatory Authorities in respect of the Plan and each grant of Awards hereunder. No Award granted will be exercisable or binding on the Company unless and until all necessary Regulatory Approvals have been obtained. The Committee shall be entitled to amend this Plan and the Awards granted hereunder in order to secure any necessary Regulatory Approvals and such amendments will not require the consent of the Award Holders under section 11.2 of this Plan.

### **12.3 Inability to Obtain Regulatory Approvals**

The Company's inability to obtain Regulatory Approval from any applicable Regulatory Authority, which Regulatory Approval is deemed by the Committee to be necessary to complete the grant of Awards hereunder, the exercise or purchase of those Awards or the lawful issuance and sale of any Shares pursuant to such Awards, shall relieve the Company of any liability with respect to the failure to complete such transaction.

## **SECTION 13 ADJUSTMENTS AND TERMINATION**

### **13.1 Termination of Plan**

Subject to any necessary Regulatory Approvals, the Committee may terminate or suspend the Plan. Unless earlier terminated as provided in this Section 13, the Plan shall terminate on, and no more Awards shall be granted under the Plan after, the tenth anniversary of the date of the Exchange's acceptance of the Plan.

### **13.2 No Grant During Suspension of Plan**

No Award may be granted during any suspension, or after termination, of the Plan. Suspension or termination of the Plan shall not, without the consent of the Award Holder, alter or impair any rights or obligations under any Award previously granted.

### **13.3 Alteration in Capital Structure**

If there is a material alteration in the capital structure of the Company and the Shares are consolidated, subdivided, converted, exchanged, reclassified or in any way substituted for, the Committee shall make such adjustments to this Plan and to the Awards then outstanding under this Plan as the Committee determines to be appropriate and equitable under the circumstances, so that the proportionate interest of each Award Holder shall, to the extent practicable, be maintained as before the occurrence of such event. Such adjustments may include, without limitation:

- (a) a change in the number or kind of shares of the Company covered by such Awards; and
- (b) a change in the Exercise Price payable per Share provided, however, that the aggregate Exercise Price applicable to the unexercised or unpurchased portion of existing Awards shall not be altered, it being intended that any adjustments made with respect to such Awards shall apply only to the Exercise Price per Share and the number of Shares subject thereto.

For purposes of this section 13.3, and without limitation, neither:

- (c) the issuance of additional securities of the Company in exchange for adequate consideration (including services); nor
- (d) the conversion of outstanding securities of the Company into Shares shall be deemed to be material alterations of the capital structure of the Company. Any adjustment made to any Awards pursuant to this section 13.3 shall not be considered an amendment requiring the Award Holder's consent for the purposes of section 11.2 of this Plan.

### **13.4 Triggering Events**

Subject to the Company complying with section 13.5 and any necessary Regulatory Approvals and notwithstanding any other provisions of this Plan or any Award Certificate, the Committee may, without the consent of the Award Holder or Holders in question do one or more of the following:

- (a) cause all or a portion of any of the Awards granted under the Plan to terminate upon the occurrence of a Triggering Event;
- (b) cause all or a portion of any of the Awards granted under the Plan to be exchanged for stock awards of another corporation upon the occurrence of a Triggering Event in such ratio and at such Exercise Price as the Committee deems appropriate, acting reasonably; or
- (c) cause all Awards or portions thereof granted under the Plan to become immediately exercisable notwithstanding any contingent Vesting provision to which such Awards may have otherwise been subject.

Such termination or exchange shall not be considered an amendment requiring the Award Holder's consent for the purpose of section 11.2 of the Plan.

### **13.5 Notice of Termination by Triggering Event**

In the event that the Committee wishes to cause all or a portion of any of the Awards granted under this Plan to terminate on the occurrence of a Triggering Event, it must give written notice to the Award Holders in question not less than 10 days prior to the consummation of a Triggering Event so as to permit the Award Holder the opportunity to exercise or purchase the Vested portion of the Awards prior to such termination. . Furthermore, if any of the Awards granted under this Plan are cancelled prior to their Expiry Date, the Company shall not grant new Awards to the same Persons or Entities until thirty (30) days have lapsed from the date of cancellation.

### **13.6 Determinations to be Made by Committee**

Adjustments and determinations under this Section 13 shall be made by the Committee, whose decisions as to what adjustments or determination shall be made, and the extent thereof, shall be final, binding, and conclusive.

### **13.7 Sub Plan for Participants Subject to Israeli Taxation**

Any Award Holders who are resident in Israel shall be subject to the Sub-Plan for Award Holders in Israel. For greater certainty any issuances to Award Holders subject to the Sub-Plan for Award Holders in Israel shall only be issuable provided they do not contradict the regulations of the Exchange.

**SCHEDULE "A"**

**BEYOND OIL LTD.**  
**STOCK AWARD PLAN, AS AMENDED AND RESTATED**  
**SUB-PLAN FOR AWARD HOLDERS IN ISRAEL**

**1. SPECIAL PROVISIONS FOR AWARD HOLDERS IN ISRAEL**

**1.1** This 2023 Sub-Plan for Award Holders in Israel (the “**Sub-Plan**”) to the Beyond Oil Ltd. Stock Award Plan, as amended and restated (the “**Plan**”) is made in accordance with Section 12.7 of the Plan. This Sub-Plan was approved by Beyond Oil Ltd. (the “**Company**”).

**1.2** The provisions specified hereunder apply only to persons who are deemed to be residents of the State of Israel for tax purposes or are otherwise subject to taxation in Israel with respect to Awards.

**1.3** This Sub-Plan applies with respect to Awards granted under the Plan. The purpose of this Sub-Plan is to establish certain rules and limitations applicable to Awards that may be granted or issued under the Plan from time to time, in compliance with the tax, securities and other applicable laws currently in force in the State of Israel. Except as otherwise provided by this Sub-Plan, all grants made pursuant to this Sub-Plan shall be governed by the terms of the Plan. This Sub-Plan is applicable only to grants made after the date of its adoption. This Sub-Plan complies with, and is subject to, the ITO and Section 102.

**1.4** The Plan and this Sub-Plan shall be read together. In any case of contradiction, whether explicit or implied, between the provisions of this Sub-Plan and the Plan, the provisions of this Sub-Plan shall govern. For the avoidance of doubt, as long as the Company’s securities are traded on an Exchange, the provisions of this Sub-Plan shall be subject to the directives, rules and regulations of the applicable Exchange, which shall govern over any conflicting provision in the Sub-Plan or Award Certificate. In the event that any of the provisions of this Sub-Plan do not comply with such directives, rules and regulations, the Administrator and/or the Committee shall be entitled to automatically amend the provisions of this Sub-Plan in order to comply with the directives, rules and regulations of the applicable Exchange

**2. DEFINITIONS**

Capitalized terms not otherwise defined herein shall have the meaning assigned to them in the Plan. The following additional definitions shall apply to grants made pursuant to this Sub-Plan:

“**3(i) Award**” means an Award, which is subject to taxation pursuant to Section 3(i) of the ITO, which has been granted to any person who is not an Eligible 102 Award Holder.

“**102 Capital Gains Track**” means the tax alternative set forth in Section 102(b)(2) and 102(b)(3) of the ITO pursuant to which all or a part of the income resulting from the sale of Shares is taxable as a capital gain.

“**102 Capital Gains Track Award**” means a 102 Trustee Award qualifying for the special tax treatment under the 102 Capital Gains Track.

“**102 Ordinary Income Track**” means the tax alternative set forth in Section 102(b)(1) of the ITO pursuant to which income resulting from the sale of Shares derived from Awards is taxed as ordinary income.

**“102 Ordinary Income Track Award”** means a 102 Trustee Award qualifying for the ordinary income tax treatment under the 102 Ordinary Income Track.

**“102 Trustee Award”** means an Award granted pursuant to Section 102(b) of the ITO and held in trust by a Trustee for the benefit of the Eligible 102 Award Holder, and includes both 102 Capital Gains Track Awards and 102 Ordinary Income Track Awards.

**“Affiliate”** for the purpose of grants made under this Sub-Plan, means any affiliate of the Company that is an “employing company” within the meaning of Section 102(a) of the ITO.

**“Controlling Shareholder”** as defined in Section 32(9) of the ITO, currently defined as an individual who prior to the grant or as a result of the grant or exercise of any Award, holds or would hold, directly or indirectly, in his/her name or with a relative (as defined in the ITO) (i) 10% of the outstanding share capital of the Company, (ii) 10% of the voting power of the Company, (iii) the right to hold or purchase 10% of the outstanding equity or voting power, (iv) the right to obtain 10% of the “profits” of the Company (as defined in the ITO), or (v) the right to appoint a director of the Company.

**“Deposit Requirements”** shall mean with respect to a 102 Trustee Award, the requirement to evidence deposit of an Award with the Trustee, in accordance with Section 102, in order to qualify as a 102 Trustee Award. As of the time of approval of this Sub-Plan, the ITA guidelines regarding Deposit Requirements for 102 Capital Gains Track Awards require that the Trustee be provided with (a) the resolutions approving Awards intended to qualify as 102 Capital Gains Track Awards within 45 calendar days of the date of the Committee’s approval of such Award, including full details of the terms of the Awards, and (b) a copy of the Award Agreement executed by the Eligible 102 Award Holder and/or Eligible 102 Award Holder’s consent to the requirements of the 102 Capital Gains Track Award within 90 calendar days of the Committee’s approval of such Award.

**“Election”** means the Company’s or its Affiliate’s choice of the type of 102 Trustee Awards it shall make under the Plan (as between 102 Capital Gains Track Awards or 102 Ordinary Income Track Awards), as filed with the ITA.

**“Eligible 102 Award Holder”** means an Award Holder who is a person employed by the Company or its Affiliates, including an individual who is serving as a director (as defined in the ITO) or an office holder (as defined in the ITO), who is not a Controlling Shareholder.

**“Israeli Fair Market Value”** shall mean with respect to 102 Capital Gains Track Awards only, for the sole purpose of determining tax liability pursuant to Section 102(b)(3) of the ITO, if at the date of grant the Company’s shares are listed on any established stock exchange or a national market system, or if the Company’s shares shall be registered for trading within ninety (90) days following the date of grant, the Fair Market Value of the Shares at the date of grant shall be determined in accordance with the average value of the Company’s shares on the thirty (30) trading days preceding the date of grant or on the thirty (30) trading days following the date of registration for trading, as the case may be.

**“ITA”** means the Israel Tax Authority.

**“ITO”** means the Israeli Income Tax Ordinance (New Version), 1961, and the rules, regulations, orders or procedures promulgated thereunder and any amendments thereto, including specifically the Rules, all as may be amended from time to time.

**“Non-Trustee Award”** means an Award granted to an Eligible 102 Award Holder pursuant to Section 102(c) of the ITO and not held in trust by a Trustee.

**“Required Holding Period”** means the requisite period prescribed by the ITO and the Rules, or such other period as may be required by the ITA, with respect to 102 Trustee Awards, during which Awards granted by the Company must be held by the Trustee for the benefit of the person to whom it was granted. As of the date of the adoption of this Sub-Plan, the Required Holding Period for 102 Capital Gains Track Awards is 24 months from the date of grant of the Award.

**“Rules”** means the Income Tax Rules (Tax Benefits in Share Issuance to Employees) 5763-2003.

**“Section 102”** shall mean the provisions of Section 102 of the ITO, as amended from time to time, including by the Law Amending the Income Tax Ordinance (Number 132), 2002, effective as of January 1, 2003 and by the Law Amending the Income Tax Ordinance (Number 147), 2005.

**“Trust Agreement”** shall mean the trust agreement entered into between the Trustee and the Company.

**“Trustee”** means a person or entity designated by the Committee to serve as a trustee and approved by the ITA in accordance with the provisions of Section 102(a) of the ITO.

### **3. TYPES OF AWARDS AND SECTION 102 ELECTION**

**3.1** Awards made as 102 Trustee Awards shall be made pursuant to either (a) Sections 102(b)(2) and 102(b)(3) of the ITO as 102 Capital Gains Track Awards or (b) Section 102(b)(1) of the ITO as 102 Ordinary Income Track Awards. The Company’s Election regarding the type of 102 Trustee Award it chooses to make shall be filed with the ITA. Once the Company (or its Affiliate) has filed such Election, it may change the type of 102 Trustee Award that it chooses to make only after the passage of at least 12 months from the end of the calendar year in which the first grant was made in accordance with the previous Election, in accordance with Section 102. For the avoidance of doubt, such Election shall not prevent the Company from granting Non-Trustee Awards to Eligible 102 Award Holders at any time.

**3.2** Eligible 102 Award Holders may receive only 102 Trustee Awards or Non-Trustee Awards under this Sub-Plan. Award Holders who are not Eligible 102 Award Holders may be granted only 3(i) Awards under this Sub-Plan.

**3.3** No 102 Trustee Awards may be made effective pursuant to this Sub-Plan until 30 days after the date the requisite filings required by the ITO and the Rules, including the filing of the Plan and Sub-Plan, have been made with the ITA.

**3.4** The Award Agreement shall indicate whether the grant is a 102 Trustee Award, a Non-Trustee Award or a 3(i) Award; and, if the grant is a 102 Trustee Award, whether it is a 102 Capital Gains Track Award or a 102 Ordinary Income Track Award.

### **4. TERMS AND CONDITIONS OF 102 TRUSTEE GRANTS**

**4.1** Each 102 Trustee Award shall be deemed granted on the date approved by the Committee and stated in a written or electronic notice by the Company, provided that its qualification as a 102 Trustee Award shall be dependent upon the Company’s and the Trustee’s compliance with any applicable requirements set forth by the ITA with regard to such grants.

**4.2** Notwithstanding anything to the contrary in the Plan, each 102 Trustee Award granted to an Eligible 102 Award Holder and each Share acquired pursuant to a 102 Trustee Award shall be deposited with a Trustee in compliance with the Deposit Requirements and held in trust by the Trustee (or be subject to a supervisory trustee arrangement if approved by the ITA). After termination of the Required Holding Period, the Trustee may release such Awards and any Shares issued with respect to such Award, provided

that (i) the Trustee has received an acknowledgment from the ITA that the Eligible 102 Award Holder has paid any applicable tax due pursuant to the ITO or (ii) the Trustee and/or the Company or its Affiliate withholds any applicable tax due pursuant to the ITO. The Trustee shall not release any 102 Trustee Awards or shares issued with respect to the 102 Trustee Awards prior to the full payment of the Eligible 102 Award Holder's tax liabilities.

**4.3** Each 102 Trustee Award shall be subject to the relevant terms of Section 102 and the ITO, which shall be deemed an integral part of the 102 Trustee Award and shall prevail over any term contained in the Plan, this Sub-Plan or Award Agreement that is not consistent therewith. Any provision of the ITO and any approvals of the ITA not expressly specified in this Sub-Plan or any document evidencing an Award that are necessary to receive or maintain any tax benefit pursuant to the Section 102 shall be binding on the Eligible 102 Award Holder. The Trustee and the Eligible 102 Award Holder granted a 102 Trustee Award shall comply with the ITO and the terms and conditions of the Trust Agreement. For avoidance of doubt, it is reiterated that compliance with the ITO specifically includes compliance with the Rules. Further, the Eligible 102 Award Holder agrees to execute any and all documents which the Company or the Trustee may reasonably determine to be necessary in order to comply with the provision of any applicable law, and, particularly, Section 102. With respect to 102 Capital Gain Track Awards, to the extent that the Shares are listed on any established stock exchange or a national market system, the provisions of Section 102(b)(3) of the ITO and the Israeli Fair Market Value shall apply with respect to the Israeli tax rate applicable to such Awards.

**4.4** During the Required Holding Period, the Eligible 102 Award Holder shall not require the Trustee to release or sell the Awards and Shares received subsequently following any realization of rights derived from Awards or Shares (including stock dividends) to the Eligible 102 Award Holder or to a third party, unless permitted to do so by applicable law. Notwithstanding the foregoing, the Trustee may, pursuant to a written request and subject to applicable law, release and transfer such Shares to a designated third party, provided that both of the following conditions have been fulfilled prior to such transfer: (i) all taxes required to be paid upon the release and transfer of the Shares have been withheld for transfer to the tax authorities and (ii) the Trustee has received written confirmation from the Company that all requirements for such release and transfer have been fulfilled according to the terms of the Company's corporate documents, the Plan, any applicable Award Agreement and applicable law. To avoid doubt such sale or release during the Required Holding Period shall result in different tax ramifications to the Eligible 102 Award Holder under Section 102 and the Rules and/or any other regulations or orders or procedures promulgated thereunder, which shall apply to and shall be borne solely by such Eligible 102 Award Holder (including tax and mandatory payments otherwise payable by the Company or its Affiliates, which would not apply absent a sale or release during the Required Holding Period).

**4.5** In the event a stock dividend is declared and/or additional rights are granted with respect to Shares which derive from Awards granted as 102 Trustee Awards, such dividend and/or rights shall also be subject to the provisions of this Section 4 and the Required Holding Period for such stock dividend and/or rights shall be measured from the commencement of the Required Holding Period for the Award with respect to which the dividend was declared and/or rights granted. In the event of a cash dividend on Shares, the Trustee shall transfer the dividend proceeds to the Eligible 102 Award Holder in accordance with the Plan after deduction of taxes and mandatory payments in compliance with applicable withholding requirements, and subject to any other requirements imposed by the ITA.

**4.6** If an Award granted as a 102 Trustee Award is exercised/vests during the Required Holding Period, the Shares issued upon such exercise/vesting (as applicable) shall be issued in the name of the Trustee for the benefit of the Eligible 102 Award Holder (or be subject to a supervisory trustee arrangement if approved by the ITA). If such an Award is exercised or settled after the Required Holding Period ends, the Shares issued upon such exercise or settlement shall, at the election of the Eligible 102 Award Holder, either (i) be issued in the name of the Trustee (or be subject to a supervisory trustee arrangement if approved by the

ITA), or (ii) be transferred to the Eligible 102 Award Holder directly, provided that the Eligible 102 Award Holder first complies with all applicable provisions of the Plan, this Sub-Plan and the applicable Award Agreement.

**4.7** To avoid doubt: (i) notwithstanding anything to the contrary in the Plan, including without limitation Section 9.2 thereof, payment upon exercise or purchase of Awards granted under the 102 Capital Gains Track, may only be paid by cash or check, and not by promissory note, surrender of Shares, reduction of Shares pursuant to a cashless exercise or net exercise arrangement or other forms of payment, unless and to the extent permitted under Section 102 and as authorized by the ITA or the prior approval of the ITA is obtained (as applicable); (ii) notwithstanding anything to the contrary in the Plan, including without limitation Section 12.3 thereof, certain adjustments and amendments to the terms of Awards granted under the 102 Capital Gains Track, including pursuant to dividend equivalents, recapitalization events, repricings, dividend adjustments and so forth, may disqualify the Awards from benefitting from the tax benefits under the 102 Capital Gains Track, unless and to the extent permitted under Section 102 and as authorized by the ITA or the prior approval of the ITA is obtained (as applicable); (iii) notwithstanding anything to the contrary in the Plan or in the Company's corporate documents, repurchase rights/call options with regard to Awards made as 102 Capital Gains Track Awards shall be subject to the prior approval of the ITA and any terms and conditions of such approval (as applicable); (iv) notwithstanding anything to the contrary in the Plan, if an Award Holder ceases to be employed or engaged by the Company and/or its Affiliates, the vesting of any Awards granted under the 102 Capital Gains Track shall end as of such termination of employment or engagement; and (v) notwithstanding anything to the contrary in the Plan, Awards granted under the 102 Capital Gains Track may only be settled in Shares and not in cash.

**4.8** Any Award granted under the 102 Capital Gains Track is meant to comply in full with the terms and conditions of Section 102 and the requirements of the ITA, and therefore the Plan and the Sub-Plan are to be read such that they comply with the requirements of Section 102. Should any provision in the Plan and/or the Sub-Plan disqualify the Plan and/or the Sub-Plan and/or any Award granted under Section 102 Capital Gain Track granted thereunder from beneficial tax treatment pursuant to the provisions of Section 102, such provision shall not apply to such Awards and the underlying Shares unless the ITA provides approval of compliance with Section 102.

## **5. ASSIGNABILITY**

As long as Awards or Shares are held by the Trustee on behalf of the Eligible 102 Award Holder, all rights of the Eligible 102 Award Holder over the Shares are personal, cannot be transferred, assigned, pledged or mortgaged, other than by will or laws of descent and distribution.

## **6. TAX CONSEQUENCES**

**6.1** Any tax consequences arising from the grant, or vesting or exercise of any Award, from the payment for Shares or the acquisition of Shares issued upon the exercise or vesting (as applicable) of the Award, from the sale or disposition of any Shares covered by an Award, or from any other event or act (of the Company and/or its Affiliates and/or the Trustee and/or the Award Holder) hereunder (including without any limitation any taxes and compulsory payments, such as National Insurance Institute and health tax payments), shall be borne solely by the Award Holder. The Company and/or its Affiliates, and/or the Trustee shall withhold taxes according to the requirements under the applicable laws, rules, and regulations, including withholding taxes at source. Furthermore, the Award Holder shall agree to indemnify the Company and/or its Affiliates and/or the Trustee and hold them harmless against and from any and all

liability for any such tax or interest or penalty thereon, including without limitation, liabilities relating to the necessity to withhold, or to have withheld, any such tax from any payment made to the Award Holder.

**6.2** The Company or any of its Affiliates, and the Trustee may make such provisions and take such steps as it/they may deem necessary or appropriate for the withholding of all taxes required by law to be withheld with respect to Awards granted under the Plan and the exercise/vesting, sale, transfer or other disposition thereof, including, but not limited, to (i) deducting the amount so required to be withheld from any other amount (or Shares issuable) then or thereafter to be provided to the Award Holder, including by deducting any such amount from an Award Holder's salary or other amounts payable to the Award Holder, to the maximum extent permitted under law; and/or (ii) requiring the Award Holder to pay to the Company or any of its Affiliates the amount so required to be withheld; and/or (iii) withholding otherwise deliverable Shares having a Fair Market Value equal to the minimum amount statutorily required to be withheld; and/or (iv) causing the exercise and sale of any Awards or Shares held by on behalf of the Award Holder or selling a sufficient number of such Shares otherwise deliverable to the Award Holder through such means as the Company may determine in its sole discretion (whether through a broker or otherwise) equal to the amount required to be withheld either through a voluntary sale or through a mandatory sale arranged by the Company (on the Award Holder's behalf pursuant to the Award Holder's authorization as expressed by acceptance of the Award under the terms herein), to the extent permitted by applicable law or pursuant to the approval of the ITA. In addition, the Award Holder shall be required to pay any amount (including penalties) that exceeds the tax to be withheld and transferred to the tax authorities, pursuant to applicable tax laws, regulations and rules.

**6.3** The Company does not represent or undertake that an Award shall qualify for or comply with the requisites of any particular tax treatment (such as the 102 Capital Gains Track), nor shall the Company, its assignees or successors be required to take any action for the qualification of any Award under such tax treatment. The Company shall have no liability of any kind or nature in the event that, as a result of application of applicable law, actions by the Trustee or any position or interpretation of the ITA, or for any other reason whatsoever, an Award shall be deemed to not qualify for any particular tax treatment.

**6.4** With respect to Non-Trustee Awards, if the Eligible 102 Award Holder ceases to be employed by the Company or any Affiliate, the Eligible 102 Award Holder shall extend to the Company and/or its Affiliate a security or guarantee for the payment of tax due at the time of sale of Shares to the satisfaction of the Company, all in accordance with the provisions of Section 102 and the Rules.

**6.5** The Company and/or when applicable, the Trustee shall not be required to release any Share certificate to an Israeli taxpayer Award Holder until all required payments have been fully made. In the event that the Company, or its Affiliates, or the Trustee, as applicable, is uncertain as to the sum of the full tax payment due or which is subject to withholding, the Company or the Trustee, as applicable, may refuse to release the Shares until such time as the ITA verifies the sum of the full tax payment which is due, and the Award Holders shall not have any claims in connection with such refusal. In addition, the Company shall not be obligated to honor the exercise or vesting of an Award by or on behalf of an Award Holder until all tax consequences (if any) arising from the exercise or vesting of such Award and/or sale or disposition of Shares and/or Award are resolved in a manner reasonably acceptable to the Company.

**6.6** THE AWARD HOLDER IS STRONGLY ADVISED TO CONSULT WITH A TAX ADVISOR WITH RESPECT TO THE TAX CONSEQUENCES OF RECEIVING, EXERCISING OR DISPOSING ANY AWARD IN LIGHT OF HIS OR HER PARTICULAR CIRCUMSTANCES. THE COMPANY

DOES NOT ASSUME ANY RESPONSIBILITY TO ADVISE THE AWARD HOLDER ON SUCH MATTERS, WHICH SHALL REMAIN THE SOLE RESPONSIBILITY OF THE AWARD HOLDER.

## 7. ADJUSTMENTS OF AWARDS UNDER THIS APPENDIX

**7.1 Distribution of Bonus Shares.** Notwithstanding the provisions of Section 13.3 of the Plan, in the event that the Company distributes bonus shares, the Exercise Price of Awards granted under this Appendix that are outstanding as of the record date of such distribution (hereinafter in this Section 7.1, the “**Record Date**”) shall not be adjusted; however, the number of Shares covered by each Outstanding Award and the number of Shares which have been authorized for issuance under the Plan but as to which no Options or other Award have yet been granted or which have been returned to the Plan upon cancellation or expiration of an Option or other Award, shall be proportionately adjusted to the increase in the number of issued Shares, such that the number of Shares underlying the relevant Outstanding Award shall increase by the proportionate number of bonus shares (of the same class which was distributed to the other shareholders in the applicable distribution of bonus shares) to which the Award Holder would have otherwise been entitled had the exercise of the Outstanding Award taken place immediately prior to the distribution of the bonus shares. Bonus shares distributed pursuant to this Section 7.1 shall be subject to and in accordance with the terms of any applicable ruling issued by the ITA with respect to 102 Capital Gains Track Awards, to the extent required, and subject to any legend or restriction applicable to the holders of bonus shares for which this adjustment was applied.

For purposes of this Section 7.1, the term “**Outstanding Awards**” shall mean Awards granted prior to the Record Date, which have not been exercised or vested (as applicable) into Shares prior to or on the Record Date.

**7.2 Rights Issue.** Notwithstanding the provisions of Section 13.3 of the Plan, in the case of a rights issue made by the Company to its securities holders, the number of Shares covered by Awards granted under this Appendix as of the record date of such distribution (hereinafter in this Section 7.2, the “**Record Date**”) shall be proportionately and equitably adjusted so as to maintain through such an event the proportionate equity portion represented by the rights issue, such that the number of Shares underlying the relevant Outstanding Award shall be proportionately adjusted to the benefit component underlying the rights issuance as represented by the difference between the closing price of the Company's shares on the stock exchange on the last trading day prior to the “ex-rights” day and the base price of the Company's shares on the stock exchange following the “ex-rights” day. This adjustment shall be subject to and in accordance with the terms of any applicable ruling issued by the ITA with respect to 102 Capital Gains Track Awards, to the extent required.

For purposes of this Section 7.2, the term “**Outstanding Awards**” shall mean Awards granted prior to the Record Date, which have not been exercised or vested (as applicable) into Shares prior to or on the Record Date.

**7.3 Dividends.** Notwithstanding the provisions of Section 13.3 of the Plan, in the event of a distribution of cash dividend or in kind dividend to the Company's shareholders (including by way of court approved distribution pursuant to an applicable statute), The Exercise Price of Awards granted under this Appendix that are outstanding as of the record date of such distribution of a dividend in cash or in kind (hereinafter in this Section 7.3, the “**Record Date**”), shall be adjusted, such that the Exercise Price of the Outstanding Awards shall be decreased by the gross dividend amount per Share (or its monetary value in the event of a dividend in kind). This adjustment shall be subject to and in accordance with the terms of any applicable ruling issued by the ITA with respect to 102 Capital Gains Track Awards, to the extent required. In no event will the Exercise Price of the Awards outstanding as of the Record Date be adjusted to a price lower than the minimum Exercise Price set forth in applicable law. Except as expressly provided herein,

no distribution of a dividend in cash or in kind shall affect, and no adjustment thereof shall be made, with respect to the number of Shares subject to an Award.

For purposes of this Section 7.3, the term “Outstanding Awards” shall mean Awards granted prior to the Record Date, which have not been exercised into Shares prior to or on the Record Date.

## **8. SECURITIES LAWS**

All Awards hereunder shall be subject to compliance with the Israeli Securities Law, 1968, and the rules and regulations promulgated thereunder.