

**BIOHARVEST SCIENCES INC.**

1140-625 Howe Street  
Vancouver, BC V6C 2T6  
Telephone: (604) 685-4745

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS  
TO BE HELD ON DECEMBER 14, 2023**

**AND**

**INFORMATION CIRCULAR**

*NOVEMBER 9, 2023*

*This document requires immediate attention. If you are in doubt as to how to deal with the documents or matters referred to in this Notice of Special Meeting of Shareholders and Information Circular, you should immediately contact your advisor.*

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## NOTICE OF SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON DECEMBER 14, 2023

### TO THE SHAREHOLDERS:

**NOTICE IS HEREBY GIVEN** that the special meeting of the shareholders (the “Meeting”) of BioHarvest Sciences Inc. (the “Company”) will be held at Suite 704, 595 Howe Street, Vancouver, B.C. V6C 2T5 on Thursday, December 14, 2023, at 11:00 a.m. (Vancouver time) for the following purposes:

1. to consider, and if deemed advisable, approve a special resolution amending the Articles of the Company, as described in the accompanying information circular (the “Information Circular”);
2. to consider, and if deemed advisable, approve a resolution approving the Company’s stock option plan, as amended and restated, as described in the Information Circular;
3. to consider, and if deemed advisable, approve a resolution approving the Company’s equity incentive compensation plan, as described in the Information Circular; and
4. to transact such further or other business as may properly come before the Meeting and any adjournment or postponement thereof.

The Information Circular provides additional information relating to the matters to be dealt with at the Meeting and is supplemental to, and expressly made a part of, this Notice of Special Meeting of Shareholders.

The Company’s Board of Directors has fixed November 6, 2023 as the record date for the determination of shareholders entitled to notice of and to vote at the Meeting and at any adjournment or postponement thereof. Each registered shareholder at the close of business on that date is entitled to such notice and to vote at the Meeting in the circumstances set out in the Information Circular.

If you are a registered shareholder of the Company and unable to attend the Meeting in person, please complete, date and sign the accompanying form of proxy and deposit it with the Company’s transfer agent, National Securities Administrators Ltd., Suite 702 - 777 Hornby Street, Vancouver, BC, V6Z 1S4 by mail or fax, no later than no later than forty eight (48) hours (excluding Saturdays, Sundays and holidays) prior to the time of the Meeting, or adjournment thereof.

If you are a non-registered shareholder of the Company, please complete and return the accompanying materials in accordance with the instructions set forth in the Information Circular.

DATED at Vancouver, British Columbia, this 9th day of November 2023

**By order of the Board of  
BioHarvest Sciences Inc.**

*“Ilan Sobel”*

**Ilan Sobel  
Chief Executive Officer**

# BIOHARVEST SCIENCES INC.

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## INFORMATION CIRCULAR November 9, 2023

### INTRODUCTION

This information circular (the “Information Circular”) accompanies the Notice of Special Meeting of Shareholders (the “Notice”) and is furnished to shareholders holding common shares (“Common Shares”) in the capital of BioHarvest Sciences Inc. (the “Company”) in connection with the solicitation by the management of the Company of proxies to be voted at the special meeting (the “Meeting”) of the shareholders to be held at Suite 704, 595 Howe Street, Vancouver, B.C. V6C 2T5 on Thursday, December 14, 2023, at 11:00 a.m. (Vancouver time) or at any adjournment or postponement thereof.

All references to Shareholders are to registered holders of Common Shares, unless specifically stated otherwise.

#### Date and Currency

The date of this Information Circular and the information therein, unless otherwise specified, is November 9, 2023. Unless otherwise stated, all amounts herein are in Canadian dollars.

### MANAGEMENT SOLICITATION OF PROXIES

The solicitation of proxies by management of the Company will be conducted by mail and may be supplemented by telephone or other personal contact to be made, without special compensation, by the directors, officers and employees of the Company. The Company does not reimburse shareholders, nominees or agents for costs incurred in obtaining from their principals authorization to execute forms of proxy, except that the Company has requested brokers and nominees who hold Common Shares in their respective names to furnish this proxy material to their customers, and the Company may reimburse such brokers and nominees for their related out of pocket expenses. No solicitation will be made by specifically engaged employees or soliciting agents. The Company will bear the cost of the solicitation.

No person has been authorized to give any information or to make any representation other than as contained in this Information Circular in connection with the solicitation of proxies. If given or made, such information or representations must not be relied upon as having been authorized by the Company. The delivery of this Information Circular shall not create, under any circumstances, any implication that there has been no change in the information set forth herein since the date of this Information Circular. This Information Circular does not constitute the solicitation of a proxy by anyone in any jurisdiction in which such solicitation is not authorized, or in which the person making such solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such an offer of solicitation.

### APPOINTMENT AND REVOCATION OF PROXY

#### Appointment of Proxy

Registered shareholders are entitled to vote at the Meeting. A shareholder is entitled to one (1) vote for each Common Share that such shareholder holds on the record date of November 6, 2023 (the “Record Date”) on the resolutions to be voted upon at the Meeting, and any other matter to come before the Meeting.

The persons named as proxyholders (the “Designated Persons”) in the enclosed form of proxy (the “Form of Proxy”) are directors and/or officers of the Company.

**A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON OR COMPANY (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR OR ON BEHALF OF THAT SHAREHOLDER AT THE MEETING, OTHER THAN THE DESIGNATED PERSONS NAMED IN THE FORM OF PROXY.**

**THE SHAREHOLDER MAY EXERCISE THE RIGHT BY STRIKING OUT THE PRINTED NAMES AND INSERTING THE NAME OF SUCH OTHER PERSON AND, IF DESIRED, AN ALTERNATE TO SUCH PERSON, IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY. SUCH SHAREHOLDER SHOULD NOTIFY THE NOMINEE OF THE APPOINTMENT, OBTAIN THE NOMINEE'S CONSENT TO ACT AS PROXY AND SHOULD PROVIDE INSTRUCTION TO THE NOMINEE ON HOW THE SHAREHOLDER'S COMMON SHARES SHOULD BE VOTED. THE NOMINEE SHOULD BRING PERSONAL IDENTIFICATION TO THE MEETING.**

In order to be voted, the completed Form of Proxy must be received by the Company's registrar and transfer agent, National Securities Administrators Ltd. (the "Transfer Agent") at their offices located at Suite 702 - 777 Hornby Street, Vancouver, BC, V6Z 1S4 by mail or fax, no later than forty-eight (48) hours (excluding Saturdays, Sundays and holidays) prior to the time of the Meeting, or adjournment thereof.

A proxy may not be valid unless it is dated and signed by the shareholder who is giving it or by that shareholder's attorney-in-fact duly authorized by that shareholder in writing or, in the case of a corporation, dated and executed by a duly authorized officer or attorney-in-fact for the corporation. If a Form of Proxy is executed by an attorney-in-fact for an individual shareholder or joint shareholders, or by an officer or attorney-in-fact for a corporate shareholder, the instrument so empowering the officer or attorney-in-fact, as the case may be, or a notarially certified copy thereof, must accompany the Form of Proxy.

#### **Revocation of Proxies**

A shareholder who has given a proxy may revoke it at any time before it is exercised by an instrument in writing: (a) executed by that shareholder or by that shareholder's attorney-in-fact authorized in writing or, where the shareholder is a corporation, by a duly authorized officer of, or attorney-in-fact for, the corporation; and (b) delivered either: (i) to the Company at the address set forth above, at any time up to and including the last business day preceding the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or (ii) to the Chairman of the Meeting prior to the vote on matters covered by the proxy on the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or (iii) in any other manner provided by law.

Also, a proxy will automatically be revoked by either: (i) attendance at the Meeting and participation in a poll (ballot) by a shareholder, or (ii) submission of a subsequent proxy in accordance with the foregoing procedures. A revocation of a proxy does not affect any matter on which a vote has been taken prior to any such revocation.

#### **VOTING OF PROXIES**

A shareholder may indicate the manner in which the Designated Persons are to vote with respect to a matter to be voted upon at the Meeting by marking the appropriate space in the Form of Proxy. If the instructions as to voting indicated in the proxy are certain, the Common Shares represented by the proxy will be voted or withheld from voting in accordance with the instructions given in the proxy. If the shareholder specifies a choice in the proxy with respect to a matter to be acted upon, then the Common Shares represented will be voted or withheld from the vote on that matter accordingly. **The Common Shares represented by a proxy will be voted or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for and if the shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly.**

**IF NO CHOICE IS SPECIFIED IN THE PROXY WITH RESPECT TO A MATTER TO BE ACTED UPON, THE PROXY CONFERS DISCRETIONARY AUTHORITY WITH RESPECT TO THAT MATTER UPON THE DESIGNATED PERSONS NAMED IN THE FORM OF PROXY. IT IS INTENDED THAT THE DESIGNATED PERSONS WILL VOTE THE COMMON SHARES REPRESENTED BY THE PROXY IN FAVOUR OF EACH MATTER IDENTIFIED IN THE PROXY AND FOR THE NOMINEES OF THE COMPANY'S BOARD OF DIRECTORS FOR DIRECTORS AND AUDITOR.**

The Form of Proxy confers discretionary authority upon the persons named therein with respect to other matters which may properly come before the Meeting, including any amendments or variations to any matters identified in the Notice, and with respect to other matters which may properly come before the Meeting. At the date of this Information Circular, management of the Company is not aware of any such amendments, variations, or other matters to come before the Meeting.

In the case of abstentions from, or withholding of, the voting of the Common Shares on any matter, the Common Shares that are the subject of the abstention or withholding will be counted for determination of a quorum, but will not be counted as affirmative or negative on the matter to be voted upon.

### ADVICE TO BENEFICIAL SHAREHOLDERS

**The information set out in this section is of significant importance to those shareholders who do not hold Common Shares in their own name. Shareholders who do not hold their shares in their own name (“Beneficial Shareholders”) should note that only proxies deposited by shareholders whose names appear on the records of the Company as the registered holders of Common Shares can be recognized and acted upon at the Meeting.** 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 the shareholder’s broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co., being the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms. **Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person well in advance of the Meeting.**

Regulatory polices require intermediaries (“Intermediaries”) to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. Beneficial Shareholders have the option of not objecting to their Intermediary disclosing certain ownership information about themselves to the Company (such Beneficial Shareholders are designated as non-objecting beneficial owners, or “NOBOs”) or objecting to their Intermediary disclosing ownership information about themselves to the Company (such Beneficial Shareholders are designated as objecting beneficial owners, or “OBOs”).

In accordance with the requirements of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Company has elected to send the Notice, this Information Circular and a request for voting instructions (a “VIF”), instead of a Form of Proxy (the Notice, this Information Circular and VIF or proxy, as applicable, are collectively referred to as the “Meeting Materials”) indirectly through Intermediaries to the NOBOs and OBOs. The company does not intend to pay for an Intermediary to deliver to OBOs the Meeting Materials. The Intermediaries (or their service companies) are responsible for forwarding the Meeting Materials to OBOs and OBOs will not receive the materials unless their Intermediary assumes the costs of delivery.

Meeting Materials sent to Beneficial Shareholders are accompanied by a VIF, instead of a Form of Proxy. By returning the VIF in accordance with the instructions noted on it, a Beneficial Shareholder is able to instruct the Intermediary (or other registered shareholder) how to vote the Beneficial Shareholder’s Common Shares on the Beneficial Shareholder’s behalf. For this to occur, it is important that the VIF be completed and returned in accordance with the specific instructions noted on the VIF.

The majority of Intermediaries now delegate responsibility for obtaining instructions from Beneficial Shareholders to Broadridge Investor Communication Solutions (“Broadridge”) in Canada. Broadridge typically prepares a machine-readable VIF, mails these VIFs to Beneficial Shareholders and asks Beneficial Shareholders to return the VIFs to Broadridge, usually by way of mail, the Internet or telephone. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting by proxies for which Broadridge has solicited voting instructions. A Beneficial Shareholder who receives a VIF from Broadridge cannot use that form to vote Common Shares directly at the Meeting. The VIF must be returned to Broadridge (or instructions respecting the voting of Common Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Common Shares voted. If you have any questions respecting the voting of Common Shares held through an Intermediary, please contact that Intermediary for assistance.

In either case, the purpose of this procedure is to permit Beneficial Shareholders to direct the voting of the Common Shares which they beneficially own. A Beneficial Shareholder receiving a VIF cannot use that form to vote common shares directly at the Meeting. Beneficial Shareholders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered. Should a Beneficial Shareholder who receives a VIF wish to attend the Meeting or have someone else attend on their behalf, the Beneficial Shareholder may request a legal proxy as set forth in the VIF, which will grant the Beneficial Shareholder or their nominee the right to attend and vote at the Meeting.

Only registered shareholders have the right to revoke a proxy. A Beneficial Shareholder who wishes to change its vote must, at least seven days before the Meeting, arrange for its Intermediary to revoke its VIF on its behalf.

All references to shareholders in this Information Circular are to registered shareholders, unless specifically stated otherwise.

These Meeting Materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the Company or its agent has sent the Meeting Materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf.

By choosing to send the Meeting Materials to you indirectly, the Intermediary holding on your behalf has assumed responsibility for (i) delivering the Meeting Materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the VIF.

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

No director or executive officer of the Company who was a director or executive officer since the beginning of the Company's last financial year, each proposed nominee for election as a director of the Company, or any associate or affiliates of any such directors, officers or nominees, has any material interest, direct or indirect, by way of beneficial ownership of Common Shares or other securities in the Company or otherwise, in any matter to be acted upon at the Meeting other than the approval of the Company's stock option plan (the "Stock Option Plan), as amended and restated, and equity incentive compensation plan (the "Equity Incentive Compensation Plan").

### VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company is authorized to issue an unlimited number of Common Shares without par value. As of the Record Date, a total of 478,688,168 Common Shares were issued and outstanding. Each Common Share as at the Record Date carries the right to one (1) vote at the Meeting.

To the knowledge of the Company's directors or executive officers, the following persons and companies beneficially owns, or controls or directs, directly or indirectly, 10% or more of the Common Shares:

Name	Number of Common Shares <sup>(1)</sup>	Percentage of Issued Capital <sup>(2)</sup>
Vivien Rakib <sup>(3)</sup>	105,400,581	22.02%
Greensoil I Investment Fund L.P. <sup>(4)</sup>	24,343,407	
Greensoil Investments Annex Fund I. L.P. <sup>(4)</sup>	<u>25,307,637</u>	
GreenSoil Investments Management Ltd.	49,651,044	10.37%

Notes:

- (1) Common Shares beneficially owned, or over which control or direction is exercised, directly or indirectly, as at the Record Date, based upon information furnished to the Company by the individual directors.
- (2) Based on 478,688,168 Common Shares issued and outstanding as at the Record Date.
- (3) Registered to Altshulder Shaham Trusts Ltd. for Vivien Rakib.
- (4) Each of Greensoil I Investment Fund L.P. and Greensoil Investments Annex Fund I L.P. are under the control or direction of GreenSoil Investments Management Ltd.

### STATEMENT OF EXECUTIVE COMPENSATION

#### Compensation Discussion and Analysis

This discussion describes the Company's compensation program for each person who has acted as Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO") and the three most highly compensated executive officers (or three most highly compensated individuals acting in a similar capacity), other than the CEO and CFO, whose compensation was more than \$150,000 during the financial year ended December 31, 2022 (each a "Named Executive Officer").

#### Significant Elements

The significant elements of compensation awarded to the Named Executive Officers are management fees, stock options of the Company ("Options") and restricted share units of the Company ("RSUS").

The Company does not presently have a long-term incentive plan, other than the Stock Option Plan and the Equity Incentive Plan for its Named Executive Officers. The details of the Stock Option Plan, as amended and restated, and the Equity Incentive Compensation Plan are set out below under the headings “Particulars of Matters to be Acted Upon –Approval of the Stock Option Plan” and “Particulars of Matters to be Acted Upon –Approval of the Equity Incentive Compensation Plan”, respectively.

There is no policy or target regarding allocation between cash and non-cash elements of the Company’s compensation program. The Board of Directors is solely responsible for determining compensation to be paid to the Company’s Named Executive Officers. In addition, the Board of Directors reviews annually the total compensation package of each of the Company’s executives on an individual basis.

#### *Management Fees*

In setting compensation rates for Named Executive Officers, the Company compares the amounts paid to them with the amounts paid to executives in comparable positions at other comparable corporations. The Company’s compensation payable to the Named Executive Officers is based upon, among other things, the responsibility, skills and experience required to carry out the functions of each position held by each Named Executive Officer and varies with the amount of time spent by each Named Executive Officer in carrying out his or her functions on behalf of the Company.

#### *Share-Based Awards and Option-Based Awards*

The Stock Option Plan and the Equity Incentive Compensation Plan is intended to emphasize management’s commitment to growth of the Company.

The details of the Stock Option Plan, as amended and restated, and the Equity Incentive Compensation Plan are set out below under the headings “Particulars of Matters to be Acted Upon –Approval of the Stock Option Plan” and “Particulars of Matters to be Acted Upon –Approval of the Equity Incentive Compensation Plan,” respectively.

#### **Summary Compensation Table**

The following table sets forth information about compensation paid to, or earned by, the Company’s Named Executive Officers of the fiscal year ended December 31, 2022 during the fiscal years ended December 31, 2022, 2021 and 2020.

Name and Principal Position	Year	Salary (USD\$)	Share Based Awards (USD\$)	Option Based Awards (USD\$)	Non Equity Incentive Plan Compensation (\$)		Pension Value (USD\$)	All Other Compensation (Consulting Fees) (USD\$)	Total Compensation (USD\$)
					Annual Incentive Plans	Long Term Incentive Plans (USD\$)			
Ilan Sobel CEO <sup>(1)</sup>	2022	Nil	Nil	113,023	120,660	Nil	Nil	398,116	631,799
	2021	Nil	Nil	314,853	96,971	Nil	Nil	362,293	774,117
	2020	Nil	Nil	417,790	53,246	Nil	Nil	213,276	684,312
Zaki Rakib Chairman, President and Director <sup>(2)</sup>	2022	Nil	Nil	502,847	52,734	Nil	Nil	182,400	737,981
	2021	Nil	Nil	565,111	84,000	Nil	Nil	147,600	721,111
	2020	Nil	Nil	Nil	Nil	Nil	Nil	135,565	135,565
Alan Rootenberg CFO <sup>(3)</sup>	2022	Nil	Nil	25,388	Nil	Nil	Nil	30,000	55,388
	2021	Nil	Nil	5,295	Nil	Nil	Nil	30,000	35,295
	2020	Nil	Nil	5,700	Nil	Nil	Nil	19,533	25,233
Yochi Hagay CTO <sup>(4)</sup>	2022	Nil	Nil	377,445	Nil	Nil	Nil	Nil	377,445
	2021	Nil	Nil	1,319,371	Nil	Nil	Nil	Nil	1,319,371
	2020	Nil	Nil	286,226	Nil	Nil	Nil	Nil	286,226

#### Notes:

(1) Appointed as CEO on June 9, 2020.

(2) Appointed as director on September 27, 2018, appointed as Chairman and President on June 9, 2020.

(3) Appointed as CFO on October 9, 2018.

(4) Appointed as Chief Technology Officer on September 27, 2018.

### Incentive Plan Awards

The following table sets forth all outstanding share based and option based awards to the Named Executive Officers as at the fiscal year ended December 31, 2022.

Name and Principal Position	Option Based Awards				Share Based Awards	
	Number of Securities underlying unexercised options	Option exercise price (CAD\$)	Option Expiration Date	Value of unexercised in-the-money options (CAD\$) <sup>(6)</sup>	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested (\$)
Ilan Sobel CEO <sup>(1)</sup>	18,098,196	\$0.14	June 9, 2030	\$2,714,729	N/A	N/A
Zaki Rakib President, Chairman and Director <sup>(2)</sup>	4,343,800	\$0.32	September 9, 2023	-	N/A N/A	N/A N/A
Yochi Hagay CTO <sup>(4)</sup>	11,910,000 6,000,000	\$0.15 \$0.66	July 29, 2030 February 25, 2031	\$1,667,400 -	N/A N/A	N/A N/A
Alan Rootenberg CFO <sup>(5)</sup>	250,000 200,000	\$0.15 \$0.35	September 10, 2030 March 24, 2032	\$35,000 -	N/A N/A	N/A N/A

Notes:

- (1) Appointed as CEO on June 9, 2020.
- (2) Appointed as CEO and director on September 27, 2018, ceased to be CEO on June 9, 2020, and appointed as President and Chairman on June 9, 2020.
- (3) Appointed as director and Secretary on April 19, 2013, and appointed as Vice President (IR) on June 9, 2020.
- (4) Appointed as CFO on October 9, 2018.
- (5) Appointed as Chief Technology Officer on September 27, 2018.
- (6) These amounts are calculated based on the difference between the exercise price of the Option and the closing price of the Common Shares on the Canadian Securities Exchange on December 31, 2022 of \$0.29.

### External Management Companies

Neither David K. Ryan nor Alan Rootenberg is an employee of the Company.

The Company pays US\$2,500 per Month to The M&S Group Inc. in respect of the services that Alan Rootenberg provides to Company as CFO, all of which is paid to Alan Rootenberg by The M&S Group Inc.

The Company pays an aggregate of CAD\$5,000 per Month to Ry-N Ginger Enterprises Inc. in respect of the services that David K. Ryan provides to the Company as Director, Secretary and Vice President (IR), all of which is paid to David K. Ryan by Ry-N Ginger Enterprises Inc.

### Termination and Change of Control Benefits

The Company has no contract, agreement, plan or arrangement that provides for payments to a Named Executive Officer, at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of the Company or a change in the Named Executive Officer's responsibilities.



## DIRECTOR COMPENSATION

### Director Compensation Table

The following table sets forth the compensation paid to the Company’s directors, who are not also Named Executive Officers of the Company, for the fiscal years ended December 31, 2022 and 2021.

Name	Year	Fees Earned (USD\$)	Share-based awards (USD\$)	Option-based Awards (USD\$)	Non-Equity Incentive Plan Compensation (USD\$)	Pension Value (USD\$)	All Other Compensation (USD\$)	Total (USD\$)
Liron Carmel	2022	-	-	-	-	-	-	-
	2021	21,804	Nil	31,291	Nil	Nil	Nil	53,095
Vivien Rakib	2022	27,765	Nil	682	Nil	Nil	Nil	28,447
	2021	30,883	Nil	3,910	Nil	Nil	Nil	34,793
Jake Fiddick	2022	27,765	Nil	1,495	Nil	Nil	Nil	29,260
	2021	30,883	Nil	9,415	Nil	Nil	Nil	40,298
David Tsur	2022	27,765	Nil	27,604	Nil	Nil	Nil	55,369
	2021	9,079	Nil	10,294	Nil	Nil	Nil	19,373
David K. Ryan	2022	46,284	Nil	1,495	Nil	Nil	Nil	47,779
	2021	48,006	Nil	9,415	Nil	Nil	Nil	57,421

### Incentive Plan Awards for Directors

The following table sets forth all outstanding share based and option based awards to the directors of the Company as at the fiscal years ended December 31, 2022 and 2021.

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth details of all of the equity compensation plans of the Company as of December 31, 2022. As at December 31, 2022, the equity compensation plans of the Company consisted of the Stock Option Plan.

The details of the Stock Option Plan, as amended and restated, and the Equity Incentive Compensation Plan are set out below under the headings “Particulars of Matters to be Acted Upon –Approval of the Stock Option Plan” and “Particulars of Matters to be Acted Upon –Approval of the Equity Incentive Compensation Plan,” respectively.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights (\$)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	62,421,307	0.19	4,510,947
Equity compensation plans not approved by security holders	Nil	N/A	Nil
<b>Total</b>	<b>62,421,307</b>	-	<b>4,510,947</b>

### PARTICULARS OF MATTERS TO BE ACTED UPON

#### Amendment of the Articles

At the Meeting, Shareholders will be asked to consider and, if deemed appropriate, to approve, with or without variation, a special resolution approving the amendment of the Articles of the Company (the “Articles”). **Shareholders of the Company are advised that, to pass this special resolution, the resolution must be passed by special majority consisting of at least 2/3 of the votes cast on the resolution at the Meeting.**

### *Summary of the Proposed Amendments to the Articles*

The following information is intended as a brief description of the proposed amendments to the Articles and is qualified in its entirety by the full text of the Articles, as amended and restated by the proposed amendments (the “Amended and Restated Articles”), in blackline to the Company’s existing Articles, which will be available for review at the Meeting and are attached hereto as Schedule “A”. Capitalized terms not otherwise defined herein are as defined in the Amended and Restated Articles.

The proposed amendments to the Articles update the Articles to reflect the legislation and regulatory requirements applicable to the Company and adjust the quorum for shareholder meetings of the Company, as well as incorporate other corporate governance standards that would become applicable upon any shares of the Company become listed on an exchange registered as a “national securities exchange” under section 6 of the Securities Exchange Act of 1934, as amended from time to time, or the Nasdaq Stock Market (each, a “US Stock Exchange”).

- Section 3.1 has been amended to remove restrictions on the price at which directors of the Company may issue or grant options to purchase shares;
- Section 5.1 has been amended to remove restrictions on the Company acquiring its own shares;
- Section 9, pertaining to corporate alterations, has been removed and the power to make certain alterations to the issued and outstanding share capital of the Company or to change the name of the Company may now be made by resolutions of the Board of Directors;
- Section 8.3 has been revised such that if any shares of the Company are listed on a US Stock Exchange, the quorum for a meeting of shareholders of the Company shall be one or more person or by proxy representing at least 33 1/3% of the outstanding common shares in the capital of the Company;
- Section 8.20 has been added to permit shareholder meetings of the Company to be held and conducted by telephone or other communication mediums;
- Sections 11.9 and 14.5(b) have been added such that if any shares of the Company are listed on a US Stock Exchange, the Company is required meet certain director independence and committee requirements of the applicable US Stock Exchange; and
- The indemnification provisions (Part 17 in the Amended and Restated Articles) have been amended to grant the maximum indemnity permitted for directors and senior officers of the Company and its subsidiaries.

At the Meeting, Shareholders will be asked to consider and, if deemed appropriate, to approve, with or without variation, a special resolution approving the amendment of the Articles of the Company. The full text of the resolutions to be considered at the Meeting is set forth below:

#### **RESOLVED THAT:**

1. The Articles of the BioHarvest Sciences Inc. (the “Company”) be amended in the form described in and attached to the management information circular of the Company dated November 9, 2023 and the same is hereby approved; and
2. Any director or officer of the Company is hereby authorized and directed, for and on behalf of the Company, to do all things and to execute, deliver and file all such agreements, documents and instruments, and to do all such other acts and things, as such director or officer deems necessary or desirable to give effect to the forgoing resolutions.

***Management recommends the approval of the amendment of the Articles of the Company.***

#### **Approval of the Stock Option Plan**

The Shareholders are being asked to approve the Stock Option Plan, as amended and restated (the “Amended and Restated Stock Option Plan”), at the Meeting. **Shareholders of the Company are advised that, to pass this resolution, the resolution must be passed by simple majority of the votes cast on the resolution at the Meeting.**

The Stock Option Plan is a “rolling” stock option plan reserving a maximum of 15% of the issued Common Shares at the time of the Option grant.

*Summary of the Amended and Restated Stock Option Plan*

The following information is intended as a brief description of the Amended and Restated Stock Option Plan and is qualified in its entirety by the full text of the Amended and Restated Stock Option Plan, in blackline to the Stock Option Plan, which will be available for review at the Meeting and is attached hereto as Schedule “B”. Capitalized terms not otherwise defined herein are as defined in the Amended and Restated Stock Option Plan.

- Options may be granted under the Amended and Restated Stock Option Plan to such service providers of the Company and its affiliates, if any, as the Board of Directors may from time to time designate.
- The exercise price of Option grants will be determined by the Board of Directors, but cannot be lower than the price permitted by the Canadian Securities Exchange (the “Exchange”).
- The Amended and Restated Stock Option Plan provides that the number of Common Shares that may be reserved for issuance to any one individual upon exercise of all Options held by such individual may not exceed 5% of the issued common shares unless the Company has obtained disinterested shareholder approval, or 2% of the issued Common Shares, if the individual is engaged in providing investor relations services, within a 12 month period.
- Subject to earlier termination, all Options granted under the Amended and Restated Stock Option Plan will expire not later than the date that is ten years from the date that such Options are granted.
- In the event that an optionee ceases to be a director, officer, employee or consultant with cause, the Options shall terminate immediately on such termination.
- In the event that an optionee, who is not subject to the tax laws of United States of America, ceases to be a director, officer, employee or consultant without cause, the Options will terminate on the earlier of ninety days or such later date as may be determined by the Board of Directors.
- In the event that an optionee, who is subject to the tax laws of United States of America, ceases to be a director, officer, employee or consultant without cause, the Option will terminate on the earlier of ninety days or the third month after the optionee ceases to be an employee or officer.
- In the event of the death or disability of an optionee, the Options will only be exercisable before the earlier of the expiry date of the Option and the first anniversary of the Optionee’s death or disability.
- Options granted under the Amended and Restated Stock Option Plan are not transferable or assignable other than to a corporation wholly owned by the optionee, if permitted by the Exchange, or by will or other testamentary instrument or pursuant to the laws of succession.
- If the grant of Options under the Amended and Restated Stock Option Plan to insiders of the Company, together with all of the Company’s outstanding Options, could result at any time in:
  - the number of Common Shares reserved for issuance pursuant to Options granted to insiders of the Company exceeding 10% of the issued Common Shares of the Company;
  - the grant to insiders of the Company, within a 12 month period, of a number of Options exceeding 15% of the issued Common Shares of the Company; or
  - the issuance to any one optionee, within a 12 month period, of a number of Common Shares exceeding 5% of the issued Common Shares of the Company,

disinterested shareholder approval is required.

At the Meeting, Shareholders will be asked to consider and, if deemed appropriate, to approve, with or without variation, an ordinary resolution approving the Amended and Restated Stock Option Plan. The full text of the resolutions to be considered at the Meeting is set forth below:

RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. The stock option plan, as amended and restated (the “Stock Option Plan”), of BioHarvest Sciences Inc. (the “Company”) in substantially the form described in and attached to the management information circular of the Company dated November 9, 2023 be and the same is hereby ratified, confirmed and approved, subject to the acceptance of the Canadian Securities Exchange (the “Exchange”), if required, and shall thereafter continue and remain in effect until ratification is required pursuant to the rules of the Exchange or other applicable regulatory requirements;
2. All unallocated options to acquire common shares in the capital of the Company, right or other entitlement available under the Stock Option Plan are hereby approved and authorized;
3. The board of directors of the Company is authorized and directed to make any amendments to the Stock Option Plan as may be required by the Exchange or other regulatory authorities, without further approval by the shareholders of the Company, in order to ensure the adoption of the Stock Option Plan; and
4. Any director or officer of the Company is hereby authorized and directed, for and on behalf of the Company, to do all things and to execute, deliver and file all such agreements, documents and instruments, and to do all such other acts and things, as such director or officer deems necessary or desirable to give effect to the forgoing resolutions.

**Approval of the Equity Incentive Compensation Plan**

At the Meeting, shareholders of the Company will be asked to vote for the approval of the Equity Incentive Compensation Plan, pursuant to which RSUs may be granted to eligible participants. **Shareholders of the Company are advised that, to pass this resolution, the resolution must be passed by simple majority of the votes cast on the resolution at the Meeting.**

The Equity Incentive Compensation Plan was approved by the directors of the Company on November 9, 2023.

The Equity Incentive Compensation Plan was established to provide an incentive to directors, officers, employees, management company employees and consultants who provide services to the Company. The intention of management in proposing the Equity Incentive Compensation Plan is to increase the proprietary interest of such persons in the Company and thereby aid the Company in attracting, retaining and encouraging the continued involvement of such persons with the Company.

*Summary of the Equity Incentive Compensation Plan*

The following information is intended as a brief description of the Equity Incentive Compensation Plan and is qualified in its entirety by the full text of the Equity Incentive Compensation Plan which will be available for review at the Meeting and is attached hereto as Schedule “C”. Capitalized terms not otherwise defined herein are as defined in the Equity Incentive Compensation Plan.

- The maximum number of Common Shares issuable pursuant to Awards issued under the Equity Incentive Compensation Plan shall not exceed 5% of the issued and outstanding Common Shares at the time of grant;
- The maximum number of Common Shares for which Awards and other security-based compensation may be issued to any one Participant in any 12-month period shall not exceed 5% of the outstanding Common Shares, calculated on the date an Award is granted to the Participant;
- The maximum number of Common Shares for which Awards and other security-based compensation may be issued to Insiders (as a group) at any point in time shall not exceed 10% of the outstanding Common Shares; and (ii) the aggregate number of Awards and other security-based compensation granted to Insiders (as a group), within any 12-month period, shall not exceed 10% of the outstanding Common Shares, calculated at the date an Award is granted to any Insider;

- Awards under the Equity Incentive Compensation Plan shall be granted only to bona fide Employees, Officers, Directors, Management Company Employees and Consultants;
- Each Award grant shall be evidenced by an Award Agreement that shall specify the number and type of Awards granted, the settlement date for the Awards, and any other provisions as the Committee shall determine;
- The Awards granted herein may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated. All rights with respect to the Awards granted to a Participant under the Plan shall be available in accordance with the terms of the Equity Incentive Compensation Plan; and
- Unless otherwise specified in an Award Agreement, and subject to any provisions of the Plan or the applicable Award Agreement relating to acceleration of vesting of Awards, Awards shall vest at the discretion of the Committee, provided, however that no Award may vest before the date that is one (1) year following the date of the grant of the Award, unless the Award Agreement permits acceleration of vesting in the event of the death of the Participant, or where the Participant ceases to be a Permitted Participant in connection with a Change of Control, as further set out in the Equity Incentive Compensation Plan.

At the Meeting, Shareholders will be asked to consider and, if deemed appropriate, to approve, with or without variation, an ordinary resolution approving the Equity Incentive Compensation Plan. The full text of the resolutions to be considered at the Meeting is set forth below:

**RESOLVED THAT:**

1. The equity incentive compensation plan (the “Equity Incentive Compensation Plan”) of BioHarvest Sciences Inc. (the “Company”) in substantially the form described in and attached to the management information circular of the Company dated November 9, 2023 be and the same is hereby approved, subject to the acceptance of the Canadian Securities Exchange (the “Exchange”), if required, and shall thereafter continue and remain in effect until ratification is required pursuant to the rules of the Exchange or other applicable regulatory requirements;
2. All unallocated restricted share units to acquire common shares in the capital of the Company, right or other entitlement available under the Equity Incentive Compensation Plan are hereby approved and authorized;
3. The board of directors of the Company is authorized and directed to make any amendments to the Equity Incentive Compensation Plan as may be required by the Exchange or other regulatory authorities, without further approval by the shareholders of the Company, in order to ensure the adoption of the Equity Incentive Compensation Plan; and
4. Any director or officer of the Company is hereby authorized and directed, for and on behalf of the Company, to do all things and to execute, deliver and file all such agreements, documents and instruments, and to do all such other acts and things, as such director or officer deems necessary or desirable to give effect to the forgoing resolutions.

*Management recommends the approval of the Equity Incentive Compensation Plan.*

**INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

No current or former director, executive officer or employee, proposed nominee for election to the board of directors, or associate of such persons is, or has been, indebted to the Company or any of its subsidiaries or has been indebted to any other entity where that indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries since the beginning of the most recently completed financial year of the Company and no indebtedness remains outstanding as at the date of this Information Circular.

**INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

No: (a) director, proposed director or executive officer of the Company; (b) person or company who beneficially owns, directly or indirectly, Common Shares or who exercises control or direction of Common Shares, or a combination of both carrying more than ten percent of the voting rights attached to the Common Shares outstanding (an “Insider”); (c) director or executive officer of an Insider; or (d) associate or affiliate of any of the directors, executive officers or Insiders, has had any material interest, direct or indirect, in any transaction since the commencement of the Company’s most recently completed financial

year or in any proposed transaction which has materially affected or would materially affect the Company, except with an interest arising from the ownership of Common Shares where such person or company will receive no extra or special benefit or advantage not shared on a pro rata basis by all holders of the same class of Common Shares.

#### **MANAGEMENT CONTRACTS**

There were no management functions of the Company or any of its subsidiaries, which were, to any substantial degree, performed by a person other than the directors or executive officers of the Company or any of its subsidiaries.

#### **ADDITIONAL INFORMATION**

Additional information relating to the Company is available on the Company's profile on the System for Electronic Document Analysis and Retrieval + ("SEDAR+") at [www.sedar.com](http://www.sedar.com). Financial information about the Company is provided in the Company's audited financial statements and Management's Discussion and Analysis ("MD&A") for the financial year ended December 31, 2022 can be found on the Company's SEDAR profile.

Copies of the Company's financial statements and MD&A for the financial year ended December 31, 2022 may be obtained without charge upon request from the Company, at Suite 1140 – 625 Howe Street, Vancouver BC V6C 2T6 (604-622-1186) and such documents will be sent by mail or electronically by email as may be specified at the time of the request.

#### **OTHER MATTERS**

Other than the above, management of the Company knows of no other matters to come before the Meeting other than those referred to in the Notice. However, if any other matters that are not known to management should properly come before the Meeting, the Form of Proxy confers discretionary authority upon the persons named therein to vote on such matters in accordance with their best judgment.

## **APPROVAL OF THE BOARD OF DIRECTORS**

The contents of this Information Circular have been approved and the delivery of it to each shareholder of the Company entitled thereto and to the appropriate regulatory agencies has been authorized by the Board of Directors of the Company.

Dated at Vancouver, British Columbia as of November 9, 2023.

**ON BEHALF OF THE BOARD**

**BIOHARVEST SCIENCES INC.**

*"Ilan Sobel"*

**Ilan Sobel**  
**Chief Executive Officer**

**SCHEDULE "A"**

**AMENDED AND RESTATED ARTICLES**

**(See attached)**



BUSINESS CORPORATIONS ACT

**ARTICLES**

**of**

**OF**

**BIOHARVEST SCIENCES INC.**

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BUSINESS CORPORATIONS ACT  
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1. —

OF

**BIOHARVEST SCIENCES INC.**

(the “Company”)

**PART 1— INTERPRETATION**

**1.1 ~~1.1~~ Definitions**

~~Without limiting Article 1.2, in these Articles, unless the following words and phrases have context requires otherwise:~~

- (a) ~~“adjourned meeting” means the meanings set out beside them: meeting to which a meeting is adjourned under Article 8.6 or 8.9;~~
- (b) ~~(1) —“board of” and “directors”, “directors” and “board” mean the board of directors or sole director of the Company for the time being;~~
- (c) ~~(2) —“Business Corporations Act” means the Business Corporations Act (British Columbia) from time to time in force and all amendments thereto, S.B.C. 2002, c.57, and includes all its regulations and amendments thereto made pursuant to that Act;~~
- (d) ~~(3) —“Company” means the company whose name is set out at the top of page 1, being the company which has adopted these —“Company” means BioHarvest Sciences Inc.;~~

**ARTICLES:**

- (e) ~~(4) —“Interpretation Act” means the Interpretation Act (British Columbia) from time to time, R.S.B.C. 1996, c. 238;~~
- (f) ~~“senior officers” means the Chief Executive Officer, Chief Financial Officer and such other officers of the Company as designated from time to time by the board;~~

~~“trustee”, in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;~~

~~(d)(g) (4) — “legal personal representative” relation to a shareholder, means the personal or other legal representative of the shareholder, and includes a trustee in bankruptcy of the shareholder; and~~

~~(5) — ““US Stock Exchange” means an exchange registered address” of a shareholder means the shareholder’s address as recorded in the central a “national securities register;~~

~~(e)(h) (exchange” under section 6) — “seal” means of the seal Securities Exchange Act of the Company, if any 1934, as amended from time to time, or the Nasdaq Stock Market.~~

## **1.2 ~~1.2 — Business Corporations Act and Interpretation Act Definitions Applicable~~ definitions apply**

~~The definitions in the *Business Corporations Act* and the definitions and rules of construction in the apply to these Articles.~~

## **1.3 ~~Interpretation Act applies~~**

~~The *Interpretation Act*, with applies to the necessary changes, so far as applicable, and unless the context requires otherwise, apply to interpretation of these Articles as if they these Articles were an enactment.~~

## **1.4 ~~Conflict in definitions~~**

~~If there is a conflict between a definition in the *Business Corporations Act* and a definition or rule in the *Interpretation Act* relating to a term used in these Articles, the definition in the *Business Corporations Act* will prevail in relation to the use of the term in these Articles.~~

## **1.5 ~~Conflict between Articles and legislation~~**

~~If there is a conflict between these Articles and the *Business Corporations Act*, the *Business Corporations Act* will prevail.~~

## **PART 22. — — SHARES AND SHARE ~~CERTIFICATES~~ CERTIFICATES**

### **2.1 ~~2.1 — Authorized Share Structure~~**

~~The authorized share structure of the Company consists of shares of the kinds, classes and, if any, series described in the Notice of Articles of the Company.~~

### **2.2 ~~2.2 — Form of Share Certificates~~ share certificate**

~~Each share certificate issued by the Company must comply with, and be signed as required by, the *Business Corporations Act*.~~

### **2.3 ~~2.3 — Shareholder Entitled to Certificate or Acknowledgment~~ Acknowledgment**

~~Each Unless the shares are uncertificated shares, each shareholder is entitled, without charge, to (a) one share certificate representing the shares of each class or series of shares registered in the shareholder’s name or (b) a non-transferable written acknowledgment acknowledgment of the shareholder’s right to~~

obtain such a share certificate, ~~but provided that~~ in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate and delivery of a share certificate for a share to one of several joint shareholders or to one of the shareholders' duly authorized agents will be sufficient delivery to all.

(i) ~~2.4~~ Delivery by Mail

2.4 ~~2.4~~ Sending of share certificate

Any share certificate ~~or non-transferable written acknowledgment of a shareholder's right to obtain which~~ a ~~share certificate~~ shareholder is entitled may be sent to the shareholder by mail ~~at the shareholder's registered address~~ and neither the Company nor any ~~director, officer or agent of the Company~~ is liable for any loss to the shareholder because the ~~share certificate or acknowledgment sent~~ is lost in the mail or stolen.

2.42.5 ~~2.5~~ Replacement of Worn Out or Defaced Certificate or Acknowledgment worn out or defaced certificate

If the directors are satisfied that a share certificate ~~or a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate~~ is worn out or defaced, they must, on production to them of the ~~share certificate or acknowledgment, as the case may be,~~ and on such other terms, if any, as they think fit:

- (a) ~~(1)~~ order the ~~share certificate or acknowledgment, as the case may be,~~ to be cancelled; and
- (b) ~~(2)~~ issue a replacement share certificate ~~or acknowledgment, as the case may be.~~

2.52.6 ~~2.6~~ Replacement of Lost, Stolen or Destroyed Certificate or Acknowledgment lost, stolen or destroyed certificate

If a share certificate ~~or a non-transferable written acknowledgment of a shareholder's right to obtain a share certificate~~ is lost, stolen or destroyed, a replacement share certificate ~~or acknowledgment, as the case may be,~~ must be issued to the person entitled to that ~~share certificate or acknowledgment, as the case may be,~~ if the directors receive:

- (a) ~~(1)~~ proof satisfactory to them that the ~~share certificate or acknowledgment~~ is lost, stolen or destroyed; and
- (b) ~~(2)~~ any indemnity the directors consider adequate.

2.62.7 ~~2.7~~ Splitting Share Certificates share certificates

If a shareholder surrenders a share certificate to the Company with a written request that the Company issue in the shareholder's name ~~two~~ 2 or more ~~share~~ certificates, each representing a specified number of shares and in the aggregate representing the same number of shares as the ~~share~~ certificate so surrendered, the Company must cancel the surrendered ~~share~~ certificate and issue replacement share certificates in accordance with that request.

(ii) ~~2.8~~ Certificate Fee

~~There must be paid to the Company, in relation to the issue of any share certificate under Articles 2.5, 2.6 or 2.7, the amount, if any and which must not exceed the amount prescribed under the *Business Corporations Act*, determined by the directors.~~

(iii) — 2.9 — Recognition of Trusts

~~Except as required by law or statute or these Articles, no person will be recognized by the Company as holding any share upon any trust, and the Company is not bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or fraction of a share or (except as by law or statute or these Articles provided or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in the shareholder.~~

~~2.8~~ **3. — Shares may be uncertificated**

~~Notwithstanding any other provisions of this Part, the directors may, by resolution, provide that:~~

- ~~(a) the shares of any or all of the classes and series of the Company's shares may be uncertificated shares; or~~
- ~~(b) any specified shares may be uncertificated shares.~~

**PART 3 — ISSUE OF SHARES**

~~3.1~~ **3.1 — Directors ~~Authorized~~ authorized to issue shares**

~~Subject~~ The directors may, subject to the rights of the holders of the issued shares of the Company, ~~the Company may issue,~~ allot, sell, issue and grant options on or otherwise dispose of the unissued shares, and issued shares held by the Company, at the times, to the persons, including directors, in the manner, on the terms and conditions and for the issue prices ~~(including any premium at which shares with par value may be issued)~~ that the directors, in their absolute discretion, may determine. ~~The issue price for a share with par value must be equal to or greater than the par value of the share.~~

(iv) — 3.2 — Commissions and Discounts

~~The Company may pay at any time a reasonable commission or allow a reasonable discount to any person in consideration of that person purchasing or agreeing to purchase shares of the Company from the Company or any other person or procuring or agreeing to procure purchasers for shares of the Company.~~

(v) — 3.3 — Brokerage

~~The Company may pay such brokerage fee or other consideration as may be lawful for or in connection with the sale or placement of its securities.~~

(vi) — 3.4 — Conditions of Issue

~~Except as provided for by the *Business Corporations Act*, no share may be issued until it is fully paid. A share is fully paid when:~~

- (1) ~~consideration is provided to the Company for the issue of the share by one or more of the following:~~
- ~~(a) past services performed for the Company;~~
  - ~~(b) property;~~
  - ~~(c) money; and~~
- (2) ~~the value of the consideration received by the Company equals or exceeds the issue price set for the share under Article 3.1.~~

~~(vii) 3.5 Share Purchase Warrants and Rights~~

~~The Company may issue share purchase warrants, options and rights upon such terms and conditions as the directors determine, which share purchase warrants, options and rights may be issued alone or in conjunction with debentures, debenture stock, bonds, shares or any other securities issued or created by the Company from time to time.~~

~~(b) 4. Share Registers~~

~~(i) 4.1 Central Securities Register~~

~~The Company must maintain in British Columbia a central securities register as required by the *Business Corporations Act*. The directors may appoint:~~

- ~~(1) an agent to maintain the central securities register; and~~
- ~~(2) one or more agents, including the agent which keeps the central securities register, as transfer agent for its shares or any class or series of its shares, as the case may be, and the same or another agent as registrar for its shares or such class or series of its shares.~~

~~The directors may terminate such appointment of any agent at any time and may appoint another agent in its place.~~

~~(ii) 4.2 Closing Register~~

~~The Company must not at any time close its central securities register.~~

**3.2 5. Company need not recognize unregistered interests**

Except as required by law or these Articles, the Company need not recognize or provide for any person's interests in or rights to a share unless that person is the shareholder of the share.

**PART 4 SHARE TRANSFERS**

~~(iii) 5.1 Registering Transfers~~

#### 4.1 Recording or registering transfer

A transfer of a share of the Company must not be registered ~~unless:~~

- (a) ~~(1) — unless a duly signed instrument of transfer in respect of the share has been received by the Company and the certificate (or acceptable documents pursuant to Article 2.6 hereof) representing the share to be transferred has been surrendered and cancelled; or~~
- ~~(a)(b) if no certificate has been issued by the Company in respect of the share, unless a duly signed instrument of transfer in respect of the share has been received by the Company;~~
- ~~(2) — if a share certificate has been issued by the Company in respect of the share to be transferred, that share certificate has been surrendered to the Company; and~~
- ~~(3) — if a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate has been issued by the Company in respect of the share to be transferred, that acknowledgment has been surrendered to the Company.~~

#### 4.2 5.2 — Form of ~~instrument~~ instrument of Transfertransfer

The instrument of transfer in respect of any share of the Company must be either in the form, if any, on the back of the Company's share certificates or in any other form that may be approved by the directors from time to time.

~~(iv) — 5.3 — Transferor Remains Shareholder~~

~~Except to the extent that the *Business Corporations Act* otherwise provides, the transferor of shares is deemed to remain the holder of the shares until the name of the transferee is entered in a securities register of the Company in respect of the transfer.~~

~~(v) — 5.4 — Signing of Instrument of Transfer~~

#### 4.3 Signing of instrument of transfer

If a shareholder, or ~~their~~his or her duly authorized attorney, signs an instrument of transfer in respect of shares registered in the name of the shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of shares specified in the instrument of transfer ~~or specified in any other manner~~, or, if no number is specified, all the shares represented by ~~the~~ share certificates ~~or set out in the written acknowledgments~~ deposited with the instrument of transfer:

- (a) ~~(1) —~~ in the name of the person named as transferee in that instrument of transfer; or
- (b) ~~(2) —~~ if no person is named as transferee in that instrument of transfer, in the name of the person on whose behalf the ~~instrument~~share certificate is deposited for the purpose of having the transfer registered.

#### 4.3.4 5.5 — Enquiry as to ~~Title Not Required~~ title not required

Neither the Company nor any director, officer or agent of the Company is bound to inquire into the title of the person named in the instrument of transfer as transferee or, if no person is named as transferee in the instrument of transfer, of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered or is liable for any claim related to registering the transfer by the



shareholder or by any intermediate owner or holder of the shares, of any interest in the shares, of any share certificate representing such shares or of any written acknowledgment of a right to obtain a share certificate for such shares.

~~4.44.5~~ ~~5.6~~ — ~~Transfer Fee~~

There must be paid to the Company, in relation to the registration of any transfer, the amount, ~~if any,~~ determined by the directors from time to time.

~~PART 56.~~ — ~~TRANSMISSION – ACQUISITION OF SHARES~~

~~(vi) — 6.1 — Legal Personal Representative Recognized on Death~~

~~In case of the death of a shareholder, the legal personal representative, or if the shareholder was a joint holder, the surviving joint holder, will be the only person recognized by the Company as having any title to the shareholder's interest in the shares. Before recognizing a person as a legal personal representative, the directors may require proof of appointment by a court of competent jurisdiction, a grant of letters probate, letters of administration or such other evidence or documents as the directors consider appropriate.~~

~~(vii) — 6.2 — Rights of Legal Personal Representative~~

~~The legal personal representative has the same rights, privileges and obligations that attach to the shares held by the shareholder, including the right to transfer the shares in accordance with these Articles, provided the documents required by the *Business Corporations Act* and the directors have been deposited with the Company.~~

~~(c) — 7. — Purchase of Shares~~

~~(i) — 7.1 — Company Authorized to Purchase Shares~~

~~5.1 Company authorized to purchase shares~~

~~Subject to Article 7.2 and the special rights and restrictions attached to ~~the shares of~~ any class or series of shares, the Company may, if it is authorized to do so by the directors, ~~may~~ purchase or otherwise acquire any of its shares ~~at the price and upon the terms specified in such resolution.~~~~

~~(ii) — 7.2 — Purchase When Insolvent~~

~~The Company must not make a payment or provide any other consideration to purchase or otherwise acquire any of its shares if there are reasonable grounds for believing that:~~

~~(1) — the Company is insolvent; or~~

~~(2) — making the payment or providing the consideration would render the Company insolvent.~~

~~(iii) — 7.3 — Sale and Voting of Purchased Shares~~

~~If the Company retains a share redeemed, purchased or otherwise acquired by it, the Company may sell, gift or otherwise dispose of the share, but, while such share is held by the Company, it:~~

- ~~(1) — is not entitled to vote the share at a meeting of its shareholders;~~
- ~~(2) — must not pay a dividend in respect of the share; and~~
- ~~(3) — must not make any other distribution in respect of the share.~~

## 5.2 ~~8.~~ Company authorized to accept surrender of shares

~~The Company may, if it is authorized to do so by the directors, accept a surrender of any of its shares.~~

## 5.3 Company authorized to convert fractional shares into whole shares

~~The Company may, if it is authorized to do so by the directors, convert any of its fractional shares into whole shares in accordance with, and subject to the limitations contained in, the *Business Corporations Act*.~~

# **PART 6 — BORROWING POWERS**

## 6.1 Powers of directors

The ~~Company, if authorized by the~~ directors, may from time to time on behalf of the Company:

- (a) ~~(1) —~~ borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that they consider appropriate;
- (b) ~~(2) —~~ issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person, and at ~~such discounts any discount~~ or ~~premiums premium~~ and on such other terms as they consider appropriate;
- (c) ~~(3) —~~ guarantee the repayment of money by any other person or the performance of any obligation of any other person; and
- (d) ~~(4) —~~ mortgage, ~~or~~ charge, whether by way of specific or floating charge, ~~grant a security interest in,~~ or give other security on, the whole or any part of the present and future assets and undertaking of the Company.

## ~~(d) —~~ 9. Alterations

### ~~6.21.1~~ 9.1 Alteration of Authorized Share Structure

~~Subject to Article 9.2, the Company may by:~~

- ~~(1) — a resolution of its board of directors~~
  - ~~(a) — increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;~~

~~(b) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value; and~~

~~(c) alter the identifying name of any of its shares.~~

~~(2) an ordinary resolution:~~

~~(a) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;~~

~~(b) subdivide or consolidate all or any of its unissued, or fully paid issued, shares; and~~

~~(c) if the Company is authorized to issue shares of a class of shares with par value:~~

~~(i) decrease the par value of those shares; and~~

~~(ii) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares.~~

~~(a) (3) a special resolution, otherwise alter its shares or authorized share structure when required or permitted to do so by the *Business Corporations Act*.~~

~~(i) 9.2 Special Rights and Restrictions~~

The Company may by ordinary resolution:

~~(1) create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, unless any of those shares have been issued in which case the Company may do so only by special resolution; or~~

~~(2) vary or delete any special rights or restrictions attached to the shares of any class or series of shares, unless any of those shares have been issued in which case the Company may do so only by special resolution.~~

### ~~6.31.1 9.3 Change of Name~~

The Company may by a resolution of its board of directors authorize an alteration of its Notice of Articles to change its name or adopt or change any translation of that name.

~~(ii) 9.4 Other Alterations~~

If the *Business Corporations Act* does not specify the type of resolution and these Articles do not specify another type of resolution, the Company may by special resolution alter these Articles.

~~(e) 10. Meetings of Shareholders~~

## PART ~~7.10.1~~ ~~ANNUAL~~ GENERAL MEETINGS

### 7.1 ~~The Company must, unless~~ Annual general meetings

~~Unless~~ an annual general meeting is deferred or waived in accordance with section 182(2)(a) or (c) of the Business Corporations Act, the Company must hold its first annual general meeting ~~following incorporation, amalgamation or continuation~~ within 18 months after the date on which it was incorporated or otherwise ~~created and~~ recognized, and after that must hold an annual general meeting at least once in each calendar year and not more than 15 months after the last annual ~~reference date at such time and place as may be determined by the directors; and~~ general meeting.

(i) ~~10.2~~ Resolution Instead of Annual General Meeting

### 7.2 ~~When annual general meeting is deemed to have been held~~

If all of the shareholders who are entitled to vote at an annual general meeting consent by a unanimous resolution under the *Business Corporations Act* to all of the business that is required to be transacted at that annual general meeting, the annual general meeting is deemed to have been held on the date of the unanimous resolution. The shareholders must, in any unanimous resolution passed under this Article ~~10.2, 7.2~~, select as the Company's annual reference date a date that would be appropriate for the holding of the applicable annual general meeting.

### 7.17.3 ~~10.3~~ ~~Calling and Location of Meetings of Shareholders~~ shareholder meetings

The directors may, whenever they think fit, call a meeting of shareholders ~~to be held in British Columbia, Calgary, Alberta or Toronto, Ontario or at such other location as may be approved by the Registrar of Companies at such time and place as may be determined by the directors.~~

### 7.27.4 ~~10.4~~ ~~Notice for Meetings~~ meetings of Shareholders shareholders

The Company must send notice of the date, time and location of any meeting of shareholders, in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by ordinary resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting, and to each director ~~and to the auditor of the Company~~, unless these Articles otherwise provide, at least the following number of days before the meeting:

- (a) ~~(1)~~ if and for so long as the Company is a public company, 21 days;
- (b) ~~(2)~~ otherwise, 10 days.

### 7.37.5 ~~10.5~~ ~~Record Date~~ date for Notice notice

The directors may set a date as the record date for the purpose of determining shareholders entitled to notice of any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. The record date must not precede the date on which the meeting is held by fewer than:

- (a) ~~(1)~~ if and for so long as the Company is a public company, 21 days;
- (b) ~~(2)~~ otherwise, 10 days.

If no record date is set, ~~it the record date~~ is 5:00 p.m. on the ~~business~~ day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

**7.47.6 10.6** — Record ~~Date~~ date for ~~Voting~~ voting

The directors may set a date as the record date for the purpose of determining shareholders entitled to vote at any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. If no record date is set as provided above, the record date ~~is for determining the shareholders entitled to vote at the meeting shall be 5:00 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of~~ before the meeting.

**7.57.7 10.7** — Failure to ~~Give Notice~~ give notice and ~~Waiver~~ waiver of ~~Notice~~ notice

The accidental omission to send notice of any meeting to, or the non-receipt of any notice by, any of the persons entitled to notice does not invalidate any proceedings at that meeting. Any person entitled to notice of a meeting of shareholders may, in writing or otherwise, waive or reduce the period of notice of such meeting.

**7.67.8 10.8** — Notice of ~~Special Business~~ special business at ~~Meetings~~ meetings of ~~Shareholders~~ shareholders

If a meeting of shareholders is to consider special business within the meaning of Article ~~11.1, 8.1~~, the notice of meeting must:

- (a) ~~(1)~~ — state the general nature of the special business; and
- (b) ~~(2)~~ — if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document will be available for inspection by shareholders:
  - (i) ~~(a)~~ — at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice; ~~and~~
  - (ii) ~~(b)~~ — during statutory business hours on any one or more specified days before the day set for the holding of the meeting.

**PART 8** ~~11~~ — PROCEEDINGS AT MEETINGS OF SHAREHOLDERS

**8.1 11.1** — Special ~~Business~~ business

At a meeting of shareholders, the following business is special business:

- (a) ~~(1)~~ — at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting or the election or appointment of directors;
- (b) ~~(2)~~ — at an annual general meeting, all business is special business except for the following:
  - (i) ~~(a)~~ — business relating to the conduct of or voting at the meeting; ~~and~~
  - (ii) ~~(b)~~ — consideration of any financial statements of the Company presented to the meeting; ~~and~~

- (iii) ~~(c)~~ — consideration of any reports of the directors or auditor;<sup>7.2</sup>
- (iv) ~~(d)~~ — the setting or changing of the number of directors;<sup>7.2</sup>
- (v) ~~(e)~~ — the election or appointment of directors;<sup>7.2</sup>
- (vi) ~~(f)~~ — the appointment of an auditor;<sup>7.2</sup>
- (vii) ~~(g)~~ — the setting of the remuneration of an auditor;<sup>7.2</sup>
- (viii) ~~(h)~~ — business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution;<sup>7.2</sup> and
- (ix) ~~(i)~~ — any other business which, under these Articles or the *Business Corporations Act*, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

## 8.2 ~~11.2~~ — Special ~~Majority~~resolution

The ~~majority of~~ votes required for the Company to pass a special resolution at a meeting of shareholders is two-thirds of the votes cast on the resolution.

## 8.3 ~~11.3~~ — Quorum

Subject to the special rights and restrictions attached to the shares of any affected class or series of shares, the quorum for the transaction of business at a meeting of shareholders is ~~two shareholders who are present in person or represented by proxy~~ one or more persons, present in person or by proxy, provided that if any class of shares of the Company are listed on a US Stock Exchange, the quorum of business at a meeting of shareholders is one or more persons, present in person or by proxy representing at least 33 1/3% of the outstanding common shares in the capital of the Company.

- ~~(ii) — 11.4 — One Shareholder May Constitute Quorum~~

~~If there is only one shareholder entitled to vote at a meeting of shareholders:~~

- ~~(1) — the quorum is one person who is, or who represents by proxy, that shareholder, and~~
- ~~(2) — that shareholder, present in person or by proxy, may constitute the meeting.~~

## 8.4 ~~11.5~~ — Other ~~Persons May Attend~~persons may attend

The directors, the president ~~(, if any),~~<sup>7.2</sup> the secretary ~~(, if any),~~<sup>7.2</sup> ~~the assistant secretary (if any),~~<sup>7.2</sup> and any lawyer or auditor for the Company, ~~the auditor of the Company and any other persons invited by the directors~~ are entitled to attend any meeting of shareholders, but if any of those ~~persons does~~shareholders do attend a meeting of shareholders, that person is not to be counted in the quorum, and is not entitled to vote at the meeting, unless that person is a shareholder or proxy holder entitled to vote at the meeting.

## 8.5 ~~11.6~~ — Requirement of ~~Quorum~~quorum

No business, other than the election of a chair of the meeting and the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote at the meeting is present at the commencement of ~~the meeting, but such quorum need not be present throughout~~ the meeting.

**8.6 ~~11.7~~ — Lack of Quorum**

If, within ~~one-half~~1/2 hour from the time set for the holding of a meeting of shareholders, a quorum is not present:

- (a) ~~(1)~~ — in the case of a general meeting ~~requisitioned~~convened by requisition of shareholders, the meeting is dissolved; and
- ~~(2)~~ — in the case of any other meeting of shareholders, the ~~meeting stands adjourned to the same day in the next week at the same time and place.~~

~~(iii) — 11.8 — Lack of Quorum at Succeeding Meeting~~

- (b) ~~If, at the meeting to which the meeting referred to in Article 11.7(2) was adjourned, a quorum is not present within one-half hour from the time set for the holding of the meeting, the person or persons present and being, or representing by proxy, one or more shareholders entitled to attend and vote at the meeting constitute a quorum who are present, in person or by proxy, at the meeting may adjourn the meeting to a set time and place.~~

**8.7 ~~11.9~~ — Chair**

The following ~~individuals are~~individual is entitled to preside as chair at a meeting of shareholders:

- (a) ~~(1)~~ — the chair of the board, if any; ~~or~~
- (b) ~~(2)~~ — if the chair of the board is absent or unwilling to act as chair of the meeting, the ~~first of the following individuals to agree to act as chair: the~~ president, if any.

**8.8 ~~11.10~~ — Selection of Alternate Chair**

~~If, at~~At any meeting of shareholders, the directors present must choose one of their number to be chair of the meeting if: (a) there is no chair of the board or president ~~are not~~ present within 15 minutes after the time set for holding the meeting, ~~or if: (b) the chair of the board and the president are unwilling to act as chair of the meeting; or (c) if the chair of the board and the president have advised the secretary, if any, or any director present at the meeting, that they will not be present at the meeting, one. If, in any of the chief executive officer, the chief financial officer, a vice-president, the secretary or the Company's legal counsel may act as chair of the meeting and, failing them, the directors present must choose one of their number to be chair of the meeting or if foregoing circumstances.~~ all of the directors present decline to ~~take~~accept the position of chair or fail to ~~so choose~~choose one of their number to be chair of the meeting. or if no director is present, the shareholders ~~entitled to vote at the meeting who are~~ present in person or by proxy ~~may~~must choose any person present at the meeting to chair the meeting.

**8.9 ~~11.11~~ — Adjournments**

The chair of a meeting of shareholders may, and if so directed by the meeting must, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

**8.10** ~~11.12~~ — Notice of ~~Adjourned Meeting~~adjourned meeting

It is not necessary to give any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting of shareholders except that, when a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of the original meeting.

~~(iv)~~ — ~~11.13~~ — ~~Decisions by Show of Hands or Poll~~

~~Every motion put to a vote at a meeting of shareholders will be decided on a show of hands unless a poll, before or on the declaration of the result of the vote by show of hands, is directed by the chair or demanded by at least one shareholder entitled to vote who is present in person or by proxy.~~

~~(v)~~ — ~~11.14~~ — ~~Declaration of Result~~

~~The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands or the poll, as the case may be, and that decision must be entered in the minutes of the meeting. A declaration of the chair that a resolution is carried by the necessary majority or is defeated is, unless a poll is directed by the chair or demanded under Article 11.13, conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against the resolution.~~

**8.11** ~~11.15~~ — Motion ~~Need Not~~need not be ~~Seconded~~seconded

No motion proposed at a meeting of shareholders need be seconded unless the chair of the meeting rules otherwise, and the chair of any meeting of shareholders is entitled to propose or second a motion.

~~(vi)~~ — ~~11.16~~ — ~~Casting Vote~~

~~In case of an equality of votes, the chair of a meeting of shareholders does not, either on a show of hands or on a poll, have a second or casting vote in addition to the vote or votes to which the chair may be entitled as a shareholder.~~

**8.12** ~~11.17~~ — Manner of ~~Taking Poll~~taking a poll

Subject to Article ~~11.18~~8.13, if a poll is duly demanded at a meeting of shareholders:

- (a) ~~(1)~~ — the poll must be taken:
  - (i) ~~(a)~~ — at the meeting, or within ~~seven~~7 days after the date of the meeting, as the chair of the meeting directs; and
  - (ii) ~~(b)~~ — in the manner, at the time and at the place that the chair of the meeting directs;
- (b) ~~(2)~~ — the result of the poll is deemed to be ~~the decision of a resolution of, and passed at,~~ the meeting at which the poll is demanded; and
- (c) ~~(3)~~ — the demand for the poll may be withdrawn ~~by the person who demanded it.~~

**8.13** ~~11.18~~ — Demand for ~~Poll~~a poll on ~~Adjournment~~adjournment

A poll demanded at a meeting of shareholders on a question of adjournment must be taken immediately at the meeting.

~~(vii)~~ — ~~11.19~~ — ~~Chair Must Resolve Dispute~~



~~In the case of any dispute as to the admission or rejection of a vote given on a poll, the chair of the meeting must determine the dispute, and their determination made in good faith is final and conclusive.~~

~~(viii) 11.20 Casting of Votes~~

#### **8.14 Demand for a poll not to prevent continuation of meeting**

~~On a poll, a shareholder entitled to more than one vote need not cast all the votes in the same way.~~

~~(ix) 11.21 Demand for Poll~~

~~No poll may be demanded in respect of the vote by which a chair of a meeting of shareholders is elected.~~

~~(x) 11.22 Demand for Poll Not to Prevent Continuance of Meeting~~

The demand for a poll at a meeting of shareholders does not, unless the chair of the meeting so rules, prevent the continuation of a meeting for the transaction of any business other than the question on which a poll has been demanded.

#### **8.15 ~~11.23 Retention~~ Poll not available in respect of election of chair**

~~No poll may be demanded in respect of the vote by which a chair of a meeting of shareholders is elected.~~

#### **8.16 Casting of votes on poll**

~~On a poll, a shareholder entitled to more than one vote need not cast all the votes in the same way.~~

#### **8.17 ~~Ballots~~ Chair must resolve dispute**

~~In the case of any dispute as to the admission or rejection of a vote given on a poll, the chair of the meeting must determine the same, and ~~Proxies~~his or her determination made in good faith is final and conclusive.~~

#### **8.18 ~~The Company must, for at least three months after~~ Chair has no second vote**

~~In case of an equality of votes, the chair of a meeting of shareholders, ~~keep each ballot cast~~ does not, either on a show of hands or on a poll and each proxy voted at the meeting at its records office, and, during that period, make them available for inspection during normal business hours by any shareholder or proxyholder entitled, have a casting or second vote in addition to vote at the meeting. ~~At~~vote or votes to which the ~~end~~chair may be entitled as a shareholder.~~

#### **8.19 Declaration of result**

~~The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands or the poll, as the case may be, and that decision must be entered in the minutes of the meeting.~~

#### **8.20 Meetings by telephone or other communications medium**

~~A shareholder or proxy holder who is entitled to participate in a meeting of shareholders may do so in person, or by telephone or other communications medium, if all shareholders and proxy holders participating in the meeting are able to communicate with each other; provided, however, that nothing in this Section shall obligate the Company to take any action or provide any facility to permit or facilitate~~

the use of any communications medium at a meeting of shareholders. If one or more shareholders or proxy holders participate in a meeting of shareholders in a manner contemplated by this Article 8.20:

- (a) each such shareholder or proxy holder shall be deemed to be present at the meeting; and
- (b) the meeting shall be deemed to be held at the location specified in the notice of the meeting.

## **PART 9 – ALTERATIONS AND RESOLUTIONS**

### **9.1 Alteration of Authorized Share Structure**

~~three month period~~Subject to Article 9.2 and the *Business Corporations Act*, the Company may ~~destroy such ballots and proxies~~ by resolution of the directors:

- (a) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;
- (b) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;
- (c) if the Company is authorized to issue shares of a class of shares with par value:
  - (i) decrease the par value of those shares,
  - (ii) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares,
  - (iii) subdivide all or any of its unissued or fully paid issued shares with par value into shares of smaller par value, or
  - (iv) consolidate all or any of its unissued or fully paid issued shares with par value into shares of larger par value;
- (d) subdivide all or any of its unissued or fully paid issued shares without par value;
- (e) change all or any of its unissued or fully paid issued shares with par value into shares without par value or all or any of its unissued shares without par value into shares with par value;
- (f) alter the identifying name of any of its shares;
- (g) consolidate all or any of its unissued or fully paid issued shares without par value; or
- (h) otherwise alter its shares or authorized share structure when required or permitted to do so by the *Business Corporations Act*.

### **9.2 Change of Name**

~~12.~~—The Company may by resolution of the directors authorize an alteration to its Notice of Articles in order to change its name or adopt or change any translation of that name.

### **9.3 Other Alterations or Resolutions**

If the *Business Corporations Act* does not specify:

- (a) ~~the type of resolution and these Articles do not specify another type of resolution, the Company may by resolution of the directors authorize any act of the Company, including without limitation, an alteration of these Articles; or~~
- (b) ~~the type of shareholders' resolution and these Articles do not specify another type of shareholders' resolution, the Company may by ordinary resolution authorize any act of the Company.~~

## ~~Part 9~~PART 10 – VOTES OF SHAREHOLDERS

~~(xi) — 12.1 — Number of Votes by Shareholder or by Shares~~

### 10.1 Voting rights

Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint ~~shareholders~~registered holders of shares under Article ~~12.3;10.3~~:

- (a) ~~(1) — on a vote by show of hands, every person present who is a shareholder or proxy holder and entitled to vote on at the matter meeting has one vote; and~~
- (b) ~~(2) — on a poll, every shareholder entitled to vote on the matter has one vote in respect of each share entitled to be voted on the matter and held by that shareholder that carries the right to vote on that poll and may exercise that vote either in person or by proxy.~~

~~(xii) — 12.2 — Votes of Persons in Representative Capacity~~

### 10.2 Trustee of shareholder may vote

A person who is not a shareholder may vote on a resolution at a meeting of shareholders, whether on a show of hands or on a poll, and may appoint a proxy holder to act at the meeting in relation to that resolution, if, before doing so, the person satisfies the chair of the meeting at which the resolution is to be considered, or satisfies all of the directors present at the meeting, that the person is a ~~legal personal representative or a trustee in bankruptcy~~ for a shareholder who is entitled to vote ~~at on~~ the ~~meeting~~resolution.

### ~~9.2~~10.3 12.3 — Votes by ~~Joint Holders~~joint shareholders

If there are joint shareholders registered in respect of any share:

- (a) ~~(1) — any one of the joint shareholders, but not both or all, may vote at any meeting, either personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or~~
- (b) ~~(2) — if more than one of the joint shareholders is present at any meeting, personally or by proxy, and more than one of them votes in respect of that share, then only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted; is alone entitled to vote in respect of that share.~~

~~(xiii) — 12.4 — Legal Personal Representatives as Joint Shareholders~~

### 10.4 Trustees as joint shareholders

Two or more ~~legal personal representatives~~trustees of a shareholder in whose sole name any share is registered are, for the purposes of Article ~~12.3;10.3~~, deemed to be joint shareholders.

**9.310.5 12.5 — Representative of a ~~Corporate Shareholder~~ corporate shareholder**

If a corporation, that is not a subsidiary of the Company, is a shareholder, that corporation may appoint a person to act as its representative at any meeting of shareholders of the Company, and:

- (a) ~~(1)~~ — for that purpose, the instrument appointing a representative must:
  - (i) ~~(a)~~ — be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least ~~the number of business days specified in the notice for the receipt of proxies, or if no number of days is specified, two~~ 2 business days before the day set for the holding of the meeting; ~~or~~
  - (ii) ~~(b)~~ — unless the notice of the meeting provides otherwise, be provided, at the meeting, to the chair of the meeting ~~or to a person designated by the chair of the meeting; and~~
- (b) ~~(2)~~ — if a representative is appointed under this Article ~~12.5:10.5,~~
  - (i) ~~(a)~~ — the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder; ~~and~~
  - (ii) ~~(b)~~ — the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

~~Evidence of the appointment of any such representative may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.~~

~~(xiv) — 12.6 — Proxy Provisions Do Not Apply to All Companies~~

**10.6 — When proxy provisions do not apply**

Articles ~~12.9 and 12.12~~ 10.7 to 10.13 do not apply to the Company if and for so long as it is a public company ~~or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply.~~

**9.410.7 12.7 — Appointment of ~~Proxy Holders~~ proxy holder**

Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of shareholders of the Company may, by proxy, appoint ~~one or more (but not more than five)~~ a proxy ~~holders~~ holder to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy.

**9.510.8 12.8 — Alternate ~~Proxy Holders~~ proxy holders**

A shareholder may appoint one or more alternate proxy holders to act in the place of an absent proxy holder.

~~(xv) — 12.9 — When Proxy Holder Need Not Be Shareholder~~

**10.9 Subject to Article 12.6, a When proxy holder need not be shareholder**

A person must not be appointed as a proxy holder unless the person is a shareholder, although a person who is not a shareholder may be appointed as a proxy holder if:

- (a) ~~(1)~~ — the person appointing the proxy holder is a corporation or a representative of a corporation appointed under Article ~~12.5;~~10.5;
- (b) ~~(2)~~ — the Company has at the time of the meeting for which the proxy holder is to be appointed only one shareholder entitled to vote at the meeting; or
- (c) ~~(3)~~ — the shareholders present in person or by proxy at and entitled to vote at the meeting for which the proxy holder is to be appointed, by a resolution on which the proxy holder is not entitled to vote but in respect of which the proxy holder is to be counted in the quorum, permit the proxy holder to attend and vote at the meeting.

~~(xvi) 12.10 Deposit of Proxy~~

~~A proxy for a meeting of shareholders must:~~

- ~~(1) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice, or if no number of days is specified, two business days before the day set for the holding of the meeting; or~~
- ~~(2) unless the notice provides otherwise, be provided, at the meeting, to the chair of the meeting or to a person designated by the chair of the meeting.~~

~~A proxy may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.~~

~~(xvii) 12.11 Validity of Proxy Vote~~

~~A vote given in accordance with the terms of a proxy is valid notwithstanding the death or incapacity of the shareholder giving the proxy and despite the revocation of the proxy or the revocation of the authority under which the proxy is given, unless notice in writing of that death, incapacity or revocation is received:~~

- ~~(a) (1) at the registered office of the Company, at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used;~~  
~~or~~
- ~~(a) (2) by the chair of the meeting, before the vote is taken.~~

**9.610.10 12.12 Form of Proxyproxy**

~~Subject to Article 12.6, a~~ proxy, whether for a specified meeting or otherwise, must be either in the following form or in any other form approved by the directors or the chair of the meeting:

*{name(Name of company}*  
*{the "Company")}*

The undersigned, being a shareholder of the above named Company, hereby appoints *{name}*..... or, failing that person, *{name}*....., as proxy holder for the undersigned to attend, act and vote for and on behalf of the undersigned at the meeting of shareholders **of the Company** to be held on *{month,the}* day, *{year}* of and at any adjournment of that meeting.

~~Number of shares in respect of which this proxy is given (if no number is specified, then this proxy is given in respect of all shares registered in the name of the shareholder):~~ \_\_\_\_\_

Signed *{month, day, year}*

~~Signed this .....~~ day of ....., .....

Signature of shareholder~~7~~

**9.710.11 ~~Name Provision of shareholder printed~~ proxies**

~~12.13~~ A proxy for a meeting of shareholders must:

- (a) ~~be received at the registered office of the Company or at any other place specified in the notice calling the meeting for the receipt of proxies, at least the number of business days specified in the notice or, if no number of days is specified, 2 business days before the day set for the holding of the meeting; or~~
- (b) ~~unless the notice of the meeting provides otherwise, be provided at the meeting to the chair of the meeting.~~

**9.810.12 Revocation of ~~Proxy~~ proxies**

~~Every~~ Subject to Article 10.13, ~~every~~ proxy may be revoked by an instrument in writing that is:

- (a) ~~(1)~~ — received at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used; or
- (b) ~~(2)~~ — provided, at the meeting, to the chair of the meeting.

**9.910.13 ~~12.14~~ — Revocation of ~~Proxy Must Be Signed~~ proxies must be signed**

An instrument referred to in Article ~~12.13~~10.12 must be signed as follows:

- (a) ~~(1)~~ — if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or ~~their legal personal representative~~ his or her trustee ~~in bankruptcy;~~ or

- (b) ~~(2)~~—if the shareholder for 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 under Article ~~12.5-10.5~~.

#### 10.14 Validity of proxy votes

A vote given in accordance with the terms of a proxy is valid despite the death or incapacity of the shareholder giving the proxy and despite the revocation of the proxy or the revocation of the authority under which the proxy is given, unless notice in writing of that death, incapacity or revocation is received:

- (a) at the registered office of the Company, at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used; or
- (b) by the chair of the meeting, before the vote is taken.

#### 9.1010.15 12.15—Production of Evidenceevidence of Authorityauthority to Votevote

The chair of any meeting of shareholders may, but need not, inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person production of evidence as to the existence of the authority to vote.

#### 10.16 13.—Chair May Determine Validity of Proxy

Unless prohibited by applicable law, the chair of any meeting of shareholders may determine whether or not a proxy deposited for use at the meeting, which may not strictly comply with the requirements of this Article 10 as to form, execution, accompanying documentation, time of filing or otherwise, shall be valid for use at the meeting and any such determination made in good faith shall be final, conclusive and binding upon the meeting.

### Part 10PART 11 – DIRECTORS

(xviii) ~~13.1~~—First Directors; Number of Directors

#### 11.1 The directors, or the; number of directors

The first directors—after the Company being incorporated, amalgamated or continued, are the persons designated as directors of the Company in the Notice of Articles that applies to the Company when it is recognized under the *Business Corporations Act*. The number of directors, excluding additional directors appointed under Article ~~14.8,12.7~~, is set at:

- (a) ~~(1)~~—subject to paragraphs ~~(2)0~~ and ~~(3),0~~, the number of directors that is equal to the number of the Company's first directors;
- ~~(2)~~—if the Company is a public company, the greater of three and the number most recently set of:
- (b) ~~(a)~~—the number of directors setelected by ordinary resolution (whether or not previous notice of the resolution was given); and
- ~~(b)~~—the number of directors set under Article 14.4;
- ~~(3)~~—if the Company is not a public company, the number most recently set of:

- (c) ~~(a) — the number of directors set~~ elected by ordinary resolution (whether or not previous notice of the resolution was given); ~~and~~).

~~(b) — the number of directors set under Article 14.4.~~

**10.211.2 ~~13.2~~ — Change in ~~Number~~ number of ~~Directors~~ directors**

If the number of directors is set under Articles ~~13.1(2)(a)~~ 11.1(b) or ~~13.1(3)(a)~~ 11.1(c):

- (a) ~~(1) —~~ the shareholders may elect or appoint the directors needed to fill any vacancies in the board of directors up to that number;
- (b) ~~(2) — if, contemporaneously with setting that number,~~ the shareholders do not elect or appoint the directors needed to fill ~~any~~ vacancies in the board of directors up to ~~that number~~ ~~contemporaneously with the setting of~~ that number, then the directors may appoint, or the shareholders may elect or appoint, directors to fill those vacancies.

**10.311.3 ~~13.3~~ — Directors' ~~Acts Valid Despite Vacancy~~ acts valid despite vacancy**

An act or proceeding of the directors is not invalid merely because fewer directors have been appointed or elected than the number of directors set or otherwise required under these Articles ~~is in office~~.

**10.411.4 ~~13.4~~ — Qualifications of ~~Directors~~ directors**

A director is not required to hold a share in the capital of the Company as qualification for ~~their~~ his or her office but must be qualified as required by the *Business Corporations Act* to become, act or continue to act as a director.

**10.511.5 ~~13.5~~ — Remuneration of ~~Directors~~ directors**

The directors are entitled to the remuneration, if any, for acting as directors, ~~if any~~, as the directors may from time to time determine. If they ~~the directors~~ so decide, the remuneration, ~~if any~~, of the directors will be determined by the shareholders. That remuneration may be in addition to any salary or other remuneration paid to ~~any~~ a director in such director's capacity as an officer or employee of the Company ~~as such, who is also a director~~.

**10.611.6 ~~13.6~~ — Reimbursement of ~~Expenses~~ expenses of ~~Directors~~ directors**

The Company must reimburse each director for the reasonable expenses ~~they~~ that he or she may incur in and about the business of the Company.

**10.711.7 ~~13.7~~ — Special ~~Remuneration~~ remuneration for ~~Directors~~ directors**

If any director performs any professional or other services for the Company that in the opinion of the directors are outside the ordinary duties of a director, or if any director is otherwise specially occupied in or about the Company's business, ~~they~~ he or she may be paid remuneration fixed by the directors, or, at the option of that director, fixed by ordinary resolution, and such remuneration may be either in addition to, or in substitution for, any other remuneration that ~~they~~ he or she may be entitled to receive.

**10.811.8 ~~13.8~~ — Gratuity, ~~Pension~~ pension or ~~Allowance~~ allowance on ~~Retirement~~ retirement of ~~Director~~ director**

Unless otherwise determined by ordinary resolution, the directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any director who has held any salaried office or place



of profit with the Company or to ~~their~~his or her spouse or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

**11.9 ~~14.~~ — Additional corporate governance requirement**

If any class of shares of the Company are listed on a US Stock Exchange, the majority of the directors of the Company must be comprised of independent directors as defined in the rules of the applicable US Stock Exchange.

**Part 11 ~~11~~ PART 12 – ELECTION AND REMOVAL OF DIRECTORS**

**11.112.1 ~~14.1~~ — Election at ~~Annual General Meeting~~ annual general meeting**

At every annual general meeting and in every unanimous resolution contemplated by Article ~~10.2:7.2~~:

- (a) ~~(1)~~ — the shareholders entitled to vote at the annual general meeting for the election of directors ~~must~~may elect, or in the unanimous resolution appoint, a board of directors consisting of up to the number of directors for the time being set under these Articles; and
- (b) ~~(2)~~ — all the directors cease to hold office immediately before the election or appointment of directors under paragraph ~~(1),(a)~~, but are eligible for re-election or re-appointment.

**11.212.2 ~~14.2~~ — Consent to be a ~~Director~~ director**

No election, appointment or designation of an individual as a director is valid unless:

- (a) ~~(1)~~ — that individual consents to be a director in the manner provided for in the *Business Corporations Act*;
- (b) ~~(2)~~ — that individual is elected or appointed at a meeting at which the individual is present and the individual does not refuse, at the meeting, to be a director; or
- (c) ~~(3)~~ — with respect to first directors, the designation is otherwise valid under the *Business Corporations Act*.

**11.312.3 ~~14.3~~ — Failure to ~~Elect~~elect or ~~Appoint Directors~~appoint directors**

If:

- (a) ~~(1)~~ — the Company fails to hold an annual general meeting, and all the shareholders who are entitled to vote at an annual general meeting fail to pass the unanimous resolution contemplated by Article ~~10.2:7.2~~, on or before the date by which the annual general meeting is required to be held under the *Business Corporations Act*; or
- (b) ~~(2)~~ — the shareholders fail, at the annual general meeting or in the unanimous resolution contemplated by Article ~~10.2:7.2~~, to elect or appoint any directors;

then each director ~~then~~ in office at such time continues to hold office until the earlier of:

- (c) ~~(3)~~ — the date on which ~~their~~his or her successor is elected or appointed; and
- (d) ~~(4)~~ — the date on which ~~they~~he or she otherwise ~~cease~~ceases to hold office under the *Business Corporations Act* or these Articles.

**11.412.4 ~~14.4~~ — Places of Retiring Directors ~~Not Filled~~ may fill casual vacancies**

~~If, at any meeting of shareholders at which there should be an election of directors, the places of any of the retiring directors are not filled by that election, those retiring directors who are not re-elected and who are asked by the newly elected directors to continue in office will, if willing to do so, continue in office to complete the number of directors for the time being set pursuant to these Articles until further new directors are elected at a meeting of shareholders convened for that purpose. If any such election or continuance of directors does not result in the election or continuance of the number of directors for the time being set pursuant to these Articles, the number of directors of the Company is deemed to be set at the number of directors actually elected or continued in office.~~

~~(xix) — 14.5 — Directors May Fill Casual Vacancies~~

Any casual vacancy occurring in the board of directors may be filled by the remaining directors.

**11.512.5 ~~14.6~~ — Remaining ~~Directors Power~~ directors' power to Act**

The directors may act notwithstanding any vacancy in the board of directors, but if the Company has fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the directors may only act for the purpose of appointing directors up to that number or for the purpose of summoning a meeting of shareholders ~~for the purpose of filling to fill~~ any vacancies on the board of directors or for any other purpose permitted by the *Business Corporations Act*.

**11.612.6 ~~14.7~~ — Shareholders ~~May Fill Vacancies~~ may fill vacancies**

If the Company has no directors or fewer directors in office than the number set pursuant to these Articles as the quorum of directors, and the directors have not filled the vacancies pursuant to Article 12.5 above, the shareholders may elect or appoint directors to fill any vacancies on the board of directors.

**11.712.7 ~~14.8~~ — Additional ~~Directors~~ directors**

Notwithstanding Articles ~~13-1.1(a)(i)~~ and ~~13-2,11.2~~, between annual general meetings or unanimous resolutions contemplated by Article ~~10-2,7.2~~, the directors may appoint one or more additional directors, but the number of additional directors appointed under this Article ~~14-8~~12.7 must not at any time exceed:

- (a) ~~(1)~~ — one-third of the number of first directors, if, at the time of the appointments, one or more of the first directors have not yet completed their first term of office; or
- (b) ~~(2)~~ — in any other case, one-third of the number of the current directors who were elected or appointed as directors other than under this Article ~~14-8~~12.7.

Any director so appointed ceases to hold office immediately before the next election or appointment of directors under Article ~~14-1(1),12.1(a)~~, but is eligible for re-election or re-appointment.

**11.812.8 ~~14.9~~ — Ceasing to be a ~~Director~~ director**

A director ceases to be a director when:

- (a) ~~(1)~~ — the term of office of the director expires;

- (b) ~~(2)~~ — the director dies;
- (c) ~~(3)~~ — the director resigns as a director by notice in writing provided to the Company or a lawyer for the Company; or
- (d) ~~(4)~~ — the director is removed from office pursuant to Articles ~~14.10~~12.9 or ~~14.11~~12.10.

~~12.9~~ 14.10 — **Removal of ~~Director~~director by shareholders**

~~(x)~~ — The Shareholders

~~The Company~~ may, by special resolution, remove any director before the expiration of ~~their~~his or her term of office ~~by special resolution. In that event, the shareholders, and~~ may elect, or appoint, by ordinary resolution, ~~a director to fill the resulting vacancy. If the shareholders do not~~ elect or appoint a director to fill the resulting vacancy. ~~If the shareholders do not~~ with elect or appoint a director to fill the vacancy created by the removal of a director, then the directors may appoint, or the shareholders may elect, or appoint by ordinary resolution, a director to fill that vacancy.

~~(xxi)~~ —

~~11.9~~12.10 ~~14.11~~ — **Removal of ~~Director~~director by Directorsdirectors**

The directors may remove any director before the expiration of ~~their~~his or her term of office if the director is convicted of an indictable offence, ~~convicted by a court of an offence under or found in breach and sanctioned by a securities regulatory authority of any Canadian or United States securities legislation~~, or if the director ceases to be qualified to act as a director of a company and does not promptly resign, and the directors may appoint a director to fill the resulting vacancy.

~~(f)~~ — 15. — Alternate Directors

~~(i)~~ — 15.1 — AppointmentNominations of Alternate Director

~~11.10~~12.11 ~~Any director (an “appointor”) may by notice in writing received by the Company appoint any person (an “appointee”) who is qualified to act as a director to be their alternate to act in their place at meetings of the directors or committees of the directors at which the appointor is not present unless (in the case of an appointee who is not a director) the directors have reasonably disapproved the appointment of such person as an alternate director and have given notice to that effect to the appointor within a reasonable time after the notice of appointment is received by the Company.~~

~~(ii)~~ — 15.2 — Notice of Meetings

~~Every alternate director so appointed is entitled to notice of meetings of the directors and of committees of the directors of which their appointor is a member and to attend and vote as a director at any such meetings at which their appointor is not present.~~

~~(iii)~~ — 15.3 — Alternate for More Than One Director Attending Meetings

~~A person may be appointed as an alternate director by more than one director, and an alternate director:~~

- ~~(1) will be counted in determining the quorum for a meeting of directors once for each of their appointors and, in the case of an appointee who is also a director, once more in that capacity;~~
- ~~(2) has a separate vote at a meeting of directors for each of their appointors and, in the case of an appointee who is also a director, an additional vote in that capacity;~~
- ~~(3) will be counted in determining the quorum for a meeting of a committee of directors once for each of their appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, once more in that capacity;~~
- ~~(4) has a separate vote at a meeting of a committee of directors for each of their appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, an additional vote in that capacity.~~

~~(iv) 15.4 Consent Resolutions~~

~~Every alternate director, if authorized by the notice appointing them, may sign in place of their appointor any resolutions to be consented to in writing.~~

~~(v) 15.5 Alternate Director Not an Agent~~

~~Every alternate director is deemed not to be the agent of their appointor.~~

~~(vi) 15.6 Revocation of Appointment of Alternate Director~~

~~An appointor may at any time, by notice in writing received by the Company, revoke the appointment of an alternate director appointed by them.~~

~~(vii) 15.7 Ceasing to be an Alternate Director~~

~~The appointment of an alternate director ceases when:~~

- ~~(1) their appointor ceases to be a director and is not promptly re-elected or re-appointed;~~
- ~~(2) the alternate director dies;~~
- ~~(3) the alternate director resigns as an alternate director by notice in writing provided to the Company or a lawyer for the Company;~~
- ~~(4) the alternate director ceases to be qualified to act as a director; or~~
- ~~(5) their appointor revokes the appointment of the alternate director.~~

~~(viii) 15.8 Remuneration and Expenses of Alternate Director~~

~~The Company must reimburse an alternate director for the reasonable expenses that would be properly reimbursed if they were a director, and the alternate director is entitled to receive from the Company such proportion, if any, of the remuneration otherwise payable to the appointor as the appointor may from time to time direct.~~

~~(g) — 16. — Powers and Duties of Directors~~

~~(i) — 16.1 — Powers of Management~~

~~The directors must, subject to these Articles, manage or supervise the management of the business and affairs of the Company and have the authority to exercise all such powers of the Company as are not, by the *Business Corporations Act* or by these Articles, required to be exercised by the shareholders of the Company.~~

~~(ii) — 16.2 — Appointment of Attorney of Company~~

~~The directors may from time to time, by power of attorney or other instrument, under seal if so required by law, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles and excepting the power to fill vacancies in the board of directors, to remove a director, to change the membership of, or fill vacancies in, any committee of the directors, to appoint or remove officers appointed by the directors and to declare dividends) and for such period, and with such remuneration and subject to such conditions as the directors may think fit. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the directors think fit. Any such attorney may be authorized by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.~~

~~(h) — 17. — Disclosure of Interest of Directors~~

~~(i) — 17.1 — Obligation to Account for Profits~~

~~A director or senior officer who holds a disclosable interest (as that term is used in the *Business Corporations Act*) in a contract or transaction into which the Company has entered or proposes to enter is liable to account to the Company for any profit that accrues to the director or senior officer under or as a result of the contract or transaction only if and to the extent provided in the *Business Corporations Act*.~~

~~(ii) — 17.2 — Restrictions on Voting by Reason of Interest~~

~~A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter is not entitled to vote on any directors' resolution to approve that contract or transaction, unless all the directors have a disclosable interest in that contract or transaction, in which case any or all of those directors may vote on such resolution.~~

~~(iii) — 17.3 — Interested Director Counted in Quorum~~

~~A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter and who is present at the meeting of directors at which the contract or transaction is considered for approval may be counted in the quorum at the meeting whether or not the director votes on any or all of the resolutions considered at the meeting.~~

~~(iv) — 17.4 — Disclosure of Conflict of Interest or Property~~

~~A director or senior officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or senior officer, must disclose the nature and extent of the conflict as required by the *Business Corporations Act*.~~

~~(v) 17.5 Director Holding Other Office in the Company~~

~~A director may hold any office or place of profit with the Company, other than the office of auditor of the Company, in addition to their office of director for the period and on the terms (as to remuneration or otherwise) that the directors may determine.~~

~~(vi) 17.6 No Disqualification~~

~~No director or intended director is disqualified by their office from contracting with the Company either with regard to the holding of any office or place of profit the director holds with the Company or as vendor, purchaser or otherwise, and no contract or transaction entered into by or on behalf of the Company in which a director is in any way interested is liable to be voided for that reason.~~

~~(vii) 17.7 Professional Services by Director or Officer~~

~~A director or officer, or any person in which a director or officer has an interest, may act in a professional capacity for the Company, except as auditor of the Company, and the director or officer or such person is entitled to remuneration for professional services as if that director or officer were not a director or officer.~~

~~(viii) 17.8 Director or Officer in Other Corporations~~

~~A director or officer may be or become a director, officer or employee of, or otherwise interested in, any person in which the Company may be interested as a shareholder or otherwise, and the director or officer is not accountable to the Company for any remuneration or other benefits received by them as director, officer or employee of, or from their interest in, such other person.~~

~~(a) 18. Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Company.~~

~~(b) Nominations of persons for election to the board may be made at any annual meeting of shareholders or at any special meeting of shareholders (if one of the purposes for which the special meeting was called was the election of directors):~~

~~(i) by or at the direction of the board, including pursuant to a notice of meeting;~~

~~(ii) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the *Business Corporations Act*, or a requisition of the shareholders made in accordance with the provisions of the *Business Corporations Act*; or~~

~~(iii) by any person (a "Nominating Shareholder"): (A) who, at the close of business on the date of the giving of the notice provided for below in this Article (i) and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially~~

owns shares that are entitled to be voted at such meeting; and (B) who complies with the notice procedures set forth below in this Article (i).

- (c) In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof (as provided for in Article 12.11(d)) in proper written form to the secretary of the Company at the principal executive offices of the Company.
- (d) To be timely, a Nominating Shareholder's notice to the secretary of the Company must be given:
- (i) in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date (the "Notice Date") on which the first public announcement (as defined below) of the date of the annual meeting was made, notice by the Nominating Shareholder may be given not later than the close of business on the tenth (10th) day after the Notice Date in respect of such meeting; and
- (ii) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice as described above.

- (e) To be in proper written form, a Nominating Shareholder's notice to the secretary of the Company must set forth:
- (i) as to each person whom the Nominating Shareholder proposes to nominate for election as a director: (A) the name, age, business address and residential address of the person; (B) the principal occupation or employment of the person during the past five years; (C) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; (D) a statement as to whether such person would be "independent" of the Company (as such term is defined under Applicable Securities Laws (as defined below)) if elected as a director at such meeting and the reasons and basis for such determination; (E) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among such Nominating Shareholder and beneficial owner, if any, and their respective affiliates and associates, or others acting jointly or in concert therewith, on the one hand, and such nominee, and his or her respective associates, or others acting jointly or in concert therewith, on the other hand; and (F) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the *Business Corporations Act* and Applicable Securities Laws (as defined below); and
- (ii) as to the Nominating Shareholder giving the notice: (A) any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating

Shareholder has a right to vote any shares of the Company; (B) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of the record by the Nominating Shareholder as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice, and (C) any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the *Business Corporations Act* and Applicable Securities Laws (as defined below).

- (f) The Company may require any proposed nominee to furnish such other information as may reasonably be required by the Company to determine the eligibility of such proposed nominee to serve as an independent director of the Company or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.
- (g) The chair of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the provisions set forth in this Article (i) and, if any proposed nomination is not in compliance with such provisions, to declare that such defective nomination shall be disregarded.
- (h) For purposes of this Article (i):
- (i) "Affiliate", when used to indicate a relationship with a person, means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such specified person;
- (ii) "Applicable Securities Laws" means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada;
- (iii) "Associate", when used to indicate a relationship with a specified person, means:
- A. any corporation or trust of which such person beneficially owns, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all voting securities of such corporation or trust for the time being outstanding,
- B. any partner of that person,
- C. 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,
- D. a spouse of such specified person,
- E. any person of either sex with whom such specified person is living in a conjugal relationship outside marriage, or
- F. any relative of such specified person or of a person mentioned in clauses D or E of this definition if that relative has the same residence as the specified person;
- (iv) "Derivatives Contract" means a contract between two parties (the "Receiving Party" and the "Counterparty") that is designed to expose the Receiving Party to economic



benefits and risks that correspond substantially to the ownership by the Receiving Party of a number of shares in the capital of the Company or securities convertible into such shares specified or referenced in such contract (the number corresponding to such economic benefits and risks, the “Notional Securities”), regardless of whether obligations under such contract are required or permitted to be settled through the delivery of cash, shares in the capital of the Company or securities convertible into such shares or other property, without regard to any short position under the same or any other Derivatives Contract. For the avoidance of doubt, interests in broad-based index options, broad-based index futures and broad-based publicly traded market baskets of stocks approved for trading by the appropriate governmental authority shall not be deemed to be Derivatives Contracts;

(v) “owned beneficially” or “owns beneficially” means, in connection with the ownership of shares in the capital of the Company by a person:

A. any such shares as to which such person or any of such person’s Affiliates or Associates owns at law or in equity, or has the right to acquire or become the owner at law or in equity, where such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, upon the exercise of any conversion right, exchange right or purchase right attaching to any securities, or pursuant to any agreement, arrangement, pledge or understanding whether or not in writing,

B. any such shares as to which such person or any of such person’s Affiliates or Associates has the right to vote, or the right to direct the voting, where such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, pursuant to any agreement, arrangement, pledge or understanding whether or not in writing,

C. any such shares which are beneficially owned, directly or indirectly, by a Counterparty (or any of such Counterparty’s Affiliates or Associates) under any Derivatives Contract (without regard to any short or similar position under the same or any other Derivatives Contract) to which such person or any of such person’s Affiliates or Associates is a Receiving Party; provided, however, that the number of shares that a person owns beneficially pursuant to this clause in connection with a particular Derivatives Contract shall not exceed the number of Notional Securities with respect to such Derivatives Contract; provided, further, that the number of securities owned beneficially by each Counterparty (including their respective Affiliates and Associates) under a Derivatives Contract shall for purposes of this clause be deemed to include all securities that are owned beneficially, directly or indirectly, by any other Counterparty (or any of such other Counterparty’s Affiliates or Associates) under any Derivatives Contract to which such first Counterparty (or any of such first Counterparty’s Affiliates or Associates) is a Receiving Party and this proviso shall be applied to successive Counterparties as appropriate, and

D. any such shares which are owned beneficially within the meaning of this definition by any other person with whom such person is acting jointly or in concert with respect to the Company or any of its securities; and

(vi) “public announcement” shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company under its

profile on the System of Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com).

- (i) Notwithstanding any other provision of this Article (i), notice given to the secretary of the Company pursuant to this Article (i) may only be given by personal delivery, facsimile transmission or by email (at such email address as stipulated from time to time by the secretary of the Company for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid, provided that receipt of confirmation of such transmission has been received) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the secretary at the address of the principal executive offices of the Company; provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.
- (j) Notwithstanding the foregoing, the board may, in its sole discretion, waive any requirement in this Article (i).

### ~~Part 12~~**PART 13 – PROCEEDINGS OF DIRECTORS**

#### ~~12.113.1~~ **18.1 — Meetings of ~~Directors~~directors**

The directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings as they think fit, and meetings of the ~~directors~~board held at regular intervals may be held at the place, and at the time ~~and on that~~ notice, if any, as the ~~directors~~board may by resolution from time to time determine.

#### ~~(ix)~~ **18.2 — Voting at Meetings**

~~Questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.~~

#### ~~12.213.2~~ **18.3 — Chair of ~~Meetings~~meetings**

~~The following individual is entitled to preside as chair at a meeting~~Meetings of directors are to be chaired by:

- (a) ~~(1)~~ — the chair of the board, if any;
- (b) ~~(2)~~ — in the absence of the chair of the board, the president, if any, if the president is a director; or
- (c) ~~(3)~~ — any other director chosen by the directors if:
- (i) ~~(a)~~ — neither the chair of the board nor the president, if a director, is present at the meeting within 15 minutes after the time set for holding the meeting~~;~~
- (ii) ~~(b)~~ — neither the chair of the board nor the president, if a director, is willing to chair the meeting~~;~~ or
- (iii) ~~(c)~~ — the chair of the board and the president, if a director, have advised the secretary, if any, or any other director, that they will not be present at the meeting.

### 13.3 Voting at meetings

Questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

### 12.313.4 18.4 — Meetings by ~~Telephone or Other Communications Medium~~ telephone or other communications medium

A director may participate in a meeting of the directors or of any committee of the directors in person ~~or by telephone if all directors participating in the meeting, whether in person,~~ or by telephone or other communications medium, if all directors participating in the meeting are able to communicate with each other. A director may participate in a meeting of the directors or of any committee of the directors by a communications medium other than telephone if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other and if all directors who wish to participate in the meeting agree to such participation. A director who participates in a meeting in a manner contemplated by this Article ~~18.4~~13.4 is deemed for all purposes of the *Business Corporations Act* and these Articles to be present at the meeting and to have agreed to participate in that manner.

### ~~(x) — 18.5 — Calling of Meetings~~

### 13.5 Who may call extraordinary meetings

A director may ~~and the~~ call a meeting of the board at any time. The secretary ~~or an assistant secretary of the Company,~~ if any, must ~~on the~~ request of a director ~~must,~~ call a meeting of the ~~directors at any time.~~ board.

### 12.413.6 18.6 — Notice of ~~Meetings~~ extraordinary meetings

~~Other than for meetings held at regular intervals as determined by the directors pursuant to Subject to Articles 13.7 and 13.8, if a meeting of the board is called under Article 18.1, 13.5,~~ reasonable notice of ~~each~~that meeting ~~of the directors,~~ specifying the place, day~~date~~ and time of that meeting, must be given to each of the directors ~~and the alternate directors by any:~~

- ~~(a)~~ by mail addressed to the director's address as it appears on the books of the Company or to any other address provided to the Company by the director for this purpose;
- ~~(b)~~ by leaving it at the director's prescribed address or at any other address provided to the Company by the director for this purpose; or
- ~~(a)(c)~~ orally, by delivery of written notice or by telephone, voice mail, e-mail, fax or any other method set out in Article 24.1 of legibly transmitting messages.

### 12.513.7 18.7 — When ~~Notice Not Required~~ notice not required

It is not necessary to give notice of a meeting of the directors to a director ~~or an alternate director if:~~

- ~~(a)~~ (1) — the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed, or is the meeting of the directors at which that director is appointed; or
- ~~(b)~~ (2) — the director has filed a waiver under Article 13.9; or alternate
- ~~(b)(c)~~ the director, as the case may be, has waived notice of the attends such meeting.

~~12.6~~13.8 ~~18.8~~ — Meeting ~~Valid Despite Failure to Give Notice~~valid despite failure to give notice

The accidental omission to give notice of any meeting of directors to any director, or the non-receipt of any notice by ~~any director or alternate~~ director, does not invalidate any proceedings at that meeting.

~~12.7~~13.9 ~~18.9~~ — Waiver of ~~Notice~~notice of ~~Meetings~~meetings

Any director ~~or alternate director~~ may ~~send to file with~~ the Company a ~~document signed by them~~ notice waiving notice of any past, present or future meeting ~~or meetings~~ of the directors and may at any time withdraw that waiver with respect to meetings of the directors held after that withdrawal.

13.10 Effect of waiver

After ~~sending a waiver~~ director files a waiver under Article 13.9 with respect to ~~all~~ future meetings of the directors, and until that waiver is withdrawn, ~~no~~ notice of any meeting of the directors need not be given to that director ~~and~~, unless the director otherwise requires by notice in writing to the Company, ~~to their alternate director, and all meetings of the directors so held are deemed not to be improperly called or constituted by reason of notice not having been given to such director or alternate director.~~

~~12.8~~13.11 ~~18.10~~ — Quorum

The quorum necessary for the transaction of the business of the directors may be set by the directors and, if not so set, is ~~deemed to be set at two~~ a majority of the directors ~~or, if,~~

13.12 If only one director

If, in accordance with Article 1.1(a)(i), the number of directors is set at one, is deemed to be set at one, the quorum necessary for the transaction of the business of the directors is one director, and that director may constitute a meeting.

~~PART 14~~~~18.11~~ VALIDITY – COMMITTEES OF ACTS WHERE DIRECTORS

(xi) — Appointment ~~Defective~~

~~An act of a director or officer is not invalid merely because of an irregularity in the election or appointment or a defect in the qualification of that director or officer.~~

(xii) — ~~18.12~~ — Consent Resolutions in Writing

~~12.9~~14.1 ~~A resolution of the directors or of any committee of the directors may be passed without a meeting;~~committees

(1) ~~in all cases, if each of the directors entitled to vote on the resolution consents to it in writing;~~  
~~or~~

(2) ~~in the case of a resolution to approve a contract or transaction in respect of which a director has disclosed that they have or may have a disclosable interest, if each of the other directors who are entitled to vote on the resolution consents to it in writing.~~

~~A consent in writing under this Article may be by signed document, fax, e-mail or any other method of transmitting legibly recorded messages. A consent in writing may be in two or more counterparts which~~

~~together are deemed to constitute one consent in writing. A resolution of the directors or of any committee of the directors passed in accordance with this Article 18.12 is effective on the date stated in the consent in writing or on the latest date stated on any counterpart and is deemed to be a proceeding at a meeting of directors or of the committee of the directors and to be as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors that satisfies all the requirements of the *Business Corporations Act* and all the requirements of these Articles relating to meetings of the directors or of a committee of the directors.~~

~~(i) 19. Executive and Other Committees~~

~~(i) 19.1 Appointment and Powers of Executive Committee~~

The directors may, by resolution:

~~(a) appoint an executive committee one or more committees consisting of the director or directors that they consider appropriate, and this committee has, during the intervals between meetings of the board of directors, all;~~

~~(a)(b) delegate to a committee appointed under paragraph (a) any of the directors' powers, except:~~

~~(i) (1) the power to fill vacancies in the board of directors;~~

~~(2) the power to remove a director;~~

~~(ii) (3) the power to change the membership of, or fill vacancies in, any committee of the directors; board, and~~

~~(4) such other powers, if any, as may be set out in the resolution or any subsequent directors' resolution.~~

~~(ii) 19.2 Appointment and Powers of Other Committees~~

The directors may, by resolution:

~~(1) appoint one or more committees (other than the executive committee) consisting of the director or directors that they consider appropriate;~~

~~(2) delegate to a committee appointed under paragraph (1) any of the directors' powers, except:~~

~~(a) the power to fill vacancies in the board of directors;~~

~~(b) the power to remove a director;~~

~~(c) the power to change the membership of, or fill vacancies in, any committee of the directors; and~~

~~(iii) (d) the power to appoint or remove officers appointed by the directors; board; and~~

~~(b)(c) (3) make any delegation referred to in paragraph (2)(b) subject to the conditions set out in the resolution or any subsequent directors' resolution.~~

~~12.10~~14.2 ~~19.3~~ — Obligations of ~~Committees~~committee

~~In the~~ Any committee formed under Article (i), in the exercise of the powers delegated to ~~a committee appointed under Articles 19.1 or 19.2, the committee~~it, must:

- (a) ~~(1)~~ — conform to any rules that may from time to time be imposed on it by the directors; and
- (b) ~~(2)~~ — report every act or thing done in exercise of those powers ~~at such times as to the earliest meeting of the directors may require to be held after the act or thing has been done.~~

~~12.11~~14.3 ~~19.4~~ — Powers of ~~Board~~board

The ~~directors~~board may, at any time, ~~with respect to a committee appointed under Articles 19.1 or 19.2:~~

- (a) ~~(1)~~ — revoke ~~or alter~~ the authority given to ~~the~~a committee, or override a decision made by ~~the~~a committee, except as to acts done before such revocation, ~~alteration~~ or overriding;
- (b) ~~(2)~~ — terminate the appointment of, or change the membership of, ~~the~~a committee; and
- (c) ~~(3)~~ — fill vacancies in ~~the~~a committee.

~~12.12~~14.4 ~~19.5~~ — Committee ~~Meetings~~meetings

~~Subject to Article 19.3(1) and unless the directors otherwise provide in the resolution appointing the committee or in any subsequent resolution, with respect to a committee appointed under Articles 19.1 or 19.2:~~

~~(1)~~ — ~~the~~ Subject to Article 14.2(a):

- (a) ~~the members of a directors'~~ committee may meet and adjourn as ~~it thinks~~they think proper;
- (b) ~~(2)~~ — ~~the~~a ~~directors'~~ committee may elect a chair of its meetings but, if no chair of ~~a~~the meeting is elected, or if at ~~any~~ meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting;
- (c) ~~(3)~~ — a majority of the members of ~~the~~a ~~directors'~~ committee constitutes a quorum of the committee; and
- (d) ~~(4)~~ — questions arising at any meeting of ~~the~~a ~~directors'~~ committee are determined by a majority of votes of the members present, and in case of an equality of votes, the chair of the meeting ~~does not have a~~has no second or casting vote.

14.5 ~~20.~~ — Additional corporate governance requirement

- (a) Each directors' committee shall be governed by a charter as the board may adopt to govern such committee; and
- (b) If any class of shares of the Company are listed on a US Stock Exchange, the Company will maintain, to the extent required by the rules of the applicable US Stock Exchange, each of the following directors' committees: an audit committee, a compensation committee and a nominations committee, and each such committee will be comprised of a number of members

equal to the number of members required by the rules of the applicable US Stock Exchange. The members of such committees must meet the independence requirements, if any, of the rules of applicable US Stock Exchange.

## ~~Part 13~~**PART 15 – OFFICERS**

~~(iii) — 20.1 — Directors May Appoint Officers~~

### **15.1 Appointment of officers**

The ~~directors~~board may, from time to time, appoint ~~such officers, if any, as the directors determine and the directors may, at any time, terminate a president, secretary or any such appointment. other officers that it considers necessary or desirable, and none of the individuals appointed as officers need be a member of the board.~~

### ~~13.1~~**15.2 20.2 — Functions, Duties and Powers of Officers**

The ~~directors~~board may, for each officer:

- (a) ~~(1) — determine the functions and duties of the officer~~ is to perform;
- (b) ~~(2) — entrust to and confer on the officer any of the powers exercisable by the directors on such terms and conditions and with such restrictions as the directors think fit; and~~
- (c) ~~(3) — from time to time revoke, withdraw, alter or vary all or any of the functions, duties and powers of the officer.~~

~~(iv) — 20.3 — Qualifications~~

~~An officer is not required to hold a share in the capital of the Company as qualification for their office but must be qualified as required by the *Business Corporations Act* to become, act or continue to act as an officer. One person may hold more than one position as an officer of the Company. Any person appointed as the chair of the board or as a managing director must be a director. Any other officer need not be a director.~~

### ~~13.2~~**15.3 20.4 — Remuneration and Terms of Appointment**

All appointments of officers are to be made on the terms and conditions and at the remuneration (whether by way of salary, fee, commission, participation in profits or otherwise) that the ~~directors think~~board thinks fit and are subject to termination at the pleasure of the ~~directors, and an officer, in addition to such remuneration, may receive, after they cease to hold such office or leaves the employment of the Company, a pension or gratuity.~~board.

## PART 16.21. — – CERTAIN PERMITTED ACTIVITIES OF DIRECTORS

### 16.1 Other office of director

A director may hold any office or place of profit with the Company (other than the office of auditor of the Company) in addition to his or her office of director for the period and on the terms (as to remuneration or otherwise) that the directors may determine.

### 16.2 No disqualification

No director or intended director is disqualified by his or her office from contracting with the Company either with regard to the holding of any office or place of profit the director holds with the Company or as vendor, purchaser or otherwise.

### 16.3 Professional services by director or officer

Subject to compliance with the provisions of the *Business Corporations Act*, a director or officer of the Company, or any corporation or firm in which that individual has an interest, may act in a professional capacity for the Company, except as auditor of the Company, and the director or officer or such corporation or firm is entitled to remuneration for professional services as if that individual were not a director or officer.

### 16.4 Remuneration and benefits received from certain entities

A director or officer may be or become a director, officer or employee of, or may otherwise be or become interested in, any corporation, firm or entity in which the Company may be interested as a shareholder or otherwise, and, subject to compliance with the provisions of the *Business Corporations Act*, the director or officer is not accountable to the Company for any remuneration or other benefits received by him or her as director, officer or employee of, or from his or her interest in, such other corporation, firm or entity.

## Part 14PART 17 – INDEMNIFICATION

~~(v) — 21.1 — Definitions~~

~~In this Article 21:~~

- ~~(1) — “eligible penalty” means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding;~~
- ~~(2) — “eligible proceeding” means a legal proceeding or investigative action, whether current, threatened, pending or completed, in which a director, former director or alternate director of the Company (an “eligible party”) or any of the heirs and legal personal representatives of the eligible party, by reason of the eligible party being or having been a director or alternate director of the Company:
  - ~~(a) is or may be joined as a party; or~~
  - ~~(b) is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding;~~~~
- ~~(3) — “expenses” has the meaning set out in the *Business Corporations Act*.~~



~~14.17.1~~ ~~21.2~~ **Mandatory Indemnification of Directors and Officers and Former Directors and Officers**  
~~directors and senior officers~~

The ~~Company~~ ~~directors~~ must ~~cause the Company to indemnify a director, officer,~~ the directors, senior officers and former director or officer or alternate director ~~directors and senior officers~~ of the Company and each of its subsidiaries, and their respective heirs and legal personal or other legal representatives, ~~as set out in to the greatest extent permitted by Division 5 of Part 5 of the Business Corporations Act,~~ against all eligible penalties to which such person is or may be liable, and the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding.

**17.2 Deemed contract**

Each director, ~~officer, former director and officer and alternate director~~ and senior officer is deemed to have contracted with the Company on the terms of the indemnity ~~contained~~ ~~referred to~~ in ~~this~~ Article ~~21.2.17.1~~.

~~21.3~~ **Mandatory Advancement of Expenses**

The Company must pay, as they are incurred in advance of the final disposition of an eligible proceeding, the expenses actually and reasonably incurred by an eligible party in respect of that proceeding but the Company must first receive from the eligible party a written undertaking that, if it is ultimately determined that the payment of expenses is prohibited by the *Business Corporations Act*, the eligible party will repay the amounts advanced.

(vi) ~~21.4~~ **Indemnification of Other Persons**

The Company may indemnify any other person in accordance with the *Business Corporations Act*.

(vii) ~~21.5~~ **Non-Compliance with *Business Corporations Act***

The failure of a director, alternate director or officer of the Company to comply with the *Business Corporations Act* or these Articles does not invalidate any indemnity to which they are entitled under this Part.

(viii) ~~21.6~~ **Company May Purchase Insurance**

The Company may purchase and maintain insurance for the benefit of any person (or their heirs or legal personal representatives) who:

- (1) is or was a director, alternate director, officer, employee or agent of the Company;
- (2) is or was a director, alternate director, officer, employee or agent of a corporation at a time when the corporation is or was an affiliate of the Company;
- (3) at the request of the Company, is or was a director, alternate director, officer, employee or agent of a corporation or of a partnership, trust, joint venture or other unincorporated entity;
- (4) at the request of the Company, holds or held a position equivalent to that of a director, alternate director or officer of a partnership, trust, joint venture or other unincorporated entity;

~~against any liability incurred by them as such director, alternate director, officer, employee or agent or person who holds or held such equivalent position.~~

## PART 1822. — – AUDITOR

### 18.1 Remuneration of an auditor

~~The directors may set the remuneration of the auditor of the Company without the prior approval of the shareholders.~~

### 18.2 Waiver of appointment of an auditor

~~The Company shall not be required to appoint an auditor if all of the shareholders of the Company, whether or not their shares otherwise carry the right to vote, resolve by a unanimous resolution to waive the appointment of an auditor. Such waiver may be given before, on or after the date on which an auditor is required to be appointed under the *Business Corporations Act*, and is effective for one financial year only.~~

## ~~Part 15~~ PART 19 – DIVIDENDS

### ~~19.1~~ 22.1 — Payment Declaration of Dividends ~~dividends~~

~~(ix) — Subject to Special Rights~~

~~The provisions of this Article 22 are subject to the rights, if any, of shareholders holding shares with special rights as to dividends.~~

~~(x) — 22.2 — Declaration of Dividends~~

~~The, the directors may from time to time declare and authorize payment of such any dividends ~~as they may deem advisable~~ the directors consider appropriate.~~

### ~~15.1~~ 19.2 ~~22.3 — No Notice Required~~ notice required

~~The directors need not give notice to any shareholder of any declaration under Article 22.2.~~ 19.1.

~~(xi) — 22.4 — Record Date~~

~~The directors may set a date as the record date for the purpose of determining shareholders entitled to receive payment of a dividend. The record date must not precede the date on which the dividend is to be paid by more than two months. If no record date is set, the record date is 5:00 p.m. on the date on which the directors pass the resolution declaring the dividend.~~

### 19.3 ~~22.5 — Directors may determine when dividend payable~~

~~Any dividend declared by the directors may be made payable on such date as is fixed by the directors.~~

### 19.4 Dividends to be paid in accordance with number of shares

~~Subject to the rights of shareholders, if any, holding shares with special rights as to dividends, all dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.~~

15.219.5 **Manner of ~~Paying Dividend~~ paying dividend**

A resolution declaring a dividend may direct payment of the dividend wholly or partly by the distribution of specific assets or of ~~fully~~-paid up shares or ~~of~~fractional shares, bonds, debentures or other ~~securities~~debt obligations of the Company, or in any one or more of those ways, and, if any difficulty arises in regard to the distribution, the directors may settle the difficulty as they consider expedient, and, in particular, may set the value for distribution of specific assets.

~~(xii) — 22.6 — Settlement of Difficulties~~

~~If any difficulty arises in regard to a distribution under Article 22.5, the directors may settle the difficulty as they deem advisable, and, in particular, may:~~

- ~~(1) — set the value for distribution of specific assets;~~
- ~~(2) — determine that cash payments in substitution for all or any part of the specific assets to which any shareholders are entitled may be made to any shareholders on the basis of the value so fixed in order to adjust the rights of all parties; and~~
- ~~(3) — vest any such specific assets in trustees for the persons entitled to the dividend.~~

~~15.319.6~~ 22.7 — ~~When Dividend Payable~~ bears no interest

~~Any dividend may be made payable on such date as is fixed by the directors.~~

~~(xiii) — 22.8 — Dividends to be Paid in Accordance with Number of Shares~~

~~All dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.~~

~~(xiv) — 22.9 — Receipt by Joint Shareholders~~

~~If several persons are joint shareholders of any share, any one of them may give an effective receipt for any dividend, bonus or other money payable in respect of the share.~~

~~(xv) — 22.10 — Dividend Bears No Interest~~

~~No dividend bears interest against the Company.~~

~~15.419.7~~ 22.11 — ~~Fractional Dividends~~ dividends

~~If a dividend to which a shareholder is entitled includes a fraction of the smallest monetary unit of the currency of the dividend, that fraction may be disregarded in making payment of the dividend and that payment represents full payment of the dividend.~~

~~15.519.8~~ 22.12 — ~~Payment of Dividends~~ dividends

~~Any dividend or other distribution payable in cash in respect of shares may be paid by cheque, made payable to the order of the person to whom it is sent, and mailed to the address of the shareholder, or in the case of joint shareholders, to the address of the joint shareholder who is first named on the central securities register, or to the person and to the address the shareholder or joint shareholders may direct in writing. The mailing of such cheque will, to the extent of the sum represented by the cheque (plus the amount of the tax required by law to be deducted), discharge all liability for the dividend unless such cheque is not paid on presentation or the amount of tax so deducted is not paid to the appropriate taxing authority.:~~

- ~~(a) — subject to paragraphs (b) and (c), to the address of the shareholder;~~
- ~~(b) — subject to paragraph (c), in the case of joint shareholders, to the address of the joint shareholder whose name stands first on the central securities register in respect of the shares; or~~
- ~~(c) — to the person and to the address as the shareholder or joint shareholders may direct in writing.~~

### 19.9 Receipt by joint shareholders

If several persons are joint shareholders of any share, any one of them may give an effective receipt for any dividend, bonus or other money payable in respect of the share.

### ~~(xvi) 22.13 Capitalization of Surplus~~

~~Notwithstanding anything contained in these Articles, the directors may from time to time capitalize any surplus of the Company and may from time to time issue, as fully paid, shares or any bonds, debentures or other securities of the Company as a dividend representing the surplus or any part of the surplus.~~

## ~~Part 16~~PART 20~~23. DOCUMENTS, – ACCOUNTING RECORDS AND REPORTS~~

### ~~16.120.1~~ 23.1 Recording of Financial Affairs~~financial affairs~~

The ~~directors~~board must cause adequate accounting records to be kept to record properly the financial affairs and condition of the Company and to comply with the provisions of the Business Corporations Act.

### ~~(xvii) 23.2 Inspection of Accounting Records~~

## PART 21~~UNLESS – EXECUTION OF INSTRUMENTS~~

### 21.1 Who may attest seal

The Company's seal, if any, must not be impressed on any record except when that impression is attested by the signature or signatures of:

- (a) any 2 directors~~determine otherwise, or unless otherwise;~~
- (b) any officer, together with any director;
- (c) if the Company has only one director, that director; or
- (d) any one or more directors or officers or persons as may be determined by ordinary resolution,  
no shareholder of the Company is entitled to inspect or obtain of the directors.

### 21.2 Sealing copies

For the purpose of certifying under seal a true copy of any~~accounting records~~resolution or other document, the seal must be impressed on that copy and, despite Article 21.1, may be attested by the signature of any director or officer.

### 21.3 Execution of documents not under seal

Any instrument, document or agreement for which the seal need not be affixed may be executed for and on behalf of and in the name of the Company by any one director or officer of the Company, or by any other person appointed by the directors for such purpose.

~~Part 17~~ **PART 22** ~~24.~~ **NOTICES**

~~17.122.1~~ **24.1** ~~Method of Giving Notice~~ **giving notice**

Unless the *Business Corporations Act* or these Articles provides otherwise, a notice, statement, report or other record required or permitted by the *Business Corporations Act* or these Articles to be sent by or to a person may be sent by any one of the following methods:

- (a) ~~(1)~~ ~~prepaid~~ mail addressed to the person at the applicable address for that person as follows:
  - (i) ~~(a)~~ for a record mailed to a shareholder, the shareholder's registered address;
  - (ii) ~~(b)~~ for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class; ~~or~~
  - (iii) ~~(c)~~ in any other case, the mailing address of the intended recipient;
- (b) ~~(2)~~ delivery at the applicable address for that person as follows, addressed to the person:
  - (i) ~~(a)~~ for a record delivered to a shareholder, the shareholder's registered address;
  - (ii) ~~(b)~~ for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class;
  - (iii) ~~(c)~~ in any other case, the delivery address of the intended recipient;
- (c) ~~(3)~~ ~~sending the record by~~ fax to the fax number provided by the intended recipient for the sending of that record or records of that class;
- (d) ~~(4)~~ ~~e-mail~~ ~~sending the record by email~~ to the ~~e-mail~~ email address provided by the intended recipient for the sending of that record or records of that class; ~~or~~
- (e) ~~(5)~~ physical delivery to the intended recipient; ~~or~~
- ~~(f)~~ ~~24.2~~ ~~such other manner of delivery as is permitted by applicable legislation governing electronic delivery.~~

~~17.222.2~~ **Deemed Receipt** ~~receipt~~ **of Mailing** ~~mailing~~

A record that is mailed to a person by ordinary mail to the applicable address for that person referred to in Article ~~24.122.1~~ is deemed to be received by the person to whom it was mailed on the day, Saturdays, Sundays and holidays excepted, following the date of mailing. ~~A record that is delivered to a person or their applicable address is deemed to be received by the person on receipt by that person or delivery to that address. A record that is sent to a person by fax or e-mail is deemed to be received by the person on transmission if sent during business hours at the place of intended receipt by that person and, if not sent during their business hours, on the next business day of the place of intended receipt of that person.~~

~~17.322.3~~ ~~24.3~~ — Certificate of ~~Sending~~sending

A certificate signed by the secretary, if any, or other officer of the Company or of any other corporation acting in that behalf for the Company stating that a notice, statement, report or other record was addressed as required, ~~and sent as permitted, by Article 24.1 by Article 22.1, prepaid and mailed or otherwise sent as permitted by Article 22.1~~ is conclusive evidence of that fact.

~~17.422.4~~ ~~24.4~~ — Notice to ~~Joint Shareholders~~joint shareholders

A notice, statement, report or other record may be provided by the Company to the joint registered shareholders of a share by providing the notice to the joint registered shareholder first named in the central securities register in respect of the share.

~~17.522.5~~ ~~24.5~~ — Notice to ~~Trustees~~trustees

A notice, statement, report or other record may be provided by the Company to the persons entitled to a share in consequence of the death, bankruptcy or incapacity of a shareholder by:

- (a) ~~(1)~~ — mailing the record, addressed to them:
  - (i) ~~(a)~~ — by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; ~~and~~
  - (ii) ~~(b)~~ — at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or
- (b) ~~(2)~~ — if an address referred to in ~~paragraph (1)(b) Article 22.5(a)(ii)~~ has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

~~(j) — 25. — Seal~~

~~(i) — 25.1 — Who May Attest Seal~~

~~Except as provided in Articles 25.2 and 25.3, the Company's seal, if any, must not be impressed on any record except when that impression is attested by the signatures of:~~

- ~~(1) — any two directors;~~
- ~~(2) — any officer, together with any director;~~
- ~~(3) — if the Company only has one director, that director; or~~
- ~~(4) — any one or more directors or officers or persons as may be determined by the directors.~~

~~(ii) — 25.2 — Sealing Copies~~

~~For the purpose of certifying under seal a certificate of incumbency of the directors or officers of the Company or a true copy of any resolution or other document, despite Article 25.1, the impression of the seal may be attested by the signature of any director or officer.~~

~~(iii) — 25.3 — Mechanical Reproduction of Seal~~

~~The directors may authorize the seal to be impressed by third parties on share certificates or bonds, debentures or other securities of the Company as they may determine appropriate from time to time. To enable the seal to be impressed on any share certificates or bonds, debentures or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the directors or officers of the Company are, in accordance with the *Business Corporations Act* or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the person employed to engrave, lithograph or print such definitive or interim share certificates or bonds, debentures or other securities one or more unmounted dies reproducing the seal and the chair of the board or any senior officer together with the secretary, treasurer, secretary-treasurer, an assistant secretary, an assistant treasurer or an assistant secretary-treasurer may in writing authorize such person to cause the seal to be impressed on such definitive or interim share certificates or bonds, debentures or other securities by the use of such dies. Share certificates or bonds, debentures or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.~~

~~26. — PROHIBITIONS~~

~~PART 2326.1 — RESTRICTION ON SHARE TRANSFER~~

~~17.623.1~~ Definitions

In this Article ~~2623~~:

- (1) “**designated security**” means:
  - (a) a voting security of the Company;
  - (b) a security of the Company that is not a debt security and that carries a residual right to participate in the earnings of the Company or, on the liquidation or winding up of the Company, in its assets; or
  - (c) a security of the Company convertible, directly or indirectly, into a security described in paragraph (a) or (b);
- (2) “**security**” has the meaning assigned in the *Securities Act* (British Columbia);
- (3) “**voting security**” means a security of the Company that:
  - (a) is not a debt security, and
  - (b) carries a voting right either under all circumstances or under some circumstances that have occurred and are continuing.

~~26.2 —~~

~~17.723.2~~ Application

Article ~~26.323.3~~ does not apply to the Company if and for so long as it is a public company or its designated securities are beneficially owned, directly or indirectly, by more than 50 persons or



companies, counting any two or more joint registered owners as one beneficial owner, and not counting employees and former employees of the Company or its affiliates.

**17.823.3** ~~26.3~~ — **Consent ~~Required~~required for ~~Transfer~~transfer of Shares or Designated Securities**

No share or designated security may be sold, transferred or otherwise disposed of without the consent of the directors and the directors are not required to give any reason for refusing to consent to any such sale, transfer or other disposition.

~~Part 18~~**PART 24**~~27.~~ — **SPECIAL RIGHTS ~~AND~~AND RESTRICTIONS**

**27.1 — Common Shares**

- ~~(1) — The registered holders of the Common shares shall be entitled to receive notice of and to attend at all general meetings of the shareholders of the Company and shall have the right to vote at any such meeting on the basis of one vote for each Common share held.~~
- ~~(2) — The registered holders of the Common shares are entitled to receive dividends if and when declared by the Directors out the funds or assets of the Company properly applicable to the payment of dividends. The Directors may at any time declare and authorize the payment of such dividends exclusively to the registered holders of Common shares without declaring any corresponding dividends to the registered holders of Preferred shares.~~
- ~~(3) — In the event of the liquidation, dissolution or winding up of the Company or other distribution of the assets of the Company among its shareholders for the purpose of winding up the affairs of the Company, whether voluntary or involuntary, subject to the rights of the holders of the Preferred shares, the registered holders of the Common shares shall be entitled to receive the remaining property and assets of the Company.~~

**27.2 — Preferred Shares**

- ~~(1) — The holders of the Preferred shares shall not, as such, be entitled to receive notice of or to attend or vote at any meetings of shareholders of the Company other than meetings of the holders of the Preferred shares.~~

**24.1 Preferred shares issuable in series**

The Preferred shares may include one or more series ~~of shares. Subject~~and, subject to the *Business Corporations Act*, the ~~Directors~~directors may ~~from time to time~~, by resolution, if none of the Preferred shares of ~~the~~that particular series are issued, alter the Articles of the Company and authorize the alteration of the Notice of Articles of the Company, as the case may be, to do one or more of the following:

- (a) ~~Determined~~determine the maximum number of shares of ~~any of those~~that series ~~of shares~~ that the Company is authorized to issue, determine that there is no such maximum number, or alter

~~any determination made under this Article 27.2(2) or otherwise in relation to a maximum number of those shares such determination;~~

(b) ~~Create~~create an identifying name ~~by which~~for the shares of ~~any of those~~that series ~~of shares may be identified,~~ or alter any such identifying name ~~created for those shares~~; and

(a) ~~Attach~~attach special rights ~~and~~or restrictions to the shares of ~~any of those~~that series ~~of shares,~~ or ~~to~~ alter any such special rights or restrictions ~~attached to those shares.~~

~~(2) The registered holders of the Preferred shares are entitled to receive dividends if and when declared by the Directors out the funds or assets of the Company properly applicable to the payment of dividends. The Directors may at any time declare and authorize the payment of such dividends exclusively to the registered holders of the Preferred shares without declaring any corresponding dividends to the registered holders of the Common shares.~~

(c) ~~In the event of the liquidation, dissolution or winding up of the Company or other distribution of the assets of the Company among its members for the purpose of winding up the affairs of the Company, whether voluntary or involuntary, the registered holders of the Preferred shares shall be entitled to receive the amount paid up with respect to each Preferred share together with an amount equal to all declared and unpaid dividends on such shares in priority of the Common shares. After payment to the registered holders of the Preferred shares of the amount payable to them as provided for above, they shall not, as such, be entitled to share in any further distribution of the property or assets of the Company.~~

**SCHEDULE "B"**

**AMENDED AND RESTATED STOCK OPTION PLAN**

**(See attached)**

## STOCK OPTION PLAN

(As amended and restated on November 9, 2023)

### 1. PURPOSE OF PLAN

1.1 **Purpose.** The purpose of the Stock Option Plan (the “Plan”) of **BIOHARVEST SCIENCES INC.**, a company incorporated under the Business Corporations Act (British Columbia), (the “Company”) is to advance the interests of the Company by encouraging the directors, officers, employees, management company employees and consultants of the Company, and of its subsidiaries and affiliates, if any, 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.

### 2. DEFINITIONS

2.1 **Definitions.** In this Plan the following words and phrases shall have the following meanings, namely:

- (a) **“Blackout Period”** means a period during which designated persons cannot trade Shares pursuant to the applicable law or Company’s policy, if any, respecting restrictions on trading which is in effect at that time.
- (b) **“Board”** means the board of directors of the Company or, if the Board so elects, a committee of directors (which may consist of only one director) appointed by the Board to administer this Plan.
- (c) **“Company”** means BioHarvest Sciences Inc.
- (d) **“Consultant”** means an individual who (or a corporation or partnership (a “Consultant Company”) of which the individual is an employee, shareholder or partner which):
  - (i) is engaged to provide, on an ongoing *bona fide* basis, consulting, technical, management or other services to the Company or a subsidiary of the Company other than in relation to a distribution of the Company’s securities;
  - (ii) provides the services under a written contract between the Consultant or Consultant Company and the Company or subsidiary;
  - (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the business and affairs of the Company or subsidiary of the Company; and
  - (iv) has a relationship with the Company or subsidiary of the Company that enables the individual to be knowledgeable about the business and affairs of the Company or subsidiary.
- (e) **“Director”** means a director of the Company or any of its subsidiaries.
- (f) **“Employee”** means:

- (i) an individual who is considered an employee of the Company or its subsidiary ~~under the *Income Tax Act (Canada)* (and for whom income tax, employment insurance and CPP deductions must be made at source);~~
  - (ii) an individual who works full-time for the Company or a related entity providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; or
  - (iii) an individual who works for the Company or a related entity on a continuing and regular basis for a minimum amount of time per week (the number of hours should be disclosed in the submission) providing services normally provided by an employee and who is subject to the same control and discretion by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source.
- (g) **“Exchange”** means the Canadian Securities Exchange (the “CSE”).
- (h) **“Insider”** means: (i) Director or Officer; (ii) a director or officer of a subsidiary of the Company; or (iii) a person that beneficially owns or controls, directly or indirectly, Shares carrying more than 10% of the voting rights attached to all outstanding Shares of the Company.
- (i) **“Management Company Employee”** means an individual employed by a person providing management services to the Company, which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a person engaged in investor relations.
- ~~(j) **“Market Price”** means the price at which the last recorded sale of a board lot of Shares took place on the Exchange during the trading day immediately preceding the date of granting the Option and, if there was no such sale, the closing price on the preceding trading day during which there was such a sale.~~
- ~~(k)(i)~~ **“Officer”** means a chair or vice-chair of the Board, a chief executive officer, chief financial officer, chief operating officer, president, vice-president, secretary, assistant secretary, treasurer or assistant treasurer of the Company or any of its subsidiaries or an individual designated as an officer by a resolution of the Board or the constating documents of the Company.
- ~~(k)~~ **“Option”** means an option to purchase Shares granted to an Optionee under this Plan.
- ~~(m)(l)~~ **“Optionee”** means a Director, Officer, Employee, Management Company Employee or Consultant granted an Option or a corporation, other than a Consultant Company, granted an Option where the corporation’s only shareholder is a Director, Officer or Employee.
- ~~(n)(m)~~ **“Plan”** means this stock option plan as amended, supplemented or restated.
- ~~(o)(n)~~ **“Related Entity”** means a person that controls or is controlled by the Company.
- ~~(p)(o)~~ **“Shares”** means common shares of the Company.

(p) “Trading Day” means a day during which trades are executed on the Exchange.

### 3. GRANTING OF OPTIONS

- 3.1 **Administration.** This Plan shall be administered by the Board.
- 3.2 **Grant by Resolution.** The Board may determine by resolution those Employees, Management Company Employees, Consultants, Officers and Directors to whom Options should be granted and grant to them such Options as the Board determines to be appropriate.
- 3.3 **Representations to Employees, Consultants, and Management Company Employees.** Every instrument evidencing an Option granted to an Employee, Consultant or Management Company Employee shall contain a representation by the Company and the Optionee that the Optionee is a bona fide Employee, Consultant or Management Company Employee.
- 3.4 **Terms of Option.** The Board shall determine and specify in its resolution the number of Shares that should be placed under Option to each such Employee, Management Company Employee, Consultant, Officer or Director, the price per Share to be paid for such Shares upon the exercise of each such Option, and the period during which such Option may be exercised.
- 3.5 **Written Agreement.** Every Option shall be evidenced by a written agreement between the Company and the Optionee. If there is any inconsistency between the terms of the agreement and this Plan the terms of this Plan shall govern.

3.53.6 **Prior Options.** Any stocks options granted and still outstanding under previous versions of this Plan shall hereinafter be governed by this Plan and shall be considered Options granted under this Plan.

### 4. CONDITIONS GOVERNING THE GRANTING & EXERCISING OF OPTIONS

- 4.1 **Agreements must specify Exercise Period and Price, Vesting and Number of Shares.** In granting an Option, the Board must specify a particular time period or periods during which the Option may be exercised, the exercise price required to purchase the Shares subject to the Option and any vesting terms and conditions of the Option, including the number of Shares in respect of which the Option may be exercised during each such time period.
- 4.2 **Minimum Exercise Price of Options.** The exercise price of an Option shall not be less than the Market Price greater of the (i) closing market price on the Trading Day prior to the date of grant and (ii) the closing market price on the date of grant.
- 4.3 **Number of Shares subject to Option.** The number of Shares reserved for issuance to an Optionee pursuant to an Option, together with all other stock options granted to the Optionee in the previous 12 months, shall not exceed, at the time of granting of the Option:
- (a) 5% of the outstanding Shares, unless the Company has obtained disinterested shareholder approval; or
  - (b) 42% of the outstanding Shares (including all other Shares reserved for issuance to all

Optionees providing investor relations services to the Company), if the Optionee is engaged in providing investor relations services to the Company and the Shares are listed on the Exchange.

**Vesting of Options.** Subject to further vesting requirements required by the Board on granting of an Option, all Options shall vest and be exercisable immediately. Subject to the approval of the Exchange if the Optionee is a Consultant providing investor relations services for the Company, the Board may advance, at any time, the dates upon which any or all Options shall vest and become exercisable, regardless of the terms of vesting.

4.4 **Blackout Periods.** No Option may be exercised during a Blackout Period if the Optionee is then restricted from trading in Shares pursuant to any policy of the Company or applicable laws.

4.5 **Expiry of Options.** Each Option shall expire not later than 10 years from the day on which the Option is granted.

4.6 **Expiry of Options during or immediately after Trading Blackout Periods.** If an Option expires during, or within five trading days after, a Blackout Period then, notwithstanding Section 4.5 or the terms of the Option, the term of the Option shall be extended and the Option shall expire 10 trading days after the termination of the Blackout Period.

4.7 **Death or Disability of Optionee.** If an Optionee dies or suffers a Disability prior to the expiry of an Option, the Optionee's legal representatives, before the earlier of the expiry date of the Option and the first anniversary of the Optionee's death or Disability, may exercise that portion of an Option which has vested as at the date of death or Disability. For the purposes hereof "**Disability**" shall mean any inability of the Optionee arising due to medical reasons which the Board considers likely to permanently prevent or substantially impair Optionee being an Employee, Management Company Employee, Consultant, Officer or Director.

4.8 **Cessation as an Optionee (With Cause).** If an Optionee ceases to be a Director, Officer, Consultant, Employee or Management Company Employee by reason of termination or removal for cause any Option shall terminate immediately on such termination or removal and not be exercisable by the Optionee unless otherwise determined by the Board.

4.9 **Cessation as an Optionee (Without Cause).** If an Optionee ceases to be any of a Director, Officer, Consultant, Employee or Management Company Employee for any reason except as provided in sections 4.7 or 4.8, any Option shall be exercisable to the extent that it has vested and was exercisable as at the date of such cessation, unless further vesting is permitted by the Board, and must terminate on the earlier of the expiry date of the Option and:

- (a) the 90<sup>th</sup> day after the Optionee ceased to be any of a Director, Officer, Consultant, Employee or Management Company Employee, or such later date as may be reasonably determined by the Board; or
- (b) if the Optionee is subject to the tax laws of the United States of America, the earlier of the 90<sup>th</sup> day and the third month after the Optionee ceased to be an Employee or Officer.

4.10 **No Assignment of Options.** No Option or any right thereunder or in respect thereof shall be transferable or assignable otherwise than by will or pursuant to the laws of succession except that, if permitted by the rules and policies of the Exchange, an Optionee shall have

the right to assign any Option (other than an 'Incentive Stock Option' under United States Internal Revenue Code) to a corporation wholly-owned by them.

- 4.11 **Notice of Exercise of an Option.** Options shall be exercised only in accordance with the terms and conditions of the agreements under which they are respectively granted and shall be exercisable only by notice in writing to the Company.
- 4.12 **Payment on Exercise of an Option.** Options may be exercised in whole or in part at any time prior to their lapse or termination. Shares purchased by an Optionee on exercise of an Option shall be fully paid for in cash or by certified cheque, bank draft or money order at the time of their purchase.
- 4.13 **Condition to Issuance of Shares.** The Board may require, as a condition of the issuance of Shares or delivery of certificates representing such Shares upon the exercise of any Option and to ensure compliance with any applicable laws, regulations, rules, orders and requirements that the Optionee or the Optionee's heirs, executors or other legal representatives, as applicable, make such covenants, agreements and representations as the Board deems necessary or desirable.
- 4.14 **Withholding or Deductions of Taxes.** The Company may deduct, withhold or require an Optionee, as a condition of exercise of an Option, to withhold, pay, remit or reimburse any taxes or similar charges, which are required to be paid, remitted or withheld in connection with the exercise of any Option.

## 5. RESERVATION OF SHARES FOR OPTIONS

- 5.1 **Sufficient Authorized Shares to be Reserved.** Whenever the constating documents of the Company limit the number of authorized Shares, a sufficient number of Shares shall be reserved by the Board to satisfy the exercise of Options. Shares that were the subject of Options that have lapsed or terminated shall thereupon no longer be in reserve and may once again be subject to an Option.

5.2 **Maximum Number of Shares to be Reserved Under Plan.** The aggregate number of Shares which may be subject to issuance pursuant to Options and any stock options granted under any other previous or current stock option plan or security compensation arrangement shall be 15% of the outstanding Shares at the time of granting of the Options. ~~Until the Option Plan is approved at a meeting of the Shareholders of the Company the maximum shall not exceed 10% of the number shares outstanding.~~ If any Option expires or otherwise terminates for any reason without having been exercised in full, the number of Shares in respect of such expired or terminated Option shall again be available for the purposes of granting Options pursuant to this Plan.

5.3 **Maximum Number of Shares Reserved for Insiders.** All Options, together with all of the Company's other previously granted stock options, stock option plans, employee stock purchase plans or any other compensation or incentive mechanisms involving the issuance or potential issuance of Shares, shall not result, at the time of granting, in:

- (a) the number of Shares reserved for issuance pursuant to Options granted to Insiders exceeding 10% of the Shares outstanding;
- (b) the issuance to Insiders, within a one year period, of Shares totalling in excess of 15% of the Shares outstanding; or
- (c) the issuance to any one individual, within a one year period, of Shares totalling in



excess of 5% of the Shares outstanding,

unless the disinterested shareholders have approved thereof.

## 6. CAPITAL REORGANIZATIONS

6.1 **Share Consolidation or Subdivision.** If the Shares are at any time subdivided or consolidated, the number of Shares reserved for Options shall be similarly increased or decreased and the price payable for any Shares that are then subject to issuance shall be decreased or increased proportionately, as the case may require, so that upon exercising each Option the same proportionate shareholdings at the same aggregate purchase price shall be acquired after such subdivision or consolidation as would have been acquired before.

6.2 **Stock Dividend.** If the Shares are at any time changed as a result of the declaration of a stock dividend thereon, the number of Shares reserved for Options and the price payable for any Shares that are then subject to issuance may be adjusted by the Board to such extent as they deem proper in their absolute discretion.

6.3 **No Fractional Shares.** No adjustment made pursuant to this Part shall require the Company to issue a fraction of a Share and any fractions of a Share shall be rounded up or down to the nearest whole number, with one-half a Share being rounded up to one Share.

6.4 **No Adjustment for Cash Dividends or Rights Offerings.** No adjustment shall be made to any Option pursuant to this Part in respect of the payment of any cash dividend or the distribution to the shareholders of the Company of any rights to acquire Shares or other securities of the Company.

## 7. EXCHANGE'S RULES & POLICIES GOVERN & APPLICABLE LAW

7.1 **Exchange's Rules and Policies Apply.** This Plan and the granting and exercise of any Options are also subject to such other terms and conditions as are set out in the rules and policies on stock options of the Exchange and any securities commission having authority and such rules and policies shall be deemed to be incorporated into and become a part of this Plan. If there is an inconsistency between the provisions of such rules and policies and of this Plan, the provisions of such rules and policies shall govern.

7.2 **Compliance With Applicable Laws.** Notwithstanding anything herein to the contrary, the Company shall not be obliged to cause any Shares to be issued or certificates evidencing Shares to be delivered pursuant to this Plan, where issuance and delivery is not, or would result in the Company not, being in compliance with all applicable laws, regulations, rules, orders of governmental or regulatory authorities and the requirements of the Exchange. **If any provision of this Plan, any Option or any agreement entered into pursuant to this Plan contravenes any applicable law, rule, regulation or order, or any policy, bylaw or regulation of the Exchange or any regulatory body having authority over the Company or this Plan, such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith, but the Company shall not be responsible to pay and shall not incur any penalty, liability or further obligation in connection therewith.**

7.3 **No Obligation to File Prospectus.** The Company shall not be liable to compensate any Optionee and in no event shall it be obliged to take any action, including the filing of any prospectus,

registration statement or similar document, in order to permit the issuance and delivery of any Shares upon the exercise of any Option in order to comply with any applicable laws, regulations, rules, orders or requirements of any securities regulatory authority.

7.4 **Governing Law.** This Plan shall be governed by, and construed in accordance with, the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

## 8. AMENDMENT OF PLAN & OPTIONS

8.1 **Board May Amend Plan or Options.** The Board may amend or terminate this Plan or any Options but no such amendment or termination, except with the written consent of the Optionees concerned or unless required to make this Plan or the Options comply with the rules and policies of the Exchange, shall affect the terms and conditions of Options which have not then been exercised or terminated.

8.2 **Shareholder Approval.** Approval by a majority of all holders of Shares, whether the holders are disinterested shareholders or not, is required for:

- (a) an increase in the number of Shares, or percentage of the outstanding Shares, reserved for issuance under this Plan; or
- (b) a change from a fixed number to a fixed percentage of the outstanding Shares, or from a fixed percentage to a fixed number, in the number of Shares reserved for issuance under this Plan.

No approval by any holders of Shares is required for:

- (a) an amendment to comply with applicable law or rules of the Exchange or of a 'housekeeping' nature required to correct typographical and similar errors;
- (b) a change to the vesting provisions;
- (c) a change to the termination provisions, other than an extension of an Option to a new expiry date that falls outside the maximum term currently permitted by this Plan when the Option was first granted; and
- (d) a reduction of the exercise price of an Option, including a reduction effected by cancelling an existing Option and granting a new Option exercisable at a lower price, or an extension of the exercise period, if the Optionee is not an Insider.

## 9. PLAN DOES NOT AFFECT OTHER COMPENSATION PLANS

9.1 **Other Plans Not Affected.** This Plan shall not in any way affect the policies or decisions of the Board in relation to the remuneration of Directors, Officers, Consultants, Employees and Management Company Employee.

## 10. OPTIONEE'S RIGHTS AS A SHAREHOLDER

10.1 **No Rights Until Option Exercised.** An Optionee shall be entitled to the rights pertaining to share ownership, such as to dividends, only with respect to Shares that have been fully

paid for and issued to the Optionee upon exercise of an Option.

## 11. EFFECTIVE DATE & EXPIRY OF PLAN

11.1 **Effective Date.** ~~This Plan will be effective upon completion of the business combination between the Company and Bio Harvest Ltd..~~ The Plan was approved by the Board on November 9, 2023, subject to the approval of the shareholders of the Company, and is being put forth before the shareholders of the Company on December 14, 2023, and will be effective upon receipt of approval of the shareholders of the Company on December 14, 2023.

11.2 **Termination.** This Plan shall terminate upon a resolution to that effect being passed by the Board. Any Options shall continue to be exercisable according to their terms after the termination of this Plan.

## 12. RULES PARTICULAR TO ISRAEL

Notwithstanding anything herein to the contrary, any options issued to Israeli persons shall be governed by the appendix attached (the "**Appendix**"), and to the extent that the terms and conditions set forth in the Appendix conflict with any provisions of the Plan, the provisions of the Appendix shall prevail. Terms and conditions set forth in the Appendix shall apply only to Options and Shares issued to Israeli optionees and shall not apply to Options and Shares issued to any other Optionee.

**BIOHARVEST SCIENCES INC.**  
**APPENDIX – ISRAEL**  
**TO THE ~~2018~~ STOCK OPTION PLAN**

## **1. GENERAL**

1.1. This Israeli Appendix (the “**Israeli Appendix**”) to the BioHarvest Sciences Inc. Stock Option Plan (as amended from time to time) (the “**Plan**” and the “**Company**”, respectively) shall apply only to participants who are residents of the State of Israel or those who are deemed to be residents of the State of Israel for the purpose of payment of tax (the “**Israeli Optionees**”). The grant of Options to an Israeli Optionee shall be subject to the fulfillment of the conditions set forth below and pursuant to and subject to the terms and conditions set forth in the Plan. Capitalized terms used and not otherwise defined herein shall have the respective meanings ascribed to them in the Plan.

1.2. This Israeli Appendix is to be read as a continuation of the Plan and only refers to Options granted to Israeli Optionees so that they comply with the requirements set by the Israeli law in general, and in particular with the provisions of Section 102 (as defined below), and any regulations, rules, orders or procedures promulgated thereunder, as may be amended or replaced from time to time. For the avoidance of doubt, this Israeli Appendix does not add to nor modify the Plan in respect of Optionees who are non Israeli Optionees.

1.3. The Plan and this Israeli Appendix are complementary to each other and shall be deemed one document. In any case of contradiction, whether explicit or implied, between the provisions of this Israeli Appendix and the Plan, the provisions set out in this Israeli Appendix shall prevail with respect to Options granted to Israeli Optionees.

1.

## **2. DEFINITIONS**

2. The following definitions shall be in effect under the Israeli Appendix:

2.1. “**Affiliate**” means any “employing company” within the meaning of Section 102(a) of the Ordinance.

2.2. “**Approved 102 Option**” means an Option granted pursuant to Section 102(b) of the Ordinance and held in trust by a Trustee for the benefit of the Optionee.

2.3. “**Controlling Shareholder**” means a “controlling shareholder” as defined in Section 32(9) of the Ordinance.

2.4. “**Employee**” means an Israeli Optionee who is employed by, or serving as a director or an Office Holder of, the Company or any other employee company [חברה מעבידה] as defined in Section 102(a) of the Ordinance; provided such employee, director or office holder is not a Controlling Shareholder.

2.5. “**ITA**” means the Israeli Tax Authorities.

2.6. “**Non-Employee**” means an Israeli Optionee that is not an Employee, including an Israeli Optionee that (i) serves as a consultant, adviser, or service provider, or (ii) is a

Controlling Shareholder.

2.7. “**Office Holder**” means an “office holder” as defined under the Israeli Companies Law, 1999.

2.8. “**102 Capital Gain Option**” means an Approved 102 Option elected and designated by the Company to qualify under the capital gain tax treatment in accordance with the provisions of Section 102(b)(2) of the Ordinance.

2.9. “**102 Option**” means any Option granted pursuant to Section 102.

2.10. “**102 Ordinary Income Option**” means an Approved 102 Option elected and designated by the Company to qualify under the ordinary income tax treatment in accordance with the provisions of Section 102(b)(1) of the Ordinance.

2.11. “**Ordinance**” means the Israeli Tax Ordinance (New Version), 1961.

2.12. “**Section 102**” means Section 102 of the Ordinance and any regulations, rules, orders or procedures promulgated thereunder as now in effect or as hereafter amended.

2.13. “**3(i) Option**” means an Option granted pursuant to Section 3(i) of the Ordinance.

2.14. “**Trustee**” means any individual or entity appointed by the Company and approved by the ITA to serve as trustee of Approved 102 Options.

2.15. “**Unapproved 102 Option**” means an Option granted pursuant to Section 102(c) of the Ordinance and not held in trust by a Trustee.

3.

### **3. ISSUANCE OF OPTIONS; ELIGIBILITY**

3.1. The persons eligible for participation in the Plan under the Israeli Appendix shall include any Employees or Non-Employees of the Company or of any Affiliate; provided, however, that (i) Employees may only be granted 102 Options; and (ii) Non-Employees may only be granted 3(i) Options.

3.2. The Company may designate Options granted to Employees as Approved 102 Options or Unapproved 102 Options.

3.3. The grant of Approved 102 Options shall be made under this Israeli Appendix and shall be conditioned upon the approval of this Israeli Appendix by the ITA.

3.4. Approved 102 Options may either be classified as 102 Capital Gain Options (“**CGOs**”) or 102 Ordinary Income Options (“**OIOs**”).

3.5. No Approved 102 Options may be granted under this Israeli Appendix to any Employee, unless and until the Company elects to classify its Approved 102 Options as CGOs or OIOs and appropriately files notice of such election with the ITA (the “**Election**”). The Election shall become effective beginning the first date of grant of an Approved 102 Option under this Israeli Appendix and may not be changed until the end of the year following the year during which the Company first granted Approved 102 Options under such Election. The Election shall obligate the Company to grant only the type of Approved 102 Option it has elected, and shall apply to all Employees who were granted Approved 102 Options during the time the Election is in effect, all in accordance with the provisions of Section 102(g) of the Ordinance. For the avoidance of doubt, such Election shall not

prevent the Company from granting Unapproved 102 Options and 3(i) Options simultaneously.

3.6. All Approved 102 Options must be held in trust by a Trustee, as described in Section 4 below.

3.7. The terms and conditions upon which Options shall be issued and exercised shall be as specified in the Option Agreement to be executed pursuant to the Plan and to this Israeli Appendix. Each Option Agreement shall state, *inter alia*, the type of Option granted thereunder (whether a CGO, OIO, Unapproved 102 Option or a 3(i) Option).

4.

#### **4. TRUSTEE**

5. The provisions of this Section shall apply with respect of Approved 102 Options:

4.1. Approved 102 Options, any shares issued upon exercise of such Approved 102 Options and other shares received subsequently following any realization of rights, including without limitation, bonus shares, shall be allocated or issued to the Trustee and held for the benefit of the Optionee.

4.2. Approved 102 Options and any shares received subsequently following exercise of 102 Options, shall be held by the Trustee for such period of time as required by Section 102 (the “**Holding Period**”).

4.3. The Optionee shall not be entitled to sell or release from trust the Approved 102 Options or shares issued upon their exercise, until the lapse of the Holding Period.

4.4. In the event the requirements of Section 102 are not met, the Optionee shall not be entitled to the tax treatment available for Approved 102 Options and the Approved 102 Options may be regarded as Unapproved 102 Options, all in accordance with the provisions of Section 102.

4.5. Notwithstanding anything to the contrary, the Trustee may hold the release of any Approved 102 Options or shares issued upon exercise of Approved 102 Options, until the full payment of the Optionee’s tax liabilities arising in respect thereof.

4.6. As a condition for issuance of Approved 102 Options, the Israeli Optionee shall execute an undertaking, in form to be provided by the Company, acknowledging the terms of issuance under Section 102 and releasing the Trustee from any liability for actions or decisions made in good faith by the Trustee.

6.

#### **5. FAIR MARKET VALUE FOR TAX PURPOSES**

7. Without derogating from the definition of “Fair Market Value” included in the Plan, if at the date of grant the Company’s shares are listed on any established stock exchange or a national market system or will be registered for trading within ninety (90) days following the date of grant, then solely for the purpose of determining the tax liability of CGOs pursuant to Section 102(b)(3) of the Ordinance, the fair market value of the shares 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.

8.

## **6. EXERCISE OF OPTIONS**

6.1. Options shall be exercised by the Optionee in accordance with the terms of the Plan, but in any event, in accordance with the instructions of the Trustee and the requirements of Section 102.

6.2. If the Optionee ceases to be employed or engaged by the Company or any Affiliate, then at the request of the Company, the Optionee shall extend to the Company and/or its Subsidiaries a security or guarantee for the payment of tax due at the time of sale of shares, pursuant to the Company's policies and in accordance with any applicable provisions of Section 102.

9.

## **7. RESTRICTIONS ON ASSIGNABILITY AND SALE OF OPTIONS**

10. Without derogating from any restriction on assignability or transferability specified in the Plan, as long as Options issued under this Israeli Addendum or Shares purchased upon exercise of such Options and/or any other securities issued with respect thereto, are held by the Trustee for the benefit of an Israeli Optionee, such Israeli Optionee may not transfer, assign, pledge or mortgage any rights with respect of the Options and/or the shares to which they are exercisable (as applicable), other than by will or laws of descent and distribution. The terms of this Israeli Addendum and the Plan shall be binding on the executors, administrators, heirs, and successors of Options. Notwithstanding the foregoing, if any such sale, assignment, pledge, mortgage or release occurs during the Holding Period, the sanctions under Section 102 of the Ordinance shall apply to and shall be borne by the Israeli Optionee.

11.

## **8. TAX CONSEQUENCES**

8.1. Without derogating from the Plan, the Trustee may withhold taxes according to requirements of applicable laws, rules and regulations, including withholding taxes at source, from any payment to the Optionee. Furthermore, the Israeli Optionee shall indemnify the Company, its Subsidiaries and the Trustee and hold them harmless from and against 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 Optionee.

8.2. The Company and the Trustee shall not be required to release any Options, shares, or share certificate to an Israeli Optionee until all required payments have been fully made and satisfactory evidence was provided to the Company and the Trustee.

8.3. Neither the Corporation and/or Subsidiary nor the Board shall have any liability to any Israeli Optionee, or to any other party, if an Option (or any portion thereof) that is intended to be qualified as Capital Gain Option is determined by the Board, ITA or the Trustee not to be qualified as Capital Gain Option.

12.

## **9. GOVERNING LAW & JURISDICTION**

This Israeli Appendix shall be governed by, construed and enforced in accordance with the laws of the State of Israel, without giving effect to the principles of conflict of laws.

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**SCHEDULE "C"**

**EQUITY INCENTIVE COMPENSATION PLAN**

**(See attached)**

## BIOHARVEST SCIENCES INC.

### EQUITY INCENTIVE COMPENSATION PLAN

#### Article I ESTABLISHMENT, PURPOSE AND DURATION

- 1.1 Establishment of the Plan. The following is the equity incentive compensation plan (the "**Plan**") of BioHarvest Sciences Inc. (the "**Corporation**"), pursuant to which security-based compensation Awards (as defined below) may be granted to Permitted Participants (as defined below). The name of the plan is the BioHarvest Sciences Inc. Equity Incentive Compensation Plan.

The Plan permits the grant of Restricted Share Units (as such terms are defined below). The Plan was approved by the Board (as defined below) on November 9, 2023 and is being put forth before the Shareholders (as defined below) on December 14, 2023, and will be effective upon receipt of shareholder approval on December 14, 2023, until the date it is terminated by the Board in accordance with the Plan.

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

#### Article II DEFINITIONS

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

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

**"Award"** means a grant under the Restricted Share Units, subject to the terms of the Plan.

**"Award Agreement"** means either (i) a written agreement entered into by the Corporation or an Affiliate and a Participant setting forth the terms and provisions applicable to Awards granted under the Plan; or (ii) a written statement issued by the Corporation or an Affiliate to a Participant describing the terms and provisions of such Award. All Award Agreements shall be deemed to incorporate the provisions of the Plan, subject to such modifications or additions as the Committee may, in its sole discretion, determine appropriate. An Award Agreement need not be identical to other Award Agreements either in form or substance.

**"Blackout Period"** means a period during which designated persons cannot trade Shares pursuant to the applicable law or Corporation's policy, if any, respecting restrictions on trading which is in effect at that time..

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

**"Change of Control"** means the occurrence of any one or more of the following events:

- (a) the acceptance by the holders of Shares, representing in the aggregate more than 50% of the number of Shares then issued and outstanding, of any offer, whether by way of a takeover bid or otherwise, for all or any of the Shares of the Corporation;
- (b) the acquisition, by whatever means (including, without limitation, amalgamation, arrangement, consolidation or merger), by a person (or two or more persons who in such acquisition have acted jointly or in concert or intend to exercise jointly or in concert any voting rights attaching to the Shares acquired), directly or indirectly, of the beneficial ownership of such number of Shares or rights to Shares, which together with such person's then owned Shares and rights to Shares, if any, represent (assuming the full exercise of such rights to voting securities) more than 50% of the combined voting rights of the Corporation's then outstanding Shares, inclusive of the Shares that would be outstanding on the full exercise of all rights to Shares;
- (c) the entering into of any agreement by the Corporation to merge, consolidate, amalgamate, initiate an arrangement or be absorbed by or into another corporation;
- (d) the passing of a resolution by the Board or Shareholders to substantially liquidate the assets or wind-up the Corporation's business or significantly rearrange its affairs in one or more transactions or series of transactions or the commencement of proceedings for such a liquidation, winding-up or re-arrangement (except where such re-arrangement is part of a bona fide reorganization of the Corporation in circumstances where the business of the Corporation is continued and where the shareholdings remain substantially the same following the re-arrangement as that which existed prior to the re-arrangement); and
- (e) individuals who were members of the Board immediately prior to a meeting of the Shareholders involving a contest, for or an item of business relating to the election of Directors not constituting a majority of the Board following such election.

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

**"Consultant"** means an individual who (or a corporation or partnership (a "Consultant Company") of which the individual is an employee, shareholder or partner which):

- (i) is engaged to provide, on an ongoing bona fide basis, consulting, technical, management or other services to the Company or a subsidiary of the Company other than in relation to a distribution of the Company's securities;

- (ii) provides the services under a written contract between the Consultant or Consultant Company and the Company or subsidiary;
- (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the business and affairs of the Company or subsidiary of the Company; and
- (iv) has a relationship with the Company or subsidiary of the Company that enables the individual to be knowledgeable about the business and affairs of the Company or subsidiary.

**"Corporate Reorganization"** shall have the meaning ascribed thereto in Section 4.4 hereof.

**"Corporation"** means BioHarvest Sciences Inc. and its successors and Subsidiaries.

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

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

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

**"Employee"** means an:

- (i) an individual who is considered an employee of the Company or its subsidiary;
- (ii) an individual who works full-time for the Company or a related entity providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; or
- (iii) an individual who works for the Company or a related entity on a continuing and regular basis for a minimum amount of time per week (the number of hours should be disclosed in the submission) providing services normally provided by an employee and who is subject to the same control and discretion by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source.

**"Exchange"** means the Canadian Securities Exchange

**"Exchange Policies"** mean the rules and policies of the Exchange applicable to security-based compensation arrangements, as amended from time to time.

**"FMV"** means, unless otherwise required by any applicable provision of any regulations thereunder or by any applicable accounting standard for the Corporation's desired accounting for Awards or by the Exchange Policies, a price that is determined by the Committee, provided that such price cannot be less than the greater of the (i) closing market price on the trading day prior to the date of grant and (ii) the closing market price on the date of grant.

**"Insider"** means: (i) Director or Officer; (ii) a director or officer of a subsidiary of the Company; or (iii) a person that beneficially owns or controls, directly or indirectly, Shares carrying more than 10% of the voting rights attached to all outstanding Shares of the Company.

**"Management Company Employee"** means an individual employed by a person providing management services to the Company, which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a person engaged in investor relations.

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

**"Officer"** means an officer, as defined under applicable securities laws, of the Corporation or an Affiliate.

**"Participant"** means a Person who has been selected to receive an Award when such Participant was a Permitted Participant and their heirs, executors and administrators, or who has an outstanding Award granted under the Plan.

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

**"Permitted Participant"** means an Employee, a Director, a director of an Affiliate, an Officer, a Management Company Employee or a Consultant.

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

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

by the Board.

**"Shareholders"** means shareholders of the Corporation.

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

**"Stock Option Plan"** means the "rolling up to 15%" stock option plan of the Corporation, as amended from time to time.

**"Subsidiary"** means a body corporate that is controlled by the Corporation and, for the purposes of this definition, a body corporate will be deemed to be controlled by the Corporation if the Corporation, directly or indirectly, has the power to direct the management and policies of the body corporate by virtue of ownership of, or direction over, voting securities in the body corporate.

**"Termination Date"** means the date on which a Participant ceases to be a Permitted Participant as a result of a termination of employment, officer position, board service or consulting arrangement with the Corporation or any Affiliate for any reason, including death, Retirement, resignation or termination with or without cause. For the purposes of the Plan, a Participant's employment, officer position, board service or consulting arrangement with the Corporation or an Affiliate shall be considered to have terminated effective on the last day of the Participant's actual and active employment, officer position or board or consulting service with the Corporation or the Affiliate whether such day is selected by agreement with the individual, unilaterally by the Corporation or the Affiliate and whether with or without advance notice to the Participant. For the avoidance of doubt, no period of notice or pay in lieu of notice that is given or that ought to have been given under applicable law in respect of such termination of employment that follows or is in respect of a period after the Participant's last day of actual and active employment shall be considered as extending the Participant's period of employment for the purposes of determining his or her entitlement under the Plan.

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

### **Article III ADMINISTRATION**

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

- 3.2 Authority of the Committee. The Committee shall have full and exclusive discretionary power to determine the terms and provisions of Award Agreements, to interpret the terms and the intent of the Plan and any Award Agreement or other agreement ancillary to or in connection with the Plan, to determine eligibility for Awards, and to adopt such rules, regulations and guidelines for administering the Plan as the Committee may deem necessary or proper. Such authority shall include, but not be limited to, selecting Award recipients, establishing all Award terms and conditions, including grant, exercise price, issue price and vesting terms, determining any performance goals applicable to Awards and whether such performance goals have been achieved, and, subject to Article XIII hereof, adopting modifications and amendments to the Plan or any Award Agreement, including, without limitation, any that are necessary or appropriate to comply with the laws or compensation practices of the jurisdictions in which the Corporation and the Affiliates operate.
- 3.3 Delegation. The Committee may delegate to one or more of its members any of the Committee's administrative duties or powers as it may deem advisable, provided, however, that any such delegation must be permitted under applicable corporate law.

#### **Article IV**

#### **SHARES SUBJECT TO THE PLAN AND GENERAL TERMS APPLICABLE TO AWARDS**

- 4.1 Maximum Number of Shares Available for Awards. The maximum number of Shares issuable pursuant to the Awards issued under the Plan shall not exceed the number that is equal to 5% of the issued and outstanding Shares at the time of grant. Stock options of the Company granted under the Stock Option Plan shall not be included in the maximum number of Shares issuable pursuant to this Plan. Awards that have been settled in cash, cancelled, terminated, surrendered, forfeited or expired without being exercised, and pursuant to which no Shares have been issued, shall continue to be issuable under the Plan.
- 4.2 Award Grants to Individuals. The maximum number of Shares for which Awards and other security-based compensation may be issued to any Participant in any 12-month period under the Plan and all of the Corporation's other previously established or proposed security-based compensation arrangements shall not exceed 5% of the outstanding Shares, calculated on the date an Award is granted to the Participant. The maximum number of Shares for which Awards and other security-based compensation may be issued to persons undertaking Investor Relations activities, within any 12-month period, under the Plan and all of the Corporation's other previously established or proposed security-based compensation arrangements shall not exceed 2% of the outstanding Shares, calculated on the date an Award or other security-based compensation is granted to the Consultant or any such person, as applicable.
- 4.3 Award Grants to Insiders. the maximum number of Shares for which Awards and other security-based compensation may be issued to Insiders (as a group) at any point in time under the Plan and all of the Corporation's other previously established or proposed security-based compensation arrangements shall not exceed 10% of the outstanding Shares; and (ii) the aggregate number of Awards and other security-based compensation granted to Insiders (as a group), within any 12-month period, under the Plan and all of the Corporation's other previously established or proposed share compensation arrangements shall not exceed 10% of the outstanding Shares, calculated at the date an Award or other security-based compensation is granted to any Insider.

- 4.4 Adjustments in Authorized Shares. Subject to the Corporation obtaining prior acceptance from the Exchange, if required, except in connection with a share split or reverse share split, in the event of any corporate event or transaction (each, a "**Corporate Reorganization**") (including, but not limited to, a change in the Shares or the capitalization of the Corporation) such as a merger, arrangement, amalgamation, consolidation, reorganization, recapitalization, separation, stock dividend, extraordinary dividend, share split, reverse share split, split up, spin-off or other distribution of stock or property of the Corporation, combination of securities, exchange of securities, dividend in kind, or other like change in capital structure or distribution (other than normal cash dividends) to Shareholders, or any similar corporate event or transaction, the Committee shall make or provide for such adjustments or substitutions, as applicable, in the number and kind of Shares that may be issued under the Plan, the number and kind of Shares subject to outstanding Awards, the FMV applicable to outstanding Awards, the limit on issuing Awards equal to at least the FMV of a Share on the date of grant and any other value determinations applicable to outstanding Awards or to the Plan, as are equitably necessary to prevent dilution or enlargement of Participants' rights under the Plan that otherwise would result from such corporate event or transaction.

The Committee shall also make appropriate adjustments in the terms of any Awards under the Plan as are equitably necessary to reflect such Corporate Reorganization and may modify any other terms of outstanding Awards, including modifications of performance criteria and lengths of Periods of Restriction. The determination of the Committee as to the foregoing adjustments, if any, shall be conclusive and binding on Participants under the Plan, provided that any such adjustments must comply with all regulatory requirements.

Subject to the provisions of Article X hereof, and any applicable law or regulatory requirement, including Exchange acceptance, without affecting the number of Shares reserved or available hereunder, the Committee may authorize the issuance, assumption, substitution or conversion of Awards under the Plan in connection with any Corporate Reorganization, upon such terms and conditions as it may deem appropriate. Additionally, the Committee may amend the Plan, or adopt supplements to the Plan, in such manner as it deems appropriate to provide for such issuance, assumption, substitution or conversion as provided in the previous sentence.

- 4.5 Term. The term of any Award grant shall not exceed ten (10) years, subject to extension where the expiration of an Award falls within a Blackout Period, in accordance with Section 4.6 hereof, as applicable.

- 4.6 Expiry of Options during Blackout Periods. If an Award expires during a Blackout Period then, notwithstanding the terms of the Awards, the term of the Award shall be extended and the Award shall expire ten (10) business days after the termination of the Blackout Period, provided that: (i) the Blackout Period was formally imposed by the Corporation pursuant to its internal trading policies as a result of the bona fide existence of undisclosed material information, (ii) the Blackout Period expired upon the general disclosure of the undisclosed material information referred to in paragraph (i), and (iii) the Corporation or applicable Participant is not subject to a cease trade order or similar order under applicable securities laws.

- 4.7 Vesting of Awards. Unless otherwise specified in an Award Agreement, and subject to any provisions of the Plan or the applicable Award Agreement relating to acceleration of vesting



of Awards, Awards shall vest at the discretion of the Committee, provided, however that no Award may vest before the date that is one (1) year following the date of the grant of the Award, unless the Award Agreement permits acceleration of vesting in the event of the death of the Participant, or where the Participant ceases to be a Permitted Participant in connection with a Change of Control, as further set out in Article IX hereof.

- 4.8 Restricted Periods; Legends. Where applicable, Awards and the Shares underlying such Awards shall be subject to resale restrictions in accordance with applicable securities laws. Award Agreements entered into with Participants pursuant to this Plan shall bear the legend or legends evidencing such restrictions.

## **Article V ELIGIBILITY AND PARTICIPATION**

- 5.1 Eligibility. Awards under the Plan shall be granted only to *bona fide* Permitted Participants.
- 5.2 Actual Participation. Subject to the provisions of the Plan, the Committee may, from time to time, in its sole discretion select from among Permitted Participants, those to whom Awards shall be granted under the Plan, and shall determine in its discretion the nature, terms, conditions and amount of each Award.
- 5.3 Representations of Employees, Consultants and Management Company Employee. Every instrument evidencing an Award granted to an Employee, Consultant or Management Company Employee shall contain a representation by the Corporation and the Participant that the Participant is a bona fide Employee, Consultant or Management Company Employee.

## **Article VI RESTRICTED SHARE UNITS**

- 6.1 Grant of Restricted Share Units. Subject to the terms and conditions of the Plan, the Committee, at any time and from time to time, may grant Restricted Share Units to Participants in such amounts and upon such terms as the Committee shall determine.
- 6.2 Restricted Share Unit Agreement. Each Restricted Share Unit grant shall be evidenced by an Award Agreement that shall specify the Period(s) of Restriction, the number of Restricted Share Units granted, the settlement date for Restricted Share Units, and any such other provisions as the Committee shall determine, provided that unless otherwise determined by the Committee or as set out in any Award Agreement, no Restricted Share Unit shall vest later than allowed by the Exchange Policies. The Committee shall impose, in the Award Agreement at the time of grant, such other conditions and/or restrictions on any Restricted Share Units granted pursuant to the Plan as it may deem advisable, including, without limitation, restrictions based upon the time-based restrictions on vesting or settlement and, restrictions under applicable laws or under the Exchange Policies.
- 6.3 Non-transferability of Restricted Share Units. The Restricted Share Units granted herein may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated until the date of settlement through delivery or other payment, or upon earlier satisfaction of any other conditions, as specified by the Committee in its sole discretion and set forth in the Award Agreement at the time of grant or thereafter by the Committee. All rights with

respect to the Restricted Share Units granted to a Participant under the Plan shall be available in accordance with Section 6.5 hereof.

6.4 Dividends and Other Distributions. During the Period of Restriction, Participants holding Restricted Share Units granted hereunder may, if the Committee so determines, be credited with Dividend Equivalents while they are so held in a manner determined by the Committee in its sole discretion. Dividend Equivalents shall not apply to an Award unless specifically provided for in the Award Agreement. The Committee may apply any restrictions to the Dividend Equivalents that the Committee deems appropriate. The Committee, in its sole discretion, may determine the form of payment of Dividend Equivalents, including cash or Awards. In the event the Committee determines to pay Dividend Equivalents in Awards, the maximum aggregate number of Shares issuable pursuant to the Awards must be included in calculating the limits set forth in this Plan, including, but not limited to, the limits set forth in Sections 4.1, 4.2 and 4.3. hereof In the event that a Dividend Equivalent payable in Awards would exceed any of the limits set out herein, the Corporation shall pay the Participant the cash sum equal to the FMV of the Shares issuable pursuant to the Awards multiplied by the number of Shares issuable pursuant to the Awards that would have exceeded the applicable limit if issued to the Participant.

6.5 Death, Disability, Retirement and Termination or Resignation of Employment. If the Award Agreement does not specify the effect of a termination or resignation of employment then the following default rules will apply:

- (a) Death: If a Participant dies while a Permitted Participant:
  - (i) all unvested Restricted Share Units as at the Termination Date shall automatically and immediately vest; and
  - (ii) all vested Restricted Share Units (including those that vested pursuant to Paragraph (i) above) shall be paid to the Participant's estate in accordance with the terms of the Plan and the Award Agreement, provided, however, that any such payment or settlement of Restricted Share Units to such Participant's estate must be completed within a period not exceeding twelve (12) months after the death of such Participant.
- (b) Disability: If a Participant ceases to be a Permitted Participant as a result of their Disability, then all Restricted Share Units remain and continue to vest in accordance with the terms of the Plan for a period of ninety (90) days (or such longer period not to exceed twelve (12) months as may be determined by the Board in its sole discretion) after the Termination Date, provided that any Restricted Share Units that have not vested within 90 days (or such longer period not to exceed twelve (12) months as may be determined by the Board in its sole discretion) after the Termination Date shall automatically and immediately expire and be forfeited on such date.
- (c) Retirement: If a Participant Retires while a Permitted Participant then the Board shall have the discretion, with respect to such Participant's Restricted Share Units, to determine: (i) whether to accelerate vesting of any or all of such Restricted Share Units, (ii) whether any of such Restricted Share Units shall be cancelled, with or without payment, and (iii) how long, if at all, such Restricted Share Units

may remain outstanding following the Termination Date; provided, however, that in no event shall such Restricted Share Units remain outstanding for more than twelve (12) months after the Termination Date.

- (d) Termination for cause: If a Participant ceases to be a Permitted Participant as a result of their termination for cause, then all Restricted Share Units, whether vested or not, as at the Termination Date shall automatically and immediately be forfeited.
- (e) Termination without cause or Voluntary Resignation: If a Participant ceases to be a Permitted Participant for any reason, other than as set out in Paragraphs (a) to (d) hereof, then, unless otherwise determined by the Board in its sole discretion, as of the Termination Date:
  - (i) all unvested Restricted Share Units shall automatically and immediately be forfeited; and
  - (ii) all vested Restricted Share Units shall be paid to the Participants in accordance with the terms of the Plan and the Award Agreement,

provided that all such awards shall:

- (f) expire within a reasonable period, not exceeding twelve (12) months, following the date the applicable Participant ceases to be a Permitted Participant; and
- (g) vest in accordance with Section 4.8 hereof.

6.6 Payment in Settlement of Restricted Share Units. When and if Restricted Share Units become payable, the Participant issued such Restricted Share Units shall be entitled to receive payment from the Corporation in settlement of such Restricted Share Units: (i) in a number of Shares (issued from treasury or purchased in the market by the Corporation) equal to the number of Restricted Share Units being settled, (ii) an amount in cash equivalent to the number of the outstanding Restricted Share Units held by such Participant multiplied by the FMV as at the applicable settlement date or Termination Date, (iii) in some combination thereof, or (iv) subject to prior written approval of the Exchange, if required, in such other form, all as determined by the Committee at its sole discretion, subject to the Exchange Policies. The Committee's determination regarding the form of payout shall be set forth or reserved for later determination in the Award Agreement for the grant of the Restricted Share Units.

## **Article VII BENEFICIARY DESIGNATION**

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

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

### **Article VIII RIGHTS OF PERMITTED PARTICIPANTS**

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

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

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

- 8.2 Participation. No Permitted Participant shall have the right to be selected to receive an Award. No Participant selected to receive an Award shall have the right to be selected to receive a future Award, or, if selected to receive a future Award, the right to receive such future Award on terms and conditions identical or in proportion in any way to any prior Award.
- 8.3 Rights as a Shareholder. A Participant shall have none of the rights of a Shareholder with respect to Shares covered by any Award until the Participant becomes the holder of such Shares.

### **Article IX CHANGE OF CONTROL**

- 9.1 Change of Control and Termination of Employment. Subject to Sections 4.8 and 10.2 hereof and the terms and provisions of any Award Agreement, in the event of a Change of Control, any Awards held by a Participant who ceases to be a Permitted Participant in connection with the Change of Control, shall, if determined by the Committee in its sole discretion, automatically vest either during the term of the Award or within 90 days after the date of such Change of Control, whichever first occurs.
- 9.2 Discretion to the Board. Notwithstanding any other provision of the Plan, in the event of an actual or potential Change of Control, the Board may, in its sole discretion, without the

necessity or requirement for the agreement of any Participant: (i) accelerate, conditionally or otherwise, on such terms as it sees fit (including, but not limited to those set out in (iii) and (iv) below), the vesting date of any Awards; (ii) permit the conditional redemption or exercise of any Awards, on such terms as it sees fit; (iii) otherwise amend or modify the terms of any Awards, including for greater certainty by (1) permitting Participants to exercise or redeem any Awards to assist the Participants to participate in the actual or potential Change of Control, or (2) providing that any Awards exercised or exercised shall be exercisable or redeemed for, in lieu of Shares, such property (including shares of another entity or cash) that Shareholders will receive in the Change of Control; and (iv) terminate, following the successful completion of a Change of Control, on such terms as it sees fit, the Awards not exercised or redeemed prior to the successful completion of such Change of Control.

- 9.3 Nonoccurrence of Change of Control. In the event that any Awards are conditionally exercised pursuant to Section 10.2 hereof and the Change of Control does not occur, the Board may, in its sole discretion, determine that any (i) Awards so exercised shall be reinstated as the type of Award prior to such exercise, and (ii) Shares issued be cancelled and any exercise or similar price received by the Corporation shall be returned to the Participant.
- 9.4 Agreement with Purchaser in a Change of Control. In connection with a Change of Control, the Board may be permitted to condition any acceleration of vesting on the Participant entering into an employment, confidentiality or other agreement with the purchaser in connection with the Change of Control as the Board deems appropriate.

## **Article X AMENDMENT AND TERMINATION**

- 10.1 Amendment and Termination. The Board may, at any time, suspend or terminate the Plan. Subject to compliance with any applicable law, including the Exchange Policies, the Board may also, at any time, amend or revise the terms of the Plan necessary to comply with any requirement of the Exchange. No such amendment of the Plan or Award Agreement may be made if such amendment would materially and adversely impair any rights arising from any Awards previously granted to a Participant under the Plan without the consent of the Participant or the representatives of his or her estate, as applicable.
- 10.2 Reduction of Grant or Exercise Price. Disinterested Shareholder approval as required by the Exchange Policies shall be obtained for any reduction in the grant or exercise price, or an extension of the term of an Award, if the Participant is an Insider of the Corporation at the time of the proposed amendment.

## **Article XI WITHHOLDING**

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

in either case on such conditions as the Committee specifies, provided, however, that any such withholding arrangement must comply with the Exchange Policies and shall not, without limitation, result in an alteration of the exercise price of an Award or create a "net exercise" feature, except where permitted under this Plan and pursuant to the Exchange Policies.

- 11.2 Acknowledgement. Each Participant acknowledges and agrees that the ultimate liability for all taxes legally payable by such Participant is and remains such Participant's responsibility and may exceed the amount actually withheld by the Corporation. Each Participant further acknowledges that the Corporation: (a) makes no representations or undertakings regarding the treatment of any taxes in connection with any aspect of the Plan; and (b) does not commit to and is under no obligation to structure the terms of the Plan to reduce or eliminate such Participant's liability for taxes or achieve any particular tax result. Further, if a Participant has become subject to tax in more than one jurisdiction, such Participant acknowledges that the Corporation may be required to withhold or account for taxes in more than one jurisdiction.

## **Article XII SUCCESSORS**

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

## **Article XIII GENERAL PROVISIONS**

- 13.1 Delivery of Title. The Corporation shall have no obligation to issue or deliver evidence of title for Shares issued under the Plan prior to:
- (a) Obtaining any approvals from governmental agencies that the Corporation determines are necessary or advisable; and
  - (b) Completion of any registration or other qualification of the Shares under any applicable law or ruling of any governmental body that the Corporation determines to be necessary or advisable.
- 13.2 Investment Representations. The Committee may require each Participant receiving Shares pursuant to an Award under the Plan to represent and warrant in writing that the Participant is acquiring the Shares for investment and without any present intention to sell or distribute such Shares.
- 13.3 No Fractional Shares. No fractional Shares shall be issued or delivered pursuant to the Plan or any Award Agreement. In such an instance, unless the Committee determines otherwise, fractional Shares and any rights thereto shall be forfeited or otherwise eliminated.
- 13.4 Other Compensation and Benefit Plans. Nothing in the Plan shall be construed to limit the right of the Corporation or an Affiliate to establish other compensation or benefit plans,

programs, policies or arrangements, including, without limitation, the Stock Option Plan. Except as may be otherwise specifically stated in any other benefit plan, policy, program or arrangement, no Award shall be treated as compensation for purposes of calculating a Participant's rights under any such other plan, policy, program or arrangement.

- 13.5 No Constraint on Corporate Action. Nothing in the Plan shall be construed (i) to limit, impair or otherwise affect the Corporation's or the Affiliates' right or power to make adjustments, reclassifications, reorganizations or changes in its capital or business structure, or to merge or consolidate, or dissolve, liquidate, sell or transfer all or any part of its business or assets, or (ii) to limit the right or power of the Corporation or the Affiliates to take any action which such entity deems to be necessary or appropriate.
- 13.6 Compliance with Canadian Securities Laws. All Awards and the issuance of Shares underlying such Awards issued pursuant to the Plan will be issued pursuant to an exemption from the prospectus requirements of Canadian securities laws where applicable.
- 13.7 Compliance with U.S. Securities Laws. All Awards and the issuance of Shares underlying such Awards issued pursuant to the Plan will be issued pursuant to the registration requirements of the U.S. Securities Act of 1933, as amended or an exemption from such registration requirements. If the Awards or Shares are not so registered and no such registration exemption is available, the Corporation shall not be required to issue any Shares otherwise issuable hereunder.

#### **Article XIV LEGAL CONSTRUCTION**

- 14.1 Gender and Number. Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine, the plural shall include the singular, and the singular shall include the plural.
- 14.2 Severability. In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.
- 14.3 Requirements of Law. The granting of Awards and the issuance of Shares under the Plan shall be subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or securities exchanges as may be required. The Corporation or an Affiliate shall receive the consideration required by law for the issuance of Awards under the Plan.
- The inability of the Corporation or an Affiliate to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Corporation or the Affiliate to be necessary for the lawful issuance and sale of any Shares hereunder, shall relieve the Corporation or the Affiliate of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.
- 14.4 Governing Law. The Plan and each Award Agreement shall be governed by the laws of the Province of British Columbia and the laws of Canada applicable therein excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of the Plan to the substantive law of another jurisdiction.